

FY 2009

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Training and Employment Services

TRAINING AND EMPLOYMENT SERVICES

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APPROPRIATION LANGUAGE

[(including rescissions)]

For necessary expenses of the Workforce Investment Act of 1998 [("WIA"), the Denali Commission Act of 1998, and the Women in Apprenticeship and Non-Traditional Occupations Act of 1992] (*the "Act"*), including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the [WIA; \$3,608,349,000] *Act*, \$3,060,923,000, plus reimbursements, is available. Of the amounts provided:

(1) for grants to States for adult employment and training activities, youth activities, and dislocated worker employment and training activities, [\$2,994,510,000] \$2,495,456,000 as follows:

(A) [\$864,199,000]\$712,000,000 for adult employment and training activities, [of which \$152,199,000 shall be available for the period July 1, 2008 to June 30, 2009, and of which \$712,000,000] *which* shall be available for the period October 1, [2008]2009 through June 30, [2009]2010;

(B) [\$940,500,000]\$840,500,000 for youth activities, which shall be available for the period April 1, [2008]2009 through June 30, [2009]2010; and

(C) [\$1,189,811,000]\$942,956,000 for dislocated worker employment and training activities, of which [\$341,811,000]\$94,956,000 shall be available for the period July 1, [2008]2009 through June 30, [2009]2010, and of which \$848,000,000 shall be available for the period October 1, [2008]2009 through June 30, [2009]2010:

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Provided, That notwithstanding the transfer limitation under section 133(b)(4) of the WIA Act, up to [30]40 percent of such funds may be transferred by a local board if approved by the Governor;

Provided further, That notwithstanding sections 127(c) and 132(c) of the Act, for program year 2008 the Secretary shall reallocate from States for the youth, adult and dislocated worker formula fund programs under title I of the Act, the amounts by which the unexpended balance in a State for such program at the end of program year 2007 exceeds 30 percent of the total amount available for such program in such State for program year 2007 (including funds appropriated herein and funds appropriated for previous years that were available during program year 2007), to those States that did not have such unexpended balances for such program at the end of such year, and such reallocations shall be made using the formula applicable to such program for program year 2008 except that such formula shall only be applied to those States receiving reallocations for such program under this proviso: Provided further, That notwithstanding sections 128(c) and 133(c) of the Act, for program year 2008 the Governor may reallocate from local workforce investment areas, for the youth, adult, and dislocated worker formula fund programs under title I of the Act, the amounts by which the unexpended balance in a local workforce investment area for any such program at the end of program year 2007 exceeds 30 percent of the total amount available for such program in such workforce investment area for such year (including the local funds appropriated for previous program years that were available during program year 2007), to those local workforce investment areas that did not have such unexpended balances for such program at the end of such year, and such reallocations shall be made using the formula applicable to such program for program year 2008 except that such formula shall only be applied to those local workforce investment areas receiving reallocations for such program under this proviso;

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(2) \$125,000,000 to carry out the Community-Based Job Training Grants;

(3) for federally administered programs, [\$477,873,000]\$375,867,000 as follows:

(A) [\$282,092,000]\$280,867,000 for the dislocated workers assistance national reserve, [of which \$6,300,000 shall be available on October 1, 2007], of which [\$63,792,000]\$68,867,000 shall be available for the period July 1, [2008]2009 through June 30, [2009]2010, and of which \$212,000,000 shall be available for the period October 1, [2008]2009 through June 30, [2009]: Provided, That up to \$125,000,000 may be made available for Community-Based Job Training grants from funds reserved under section 132(a)(2)(A) of the WIA and shall be used to carry out such grants under section 171(d) of such Act, except that the 10 percent limitation otherwise applicable to the amount of funds that may be used to carry out section 171(d) shall not be applicable to funds used for Community-Based Job Training grants: Provided further, That funds provided to carry out section 132(a)(2)(A) of the WIA may be used to provide assistance to a State for State-wide or local use in order to address cases where there have been worker dislocations across multiple sectors or across multiple local areas and such workers remain dislocated; coordinate the State workforce development plan with emerging economic development needs; and train such eligible dislocated workers: Provided further, That funds provided to carry out section 171(d) of the WIA may be used for demonstration projects that provide assistance to new entrants in the workforce and incumbent workers: Provided further, That \$2,600,000 shall be for a noncompetitive grant to the National Center on Education and the Economy, which shall be awarded not later than 30 days after the date of enactment of this Act: Provided further, That \$1,500,000 shall be for a non-competitive grant to the AFL-CIO Working for America Institute, which shall be awarded not later than 30 days after the date of enactment of this Act: Provided further, That \$2,200,000 shall be for a non-competitive grant to the AFL-

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CIO Appalachian Council, Incorporated, for Job Corps career transition services, which shall be awarded not later than 30 days after the date of enactment of this Act]2010;

(B) [~~\$53,696,000~~]~~\$45,000,000~~ for Native American programs, which shall be available for the period July 1, [2008]2009 through June 30, [2009]2010; and

[(C) \$81,085,000 for migrant and seasonal farmworker programs under section 167 of the WIA, including \$75,610,000 for formula grants (of which not less than 70 percent shall be for employment and training services), \$4,975,000 for migrant and seasonal housing (of which not less than 70 percent shall be for permanent housing), and \$500,000 for other discretionary purposes, which shall be available for the period July 1, 2008 through June 30, 2009: Provided, That, notwithstanding any other provision of law or related regulation, the Department shall take no action limiting the number or proportion of eligible participants receiving related assistance services or discouraging grantees from providing such services;

(D) \$1,000,000 for carrying out the Women in Apprenticeship and Nontraditional Occupations Act, which shall be available for the period July 1, 2008 through June 30, 2009;

and (E) ~~\$60,000,000~~[(C) \$50,000,000 for YouthBuild activities as described in section 173A of the [WIA, which shall be available for the period April 1, 2008 through June 30, 2009]Act;
and

[(3)](4) for national activities, [~~\$135,966,000~~, which shall be available for the period July 1, 2008 through July 30, 2009]~~\$64,600,000~~ as follows:

(A) [~~\$49,370,000~~ for Pilots, Demonstrations, and Research, of which \$5,000,000 shall be for grants to address the employment and training needs of young parents (notwithstanding the requirements of section 171(b)(2)(B) or 171(c)(4)(D) of the WIA): Provided, That funding provided to carry out projects under section 171 of the WIA that are identified in the explanatory

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statement described in section 4 (in the matter preceding division A of this consolidated Act), shall not be subject to the requirements of sections 171(b)(2)(B) and 171(c)(4)(D) of the WIA, the joint funding requirements of sections 171(b)(2)(A) and 171(c)(4)(A) of the WIA, or any time limit requirements of sections 171(b)(2)(C) and 171(c)(4)(B) of the WIA]\$39,600,000 for ex-offender activities under the authority of section 171 of the Act, notwithstanding the requirements of sections 171(b)(2)(B) or 171(c)(4)(D), which shall be available for the period July 1, 2009 through June 30, 2010;

(B) [\$74,800,000 for ex-offender activities, under the authority of section 171 of the Act, notwithstanding the requirements of section 171(b)(2)(B) or 171(c)(4)(D), of which not less than \$55,000,000 shall be for youthful offender activities: Provided, That \$50,000,000 shall be available from program year 2007 and program year 2008 funds for competitive grants to local educational agencies or community-based organizations to develop and implement mentoring strategies that integrate educational and employment interventions designed to prevent youth violence in schools identified as persistently dangerous under section 9532 of the Elementary and Secondary Education Act]\$16,000,000 for Pilots, Demonstrations, and Research, which shall be available for the period July 1, 2009 through June 30, 2010; and

(C) [\$4,921,000]\$9,000,000 for Evaluation [under section 172 of the WIA; and,] which shall be available for the period July 1, 2009 through June 30, 2010

[(D) \$6,875,000 for the Denali Commission, which shall be available for the period July 1, 2008 through June 30, 2009. Of the amounts made available under this heading in Public Law 107-116 to carry out the activities of the National Skills Standards Board, \$44,000 are rescinded. Of the unexpended balances remaining from funds appropriated to the Department of Labor under this heading for fiscal years 2005 and 2006 to carry out the Youth, Adult and Dislocated

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Worker formula programs under the Workforce Investment Act, \$250,000,000 are rescinded:

Provided, That the Secretary of Labor may, upon the request of a State, apply any portion of the State's share of this rescission to funds otherwise available to the State for such programs during program year 2007: Provided further, That notwithstanding any provision of such Act, the Secretary may waive such requirements as may be necessary to carry out the instructions relating to this rescission in House Report 110-424.] (Department of Labor Appropriations Act, 2008.)

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EXPLANATION OF LANGUAGE CHANGE

No Change except funding level and years.

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ANALYSIS OF APPROPRIATION LANGUAGE

Language Provision

...that notwithstanding the transfer limitation under section 133(b)(4) of such Act, up to 40 percent of such funds may be transferred by a local board if approved by the Governor:

Analysis of Language

Permits the transfer of funds between Adult and Dislocated Worker programs at the local level at a higher rate than the 30 percent allowed by authorization.

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AMOUNTS AVAILABLE for OBLIGATION						
(Dollars in Thousands)						
	FY 2007 Comparable		FY 2008 Estimate		FY 2009 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	2,671,549	0	1,836,349	0	1,288,923
Reduction pursuant to (P.L. 110-161)	0	0	0	-32,081	0	0
Other Supplementals and Rescissions	0	0	0	0	0	0
Appropriation, Revised	0	2,671,549	0	1,804,268	0	1,288,923
Real Transfer to:	0	0	0	0	0	0
Job Corps Transfer to Departmental						
Mgt	0	-959,277	0	0	0	0
Real Transfer from:	0	0	0	0	0	0
Job Corps Transfer from Departmental						
Mgt	0	959,277	0	0	0	0
SUIESO to CAA in TES	0	0	0	0	0	49,677
A.1) Subtotal Appropriation (adjusted)	0	2,671,549	0	1,804,268	0	1,338,600
Offsetting Collections From:	0	0	0	0	0	0
Reimbursements	0	45,260	0	24,000	0	24,000
Trust Funds	0	0	0	0	0	0
Fees	0	134,199	0	125,000	0	125,000
A.2) Advance Appropriation	0	2,463,000	0	1,772,000	0	1,772,000
Reduction pursuant to (P.L. 110-161)	0	0	0	-30,957	0	0
Real Transfer to:	0	0	0	0	0	0
Job Corps Transfer to Departmental						
Mgt	0	-619,000	0	0	0	0
Real Transfer from:	0	0	0	0	0	0
Job Corps Transfer from Departmental						
Mgt	0	619,000	0	0	0	0
A.2) Subtotal [positive entry]	0	2,642,459	0	1,890,043	0	1,921,000
B. Gross Budget Authority	0	5,314,008	0	3,694,311	0	3,259,600
Offsetting Collections	0	0	0	0	0	0
Deduction:	0	0	0	0	0	0
Reimbursements	0	-45,260	0	-24,000	0	-24,000
Fees	0	-134,199	0	-125,000	0	-125,000
B.1) Subtotal	0	-179,459	0	-149,000	0	-149,000
C. Budget Authority	0	5,134,549	0	3,545,311	0	3,110,600
Before Committee	0	5,134,549	0	3,545,311	0	3,110,600
Offsetting Collections From:	0	0	0	0	0	0
Reimbursements	0	24,000	0	24,000	0	24,000
Fees	0	125,000	0	125,000	0	125,000
C.1) Subtotal	0	149,000	0	149,000	0	149,000
D. Total Budgetary Resources	0	5,283,549	0	3,694,311	0	3,259,600
Other Unobligated Balances	0	-4,494	0	-250,044	0	0
Unobligated Balance Expiring	0	0	0	0	0	0
E. Total, Estimated Obligations	0	5,279,055	0	3,444,267	0	3,259,600

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SUMMARY OF CHANGES			
(Dollars in Thousands)			
	FY 2008 Estimate	FY 2009 Request	Net Change
Budget Authority			
General Funds	3,545,311	3,110,600	-434,711
Trust Funds	0	0	0
Total	3,545,311	3,110,600	-434,711
Full Time Equivalents			
General Funds	0	0	0
Trust Funds	0	0	0
Total	0	0	0

Explanation of Change	FY 2008 Base		Trust Funds		FY 2009 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
B. Programs:								
To Provide for an increase for Community-Based Job Training Grants	0	0	0	0	0	125,000	0	125,000
To provide for an increase for Evaluation to restore funds for ETAs ongoing and multi-year program evaluation studies.	0	4,835	0	0	0	4,165	0	4,165
To provide for an increase for Pilots, Demos and Research for the WIA Gold Standard Random Assignment Study	0	48,508	0	0	0	3,000	0	3,000
Programs Subtotal			0	0	0	+132,165	0	+132,165
C. Financing:								
To reflect a transfer to Career Advancement Account (CAA) in TES from WOTC in SUIESO (Legislative Proposal) - Base is in SUIESO	0	0	0	0	0	17,677	0	17,677
To reflect a transfer to CAA in TES from Workforce Info/Nat/Electronic Tools/Sys Bldg in SUIESO (Legislative Proposal) - Base is in SUIESO	0	0	0	0	0	32,000	0	32,000
Financing Subtotal			0	0	0	+49,677	0	+49,677
Total Increase	0	0	0	0	0	+181,842	0	+181,842
Decreases:								
A. Built-Ins:								

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Explanation of Change	FY 2008 Base		Trust Funds		FY 2009 Change General Funds		Total	
To Provide For:								
B. Programs:								
To reflect a reduction in Adult Employment and Training Activities	0	849,101	0	0	0	-137,101	0	-137,101
To reflect a reduction in Dislocated Workers Employment and Training Activities	0	1,448,189	0	0	0	-222,366	0	-222,366
To reflect a reduction in Pilots, Demonstrations, and Research to eliminate earmarks provided in the FY 2008 Omnibus Bill	0	48,508	0	0	0	-35,508	0	-35,508
To reflect a reduction in Re-integration of Ex-Offenders Employment and Training Activities	0	73,493	0	0	0	-33,893	0	-33,893
To reflect a reduction in Youth Employment and Training Activities	0	924,069	0	0	0	-83,569	0	-83,569
To reflect elimination of the Migrant and Seasonal Farmworker program	0	79,668	0	0	0	-79,668	0	-79,668
To reflect elimination of Women in Apprenticeship program	0	983	0	0	0	-983	0	-983
To reflect reduction in the Indian and Native American program	0	52,758	0	0	0	-7,758	0	-7,758
To reflect reduction in the YouthBuild program	0	58,952	0	0	0	-8,952	0	-8,952
To reflect the elimination of funds for the Denali Commission (Earmark)	0	6,755	0	0	0	-6,755	0	-6,755
Programs Subtotal			0	0	0	-616,553	0	-616,553
C. Financing:								
Total Decrease	0	0	0	0	0	-616,553	0	-616,553
Total Change	0	0	0	0	0	-434,711	0	-434,711

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SUMMARY BUDGET AUTHORITY and FTE by ACTIVITY

(Dollars in Thousands)

	FY 2009							
	FY 2007 Comparable		FY 2008 Estimate		Current Law		Legislative Proposal	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Career Advancement								
Accounts	0	0	0	0	0	0	0	2,826,000
General Funds	0	0	0	0	0	0	0	2,826,000
Adult Employment and Training Activities	0	864,199	0	849,101	0	712,000	0	0
General Funds	0	864,199	0	849,101	0	712,000	0	0
Dislocated Workers Employment and Training Activities	0	1,471,903	0	1,446,189	0	1,223,823	0	0
General Funds	0	1,471,903	0	1,446,189	0	1,223,823	0	0
Youth Activities	0	940,500	0	924,069	0	840,500	0	0
General Funds	0	940,500	0	924,069	0	840,500	0	0
WIA Competitive Grants - Ex-Offender Activities	0	68,746	0	73,493	0	39,600	0	39,600
General Funds	0	68,746	0	73,493	0	39,600	0	39,600
Reintegration of Ex-Offenders	0	0	0	73,493	0	39,600	0	39,600
General Funds	0	0	0	73,493	0	39,600	0	39,600
Responsible Reintegration of Youthful Offenders	0	49,104	0	0	0	0	0	0
General Funds	0	49,104	0	0	0	0	0	0
Prisoner Reentry Initiative	0	19,642	0	0	0	0	0	0
General Funds	0	19,642	0	0	0	0	0	0
WIA Competitive Grants - Community Based Job Training	0	0	0	0	0	125,000	0	125,000
General Funds	0	0	0	0	0	125,000	0	125,000
WIA National Activities	0	21,101	0	54,326	0	25,000	0	25,000
General Funds	0	21,101	0	54,326	0	25,000	0	25,000
Pilots, Demonstrations and Research	0	14,700	0	48,508	0	16,000	0	16,000
General Funds	0	14,700	0	48,508	0	16,000	0	16,000
Evaluation	0	4,921	0	4,835	0	9,000	0	9,000
General Funds	0	4,921	0	4,835	0	9,000	0	9,000

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Technical Assistance	0	480	0	0	0	0	0	0
General Funds	0	480	0	0	0	0	0	0
Women in Apprenticeship	0	1,000	0	983	0	0	0	0
General Funds	0	1,000	0	983	0	0	0	0
Denali Commission	0	6,875	0	6,755	0	0	0	0
General Funds	0	6,875	0	6,755	0	0	0	0
Indian and Native American Programs	0	53,696	0	52,758	0	45,000	0	45,000
General Funds	0	53,696	0	52,758	0	45,000	0	45,000
Migrant and Seasonal Farmworkers	0	79,752	0	79,668	0	0	0	0
General Funds	0	79,752	0	79,668	0	0	0	0
Youthbuild	0	49,500	0	58,952	0	50,000	0	50,000
General Funds	0	49,500	0	58,952	0	50,000	0	50,000
Total	0	3,556,272	0	3,545,311	0	3,060,923	0	3,110,600
General Funds	0	3,556,272	0	3,545,311	0	3,060,923	0	3,110,600

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BUDGET AUTHORITY by OBJECT CLASS				
(Dollars in Thousands)				
	FY 2007 Comparable	FY 2008 Estimate	FY 2009 Request	FY 09 Request/FY 08 Estimate
Full-Time Equivalent				
25.1 Advisory and assistance services	27,034	34,595	15,000	-19,595
41.0 Grants, subsidies, and contributions	3,529,238	3,510,716	3,095,600	-415,116
Total	3,556,272	3,545,311	3,110,600	-434,711

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EMPLOYMENT AND TRAINING ADMINISTRATION

SIGNIFICANT ITEMS IN APPROPRIATION COMMITTEES' REPORTS

Submission of Quarterly Reports

House: The Committee directs the Department of Labor to continue to submit quarterly reports to the House and Senate Appropriations Committees on the status of grants made from H-1B fees, national emergency grants (including grants made under the up to 10 percent authority for dislocated worker demonstration and pilot projects), high-growth job training initiative awards from all sources, and awards made for pilot, demonstration, multi-service, research, and multi-State projects. These reports shall be submitted to the House and Senate Committees on Appropriations no later than 15 days after the end of each quarter and shall summarize by funding source all grants awarded. This report shall also include a list of all awards made during the quarter and for each award shall include the grantee; the amount of the award; the funding source of the award; whether the award was made competitively or by sole source and, if sole source, the justification; the purpose of the award, the number of workers to be trained, and other expected outcomes. This will allow for continued evaluation of the use of sole-source contracting for those remaining grants where the bill does not require competitive procurement.

Response: The Department will continue to comply with the request to submit quarterly reports on the status of funding awarded under H-1B fees, National Emergency Grants, the High Growth Job Training Initiative, and pilot, demonstration, and research activities.

Employment Service and Workforce Investment Act Coordination

House: There is evidence that the core services of the adult, dislocated and youth programs at local One-Stop Career Centers sometimes overlap with the statewide labor exchange services provided with funds in the state unemployment insurance and employment services operations account. This diminishes the overall effectiveness of the two programs by creating unnecessary duplication. Assuring that labor exchange and other services provided by State agencies under the Wagner-Peyser Act serve as the primary source of those core services within local one-stop systems would free up WIA funds to focus on intensive services and training. To address this overlap, the Committee instructs the Department to establish guidance to require that local one-stop career centers have coordination agreements with the Employment Service and to ensure that personnel funded out employment service allotments to States are the primary providers of labor exchange services within one-stop career centers. To the maximum extent possible, the Department should ensure that adult, dislocated and youth funds primarily support the provision of training and more intensive services required

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by individuals who are not able to secure employment through core services. The Department should request that State and local plans include the establishment of coordination agreements and should establish measures to ensure that local entities comply with this guidance.

Response: ETA recognizes the potential for duplication of efforts within the workforce investment system and has been proactive in attempting to eliminate redundancy. The Department has continuously supported and promoted legislation that would consolidate the WIA and Wagner-Peynser funded programs to reduce duplication, increase efficiency, and provide better service to customers. The Department has also provided extensive policy guidance, monitoring, and technical assistance to the states.

In the past year, The Department has used the WIA state planning process as a vehicle for state workforce investment boards to set forth policy expectations for program integration. All states were required to submit a plan that: 1) described policies put in place to change or modify barriers to integration; 2) described more efficient use of administrative resources, such as eliminating duplicative facility and operations costs; (3) promoted models or strategies for local use that support integration; (4) described how services provided through One-Stop partners will be coordinated; and (5) described how the state will coordinate Wagner-Peyser Act funds to avoid duplication.

Career Advancement Accounts

House: The Committee is concerned that the Department has used dislocated worker assistance national reserve funds, and other pilot and demonstration resources, to advance the Administration's career advancement account proposal, and its predecessor proposal for personal reemployment accounts, and directs that no additional grants be made for these activities prior to a specific authorization of this approach.

Response: ETA will comply with the Committee's request and will not use FY 2008 Appropriations for Career Advance Account or Personal Reemployment Account activities.

Dislocated Worker National Reserve

House: The Committee recommendation includes \$282,092,000 for the national reserve, which supports national emergency grants to respond to mass layoffs, plant and/or military base closings, and natural disasters across the country, which cannot otherwise be anticipated, and for statewide and multiple sector activities, as well as technical assistance and training and demonstration projects. The Committee recommends that these activities be coordinated with area economic development needs.

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Response: ETA believes that talent development activities promote economic development because skilled workers are the foundation of successful businesses. A base of talented workers allows companies to grow and expand and compete in the global economy. National Emergency Grants (NEGs) support intensive talent development strategies and can help workers affected by economic shocks or natural disasters to get back to work in industries that offer sustainable and growth careers. NEGs also provide additional resources to support individuals in training programs to ensure that they complete critical skills courses to allow them to compete for the best jobs in the future.

ETA has also begun taking a more direct approach to supporting economic development within regional economies across the country by offering Regional Innovation Grants (RIGs) to states and local workforce areas. Funded through the national reserve, RIGs are resources intended entirely for strategic planning around identified regional economies. RIGs allow regions to bring together key leadership, including workforce development, employers, economic developers, educators, foundations, investors, and other critical stakeholders, to create a vision of transformation for the regional economy. RIG funds allow regions to undertake important research and analysis of economic and other labor market data, in conjunction with economic development strategies for the region, to identify the growing or targeted industries that will allow the region to achieve economic success in the global market.

House: The Committee supports the efforts of the Department in making dislocated worker assistance national reserve funds available for grants to the States to provide 'gap filler' services to Trade Adjustment Act (TAA) participants to maximize the number of trade-certified workers who will qualify for the health coverage tax credit. Nevertheless, the Committee believes that increased outreach and support is needed to States to provide these 'gap filler' services, and that health care coverage assistance should be extended to dislocated workers awaiting TAA certification.

Response: ETA has undertaken a number of strategies to help maximize the number of TAA participants enrolled in HCTC. ETA has engaged in an extensive number of outreach efforts and continues to review ongoing efforts and investigate supplemental strategies to ensure that all eligible participants receive the full range of benefits of HCTC and the TAA program. ETA provided guidance to states on "gap filler" payments through the national reserve funds through Training and Employment Guidance Letter 20-02 Change 1, issued May 13, 2004. This guidance discusses the use of National Emergency Gap (NEG) funds for "gap filler" payments to TAA certified dislocated workers, estimating that a "best guess" on percentage of the entire HCTC potentially eligible population taking advantage of the program was 50% and likely much lower due to a number of barriers, of which gap in premium payments is but one. However, the Department

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continues to work with the IRS and the HCTC office in conjunction with states to overcome the structural and other barriers that create challenges to enrollment.

The Trade Act of 2002 and ETA's subsequent guidance on HCTC and "gap filler" or "bridge" payments (TEGL 10-02) defined an HCTC eligible individual as: a) receiving or eligible for Trade Readjustment Allowance (TRA), b) receiving benefits of the Alternative Trade Adjustment Assistance program, or c) 55 years of age or older and is receiving a pension benefit paid in whole or part by the Pension Benefit Guaranty Corporation (PBGC). While this means that dislocated workers awaiting TAA certification will not be eligible, the Department has worked to decrease the amount of time required to certify petitions for TAA, allowing affected workers to more quickly be enrolled in a "gap filler" payment process and avoid a loss of coverage. Including "potential" TAA participants as eligible for "gap filler" funds could avoid loss of coverage in the short term, but those "potential" participants cannot obtain HCTC unless they meet the statutory eligibility requirements. Eligibility for HCTC and subsequently NEG "gap filler" funds is based upon the language in the Trade Act of 2002.

Job Training for Employment in High Growth Industries

Senate: The Committee continues to have a strong interest in the initiatives funded from H-1B fees for job training services and related capacity-building activities. The Committee is concerned that 90 percent of the funds made available under the High Growth Job Training Initiative have not been awarded on a competitive basis. The Committee recommendation continues language similar to that included in last year's bill which requires awards under the High Growth Job Training Initiative, Community-Based Job Training Grants and Workforce Innovation in Regional Economic Development initiative to be made on a competitive basis.

Response: ETA has been competitively awarding 100 percent of funds for these initiatives since early 2007 and will continue to do so.

Addressing the Nursing Shortage

Senate: The Committee encourages the Department to consider ways to support nursing schools efforts to address this workforce shortage, including methods of alleviating the nurse faculty shortage.

Response: ETA maintains a strong commitment to addressing the workforce needs of the health care industry and continues to support the development of new and innovative training models, including the critical shortage of nurses. To date, under the High Growth Job Training Initiative and the Community-Based Job Training Grants, ETA has funded 76 model and demonstration projects reflecting an investment of over \$127 million to address the shortage of nurses.

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Community-based Job Training Grants

House: The Committee repeats a request that all applicants describe the role area one-stop centers will play in the proposed project in their applications. The Committee is interested in programs that result in training outcomes and instructs the Department to give priority to grant applications that will result in participants obtaining industry-recognized credentials. The Committee requests that the Secretary provide a report to the House and Senate Committees on Appropriations by March 1, 2008 on training outcomes achieved thus far by community college grantees.

Response: In the three previous Community-Based Job Training Grant Solicitations for Grant Applications (SGA), the workforce investment system overall was a required partner, including One-Stop Career Centers. Applications were required to describe the role of the workforce system partner and evaluated based on the strength and comprehensiveness of the partnership. Additionally, in the three previous SGAs, training under the grant was required to result in college credit or other credentials that are industry-recognized and indicate a level of mastery and competence in a given field or function. Finally, grantees are required to report to ETA their outcomes related to training, including enrollment in training, completion of training, number of certifications awarded, and ETA's common measures of entered employment, retention and earnings. Using the information reported by grantees, ETA will provide the requested report to the House and Senate Appropriations Committees.

Senate: The Committee recommendation includes a general provision requiring these grants to be awarded competitively.

Response: ETA has awarded Community-Based Job Training Grants competitively and will continue this practice.

Migrant and Seasonal Farmworkers

House: The Committee is concerned about the use of funds for temporary housing and the conditions under which these funds are used. The Committee directs the Department of Labor to report by March 1, 2008 on the use of farmworker housing funds. In particular, the Department should provide information on the amount of funds used for permanent and temporary housing activities, respectively, a list of the communities served, a list of the grantees and the States in which they are located, the total number of individuals or families served, and a list of allowable temporary housing activities.

Response: As requested, ETA will provide the Committee with a report on the use of farmworker housing funds.

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House: Finally, the Committee wishes to again advise the Department regarding the requirements of the Workforce Investment Act in selecting an eligible entity to receive a State service area grant under section 167. Such an entity must have already demonstrated a capacity to administer effectively a diversified program of workforce training and related assistance for eligible migrant and seasonal farmworkers.

Senate: Finally, the Committee wishes to again advise the Department regarding the requirements of the Workforce Investment Act in selecting an eligible entity to receive a State service area grant under section 167. Such an entity must have already demonstrated a capacity to administer effectively a diversified program of workforce training and related assistance for eligible migrant and seasonal farmworkers.

Response: The Department will consider the Committees' advice when determining the distribution of funds to be used for Section 167 training, technical assistance, and related activities.

Closures of U.S. Pineapple Plantations

Senate: The Committee is aware of the economic diversification opportunity brought on by the recent closures of U.S. pineapple plantations and encourages the Department to consider possible collaborations between State and statewide agricultural organizations that sponsor multi-culturally sensitive on-farm food safety training to mitigate worker dislocation

Response: In 2007, two closures of pineapple plantations in Hawaii generated the following actions:

- ETA awarded a \$569,230 National Emergency Grant (NEG) to the Hawaii Department of Labor and Industrial Relations for the purpose of providing reemployment services and job training for workers who lost jobs when Del Monte discontinued operations in Kunia (Oahu), Hawaii.
- ETA approved Trade Adjustment Assistance (TAA) for former Del Monte workers enabling them to receive job training and extended unemployment payments. Because a significant number of workers were older, ETA also approved Alternative Trade Adjustment Assistance (ATAA), which provides additional benefits for those 50 years of age and older.
- ETA approved TAA for workers affected by the closure of Maui Pineapple Cannery Division in Kahului, HI, enabling them to receive job training and extended unemployment payments. Because a significant number of workers were older, ETA also approved ATAA.

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YouthBuild

House: The Committee recognizes the importance of skilled trades training and education in construction to helping troubled youth become members of this high growth industry's workforce. The Committee encourages the Department to seek out the experience of employer-based groups and labor-management partnerships to help students enrolled in the YouthBuild program reap the benefits of skilled trades training and career opportunities in the building industry

Response: The Department recognizes the need to reach out to employer-based groups and labor-management partnerships and will explore ways to partner with these organizations when such partnerships will benefit youth enrolled in the YouthBuild program.

Ex-Offender Programs

Omnibus: The Department should use \$29,000,000 provided in this Act, along with \$21,000,000 in funds made available under the fiscal year 2007 appropriation for youthful offenders, for this purpose and issue a solicitation of grant agreements on a timeline that provides for the incorporation of both the fiscal year 2007 and fiscal year 2008 contributions to the enhanced effort to assist persistently dangerous schools in mentoring efforts to prevent youth violence in high crime areas.

Response: ETA acknowledges the need to address violence in schools and recognizes mentoring efforts as an effective means of preventing youth violence in high crime areas. In FY 2006, the Department implemented a program that supports five public school districts in their efforts to reduce youth involvement in gangs. The Department will use FY 2007 and FY 2008 Appropriations in part to continue to support mentoring and other strategies that address the problem of youth violence in high crime areas.

House: The Committee urges the Department to include the approach piloted under the incarcerated veterans transition program in competitions for funding under this program to ensure that the employment needs of this population are addressed.

Response: ETA recognizes the need to employ program strategies consistent with the needs of formerly incarcerated veterans. The Agency has worked with the Department's Veterans Employment and Training Service to help ensure that the employment and training needs of ex-offender veterans are met.

Senate: The Committee urges the Department to award grants to organizations that will: 1) implement programs, practices, or strategies shown in well-designed randomized controlled trials to have sizable, sustained effects on important workforce and reintegration outcomes; 2) adhere closely to the specific elements of the proven program, practice, or strategy; and 3) obtain sizeable matching

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funds for their project from other Federal or non-Federal sources, such as the Adult Training formula grant program authorized under the Workforce Investment Act of 1998, or State or local programs.

Response: ETA acknowledges the need to implement proven practices and strategies that have demonstrated sizable and sustained effects on workforce and reintegration outcomes. ETA's grant solicitations support programs that employ strategies and service delivery models that have proven success in helping ex-offenders reintegrate into education and the workforce. ETA encourages grantees to leverage resources beyond Federal funds to ensure the sustainability of their programs and also works to ensure that public workforce funds, authorized under the Workforce Investment Act, are integrated into all programs.

Pilots, Demonstrations, and Research

House: The Committee encourages the Department to re-assess the performance measures currently in use for pilots, demonstrations, evaluation and research. The ones currently utilized are process goals that don't address how such funds are used to improve the effectiveness of Department programs. The Committee bill also includes language under section 105 of the general provisions that requires the Department to submit an operating plan by July 1, 2008 which details the planned expenditure of these funds

Senate: The Committee encourages the Department to re-assess the performance measures currently in use for pilots, demonstrations, evaluation and research. The ones currently utilized are process goals that don't address how such funds are used to improve the effectiveness of Department programs. The Committee bill also includes language under section 105 of the general provisions that requires the Department to submit an operating plan by July 1, 2008 which details the planned expenditure of these funds

Response: ETA will consider the performance measures used for pilots, demonstrations, evaluation, and research in future budget requests. ETA will submit the requested operating plan to the House and Senate Appropriations Committees.

House: The Committee intends that competitive awards be made to local workforce investment boards, one-stop career centers, community-based organizations (CBOs), community colleges, and other applicants that demonstrate linkages to the local workforce investment system. Eligible projects should provide a range of activities including education and training leading to skills and credentials valued in the local labor market, career ladder programs, paid work experience, supportive services, and counseling on self-sufficiency measures particular to the local community, as well as post-employment retention and advancement supportive services. Projects are to be encouraged to serve young parents in high-risk categories, including those under the jurisdiction of the justice system, in the child welfare or foster care system, homeless individuals, or victims of child

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abuse. The Department should assure that pilot projects adhere to common performance measures and be subject to evaluation. The Committee directs that the Employment and Training Administration administer the pilot program in partnership with the Women's Bureau.

Response: ETA will work to develop and implement a pilot program focused on the employment training needs of young parents as outlined by the House Appropriations Committee.

Workforce Innovation in Regional Economic Development

House: The bill also includes language that requires that funds available to the Department under the American Competitiveness and Workforce Improvement Act be available only for grants for training in the occupations and industries for which employers use the visas that generate these funds, and that related activities be limited to those necessary to support such training. The Committee does not apply this restriction to competitive grant awards made in response to solicitations issued prior to April 15, 2007, or to the grants authorized to assist States in addressing the gap in health coverage for trade-impacted workers. This permits the Department to fund the obligations made in three rounds of Workforce Innovation in Regional Economic Development (WIRED) grants to States. To the extent possible, however, the Committee urges that WIRED grantees be asked to address the training needs in their regions for the same target industries and occupations identified in this section. The Committee urges that preference for these grants be given to sector-based approaches that involve multiple employers, including those that involve labor-management partnerships, to address skill shortages. The Committee is also interested in career ladder approaches in targeted industries, including information technology, engineering and advanced manufacturing, and health care.

Response: ETA will comply with the Committee's direction to make funds available under the American Competitiveness and Workforce Improvement Act (ACWIA) only for grants for training in the occupations and industries for which employers use the visas that generate these funds, and that related activities be limited to those necessary to support such training. Regarding the Committee's preference that grant funds be awarded for sector-based approaches, the strategies undertaken by the WIRED regions are focused on the high growth industries in each regional economy, such as information technology, advanced manufacturing and health care. ETA agrees with the value of sector-based approaches and grants awarded from this funding source will continue to focus on high growth industries and economic sectors in the American economy.

Stakeholder Participation

Senate: The Committee believes that the public workforce system is strengthened by the effective participation of all of the stakeholders in the system and urges that the

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Department use a portion of its discretionary funds to support that participation through grants and contracts to intergovernmental, business, labor, and community-based organizations dedicated to training and technical assistance in support of Workforce Investment Boards and their members.

Response: The Department shares the Committee's interest in assuring the workforce investment system at all levels is actively collaborating with key stakeholders such as business and industry, education, economic development, community and faith-based organizations, and others. To build workforce system capacity in this area, the Department has employed a number of strategies:

- The Department launched an interactive Web site, Workforce3One, in early 2005 (see www.workforce3one.org). The Workforce3 One Web site offers the public workforce investment system, employers, economic development professionals, and education professionals an innovative knowledge network designed to create and support demand-driven community solutions that respond directly to business needs and prepare workers for good jobs in the fastest growing careers. Among its many features, Workforce3One uses Webinar technology to facilitate distance learning and interactive dialogues among stakeholders.
- Each year the Department sponsors a professional development conference, Workforce Innovations. The conference draws over 3,000 participants from industry, education, the economic development community, and the public workforce investment system, offering an opportunity to explore their important roles in meeting the national challenge of global competition. In addition to the hundreds of presentations and workshops presented by employers, educators, economic development professionals, and workforce investment professionals, the Assistant Secretary for Employment and Training hosts a policy forum focused specifically on WIB leadership at each year's conference.
- The Department sponsors forums for workforce system partners to identify strategies for system transformation to ensure workforce system relevance to its stakeholders.
- The Department also supports peer-to-peer technical assistance in a variety of formats, such as the National Business Learning Partnership (NBLP), a collaborative effort among state and local WIBs and ETA's regional and national offices. High performing LWIBs are partnered with those who want improved performance related to key strategic areas such as business engagement and connecting talent development strategies to economic development in regional economies.

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APPROPRIATION HISTORY

(\$ in thousands)

	<u>Budget</u> <u>Estimates to</u> <u>Congress</u>	<u>House</u> <u>Allowance</u>	<u>Senate</u> <u>Allowance</u>	<u>Appropriation</u>	
1998.....	5,295,318	5,162,601	5,260,053	5,238,226	
1999.....	5,323,373	4,000,873	5,409,375	5,280,919	1/
2000.....	5,499,798	1,964,758	2,750,694	2,973,424	2/
1999 Advance for 2000...	0	2,607,300	2,720,315	2,463,000	
2001.....	3,643,062	2,552,495	2,990,141	3,206,953	3/
2000 Advance for 2001	2,463,000	2,463,000	2,463,000	2,463,000	
2002.....	5,128,521	3,485,147	3,070,281	3,199,314	4/
2001 Advance for 2002	0	2,098,000	2,463,000	2,463,000	
2003.....	2,573,228	2,674,513	3,170,364	2,726,789	5/
2002 Advance for 2003	2,463,000	2,463,000	2,463,000	2,446,991	5/
2004.....	2,488,986	2,614,039	2,677,588	2,682,465	6/
2003 Advance for 2004	2,463,000	2,463,000	2,463,000	2,448,468	6/
2005.....	2,863,292	2,649,728	2,914,662	2,879,183	7/8/9/10
2004 Advance for 2005	2,463,000	2,463,000	2,463,000	2,344,296	7/
2006.....	3,404,949	2,658,792	2,787,806	2,625,888	10/
2005 Advance for 2006	2,438,000	11/ 2,463,000	2,463,000	2,439,620	10/
2007.....	1,949,405	2,504,209	996,832	2,791,341	
2006 Advance for 2007	2,463,000	2,463,000	2,463,000	2,438,000	
2008.....	2,776,972	1,758,530	1,815,138	1,804,268	13/14
2007 Advance for 2008	2,463,000	1,772,000	1,772,000	1,741,043	
2008 Advance for 2009	2,463,000	1,772,000	1,772,000	1,772,000	14/

1/ Includes \$1,595,000 for Job Corps Y2K compliance.

2/ Includes a reduction of \$12,258,000 pursuant to P.L. 106-113, enacted 11/29/99.

3/ Includes a reduction of \$852,000 pursuant to P.L. 106-554, enacted 12/21/00.

4/ Includes a reduction of \$448,000 pursuant to P.L. 107-116, enacted 1/10/02, and an increase of \$32,500,000 pursuant to P.L. 107-38 enacted 1/10/02 (Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorists Attacks on the United States Act, 2002). Additionally, includes a reduction of \$20,000 pursuant to P.L. 107-206, enacted 8/2/2002.

5/ Reflects a 0.65% across-the-board reduction pursuant to P.L. 108-7.

6/ Reflects a 0.59% across-the-board rescission pursuant to P.L. 108-199.

7/ Reflects a 0.80% across-the-board rescission pursuant to P.L. 108-447

8/ Reflects a portion of \$18,000,000 rescission to Labor/HHS/Educ pursuant to P.L. 108-447 and a transfer of \$4,410,413 from SUIESO.

9/ Excludes \$795,280 appropriated pursuant to DOD Appropriations Act P.L. 108-287 (Earmark)

10/ Reflects a 1.0% government-wide rescission pursuant to P.L.109-148.

11/ Reflects a \$25,000,000 decrease in Job Corps Construction, Rehabilitation, and Acquisition

13/Includes 1.747% Rescission.

14/ Excludes Job Corps beginning FY 2008

TRAINING AND EMPLOYMENT SERVICES

Performance History Summary

Most of the training and employment service programs funded under the Workforce Investment Act use the common measures to evaluate performance and to demonstrate positive outcomes for individuals. For example:

- The Adult-oriented programs, such as Adult Services, Dislocated Worker, Community-Based Job Training Grants, Indians and Native Americans, and Migrant and Seasonal Farmworkers use entered employment, employment retention, and average earnings to measure progress on the number of participants who obtain jobs and sustain employment. The average earnings measure replaced the earnings change or wage replacement rate.
- Youth-oriented programs, such as Youth Services and YouthBuild use common measures that focus on placement in employment, post-secondary education, the military, or advanced occupational training; attainment of a diploma, GED, or certificate; and improvements in literacy or numeracy.
- Programs focused on the ex-offender population, such as the Prisoner Re-entry Program and Reintegration of Youthful Ex-Offenders, use five common measures as appropriate by age and an additional indicator concerning recidivating, or return to criminal activity.

As described in the table below, three programs achieved performance targets in PY 2006, three programs did not in PY 2006, and five programs developed baseline results or will collect baseline data to determine future targets. Detailed performance analyses and specific targets and results for FY 2004-09 are included in the program narrative sections and Performance Goal Indicator tables for each budget activity.

Actual Performance in PY 2006				
Achieved	Not Achieved	Baseline in PY 2006	Baseline in PY 2007 or later	Proposed consolidated programs
Youth Services	Adult Services	Prisoner Re-entry	Community-Based Job Training Grants	Career Advancement Accounts
Indians and Native Americans	Dislocated Worker	Reintegration of Youthful Ex-Offenders	YouthBuild	Reintegration of Ex-Offenders
Pilots, Demonstrations, Evaluations and Reports	Migrant and Seasonal Farmworkers		High-Growth Job Training Grants	

Program Assessment Rating Tool (PART)

Eight programs under the Workforce Investment Act, in addition to YouthBuild, have been evaluated with the Program Assessment Rating Tool (PART) by the Office of Management and Budget (OMB). A complete list of programs, year assessed, scores, and ratings are provided in the table below, followed by a summary of each programs' major PART findings and improvement plans.

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Program	Year	Rating
<u>National Emergency Grants</u>	2007	Adequate
<u>WIA Adults</u>	2005	Adequate
<u>WIA Native Americans</u>	2004	Adequate
<u>WIA Dislocated Worker</u>	2003	Adequate
<u>WIA Youth Activities</u>	2003	Ineffective
<u>Migrant and Seasonal Farmworkers</u>	2003	Ineffective
<u>YouthBuild**</u>	2006	Results Not Demonstrated

**The YouthBuild PART review was conducted while at the Department of Housing and Urban Development

Adult

The WIA Adult Program was assessed in 2005 using the Program Assessment Rating Tool (PART) process and was rated *Adequate*. The PART found that the program has generally performed well for participants. Between 2000 and 2006, the program exceeded its goals of helping participants to find jobs and retain them. However, separate Federal funding streams and program requirements constrain state and local flexibility to assist workers and job seekers in innovative, responsive ways and unnecessarily increase costs beyond what would otherwise be required. We are taking the following actions to improve the performance of the program:

- Conducting a rigorous evaluation to determine WIA services' impact on employment, retention, and earnings outcomes for participants. An evaluation using existing administrative data will be completed by December 2008.
- Improving reporting efficiency, program management and accountability through the collection of new information with WISPR, a common reporting system for WIA, TAA, and Wagner Peyser Programs.
- Adopting efficiency measures that are linked to performance outcomes, account for all costs, and facilitate comparisons across Department of Labor training and employment programs.

The Administration is also again proposing to reform the Workforce Investment Act that will provide training opportunities to more workers, consolidate duplicative funding streams, provide States more flexibility to deliver services, and increase individual choice.

Indian and Native American

A PART assessment was conducted in 2004 in which the Native American program received a rating of *Adequate*. The PART assessment identified program performance and accountability and the lack of competitiveness for grant awards as areas in need of improvement.

TRAINING AND EMPLOYMENT SERVICES

In response to PART recommendations, the program will continue its efforts to improve accountability and efficiency. The program will do so by implementing common performance measures, making improvements to program reporting, thoroughly reviewing grantees' financial management practices to ensure the efficient use of funds, and encouraging the use of technology to deliver services.

Specific actions stated in the most recent PART Program Improvement Plan are:

- Improving the capability to analyze program performance by collecting individual participant records.
- Increasing federal oversight of grant recipients through more frequent on-site monitoring reviews.
- Adopting efficiency measures that are linked to performance outcomes, account for all costs, and facilitate comparisons across Department of Labor training and employment programs.

Additionally, the program will focus efforts in three strategic areas: 1) ensure that programs are responsive to employers and other tribal businesses; 2) increase emphasis on longer-term training to meet skill needs of high-growth industries; and 3) strengthen collaborative efforts between One-Stop Career Centers and Indian and Native American grantees which will allow grantees access to a greater array of services.

The program will also review the competitive grant selection process to determine the effectiveness of the process in selecting high quality organizations. As indicated in the PART, the framework for awarding grants has provided for limited competition due to Federal policy guidance, authorizing legislation (which currently limits competition to Native American Tribes and non-profit organizations), and regulations. As a result, there has been little competition for service on reservations.

Beginning in FY 2008, the Department will be reviewing the relevant Federal policy guidance, legislation, and regulations to identify more effective ways to deliver high quality employment and training services to Native Americans. The Department will consider alternative ways to improve the quality of program services including the use of incentives and sanctions to improve performance of existing organizations.

Dislocated Worker

The WIA Dislocated Worker program was assessed in 2003 using the Program Assessment Rating Tool (PART) process and was rated as "Adequate." The PART found that the program has generally met its goals for increasing participants' reemployment and earnings after getting new jobs. However, states and local communities have insufficient flexibility to help dislocated workers in innovative ways due to multiple, separate Federal funding streams and varying program requirements. We are taking the following actions to improve the performance of the program:

TRAINING AND EMPLOYMENT SERVICES

- Conducting an evaluation to determine WIA services' impact on employment, retention, and earnings outcomes for participants. An evaluation using existing administrative data will be completed by December 2008.
- Improving reporting efficiency, program management and accountability through the collection of new information with WISPR, a common reporting system for WIA, TAA, and Wagner Peyser Programs.
- Adopting efficiency measures that are linked to performance outcomes, account for all costs, and facilitate comparisons across Department of Labor training and employment programs.

The Administration is also again proposing to reform the Workforce Investment Act that will provide training opportunities to more workers, consolidate duplicative funding streams, provide States more flexibility to deliver services, and increase individual choice.

Youth

The WIA youth program received a rating of Ineffective in the 2003 PART review. The PART noted a lack of evaluation data, inadequate authority to target or reallocate resources to areas of greatest need; and duplication with other federal programs that provide education and training services to disadvantaged youth. After the review, DOL implemented the improvement plan recommendations: In PY 2006, the Department began collecting data from WIA grantees on all three common performance measures for Federal job training programs; and in PY 2007, DOL will begin a five-year, rigorous, random-assignment evaluation of the Workforce Investment Act that will include the Youth program. The Administration is also again proposing to reform the Workforce Investment Act that will provide training opportunities to more workers, consolidate duplicative funding streams, provide States more flexibility to deliver services, and increase individual choice.

Migrant and Seasonal Farmworker

The Migrant and Seasonal Farmworker Program, also called National Farmworker Job Training Program (NFJP) was assessed in 2003 using the Program Assessment Rating Tool (PART) process and was rated as "Ineffective." The PART found that performance accountability has been poor and that the program does not concentrate enough on providing employment and training activities. At that time, more than 54 percent of the program's approximately 29,000 participants received only supportive services; less than 37 percent received training services; and only 26 percent entered unsubsidized employment. Although these services are important, they do not contribute significantly to helping participants gain stable, year-round employment and, in many cases, duplicate those provided by other Federal agencies (through programs such as Women, Infants, and Children; the Migrant Health program; and the Rural Housing Service). Through technical assistance and grant plan reviews conducted by the Department, the NFJP has since made significant progress in refocusing its mix of services towards employment and training. Of the approximately 17,000 NFJP participants nationwide in PY 2006, only 21% received only supportive services, while the majority (56%) of participants received training services. The PART assessment also found that services in this program duplicate other Federal

TRAINING AND EMPLOYMENT SERVICES

efforts. For training and employment services, migrant and seasonal farmworkers can be served by the nationwide network of approximately 3,200 One-Stop Career Centers authorized by WIA.

Specific actions stated in the most recent PART Program Improvement Plan are:

- Adopting efficiency measures that are linked to performance outcomes, account for all costs, and facilitate comparisons across Department of Labor training and employment programs.
- Improving partner outreach to increase the number of grant applications received by the program. More applications will strengthen the program's ability to award grants competitively.
- Implementing enhanced data validation software to improve data credibility and validity.

The 2009 Budget again proposes to terminate this program.

YouthBuild

In 2006, YouthBuild received a PART review and was given a rating of "Not Performing," meaning results were not demonstrated. The review found that YouthBuild was duplicative of other Federal programs, lacked long-term performance outcome measures, and had insufficient program management processes. At the time of the review, YouthBuild was administered by the Department of Housing and Urban Development. The Program Improvement Plan included the successful transfer of the program to the Department of Labor, which has been accomplished.

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Efficiency Measures

Each of the training and employment service programs currently use a cost per participant measure to project targets for efficiency. However, the service delivery structure for most programs is intended to provide flexibility to more than 600 local workforce investment boards to allow for an appropriate mix of service strategies to meet the needs of populations served. While targets project efficiency targets, the actual cost results are dependent upon state, regional, and/or local economies; employment opportunities available; demographic changes; program design; resources leveraged; and service strategies implemented. As noted above, the Department is working to establish a more outcome-oriented efficiency measure that will yield more useful information on these programs' cost effectiveness.

Program	Efficiency Measure	PY 2009 Target	
		Current Law	Legislative Proposal
Adult Employment and Training Activities	Cost per participant	\$2,880	Funding is not requested for this program
Dislocated Worker Employment and Training Activities	Cost per participant	\$3,715	Funding is not requested for this program.
Career Advancement Accounts	Cost per participant	--	\$3,000
	Cost per participant receiving employment services	--	\$53
Indian and Native American Programs	Cost per participant	\$2,400	\$2,400
Job Training for Employment in High Growth Industries	To be determined	Not available	Not available
Migrant and Seasonal Farmworkers (National Farmworker Jobs Program)	Cost per participant	\$4,190	Funding is not requested for this program.
Community-Based Job Training Grants	Cost per participant	\$2,500	\$2,500
Youth Activities	Cost per participant	\$3,670	Funding is not requested for this program.
YouthBuild	Cost per participant	\$14,700	\$14,700
Reintegration of Ex-Offenders	Cost per participant	\$4,172	\$4,172

CAREER ADVANCEMENT ACCOUNTS

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est /FY 09 Req
Activity Appropriation	0	0	0	0	0	2,826,000	2,826,000
FTE	0	0	0	0	0	0	0

Introduction

In April 2007, the Administration transmitted to Congress the “Workforce Investment Act Amendments of 2007.” The proposed legislation would reauthorize and reform the Workforce Investment Act of 1998 (WIA) to move the entire workforce investment system in a direction that supports and advances our nation’s competitiveness. The 2009 Budget again proposes significant changes to the workforce investment system based on the President’s principles for job training reform. First, the proposed reforms would maintain the existing nationwide system of comprehensive One-Stop Career Centers, but reduce duplication and increase efficiency by consolidating several employment and training programs into a single funding stream to states to provide Career Advancement Accounts (CAAs), and employment services for job seekers and employers. Second, in addition to establishing CAAs, education and training opportunities would be increased by simplifying complex eligibility requirements and increasing the proportion of WIA funds devoted to education and training activities. Third, states and local areas would be given more flexibility to design systems that align with economic development strategies and respond to the unique workforce needs and challenges of their regional economies. Finally, the One-Stop system would be strengthened by financing the operational costs of One-Stop Career Centers through dedicated infrastructure funding and streamlining the membership requirements for state and local Workforce Investment Boards.

In FY 2009, it is proposed that funds previously appropriated for the following programs be allocated to states as a single funding stream:

- WIA Adult Employment and Training Activities
- WIA Dislocated Worker Employment and Training Activities
- WIA Youth Activities
- Employment Service activities, including Employment Service Grants to States, workforce information grants, and grants for administration of the Work Opportunity Tax Credit

States would use the majority of these funds to provide training through CAAs. The funds would also be used to provide employment services to job seekers and employers. States would be required to contribute to the investment in training through a 20 percent match of the Federal funds used for CAA vouchers. This will not only increase the number of individuals who

CAREER ADVANCEMENT ACCOUNTS

receive CAAs, but also give the states a greater stake in assuring the training investment achieves positive outcomes.

Career Advancement Accounts

CAAs would be self-directed accounts that enable current and future workers to gain the skills needed to successfully enter, navigate and advance in the 21st century labor market. Accounts would be available to both adults and out-of-school youth entering or re-entering the workforce or transitioning between jobs, or incumbent workers in need of new skills to remain employed or to move up the career ladder. Additional eligibility criteria and service priorities would be established by states and they must determine priority of service consistent with the veterans' priority of service requirement under the Jobs for Veterans Act (PL 107-288).

The maximum amount of an account would be \$3,000 for one year. This is sufficient to finance approximately one-year's study at a community college. According to the College Board, *Trends in College Pricing 2007*, for 2007-2008 the national average cost for tuition and fees for one year at a community college is \$2,361. The accounts may be renewed for an additional year, for a total two-year investment of up to \$6,000 per worker. Individuals must use their accounts to pay for expenses directly related to education and training. Education and training activities must lead to the attainment of a portable, industry-recognized credential.

Access to Training

The proposal would significantly increase the number of workers receiving training and enhance access to training services by incorporating a number of new features. First, the eligibility for training is simplified and enhanced. Under current law, a worker must meet what are often referred to as "sequence of services" requirements. Before being eligible for training, the worker must first receive core and intensive services, and then meet additional requirements. These requirements would be eliminated. At a minimum, workers who are unemployed (including new entrants), employed but need training to retain or advance in employment, or out-of-school youth (individuals ages 16 or 17, who have dropped out of school and are not subject to the state compulsory school attendance law) would be eligible for CAAs. States would have the flexibility to establish additional eligibility criteria for these groups of workers and to establish priorities of service among these groups.

Second, the proportion of funds provided under Title I of WIA, which are devoted to training activities, would be greatly enhanced. As a result, the CAA proposal would greatly increase the number of workers currently trained through the workforce investment system.

Third, the requirements relating to the eligibility of training providers would be simplified. Under current law, prescriptive requirements have had the unintended consequence of deterring many training providers from participating in WIA-funded training, thereby reducing the choices available to participants. The CAA proposal would provide that the states establish appropriate eligibility and accountability requirements for providers of training services. This approach would increase flexibility and the choices available to recipients of CAAs, while maintaining accountability.

CAREER ADVANCEMENT ACCOUNTS

Employment Services

Under the proposal, in addition to providing access to CAAs, the One-Stop Career Centers would continue to deliver core employment services, such as job search assistance, career and skills assessment, job placement assistance, and basic career counseling, including information on high growth occupations with career ladders. Services to employers would include postings of job openings and assistance in finding trained workers. More intensive services also would be authorized, such as more comprehensive assessments, development of individual employment plans, and career guidance and planning. In addition, access to information and services of One-Stop partner programs would be available at the One-Stop Career Centers. Supportive services, such as child care and transportation, would be made available and paid for through arrangements made by the state with other Federal, state and local supportive service programs, and states would be encouraged to provide information and access to these services at the One-Stop Career Centers.

National Reserve

A portion of the funds appropriated for CAAs would be reserved at the Federal level for a National Reserve Fund. The Secretary would have the discretion to use this funding to address unanticipated events, such as natural disasters and mass layoffs, and for innovative projects for adults and youth. In addition, states would still be able to carry out rapid response activities in response to large-scale layoffs and plant closings. However, unlike current law, there would be no specific amount reserved for rapid response activities at the state level. States would apply to ETA for rapid response funding in a manner similar to National Emergency Grant applications.

Funding Mechanism

Under the Administration's legislative proposal, after reserving 7.5 percent for the National Reserve, funding from the consolidated programs would be allotted to states (there is a .025 percent set-aside for outlying areas). Of the amount received by each state, 33 percent is reserved by the state and 67 percent is allocated to the local areas within the state. The state-reserved funds are used for administration (up to 5 percent), support for the provision of employment and discretionary services in local areas, and state-wide activities (the remainder of reserved funds). Of the funds that are allocated to local areas (67 percent), up to 10 percent may be used for administrative costs and not less than 90 percent must be used for CAAs.

FY 2009

A total of \$2,826,000,000 is requested for the Career Advancement Account proposal. This request replaces funds that were previously appropriated for the individual programs proposed for consolidation, which would now be allocated to states as a single funding stream. The rationale for this request and the Administration's proposed "Workforce Investment Act Amendments of 2007" is that Federal job training dollars should be put in the hands of the individuals in need of assistance, by replacing the current siloed system of separate training programs serving different populations with a single state grant for the provision of employment and training services. Under the current system, too many resources are being used to pay for

CAREER ADVANCEMENT ACCOUNTS

administrative functions, overhead costs, and multiple levels of staff. The public workforce investment system should be redesigned to give individuals control over the resources they need to support their careers in the 21st century economy.

With more clearly defined administrative costs and the majority of funding used to finance the accounts, this proposal means that more individuals will participate in job training and attain new and higher level job skills. At a time when training and skill development is of the utmost importance to workers and the economy, the President's reforms will greatly increase the number of workers trained under these ETA programs in the current workforce investment system. The CAA proposal would result in more opportunities for individuals to participate in job training than currently under the public workforce investment system. Approximately 200,000 individuals receive training through the workforce system each year. However, under CAAs, it is estimated that 524,000 individuals would be able to participate in training provided through the Federal CAA funding, and an additional 105,000 individuals would participate in training funded through the state match. The number of participants receiving other employment services is estimated to be 10,878,000.

Program Performance

Under a strong, but streamlined, performance accountability system in the Administration's legislative proposal, states would report on performance for three primary outcome measures: (1) entered employment; (2) retention in employment; and (3) average earnings. Attainment of a degree or certificate, placement in education, and literacy/numeracy gains would be tracked as intermediate outcomes on the individual record.

Efficiency Measure

ETA is developing outcome-oriented measures that capture full costs and facilitate comparison among its employment training programs that will be applied to the CAA program.

CAREER ADVANCEMENT ACCOUNTS

WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2007 Target	FY 2008 Target	FY 2009	
			Current Law	Legislative Proposal
Career Advancement Accounts				
Career Advancement Total Served	N/A	N/A	N/A	11,402,000
Participants receiving employment services	N/A	N/A	N/A	10,878,000
Cost per participant receiving employment services	N/A	N/A	N/A	\$53
Participants receiving CAA	N/A	N/A	N/A	524,000
Cost per participant receiving CAA	N/A	N/A	N/A	\$3,000
Budget Activity Total	\$0.000	\$0.000	\$0.000	\$2,826,000

CAREER ADVANCEMENT ACCOUNTS

PERFORMANCE GOALS AND INDICATORS

Career Advancement Accounts	PY 2006		PY 2007		FY 2008	FY 2009
	Target	Result	Target	Result	Target	Target
1. Percent of participants employed in the first quarter after exit.	N/A	N/A	N/A	N/A	Baseline	TBD
2. Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit.	N/A	N/A	N/A	N/A	Baseline	TBD
3. Average earnings in the second and third quarters after exit.	N/A	N/A	N/A	N/A	Baseline	TBD

CAREER ADVANCEMENT ACCOUNTS

CHANGES IN FY 2009

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Built Ins Subtotal

0

Estimate

FTE

Base

0

0

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est /FY 09 Req
Activity Appropriation	864,199	849,101	849,101	-	712,000	0	-849,101
FTE	0	0	0	0	0	0	0

Introduction

The Adult Program under title I of the Workforce Investment Act (WIA) of 1998 provides workforce investment services to adults that are intended to increase their employment, retention in employment, and earnings, and also support their occupational skill attainment and career advancement. Local workforce investment boards are charged with strategic planning and oversight activities in support of workforce and economic development. Adults purchase training services with training vouchers known as Individual Training Accounts (ITAs) from qualified providers. Local boards may also provide customized and on-the-job training.

The Act specifies that services for adults will be provided through One-Stop Career Centers. Services such as career guidance and workforce information may also be provided virtually. The Act authorizes three types of service that are potentially available to all job seekers. “Core” services include initial assessment, job search and placement assistance, and workforce and economic information. “Intensive” services include more comprehensive assessments, development of individual employment plans, and career guidance and planning. Participants may also receive “training” services linked to employment in demand, including occupational training, skills upgrading, and adult literacy training.

All adults, those 18 years of age and older, are eligible for core services. Adults who have received at least one core service and are determined by a One-Stop operator to be in need of intensive services to obtain or retain employment that leads to self-sufficiency may receive intensive services. Training services may be made available to adults who have received at least one intensive service and have been determined to be unable to obtain or retain employment through such services. State and local areas are responsible for establishing procedures for applying priority and self-sufficiency requirements.

Funding Mechanism

The Workforce Investment Act (WIA) funding allotments for states are based on formula provisions defined in the Act. Under Title I of the WIA, formula funds are provided to states and outlying areas for the operation of both Adult and Dislocated Worker employment and training activities, in accordance with 29 USC 2861. States distribute resources by formula to local

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

workforce investment areas. The WIA allotments for outlying areas are based on a discretionary formula as authorized under WIA Title I.

Five-Year Budget Activity History

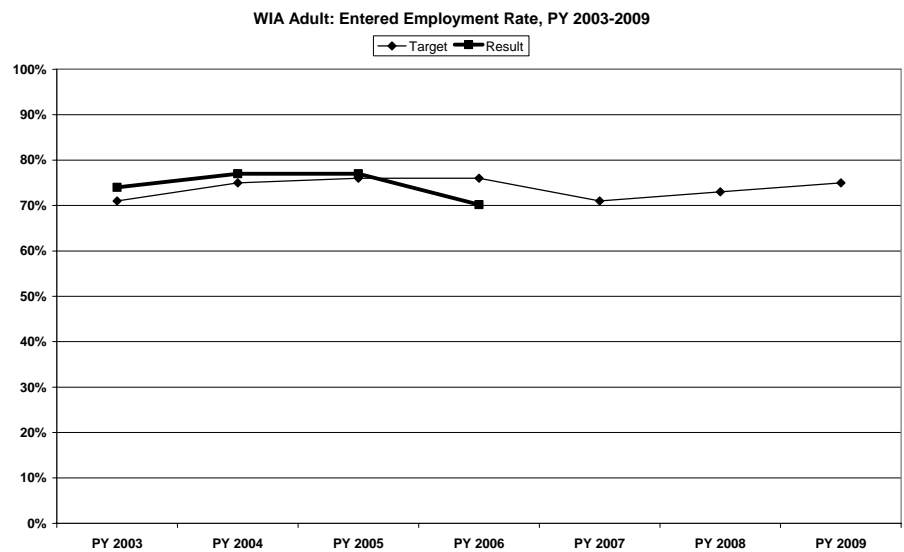
Fiscal Year	Funding (Dollars in Thousands)	FTE
2004	894,690	0
2005	890,922	0
2006	857,079	0
2007	864,199	0
2008	849,101	0

FY 2009

ETA proposes that funds previously appropriated for the WIA Adult Program, together with funds previously appropriated for the WIA Dislocated Worker and Youth Programs, and the Wagner-Peyser Act Employment Services, be allocated to states as a single funding stream. States would use these funds primarily to provide Career Advancement Accounts to individuals in need of employment assistance. A portion of this funding would also be used by states to provide basic employment services such as career assessments, workforce information, and job placement assistance. See the Budget Narrative on Career Advancement Accounts for additional information.

Program Performance

The Department evaluates this program's success by measuring entered employment, employment retention rates, and average earnings in the second and third quarters after program exit. A high entered employment rate indicates that participants have improved financial opportunity. A high retention rate indicates stability of participants' new positions.



Source: Quarterly and Annual State WIA performance reports (ETA-9090 and ETA-9091)

The average earnings measure helps measure salary potential after program intervention. For the first year of reporting the average six month earnings measure result was \$11,870. These measures help gauge the workforce system's ability to match employers with workers.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

As the workforce investment system moves to a more integrated service delivery model, the WIA Adult Program will continue to reflect a broader mix of participants with some drop-off expected in the entered employment rate. The decline in the PY 2006 result as illustrated in the chart below is partially attributable to increased co-enrollment of Wagner-Peyser Act funded Employment Services participants. The integrated service delivery model is intended to provide every individual, including individuals with disabilities, veterans, new Americans, older workers and others access to the full array of integrated services through the One-Stop delivery system.

The employment retention rate has held steady over the past two years. Progress in this indicator will help show the workforce investment system's effectiveness in focusing education and training investments on skills and occupations in demand that leads to jobs for workers, as well as in developing strategies for a regional approach to workforce and economic development and education.

Efficiency Measures

The efficiency measure currently in use for the WIA Adults is a cost per participant measure, defined as the program appropriation level, in dollars, divided by the number of participants served by the program for that Program Year (PY).

The baseline year for WIA Adults was PY 2004; the result for that year was \$2,025. The target for PY 2005 was \$2,400; the result \$1,985 and the target for PY 2006 was \$2,060, and the result was \$2,972. For PY 2007, the target is \$2,940, and results will be available in November 2008. The target for PY 2008 is \$2,910. Funding for this program is not requested under the proposed consolidation in PY 2009. For PY 2009, the efficiency measure and targets are described in the budget request for the Career Advancement Accounts. However, if the FY 2009 budget for WIA Adults is approved under current law, the PY 2009 target is \$2,880.

By statute most of the ETA programs are intended to provide flexibility to hundreds of local workforce investment boards to determine the appropriate mix of service strategies and population needs they serve. Unit costs change from year to year, primarily because of changes in service mix and population, in addition to increases in unemployment claims and few jobs created during recessions. A higher unit cost in one year compared to the previous year does not necessarily denote a less efficient program, nor does a lower unit cost necessarily suggest a more efficient use of funds. ETA is working to improve its measure of efficiency so efforts aimed at improving cost-effectiveness can be assessed. Baseline data for the new (yet unidentified) efficiency measure will be collected in PY 2008.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

WORKLOAD SUMMARY				
(Dollars in Thousands)				
	FY 2007 Actual*	FY 2008 Target	FY 2009	
			Current Law	Legislative Proposal
Adult Employment and Training Activities				
Participants	293,945	291,787	247,222	0
Cost Per Participant	\$2.940	\$2.910	\$2.880	0
Budget Activity Total	\$864,199	\$849,101	\$712,000	0

***Based on cost per participant target for program year 07 which ends 6/30/08.**

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

PERFORMANCE GOALS AND INDICATORS

Increase the employment, retention, and earnings of individuals registered under the Workforce Investment Act Adult Program.										
	PY 2004		PY 2005		PY 2006		PY 2007		PY 2008	PY 2009
	Goal Achieved		Goal Achieved		Goal Not Achieved					
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
1. Percent of participants employed in the first quarter after exit.	75%	77%	76%	77%	76%	70.2%	71%	RNA	73%	75%
2. Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit. (This new measure was implemented in PY 2005. Previous results are for a similar measure.)	85%	86%	81%	82.5%	82%	82.4%	83%	RNA	83%	84%
3. Average earnings in the second and third quarters after exit (PY 2004-05 data are for earnings change from pre-WIA program services to post WIA program services.)	\$3,300	\$3,746	\$3,400	\$4,081	\$11,000	\$11,870	\$12,045	RNA	\$12,165	\$12,290

Baseline(s): New earnings measure baseline: approximately \$11,000

Data Source(s): Quarterly and Annual State WIA Performance Reports (ETA-9090 and ETA-9091); Congressional Budget Justification; Annual Performance and Accountability Report. PY 2006 results are from the Program Year 2006 WIA Annual Report.

Comments: Prior to PY2006, the earnings measure was established as follows: average earnings change for those employed in the first quarter after program exit and still employed in the third quarter after program exit. The earning measure changed in PY 2006 to reflect post program earning level defined as: (of those who are employed in the first, second, and third quarters after the exit quarter) total earnings in the second quarter plus total earnings in the third quarter after the exit quarter divided by the number of participants who exit during the quarter.

PY 2006 results are preliminary due to exiter data adjustments by one state.

Special Note: ETA is analyzing the latest performance results from PY 2006-2007. Preliminary analysis revealed that co-enrollment policies at the state and local level appear to account for some of the drop-off in performance. Co-enrollment processes generally provide services to a broader mix of participants including harder-to-serve populations which would lower performance results. Future targets may be adjusted as more information is developed about the context of current performance results.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

CHANGES IN FY 2009

(Dollars in Thousands)

Activity Changes		
Built-In		
To Provide For:		
Built Ins Subtotal		0
Net Program		-137,101
Direct FTE		0
	Estimate	FTE
Base	849,101	0
Program Decrease	-137,101	0

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est /FY 09 Req
Activity Appropriation	1,471,903	1,446,189	1,446,189	-25,714	1,223,823	0	-1,446,189
FTE	0	0	0	0	0	0	0

Introduction

The Dislocated Worker Program under title I of the Workforce Investment Act (WIA) provides workforce investment services to individuals who have lost their jobs, including those dislocated as a result of plant closings or mass layoffs, and who are unlikely to return to employment in their previous industries; formerly self-employed individuals; and displaced homemakers who have been dependent on the income of another family member, but are no longer supported by that income.

The Act authorizes three types of services, which are potentially available to all dislocated workers. “Core” services include initial assessment, job search and placement assistance, and workforce and economic information. “Intensive” services include more comprehensive assessments, development of individual employment plans, and career guidance and planning. Participants may also receive “training” services linked to employment in demand, including occupational training, skills upgrading, and adult literacy training. Participants use Individual Training Accounts to select an appropriate training program from qualified providers.

To be eligible to receive core services as a dislocated worker, an adult 18 years and older must meet the statutory (WIA section 101(9)) definition of dislocated worker. Dislocated workers who have received at least one core service and are determined by a One-Stop Career Center operator to be in need of intensive services to obtain or retain employment that leads to self-sufficiency may receive intensive services. Training services may be made available to dislocated workers who have received at least one intensive service and have been determined to be unable to obtain or retain employment through such services.

Funding Mechanism

The Workforce Investment Act (WIA) allotments for states are based on formula provisions defined in the Act. Under Title I of WIA, formula funds are provided to states and outlying areas for the operation of both Adult and Dislocated Worker employment and training activities, in accordance with 29 USC 2861. States distribute resources by formula to local workforce investment areas. The WIA allotments for outlying areas are based on a discretionary formula as authorized under WIA Title I.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

Five-Year Budget Activity History

Fiscal Year	Funding (Dollars in Thousands)	FTE
2004	1,448,165	0
2005	1,343,584	0
2006	1,587,553	0
2007	1,471,903	0
2008	1,446,189	0

FY 2009

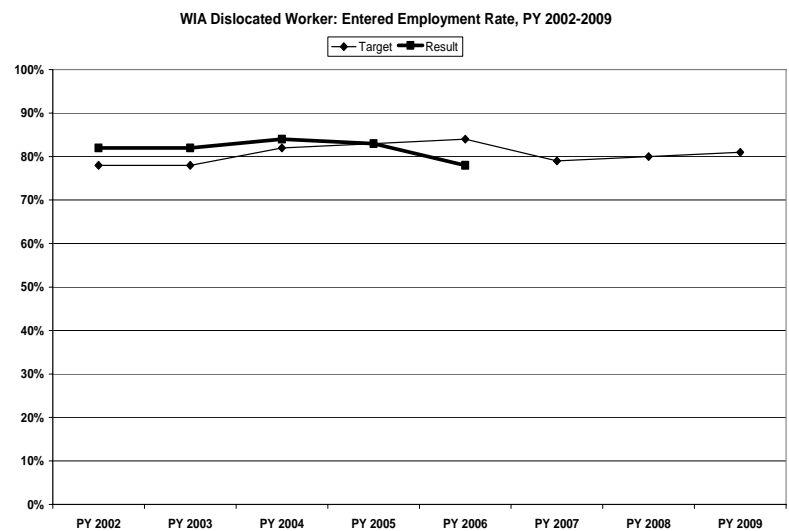
ETA proposes that funds previously appropriated for the WIA Dislocated Worker Program, together with funds previously appropriated for the WIA Adult and Youth Programs and the Employment Service, be allocated to states as a single funding stream. States would use these funds primarily to provide Career Advancement Accounts to individuals in need of employment assistance. A portion of this funding would also be used by states to provide basic employment services such as career assessments, workforce information, and job placement assistance. See the Budget Narrative on Career Advancement Accounts for additional information.

Under both the current law request and the CAA proposal there would continue to be a reservation of funds at the Federal level for a National Reserve that the Secretary would have the discretion to use to address unanticipated events, such as natural disasters and mass layoffs. Out of these funds, \$3.5 million will be used to support a portion of the Bureau of Labor Statistics Mass Layoff Statistics (MLS) program. The MLS program collects information on mass layoff actions that result in workers being separated from their jobs. These statistics are used in determining sub-state allocations for dislocated workers under the Workforce Investment Act, as well as by state and local planners in identifying the causes and scope of worker dislocation and economic developers as sources of available labor supply.

Program Performance

The Department evaluates this program's success by measuring entered employment, employment retention rates, and average earnings in the second and third quarters after program exit. A high entered employment rate indicates that participants have improved financial opportunity. A high retention rate indicates stability of participants' new positions. The average earnings measure helps measure salary potential after program intervention.

For the first year of recording results

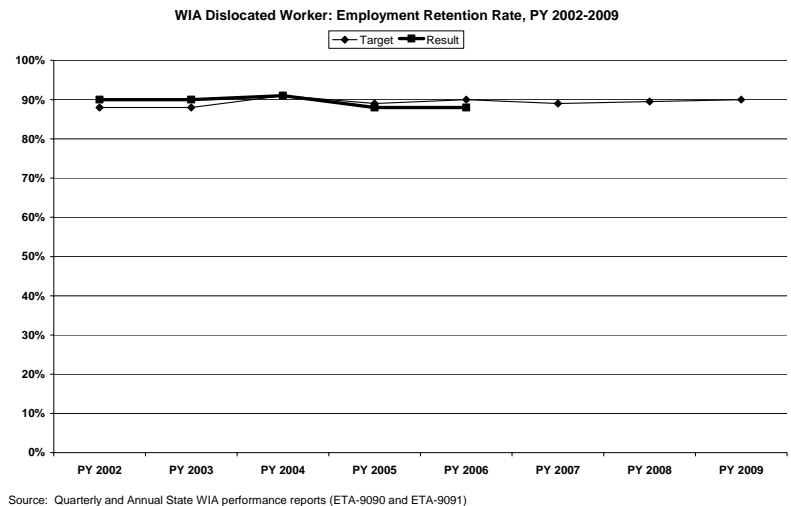


Source: Quarterly and Annual State WIA performance reports (ETA-9090 and ETA-9091)

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

for the average six month earnings measure, the program posted a \$14,265 result. These measures help gauge the workforce system's ability to match employers with high skilled workers in demand occupations.

The Department continues to encourage and support States and local areas to eliminate duplicative system infrastructures, to develop integrated service delivery strategies for dislocated workers, and to focus education and training investments on skills and occupations in demand. These approaches are expected to help increase the overall number of participants entering employment. As these strategies are implemented throughout the nation, an improvement in the entered employment rate is anticipated. The Department is also examining workforce education strategies and implementing a regional approach to workforce and economic development and education. We expect this to result in measurable increases in placements of dislocated worker populations in high growth occupations consistent with regional talent development plans.



The employment retention rate has held steady over the past two years. Progress in this indicator will help show the workforce investment system's effectiveness in focusing education and training investments on skills and occupations in demand as well as in developing strategies for a regional approach to workforce and economic development and education.

Efficiency Measures

The efficiency measure currently in use for Dislocated Workers (DW) is a cost per participant measure, defined as the program appropriation level, in dollars, divided by the number of participants served by the program for that Program Year (PY).

The baseline year for WIA Dislocated Worker was PY 2004; the result for that year was \$3,195. The target for PY 2005 was \$4,000; the result \$3,865 and the target for PY 2006 was \$4,000, and the result was \$3,827. The calculations are based on appropriated formula grants money. For PY 2007, the target is \$3,790, and results will be available in November 2008. The target for PY 2008 is \$3,750. Funding for this program is not requested under the proposed consolidation in PY 2009. For PY 2009, the efficiency measure and targets are described in the budget request for the Career Advancement Accounts. However, if the FY 2009 budget for WIA Dislocated Worker is approved under current law, the PY 2009 target is \$3,715.

By statute most of the ETA programs are intended to provide flexibility to hundreds of local workforce investment boards to determine the appropriate mix of service strategies and

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

population needs they serve. Unit costs change from year to year, primarily because of changes in service mix and population, in addition to increases in unemployment claims and few jobs created during recessions. A higher unit cost in one year compared to the previous year does not necessarily denote a less efficient program, nor does a lower unit cost necessarily suggest a more efficient use of funds. ETA is working to improve its measure of efficiency so efforts aimed at improving cost-effectiveness can be assessed. Baseline data for the new (yet unidentified) efficiency measure will be collected in PY 2009.

WORKLOAD SUMMARY				
(Dollars in Thousands)				
	FY 2007 Actual*	FY 2008 Target	FY 2009	
			Current Law	Legislative Proposal
Dislocated Worker Employment and Training Activities				
Participants	355,383	352,317	329,427	0
Cost Per Participant	\$3.790	\$3.750	\$3.715	\$0.00
Budget Activity Total	1,346,903**	1,321,189**	1,223,823	0

*Based on cost per participant target for program year 07 which ends 6/30/08.

** \$125,000,000 was removed from the Budget Activity Total for Dislocated Workers for FY 2007 and FY 2008 and is accounted for in the Community-Based Job Training Grant Workload Summary.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

PERFORMANCE GOALS AND INDICATORS

Increase the employment, retention, and earnings of individuals registered under the Workforce Investment Act Dislocated Worker Program.										
Performance Indicator	PY 2004		PY 2005		PY 2006		PY 2007		PY 2008	PY 2009
	Goal Not Achieved		Goal Not Achieved		Goal Not Achieved					
	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
1. Percent of participants employed in the first quarter after exit	82%	84%	83%	83%	84%	78%	79%	NA	80%	81%
2. Percent of participants employed in the first quarter after program exit still employed in the second and third quarters after exit. (2004-05 data are for a similar measure.)	91%	91%	89%	88%	90%	88%	89%	NA	89.5%	90%
3. Average earnings in the second and third quarters after exit.*	91%	93%	92%	\$530	\$13,800	\$14,265	\$14,410	NA	\$14,550	\$14,700
Baseline(s):										
Data Source(s): Quarterly and Annual State WIA Performance Reports (ETA 9091 and ETA 9091). PY 2006 results are from the Program Year 2006 WIA Annual Report										
Comments: *The earnings measures beginning in PY 2006 is Average Earnings. In PY 2005 the measure was Earnings Change. Prior to PY 2005 the measure was Wage Replacement. PY 2006 results are preliminary due to exiter data adjustments by one state.										

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

CHANGES IN FY 2009 (Dollars in Thousands)

Activity Changes			
Built-In			
To Provide For:			
Built Ins Subtotal			0
Net Program			-222,366
Direct FTE			0
	Estimate	FTE	
Base	1,446,189		0
Program Decrease	-222,366		0

YOUTH ACTIVITIES

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est /FY 09 Req
Activity Appropriation	940,500	924,069	924,069	-	840,500	0	-924,069
FTE	0	0	0	0	0	0	0

Introduction

Under Title I of the Workforce Investment Act of 1998, formula funds are provided to state and local areas to deliver a comprehensive array of youth workforce development services. WIA authorizes services to low-income youth (age 14-21) with barriers to employment. Eligible youth are deficient in basic skills or are homeless, are a runaway, are pregnant or parenting, or are offenders, school dropouts, or foster children. The program serves both in- and out-of-school youth, including youth with disabilities and other youth who may require specialized assistance to complete an educational program or to secure and hold employment. Service providers prepare youth for employment and post-secondary education by stressing linkages between academic and occupational learning. They also assist youth by providing tutoring, alternative schools, summer employment, occupational training, work experience, supportive services, leadership development, mentoring, counseling, and follow-up services.

In response to the recommendations of the White House Task Force for Disadvantaged Youth, the Department of Labor developed a Shared Strategic Vision for the delivery of youth services and the coordination of the Department's youth programs with those of other Federal agencies. The Department published guidance to the youth workforce system outlining its new strategic vision for the delivery of WIA Youth services. The Shared Strategic Vision focuses on four primary areas: quality alternative education, meeting the demands of business, serving the neediest youth populations, and improving performance.

The Department is also committed to providing leadership to ensure that youth served in alternative education programs receive high quality education and have access to multiple pathways to post-secondary education and careers. In an effort to be strategic and build knowledge about alternative education, the Department studied a variety of alternative learning environments to determine how they are used and how they can be strengthened. In FY 2008, this resulted in making new investments to support the development of additional educational pathways for youth.

To prepare youth to effectively compete in the global economy, the Department is transforming WIA Youth investments to become demand-driven, helping youth develop skills essential to be successful in careers in high growth, high demand industries. With Department support, state

YOUTH ACTIVITIES

and local workforce investment systems are forming partnerships with businesses, the education community and faith and community-based organizations nationwide to accomplish this.

Funding Mechanism

Under Title I of the Workforce Investment Act (WIA), formula funds are provided to states and local areas for the operation of WIA youth training programs, in accordance with 29 USC 2851 Chapter 4. Funds for youth services are allocated to state and local areas based on a formula distribution as defined in Sec.127(b)(1)(C)(ii) of the WIA.

Five-Year Budget Activity History

Fiscal Year	Funding (Dollars in Thousands)	FTE
2004	995,059	0
2005	986,288	0
2006	940,500	0
2007	940,500	0
2008	924,069	0

FY 2009

Consistent with the FY 2008 Budget request, ETA proposes that in FY 2009 funds previously appropriated for the WIA Youth program, together with funds previously appropriated for the WIA Dislocated Worker and Adult programs and the Employment Service, be allocated to states as a single funding stream. States would use these funds primarily to provide Career Advancement Accounts (CAAs) to individuals, including out-of-school youth. A portion of this funding would also be used by states to provide basic employment services such as career assessments, workforce information, and job placement assistance. See the Budget Narrative on Career Advancement Accounts for additional information.

Program Performance

Although funds previously appropriated for the WIA Youth program are requested to be consolidated with other funds into a single funding stream, DOL will continue to use the youth common performance measures to assess program outcomes for youth under the consolidated funding stream. The youth common performance measures include placement in employment, post-secondary education, or advanced training; attainment of a degree or certificate, and literacy and numeracy gains. The first two measures were implemented in program year (PY) 2005, the baseline year for common measures data collection, while the literacy/numeracy measure is being implemented over two years (PY 2006 and 2007).

Baseline data for the placement measure in PY 2005 was 53% and performance in PY 2006 increased to 60%, reaching the 60% target. The placement target is set at 63% for PY 2009. Baseline data for the degree or certificate attainment rate in PY 2005 was 35% and performance in PY 2006 increased to 44%, exceeding the target of 40%. The target for the attainment

YOUTH ACTIVITIES

measure is set at 46% for PY 2009. Following the completion of PY 2007, DOL will set targets for the literacy/numeracy measure.

Efficiency Measures

For the WIA Youth program, the efficiency measure is the cost per participant ratio, determined by dividing the amount appropriated for a specific program year by the number of youth served within that program year. For PY 2006, the actual cost per participant ratio of \$3,778 exceeds the target ratio of \$3,100. The PY 2006 actual cost per participant represents an increase over PY 2005 and PY 2004. In PY 2004, the baseline year, the cost per participant was \$2,663. In PY 2005, the target ratio was \$2,996, and the actual cost per participant was \$3,615. The target cost per participant for future program years have be adjusted based on the PY 2006 result, gradually decreasing from \$3,740 in PY 2007 to \$3,705 in PY 2008. Funding for this program is not requested under the proposed consolidation in PY 2009. For PY 2009, the efficiency measure and targets are described in the budget request for the Career Advancement Accounts. However, if the FY 2009 budget for WIA Youth is approved under current law, the PY 2009 target is \$3,670.

The Shared Youth Vision has placed a stronger emphasis on serving the youth in greatest need, particularly out-of-school youth. This population requires more extensive and costlier services. As expected, the cost per participant has risen, as states have served a greater proportion of these hardest-to-serve youth in the WIA program. This change in emphasis helps to explain the sharp rise in the cost per participant from PY 2004 to PY 2005. However, the anticipated increases in the cost per participant began to moderate between PY 2005 and PY 2006.

By statute most of the ETA programs are intended to provide flexibility to hundreds of local workforce investment boards to determine the appropriate mix of service strategies and population needs they serve. Unit costs change from year to year, primarily because of changes in service mix and population, in addition to increases in unemployment claims and few jobs created during recessions. A higher unit cost in one year compared to the previous year does not necessarily denote a less efficient program, nor does a lower unit cost necessarily suggest a more efficient use of funds. ETA is working to improve its measure of efficiency so efforts aimed at improving cost-effectiveness can be assessed. Baseline data for the new (yet unidentified) efficiency measure will be collected in PY 2009.

WORKLOAD SUMMARY				
(Dollars in Thousands)				
	FY 2007 Actual*	FY 2008 Target	FY 2009 Current Law	FY 2009 Legislative Proposal
WIA Youth Activities				
Participants	251,470	249,411	229,019	0
Cost per Participants	\$3.740	\$3.705	\$3.670	\$0.000
Budget Activity Total	\$940,500	\$924,069	\$840,500	\$0

***Based on cost per participant target for program year 07 which ends 6/30/08.**

YOUTH ACTIVITIES

PERFORMANCE GOALS AND INDICATORS

Increase placements and educational attainments for youth served through the WIA youth program.										
	PY 2004		PY 2005		PY 2006		PY 2007		PY 2008	PY 2009
	Goal Achieved		Goal Achieved		Goal Achieved					
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
1. Percent of participants entering employment or enrolling in post-secondary education, the military or advanced training/ occupational skills training in the first quarter after exit. (Results for 2003-04 are for a similar measure)	68%	72%	Baseline	52.7%	60%	60%	61%	NA	62%	63%
2. Percent of participants who earn a diploma, GED, or certificate by the end of the third quarter after exit. (Results for 2003-04 are for a similar previous measure)	53%	65%	Baseline	34.8%	40%	44%	45%	NA	46%	47%
3. Percent of students who achieve literacy or numeracy gains of one Adult Basic Education (ABE) level *	--	--	--	--	Baseline	RNA	Baseline	NA	TBD	TBD

Baseline(s): PY 2006 is the first year attempting to report on this indicator, and results will not be available until the end of the PY 2007 because it will take two full years of data to have valid data for this indicator.

Data Source(s): Quarterly and Annual State WIA Performance Reports (ETA-9090 and ETA 9091); PY 2006 results are from the Program Year 2006 WIA Annual Report.

Comments: For PY 2006-08, the funding stream of this program was proposed to be merged with other funding streams. *PY2006 is the first year attempting to report on Literacy/Numeracy, and results will not be available until the end of the PY 2007 because it will take two full years of data to have valid data for this indicator.

PY 2006 results are preliminary due to exiter data adjustments by one state.

YOUTH ACTIVITIES

CHANGES IN FY 2009

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Built Ins Subtotal

0

Net Program

-83,569

Direct FTE

0

Estimate

FTE

Base

924,069

0

Program Decrease

-83,569

0

**WIA COMPETITIVE GRANTS
PRISONER REENTRY INITIATIVE**

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est/FY 09 Req
Activity Appropriation	19,642	0	0	-19,642	0	0	0
FTE	0	0	0	0	0	0	0

Introduction

In 2004, the Administration launched the Prisoner Reentry Initiative (PRI), a program to assist men and women returning from prison with pre-release, mentoring, housing, case management and employment services. ETA has funded a total of 30 grantees providing mentoring, case management and employment services. In addition, the Department of Justice has assisted a number of local departments of corrections with grants to fund the pre-release portion of the program.

Beginning in FY 2008, the Administration proposed to merge funding for two programs – the Prisoner Reentry Initiative (PRI) and the Responsible Reintegration of Youthful Offenders (RRYO) are merged into a single, consolidated program that serves adult ex-offenders, juvenile offenders, and youth highly at-risk of becoming offenders – the Reintegration of Ex-Offenders program.

Funding Mechanism

ETA funded the initial set of PRI projects in PY 2005 through a competitive solicitation process, with continuation grants providing additional years of funding to these projects in PY 2006 and PY 2007. These grants were awarded to faith-based and community organizations. A small portion of PY 2007 PRI funds will be used for grants to state correctional agencies selected by the Department of Justice in a competitive process, and in turn these state correctional agencies will use their ETA funds for sub-grants to faith-based and community organizations.

FY 2009

No funding is requested for PRI in FY 2009. Per the Administration’s FY 2008 proposal to merge funding for PRI with the RRYO program to create the new Reintegration of Ex-Offenders Program, there will be no PRI activities in FY 2009. The PRI grants funded in FY 2006 and FY 2007 will be completed by FY 2009.

WIA COMPETITIVE GRANTS PRISONER REENTRY INITIATIVE

Program Performance

In PY 2006, the baseline year for data collection, the PRI Program enrolled over 7,649 individuals and placed 58% of all exiting participants in employment. Fifty-two percent of those employed in the first quarter after exit, were successfully retained in employment in both the second and third quarters after exit. The average six month earnings of those who remained employed in the first three quarters after exit were \$9,395. The recidivism rate of participants at one year from release from prison was 13%. The average earnings and recidivism rates reported for PY 2006 were based on limited available data and are not representative of program performance.

Efficiency Measure

The efficiency measure for the Prisoner Reentry Initiative (PRI) is the cost per participant ratio, determined by dividing the amount appropriated for a specific program year by the number of individual served within the program year. The baseline for the PRI was established in PY2005 at \$3, 214 based on \$19,840,000 in available funds and 6,200 adult offenders served. The result for PY 2005 was not available as the program operated for only 4 months of the program year. The actual number served within PY 2005 was 1,433. The cost per participant result for PY 2006 is \$2,594 based on \$19,840,000 in allocated funds and 7,649 adult ex-offenders served. Since the PY 2006 outcome is lower than the target due to the increased number of participants, the target for PY 2007 is set at \$3,168 to demonstrate efficiency through a decrease in cost of one percent each year. A cost per participant is not provided because the revised program consolidates the PRI and Re-integration of Youthful Offenders in PY 2008 and PY 2009.

The costs of serving this population are expected to be higher than other adult services as this target population possesses unique characteristics that require more intensive services. Under the consolidated program beginning in PY 2008, ETA will continue to analyze the overall performance of the program to maximize efficiencies in the future. Future targets are contingent upon approved budget authority and actual results.

WORKLOAD SUMMARY				
(Dollars in Thousands)				
	FY 2007 Target	FY 2008 Target	FY 2009	
			Current Law	Legislative Proposal
Prisoner Reentry Initiative				
Participants	6,200	0	0	0
Cost per Participant	\$3.168	\$0.00	\$0.00	\$0.00
Budget Activity Total	\$19,642	\$0.00	\$0.00	\$0.00

**WIA COMPETITIVE GRANTS
PRISONER REENTRY INITIATIVE**

PERFORMANCE GOALS AND INDICATORS

Goal 1F – Prisoner Reentry Initiative										
	PY 2004		PY 2005		PY 2006		PY 2007		PY 2008	PY 2009
					Goal Achieved					
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
1. Percent of participants employed in the first quarter after exit.	--	--	--	--	Baseline	58%	60%	RNA	NA	NA
2. Percent of participants employed in the first quarter after program exit still employed in the second and third quarters after exit.	--	--	--	--	Baseline	52%	60%	RNA	NA	NA
3. Average earnings in the second and third quarters after exit	--	--	--	--	Baseline	\$9,395*	\$9,360	RNA	NA	NA
4. Percent of participants re-arrested for a new crime or re-incarcerated for revocation of a parole or probation violation within one year from release from prison.	--	--	--	--	Baseline	13%**	22%	RNA	NA	NA
<p>The FY 2008 and FY 2009 Budgets do not include funding for PRI. Instead the Department proposed merging the funding for the Responsible Reintegration of Youthful Offenders and the PRI into a combined portfolio of programs called Reintegration of Ex-Offenders. Therefore, targets for PY 2008 and 2009 are included on the combined Reintegration of Ex-Offenders table.</p> <p>*The \$9,395 average earnings for PY 2006 is based on limited data and is not representative of program performance.</p> <p>**The 13% recidivism rate for PY 2006 is based on limited data and is not representative of program performance. The 22% target is based on a goal to perform twice as well as the national recidivism rate of 44%.</p>										

**WIA COMPETITIVE GRANTS
REINTEGRATION OF EX-OFFENDERS**

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est/FY 09 Req
Activity Appropriation	0	73,493	73,493	73,493	39,600	39,600	-33,893
FTE	0	0	0	0	0	0	0

Introduction

In FY 2008, the Administration proposed to merge funding for two programs – the Prisoner Reentry Initiative (PRI) and the Responsible Reintegration of Youthful Offenders (RRYO) – into a consolidated program that serves adult ex-offenders, juvenile offenders, and youth at high risk of becoming offenders. The new consolidated Reintegration of Ex-Offenders Program capitalizes on the lessons learned under the RRYO and PRI. It uses PRI’s robust performance accountability system, which tracks participants’ performance in terms of job placement and retention, wages, recidivism, and a number of other outcomes. Like PRI, the merged program involves interagency collaboration between the Departments of Labor, Justice, and Housing and Urban Development and harnesses the experience of faith and community-based organizations. Finally, the consolidated program adopts specific practices developed through RRYO and PRI such as mentoring, coordinating pre- and post-release employment training, and leveraging additional workforce resources through One-Stop Career Centers.

Each year more than 650,000 inmates are released from Federal and state prisons and return to their communities and families. According to the U.S. Department of Justice, almost three out of five returning inmates will be charged with new crimes within three years of their release from prison and two out of five will be re-incarcerated. Both youth in the juvenile justice system and adults in the criminal justice system face severe educational and labor market barriers. Over half of state parole entrants were not high school graduates and eleven percent had only an eighth grade education or less. Unemployment among adult ex-prisoners has been estimated at between 25 and 40 percent. The Reintegration of Ex-Offenders Program addresses these severe education and labor market barriers, thereby helping to boost employment and reduce recidivism among ex-offenders.

Funding Mechanism

Congress appropriates funding through a line item for the Reintegration of Ex-Offenders program. ETA will fund projects through a competitive solicitation process, with continuation grants providing additional years of funding to current and future grants. Grants for serving adult ex-offenders will be awarded to faith-based and community organizations. Grants for

WIA COMPETITIVE GRANTS REINTEGRATION OF EX-OFFENDERS

servicing youth offenders may be awarded to various types of organizations, including public school districts, community-based organizations, and state and local juvenile justice agencies.

FY 2009

The Department is requesting \$39,600,000 to continue the single, consolidated approach to servicing the ex-offender population in FY 2009. The Reintegration of Ex-Offenders program will continue to capitalize on the lessons learned from both RRYO and PRI projects. It will continue to promote the use of the robust performance accountability system developed by the PRI and extend the mechanisms developed in that project to new Federal efforts to support re-integration of ex-offenders. The consolidated program will also continue its focus on the adoption of specific practices developed through RRYO and PRI that have shown the greatest promise in boosting employment and reducing recidivism among classes of offenders most at-risk of re-offending.

Reintegration of Ex-Offenders will continue to serve both adult and youthful offenders. To serve adult ex-offenders in FY 2009, ETA expects to use \$9,800,000 to provide second year funds to competitive grants awarded in FY 2008 and to use an additional \$9,800,000 to award new competitive grants. Both these new and continuing grants will be devoted to providing adult ex-offenders with pre-release, mentoring, housing, case management, and employment services. The grants will make use of faith-based and community organizations to provide these services to adult ex-offenders. The priorities of the program will continue to be placing returning offenders into employment and providing mentors for returning offenders. The program will also serve youth offenders through education, mentoring, and employment programs aimed at reducing the involvement of youth in gangs and violence.

Program Performance

Under the Reintegration of Ex-Offenders program, ETA will have separate goals for adult offenders and youth offenders. For adult offenders, PY 2009 targets will be set at 62% for placement in employment, 62% for retention in employment, \$9,500 for six months average earnings, and 22% for recidivism. For youth offenders the targets will focus on increasing educational achievement, increasing degree or certificate attainment, and reducing recidivism rates. In PY 2009, the youth offender target for placement in employment, education, military or advanced training is set at 57%.

Efficiency Measures

For the Reintegration of Ex-Offenders program the efficiency measure is the cost per participant ratio, determined by dividing the amount appropriated for a specific program year by the number of individual served within the program year. The estimated cost per participant for the Reintegration of Ex-Offenders program is \$4,214 for both FY2008 and FY2009. This is a weighted average of the \$5,228 cost per participant for serving 3,397 juvenile offenders and \$3,300 to serve 6,000 adult offenders. ETA works with technical assistance contractors and

**WIA COMPETITIVE GRANTS
REINTEGRATION OF EX-OFFENDERS**

evaluators to assess program performance and to determine ways of improving program efficiencies.

WORKLOAD SUMMARY (Dollars in Thousands)				
	FY 2007 Target	FY 2008 Target	FY 2009	
			Current Law	Legislative Proposal
Ex-Offender Activities Reintegration for Ex- Offenders				
Participants	0	17,440	9,491	9,491
Cost per Participant	\$0	\$4.214	\$4.172	\$4.172
Budget Activity Total	\$0	\$73,493	\$39,600	\$39,600

**WIA COMPETITIVE GRANTS
REINTEGRATION OF EX-OFFENDERS**

PERFORMANCE GOALS AND INDICATORS

Goal 1F – Reintegration of Ex-offenders										
	PY 2004		PY 2005		PY 2006		PY 2007		PY 2008	PY 2009
	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
1. Percent of participants employed in the first quarter after exit.	--	--	--	--	--	--	--	--	61%	62%
2. Percent of participants employed in the first quarter after program exit still employed in the second and third quarters after exit.	--	--	--	--	--	--	--	--	61%	62%
3. Average earnings in the second and third quarters after exit	--	--	--	--	--	--	--	--	\$9400	\$9500
4. Percent of participants re-arrested for a new crime or re-incarcerated for revocation of a parole or probation violation within one year from release from prison.	--	--	--	--	--	--	--	--	22%	22%
5. Percentage of youth ages 18 and above entering employment or enrolling in post-secondary education, the military or advanced training/occupational skills training in the first quarter after exit.	--	--	--	--	--	--	--	--	56%	57%
6. Percentage of youth offenders ages 14-17 recidivating	--	--	--	--	--	--	--	--	TBD*	TBD*
7. Percentage of youth offenders ages 18 and above recidivating	--	--	--	--	--	--	--	--	TBD*	TBD*
<p>Comments: For FY 2008 and FY 2009, the Department proposed merging the funding for the Responsible Reintegration of Youthful Offenders and the Prisoner Reentry Initiative into a combined portfolio of programs called Reintegration of Ex-Offenders. Indicators 1-4 are for the adult portion of this goal, and 5-7 are for the youth portion. * The Department is working to correct data quality issues in the Re-integration of Youth Offender program in PY 2007 and will set performance targets for the combined program's youth recidivism measures in PY 2008 and 2009 upon the completion of PY 2007.</p>										

**WIA COMPETITIVE GRANTS
RESPONSIBLE REINTEGRATION OF YOUTHFUL OFFENDERS**

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est/FY 09 Req
Activity Appropriation	49,104	0	0	-49,104	0	0	0
FTE	0	0	0	0	0	0	0

Introduction

Responsible Reintegration of Youthful Offenders funded a variety of projects aimed at serving youthful offenders and youth at-risk of becoming involved in the justice system. Youth offenders represent a particularly at-risk target group for Federal youth programs. An estimated 13 percent of youth in juvenile correctional facilities have mental retardation, and another 36 percent have learning disabilities. It is also estimated that 80 percent of youth in juvenile correctional facilities have a diagnosable mental health disorder, and many also suffer from co-occurring substance abuse problems.

In FY 2008, the Administration proposed to merge funding for two programs – the Prisoner Reentry Initiative (PRI) and the Responsible Reintegration of Youthful Offenders (RRYO) – into a single, consolidated program that serves adult ex-offenders juvenile offenders, and youth highly at-risk of becoming offenders into a new consolidated program, the Reintegration of Ex-Offenders program.

Funding Mechanism

ETA has funded Responsible Reintegration of Youthful Offenders projects through a combination of competitive and non-competitive grants, with continuation grants providing additional years of funding. Grants have been awarded to various types of organizations, including public school districts, national faith-based and community organizations, local community-based organizations, and state and local juvenile justice agencies.

FY 2009

No funding is requested for the RRYO program in FY 2009. Per the Administration’s FY 2008 proposal to merge funding for RRYO with PRI to create the new Reintegration of Ex-Offenders program, there will be no new RRYO activity in FY 2009. However, the RRYO grants started with FY 2006 and FY 2007 funds will continue in FY 2009. RRYO activities include school district based grants to reduce the involvement of youth in violence and gangs, multiple education pathway grants for youth offenders, and grants allowing successful projects serving youth offenders to expand additional sites.

WIA COMPETITIVE GRANTS RESPONSIBLE REINTEGRATION OF YOUTHFUL OFFENDERS

Program Performance

Through PY 2006, RRYO programs serving juvenile and youth adult offenders enrolled over 9,200 participants and placed 54% of youth ages 18 and above in employment, education or long-term occupational skills training. Youth ages 14 to 17 participating in these programs had a recidivism rate of only 11.6%, while youth adult participants ages 18 and above had a recidivism rate of 11.5%. Juvenile recidivism data is difficult to capture and the Department has concerns about the data quality of the recidivism rates reported in PY 2005 and 06 for both younger youth and older youth. The Department will work to correct data quality issues in PY 2007 and set performance targets for PY 2008 and 09 upon completion of PY 2007.

Efficiency Measure

The efficiency measure for the Responsible Reintegration for Young Offenders (RRYO) is the cost per participant ratio, determined by dividing the amount appropriated for a specific program year by the number of individual served within the program year. The baseline for the RRYO was established in PY2005 at \$5,228 based on \$49,104,000 in available funds and estimated 9,392 young offenders to be served. The result for PY 2005 was restated to \$4,865 because actual number served was 10,093. The cost per participant result for PY 2006 is \$5,311 based on \$49,104,000 in allocated funds and 9,245 young offenders served. Since the PY 2005 result demonstrated outcomes lower than the targets, due to the increase number of participants served, the target PY 2007 is set at \$5,176 to demonstrate efficiency through a decrease cost target of one percent each year. A cost per participant is not provided because the revised program consolidates the PRI and Re-integration of Youthful Offenders in PY 2008 and PY 2009.

The costs of serving this population are expected to be higher than other adult services as this target population possesses unique characteristics that require more intensive services. Under the consolidated program beginning in PY 2008, ETA will continue to analyze the overall performance of the program to maximize efficiencies in the future. Future targets are contingent upon approved budget authority and actual results.

WORKLOAD SUMMARY (Dollars in Thousands)				
	FY 2007 Target	FY 2008 Target	FY 2009	
			Current Law	Legislative Proposal
Responsible Reintegration for Youthful Offenders				
Participants	9,486	0	0	0
Cost per Participant	\$5,176	\$0	\$0	\$0
Budget Activity Total	\$49,104	\$0	\$0	\$0

**WIA COMPETITIVE GRANTS
RESPONSIBLE REINTEGRATION OF YOUTHFUL OFFENDERS**

PERFORMANCE GOALS AND INDICATORS

Goal 1F – Re-Integration of Youthful Offenders										
	PY 2004		PY 2005		PY 2006		PY 2007		PY 2008	PY 2009
					Goal Achieved					
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
1. Percentage of youth ages 18 and above entering employment or enrolling in post-secondary education, the military or advanced training/occupational skills training in the first quarter after exit.	--	--	--	57.4%	Baseline	54.1%	55%	RNA	NA	NA
2. Percentage of youth offenders ages 14-17 recidivating	--	--	--	6.4%*	Baseline	11.6%*	Baseline	RNA	NA	NA
3. Percentage of youth offenders ages 18 and above recidivating	--	--	--	8.9%*	Baseline	11.5%*	Baseline	RNA	NA	NA
<p>The FY 2008 and FY 2009 Budgets do not include a funding request for Re-integration of Youth Offenders. Instead the Department proposed merging the funding for the Responsible Reintegration of Youthful Offenders and the Prisoner Re-entry Initiative into a combined portfolio of programs called Reintegration of Ex-Offenders. Therefore, targets for PY 2008 and 2009 are included on the combined Reintegration of Ex-Offenders table.</p> <p>*Juvenile recidivism data is difficult to capture and the Department has concerns about the data quality of the recidivism rates reported in PY 05 and PY 06 for both younger youth and older youth recidivism data. The Department will work to correct data quality issues in PY 2007 and set performance targets for PY 2008 and 2009 upon the completion of PY 2007.</p>										

WIA COMPETITIVE GRANTS – COMMUNITY BASED JOB TRAINING

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est /FY 09 Req
Activity Appropriation	0	0	0	0	125,000	125,000	125,000
FTE	0	0	0	0	0	0	0

Introduction

In the FY 2005 Budget, President Bush proposed Community-Based Job Training Grants to strengthen the role of community colleges in promoting the full potential of the U.S. workforce. This competitive grant program builds on the High Growth Job Training Initiative, a national model for demand-driven workforce development implemented by strategic partnerships between the workforce investment system, employers, and education. The primary purpose of Community-Based Job Training Grants is to build the capacity of community colleges to provide training, and to train workers for success in industries and occupations that are expected to experience high growth, where the demand for qualified workers is outstripping supply. Congress authorized the Community-Based Job Training Grants through the Department of Labor’s appropriations bills for the last three years – Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2005 (Public Law 108-447); Department of Labor Appropriations Act, 2006 (P.L. 109-149), and Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).

Community-Based Job Training Grants recognize that many of the job opportunities available in the 21st century economy require post-secondary education and training, and that our community college system will play a key role in developing the skills of American workers. The initiative is also responsive to the increasing difficulties that businesses in high-growth, high-demand industries face in finding workers with the right skills. Community-Based Job Training Grants take advantage of community colleges’ accessibility, affordability, and adaptability and position them to support talent development strategies that optimize innovation and successful regional economic transformation.

Under the grants, community colleges develop curricula, training models, purchase equipment, hire faculty, and develop other products required to implement training. Grants also provide training. The products, models, and effective approaches that result from the Community-Based Job Training Grants have been and will continue to be broadly disseminated to education and training providers, employers, and the workforce investment system to build their capacity to respond to employer demands.

WIA COMPETITIVE GRANTS – COMMUNITY BASED JOB TRAINING

Funding Mechanism

The FY 2008 budget appropriated by Congress is \$122,816,000. In FY 2005, Community-Based Job Training Grants were funded as a stand-alone program and from the Dislocated Worker National Reserve, as authorized under section 132(a)(2)(A) of the Workforce Investment Act of 1998. However, from FY 2006 through FY 2008, Community-Based Job Training Grants were funded solely from the National Dislocated Worker National Reserve. All funds appropriated were awarded to community colleges, technical colleges, community college districts, community college systems, or One-Stop Career Centers in the form of grants following competitive Solicitations for Grant Applications. For FY 2009, all grants will be funded directly from the appropriation, without any additional funds from the Dislocated Worker Reserve.

In FY 2005, \$250,000,000 was appropriated for Community-Based Job Training Grants. ETA issued one Solicitation for Grant Applications for \$125,000,000 in the spring of 2005, funded out of the National Reserve. For FY 2006, Congress appropriated an additional \$125,000,000 in National Reserve funds and rescinded \$125,000,000 from the FY 2005 appropriation. Subsequently, Congress enacted an across-the-board rescission that resulted in a further reduction of \$1,000,000. Since funds were already obligated, the remaining \$1,000,000 was taken from a separate line item. In the summer of 2006, ETA issued one Solicitation for Grant Applications for \$125,000,000, funded out of the National Reserve.

Under the FY 2007 Continuing Resolution, \$125,000,000 was appropriated and, in the summer of 2007, ETA conducted a third Solicitation for Grant Applications for \$125,000,000. This Solicitation closed on October 31, 2007, and grant awards are anticipated early in 2008.

Five-Year Budget Activity History

Fiscal Year	Funding (Dollars in Thousands)	FTE
2005	124,000	0
2007	124,000	0

Note: In FY 2006 and FY 2007, in addition to the amounts displayed above, Congress provided \$125,000,000 in the Dislocated Workers activities. In FY 2008, Congress provided \$122,816,000, which reflects a 1.747 percent across-the-board rescission.

FY 2009

The funding level for FY 2009 of \$125,000,000 will allow DOL to make approximately 70 to 75 new grant awards of between \$500,000 and \$2,000,000. This is similar to the amount of grants the Department awarded in FY 2007 with \$125,000,000.

A thorough analysis of available grantee reporting of training outcomes indicates that, since 2005:

WIA COMPETITIVE GRANTS – COMMUNITY BASED JOB TRAINING

- 52,048 individuals have enrolled in training
- 21,036 individuals have completed training
- 15,589 individuals have received certifications

Performance data is being reported by grantees in quarterly narrative reports that are compiled by the national office. In May 2007, ETA published in the Federal Register a proposed Reporting Format for Community-Based Job Training, as well as High Growth Job Training Initiative, grantees. Currently this format is being finalized and a reporting system developed. This format proposes changes in the tracking and reporting of information to assist grantees in collecting outcomes data. The change was incorporated into the most recent grant competition and will result in more comprehensive performance results and the ability to establish baseline data for the program's common measures beginning in FY 2009.

To evaluate the effectiveness of the Community-Based Job Training Grant, ETA will conduct a full evaluation of the Community-Based Job Training Grant (CBJTG) program in Program Year (PY) 2007. It will be focused on all grants awarded under the first two competitive Solicitations for Grant Applications. The evaluation will be composed of two components. The first component will be an implementation study that will explore the effectiveness of capacity building efforts. The second part of the CBJTG evaluation will be a net-impact study. This study, using non-experimental matching methodologies, will assess the net-impacts of CBJTG training against a comparison group of like individuals.

Based on evaluation of current grant outcomes and continuous analysis of workforce challenges facing high-growth, high-demand industries, the Department will continue to focus its future investments through CBJTG on:

- Training individuals in the skill and competency needs of local or regional high-growth, high-demand industries as defined in the context of the regional economy.
- Local, regional, or statewide capacity building and training strategies that address the challenges facing high-growth, high-demand industries.
- Flexible education strategies that promote multiple pathways for workers to gain skills incrementally, including supporting efforts of community colleges and their education partners to become modular in their delivery, offering multiple entry and exit points for workers in need of continuous training.
- Strategies to further integrate community college workforce education and talent development activities with regional economic development, with an increased emphasis on coordination of these grants with state, local, and community workforce development strategies.
- Partnerships between community colleges, the workforce investment system, employers, and the continuum of education (including K-12 and 4-year educational institutions) to implement new and innovative education and learning models that support workers in receiving the training they need, promoting life-long learning, and personal accountability for skill development. Examples of these models include on-the-job and apprenticeship training, distance and technology-based learning, and simulation applications that enhance clinical experiences in industries such as health care, biotechnology, energy, and advanced manufacturing.

WIA COMPETITIVE GRANTS – COMMUNITY BASED JOB TRAINING

All previous CBJTG awards were made under competitive Solicitations for Grant Applications. All future grants will also be awarded competitively.

Continuing the design principles established in the first round of funding, CBJTG models a strategic approach built on partnerships between the public workforce system, the education and training system (primarily community colleges), and regional businesses in high growth/high demand industries. The Initiative targets industries that are projecting growth and are critical to the nation's economy.

Currently, healthcare fields comprise about 50% of the 142 grant CBJTG awards. Historically, healthcare fields comprise the largest numbers of application submissions and therefore, the largest number of grant awards. We anticipate this will continue in the third round of grants, which will be awarded in early 2008, and in future investments.

Efficiency Measures

The current efficiency measure used for Community-Based Job Training Grant is cost per participant as measured by the amount funded as the numerator and the number of individuals being trained as the denominator. We do not believe this is a good efficiency measure. However, it is the best measure available at this time.

To date, this measure has been an estimate based on the amount funded over the projected number of individuals to be trained over the three-year life of the grant. ETA analyzed PY 2006 data to assess whether it would be adequate to use as a baseline. The analysis is required because the nature of the grants pose challenges to establishing an accurate baseline. Under the grants, the majority of training occurs in the latter parts of the grant. Therefore, using training numbers from one year, especially an early year, as a projection for subsequent years can provide skewed data. This is because in the first year of the grant, training numbers may be low because this is the time the grantee is building their capacity and designing the training program. In the last year, the training numbers will be higher as the majority of the capacity building work is complete and the grants are focused on training.

Additionally, the projected number trained that is currently used is the number projected to be trained over the life of the grant, not a specific program year. The \$150 million in requested funding is for a three year period and is not broken up by year, so using this as a numerator and data from one program year for the denominator will skew the numbers.

Therefore, ETA will not be able to establish a target until PY 2009 to allow us time to capture the results from all three years of the first round of Community-Based Job Training Grants. We will continue to use the projected estimate, which is $\$125,000,000/50,000 = \$2,500$ cost per-participant.

WIA COMPETITIVE GRANTS – COMMUNITY BASED JOB TRAINING

WORKLOAD SUMMARY (Dollars in the Thousands)				
	PY 2007 Target	PY 2008 Target	PY 2009	
			Current Law	Legislative Proposal
Community-Based Job Training Grants (CBJTGs)				
Participants*	26000	26000	26000	26000
Cost Per Participant	\$3000	\$3000	\$3000	\$3000
Budget Activity Total	\$125,000	\$122,816	\$125,000	\$125,000

* CBJTGs are awarded in “rounds” that loosely correspond to each fiscal year. Participant targets for PY 2007 coincide with the grants awarded during the previous Rounds 1 and 2 funding cycles. Participant targets for PY 2008 coincide with the grants awarded during the previous Rounds 1, 2, and 3 funding cycles. Participant targets for PY 2009 coincide with the grants awarded during the previous Rounds 2, 3, and 4 funding cycles.

WIA COMPETITIVE GRANTS – COMMUNITY BASED JOB TRAINING

PERFORMANCE GOALS AND INDICATORS

Increase the employment, retention, and earnings of individuals served through Community Based Job Training Grants										
Community-Based Job Training Grants: Goal 2D	PY 2004		PY 2005		PY 2006		PY 2007		PY 2008	PY 2009
	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
1. Number of participants enrolled in training ¹	--	--	--	--	--	26,000 ⁴	26,000 ⁶ Baseline	RNA	26,000	26,000
2. Number of participants completing training ²	--	--	--	--	--	10,400 ⁴	10,400 ⁷ Baseline	RNA	10,400	10,400
3. Number of participants receiving certifications ³	--	--	--	--	--	7,800 ⁴	7,800 ⁸ Baseline	RNA	7,800	7,800
4. Percent of participants employed in the first quarter after exit.	--	--	--	--	--	RNA ⁵	--	RNA	Baseline	TBD
5. Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit.	--	--	--	--	--	RNA	--	RNA	Baseline	TBD
6. Average earnings in the second and third quarters after exit.	--	--	--	--	--	RNA	--	RNA	Baseline	TBD
<p>Baseline(s): Baseline year for Common Measures (#'s 4, 5, and 6 from Goal 2D) moved from PY 2006 to PY 2008 due to a delay in the reporting system. The baseline year for number of participants enrolled in training, completing training, and receiving certificates (#'s 1, 2, and 3 from Goal 2D) is 2007. 2007 was selected as a baseline year to allow DOL to analyze the data reported in PY 2006, the first full program year of this new initiative.</p>										
<p>Data Source(s): Grantee Reports submitted to DOL. Grantees are required to report financial data and program performance narratives, but there is not yet an approved, standardized performance reporting form. Data presented here is gathered from the performance narratives and represents grantees interpretations of definitions rather than a standardized definition.</p>										
<p>Comments: DOL has been tracking the cumulative to date numbers for the number of participants enrolled in training, completing training, and receiving certifications. Please refer to the performance section of the budget narrative to obtain participant data obtained since October 1, 2005.</p>										
<p>Footnotes:</p>										
<p>¹ The number of participants enrolled in training is defined as: the total number of participants, adult and youth, who received or are continuing to receive industry and/or occupational skills education and job training activities during the program year.</p>										
<p>² The number of participants completing training is defined as: the total number of participants, adult and youth, who have completed one or more industry and/or</p>										

WIA COMPETITIVE GRANTS – COMMUNITY BASED JOB TRAINING

Community-Based Job Training Grants: Goal 2D	PY 2004		PY 2005		PY 2006		PY 2007		PY 2008	PY 2009
	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
<p>occupational skills education and job training activities during the program year. This category does not include participants who have not completed because they have dropped out to enter employment.</p> <p>³ The number of participants receiving certifications is defined as: the total number of participants, adult and youth, who completed industry and/or occupational skills education and job training activities and received a degree or certificate.</p> <p>⁴ This is derived in part from PY 2006, but takes into consideration an analysis of the cumulative year to date information.</p> <p>⁵ RNA=Results Not Available</p> <p>⁶ The baseline was derived from cumulative to date information reported by 142 grantees that received CBJTG awards in PY 2005 and PY 2006. The data used in developing the baseline projections is in large part from PY 06 but takes into consideration data from PY 05 and the first quarter of PY 07.</p> <p>⁷ The number of participants completing training reflects only those participants who will complete training during the life of the grant. Given the longer-term nature of some of the training occurring under the grants (e.g. nursing, which takes up to two years), DOL expects a significant number of enrolled participants to complete their training after the period of performance for the grants has ended. DOL cannot mandate grantees to provide data after the period of performance has ended.</p> <p>⁸ The number of participants receiving certificates is linked to the number of participants completing training as only those receive a certificate or degree AND complete training can be counted. Given the longer-term nature of some of the training occurring under the grants (e.g. nursing, which takes up to two years), DOL expects a significant number of enrolled participants to receive degrees or certificates after the period of performance for the grants has ended. DOL cannot mandate grantees to provide data after the period of performance has ended.</p>										

WIA COMPETITIVE GRANTS – COMMUNITY BASED JOB TRAINING

CHANGES IN FY 2009 (Dollars in Thousands)

Activity Changes			
Built-In			
To Provide For:			
Built Ins Subtotal			0
Net Program			0
Direct FTE			0
	Estimate	FTE	
Program Increase	0		0

WIA NATIONAL ACTIVITIES

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est /FY 09 Req
Activity Appropriation	21,101	54,326	54,326	33,225	25,000	25,000	-29,326
FTE	0	0	0	0	0	0	0

Introduction

Title I of the Workforce Investment Act (WIA) authorizes ETA to conduct pilots, demonstrations, research and evaluations. Because there are separate accounts for (1) pilots, demonstrations, and research, and (2) evaluations, each is presented separately in this section.

Funding Mechanism

A description of WIA National Activities funding mechanism is provided in the following sections.

Five-Year Budget Activity History

Fiscal Year	Funding (Dollars in Thousands)	FTE
2004	70,515	0
2005	96,061	0
2006	39,537	0
2007	21,101	0
2008	54,326	0

FY 2009

A description of WIA National Activities at the FY 2009 request level is provided in the following sections.

WIA NATIONAL ACTIVITIES

WORKLOAD SUMMARY (Dollars in Thousands)				
	FY 2007 Target	FY 2008 Target	FY 2009	
			Current Law	Legislative Proposal
WIA National Activities				
Pilots and Demos (P&D) Project / Requests	32/37	150/150	37/43	37/43
Research Projects / P&D Reports	37/37	1/4	37/37	37/37
Evaluation Projects / Reports	16/15	6/3	12/6	12/6
Budget Activity Total	\$21,101	\$54,326	\$25,000	\$25,000

WIA NATIONAL ACTIVITIES

PERFORMANCE GOALS AND INDICATORS

Goal 2M – Pilots, Demos, Evaluations, and Research										
	PY 2004		PY 2005		PY 2006		PY 2007		PY 2008	PY 2009
	Goal Achieved		Goal Achieved		Goal Achieved					
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
1. Percentage of all scheduled research, pilot, demonstration, and evaluation reports from current studies that are submitted within 3 months of completion for approval and public dissemination to the Office of the Assistant Secretary	90%	90%	90%	90%	90%	99%	100%	RNA	100%	100%
2. Upon approval, the percentage of research, pilot, demonstration, and evaluation reports that will be published within 3 months, with briefings and summaries of studies prepared for the Assistant Secretary to inform workforce investment planning and decisions.	90%	90%	90%	90%	90%	100%	100%	RNA	100%	100%

WIA NATIONAL ACTIVITIES

CHANGES IN FY 2009

(Dollars in Thousands)

Activity Changes		
Built-In		
To Provide For:		
Built Ins Subtotal		0
Net Program		-29,326
Direct FTE		0
	Estimate	FTE
Base	54,326	0
Program Decrease	-29,326	0

WIA NATIONAL ACTIVITIES

Pilots, Demonstrations and Research

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est/FY 09 Req
Activity Appropriation	14,700	48,508	48,508	33,808	16,000	16,000	-32,508
FTE	0	0	0	0	0	0	0

Introduction

Pilot, demonstration, and research (PD&R) activities are authorized under Section 171 of the Workforce Investment Act of 1998 (Public Law 105-220). Under Section 171, ETA conducts pilot, demonstration, and research activities which support key areas of program and policy emphasis, inform workforce investment policies and investment decisions, and support continuous improvement of the workforce investment system. To be most effective, research needs to look ahead and examine the impact of the global economy on the labor force and workforce programs. ETA will emphasize PD&R projects that increase the understanding of the interaction between the labor market and the innovation economy. This includes methodologically rigorous projects that examine critical issues impacting the future of the nation's labor market as well as projects that support the President's Management Agenda Program Improvement initiative.

Funding Mechanism

ETA funds evaluation projects through grants or contracts. ETA conducts competitions through Requests for Proposals, for contracts, or Solicitation for Grant Applications, for grants. Evaluation funding is also awarded through sole source procurement in cases where the applicant demonstrates exceptional capability by virtue of experience, unique facilities or technical expertise, or in other circumstances in which sole source procurement is allowed.

FY 2009

A total of \$16,000,000 is requested for PD&R activities for FY 2009, and decrease of \$32,508,000 from FY 2008. The Budget eliminates funding added in previous years for numerous narrow-purpose projects that duplicate existing DOL programs and have little accountability for performance outcomes. The 2008 Omnibus included over \$48 million in funding for earmarks in this activity. The 2009 Budget also redirects some funding to continue an impact evaluation of the Workforce Investment Act's Adults, Dislocated Worker, and Youth State grant programs (as discussed below, in the Evaluation activity).

WIA NATIONAL ACTIVITIES

The overall goal of ETA PD&R activities is twofold: (1) invest in promising practices for national policy application; and (2) incubate pilot projects that can be launched on a larger scale. ETA plans rigorous evaluation of new and existing programs and policies to understand the efficacy of the entire service delivery intervention. Some of these projects support the President's Management Agenda Program Improvement initiative.

In the summer of 2007, ETA transmitted to Congress the Five-Year Research, Demonstration, and Evaluation Strategic Plan for 2007-2012. The plan identifies six strategic priority areas for pilot, demonstration, and research activities. In FY 2009, ETA plans to continue implementing or complete the following projects under each priority area:

- *Integration of Workforce and Regional Economic Development* – ETA will continue implementing the Creating Entrepreneurship Opportunities for Minorities demonstration project. The demonstration establishes a national business information clearinghouse in regions that are focusing on entrepreneurship activities to grow their economy and assists with entrepreneurship activities by developing business tools that help increase the economic vitality of minority populations. ETA will complete the original New American Centers demonstrations.
- *Methods of Expanding U.S. Workforce Skills* – ETA will continue the demonstration to prepare rural science and math teachers through the Western Governors University competency-based distance learning demonstration project as well as continue expanding the use of technology for workforce occupational training. ETA also plans to bring the expanded Individual Training Account Experiment to closure by publishing a report that determines the net-impacts of training on the original participant's employment, retention and earnings.
- *Increasing the Labor Market Participation of Underutilized Populations* – ETA will continue examining opportunities and strategies for retaining older workers in industry sectors that will be heavily impacted by the aging and retirement of the baby boom generation. ETA will also continue examining efforts aimed at assisting women, individuals with disabilities, ex-offenders, limited English proficient individuals, and disadvantaged youth overcome barriers to employment and connect with education and training opportunities.
- *Using State-Level Administrative Data to Measure Progress and Outcomes* – ETA plans to complete the WIA Quick Impact Analysis, which links administrative data to evaluate the WIA formula programs by using quasi-experimental research methods to assess the net-impacts of the receipt of WIA core/intensive services and the incremental impacts of participating in WIA training on participant's employment, retention and earnings.
- *Post-Secondary Education and Job Training* – ETA will continue examining how technology makes learning accessible, and testing the Lifelong Learning Accounts. ETA also plans to complete a secondary analysis of the National Assessment of Adult Literacy data by issuing a series of reports that links literacy to career opportunities.
- *Unemployment Insurance* – ETA will continue examining the Reemployment Eligibility Assessment Initiative. ETA plans to complete the macro-economic impact analysis of

WIA NATIONAL ACTIVITIES

Unemployment Insurance (UI) to determine how well it performs its stabilization functions and the analysis of UI lifetime benefits and contributions.

Priority for FY 2009 PD&R funds will be directed towards the *WIA Gold Standard Random Assignment Study* – a new priority project that began in FY 2007 and is included in the Department's Five-Year Research, Demonstration and Evaluation Strategic Plan for 2007-2012, as well as in the President's Management Agenda Program Improvement initiative. ETA launched the rigorous random-assignment study to determine the impact of WIA programs on participant outcomes and test an alternative approach to training through the use of an enhanced training account. The experimental, random-assignment and multi-tiered project is the most reliable type of rigorous study in the field of social science. The WIA Gold Standard study represents the first true net-impact study of WIA programs.

The WIA Gold Standard study is being conducted over the course of seven years and is composed of a design phase, an implementation steady-state phase and a data analysis phase. States and local workforce investment boards were competitively selected to participate in the study and are being provided incremental financial support in the form of grants as well as technical assistance resources to execute the study. Grantees agreed to conduct, in partnership with ETA and the designated evaluation contractor, a rigorous, random-assignment experiment that assesses the net-impacts of the receipt of WIA services and an enhanced training account on participant's employment, retention and earnings. In FY 2009, ETA will continue supporting this research by providing the final installment of the incremental grant funds. This study includes an evaluation component which is discussed in under the Evaluation section.

Program Performance

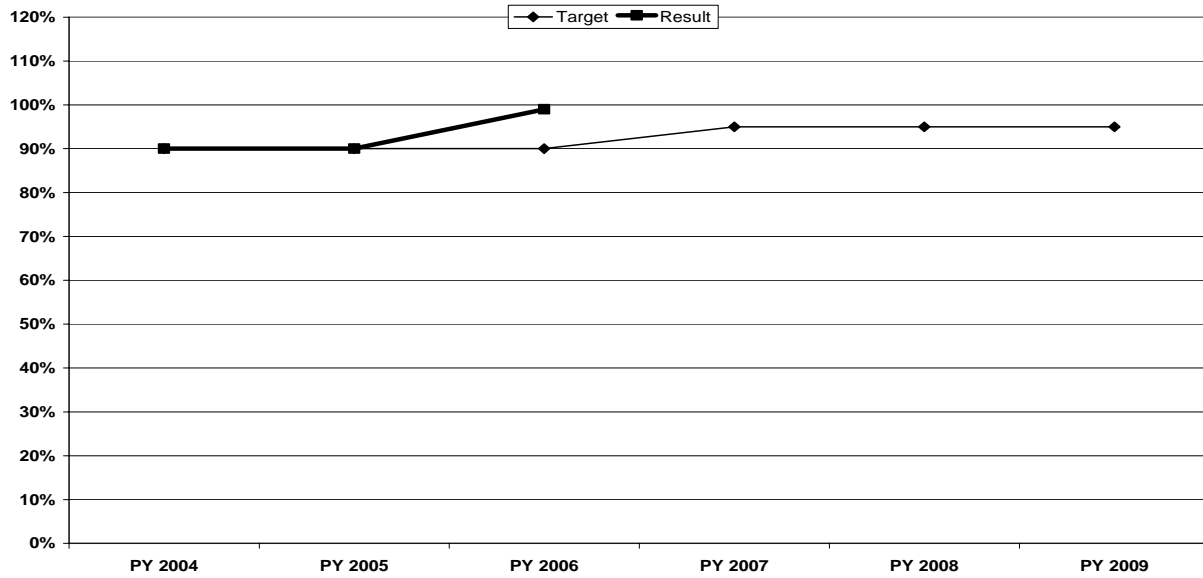
Two performance measures are used for pilot, demonstration, and research (as well as evaluation) activities:

- The percent of all scheduled pilot, demonstration, research, and evaluation reports that will be submitted for public dissemination approval within 3 months of completion.
- Upon approval, the percent of pilot, demonstration, research, and evaluation reports that will be published within 3 months, and briefings/summaries of studies will be prepared for use by the Agency to inform workforce investment planning and decisions.

ETA met or exceeded the performance targets for both indicators for Program Years 2004, 2005, and 2006, the most recent year for which performance results are available. The target for both indicators for PY 2009 is 95 percent.

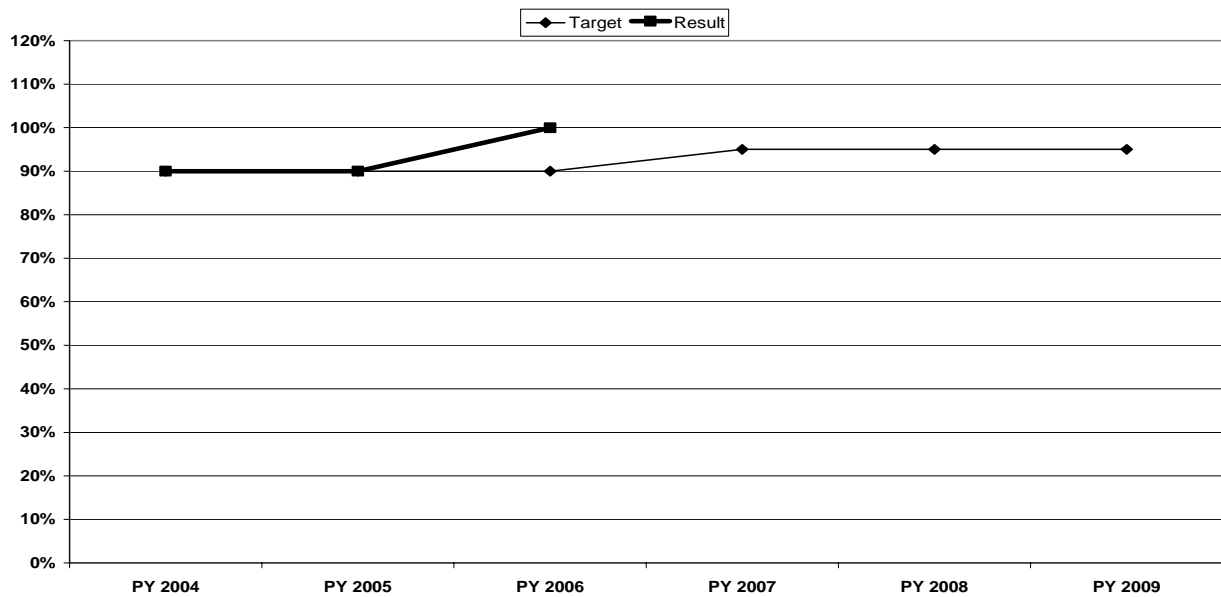
WIA NATIONAL ACTIVITIES

Scheduled Reports Submitted to the Office of the Assistant Secretary Within 3 Months of Completion, PY 2004-2009



Source: Five-year strategic research plan; research and evaluation schedules.

Reports Published within 3 Months After Approval, and Briefings and Summaries Prepared for the Assistant Secretary, PY 2004-2009



Source: Five-year strategic research plan; research and evaluation schedules.

WIA NATIONAL ACTIVITIES

Efficiency Measure

An important function of the Federal Project Officers is to provide guidance to pilot, demonstration, and research grantees and contractors in designing and implementing studies. Project officers ensure the study design clearly articulates the research questions and methodologies to be employed. The guidance provided by project officers yields quality studies and reports. By increasing the quality of the study design, ETA is making its pilot, demonstration, research and evaluation projects more efficient. ETA will determine the efficiency of projects based on the percentage of project reports that are approved for publication.

WIA NATIONAL ACTIVITIES

Evaluation

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est/FY 09 Req
Activity Appropriation	4,921	4,835	4,835	-86	9,000	9,000	4,165
FTE	0	0	0	0	0	0	0

Introduction

Evaluation activities are authorized under Section 172 of the Workforce Investment Act of 1998 (Public Law 105-220). Under Section 172, ETA carries out the rigorous evaluation of programs and activities authorized by title I of WIA. ETA program evaluations contribute to the improvement of service delivery interventions of state and local WIA programs, and ultimately contribute to improved outcomes. ETA evaluations are coordinated with evaluations of WIA carried out by the states. Results from evaluation studies inform the continuous improvement of policy and investment decisions. The evaluation studies also directly respond to the Program Assessment Rating Tool (PART) review process and to the President’s Management Agenda Program Improvement initiative.

Funding Mechanism

ETA funds evaluation projects through grants or contracts. ETA conducts competitions through Requests for Proposals, for contracts, or Solicitation for Grant Applications, for grants. Evaluation funding is also awarded through sole source procurement in cases where the applicant demonstrates exceptional capability by virtue of experience, unique facilities or technical expertise, or in other circumstances in which sole source procurement is allowed.

FY 2009

A total of \$9,000,000 is requested for Evaluation in FY 2009, an increase of \$4,165,000 from FY 2008. ETA’s evaluation efforts in FY 2009 focus on evaluating key agency programs and initiatives, as well as responding to PART findings and the President’s Management Agenda Program Improvement initiative. In addition to increasing our understanding of workforce training efficiency, evaluation projects also help inform policy and investment decisions and support continuous improvement of the workforce investment system.

In FY 2009, ETA will continue oversight of the following ongoing and multi-year program evaluation studies:

WIA NATIONAL ACTIVITIES

- *Evaluation of the Senior Community Service Employment Program (SCSEP)* – ETA will continue the third year of this five-year study which is examining SCSEP's success in meeting its goals of fostering useful part-time training opportunities in community service and individual economic self-sufficiency for low-income older Americans. The study is evaluating for the first time in the program's existence the impact of SCSEP on participants' post-participation earnings, employment and other outcomes, as well as the program's cost-effectiveness. This impact evaluation is using a random assignment methodology where individuals determined eligible for SCSEP by state or national grantees in a given year are randomly assigned to either a treatment group that is offered a community service assignment or a control group that is not offered a community service assignment but instead is referred to a local WIA program.
- *Evaluation of the Trade Adjustment Assistance (TAA) Program* – ETA will fund the fifth year of this six-year study, which is intended to generate information that will serve multiple purposes and aid in the development of: 1) administrative guidance; 2) technical assistance; and 3) legislation and budgetary proposals for program reauthorization. The evaluation includes a qualitative analysis focusing on activities at the state and local level and a non-experimental net impact study. The evaluation is examining participant characteristics, program practices, management issues, as well as outcomes and impact of TAA, including a quasi-experimental impact analysis using a matched comparison group.
- *Evaluation of the Extension of ITA Experiment* – In FY 2007, ETA extended this six state experiment to conduct a longitudinal follow-up study. The evaluation component of this experiment includes: 1) completing a long-term client follow-up survey with a range of 36-48 months (discussed under Research); 2) leveraging state administrative records and Unemployment Insurance wage records through data sharing agreements to add to the statistical analysis; 3) identifying an appropriate comparison group to conduct enhanced net-impact analysis including all six states (pending data availability); and 4) developing a final report covering the long-run impacts of the treatments groups.
- *Evaluation of Community-Based Job Training Grants (CBJTG)* – ETA launched this evaluation in FY 2007. The evaluation seeks to: 1) document and assess how the demonstration plans were designed and implemented; 2) assess the effectiveness of CBJTG-funded training programs in raising the skills, employment, and earnings of individuals participating in the programs; and 3) calculate the return on investment for the programs funded. The evaluation is being conducted in three phases. Phase I is examining the extent to which the CBJTG addressed the stated workforce objectives and challenges, as well as documenting the role of business and the workforce investment system in the overall success of the grants. Phase II includes an impact evaluation of the training only and hybrid projects and a cost-benefit or return on investment analysis. Phase III is a classic random assignment experiment.
- *Workforce Innovation in Regional Economic Development (WIRED) Initiative Evaluation* -- ETA launched this evaluation in FY 2007. The purpose of the evaluation is to provide a comprehensive understanding of the implementation and cumulative affects of WIRED

WIA NATIONAL ACTIVITIES

strategies on the participating regions. The evaluation will examine systematic patterns across regions, primarily in the areas of strategic approaches to address regional workforce and economic development challenges. The evaluation focuses on three critical aspects of regional economic transformation: 1) regional alliance-building across geographic and professional boundaries, and identity development; 2) specific organizational and programmatic strategies, in terms of partners, governance, co-investment, and specific business and workforce development initiatives; and 3) measurable progress toward sustainable economic transformation, as indicated by outcome metrics related to regional economic well-being and workforce talent development.

In FY 2009, ETA also plans to complete evaluations of the Veteran's Priority of Service Provision, the H-2A Program, and the High Growth Job Training Initiative, among others. In addition, ETA will continue its role as information clearinghouse to inform all partners in the workforce investment system of projects that have been completed to further the knowledge of and insight into issues that face the workforce investment system. All ETA-sponsored study findings are widely disseminated via the ETA Occasional Paper Series as well as on the agency's website and at public forums such as the Research Showcase at ETA's annual Workforce Innovations Conference.

The \$4,165,000 increase requested for Evaluation in FY 2009 will be used to support these three priority evaluations:

First, ETA will continue conducting the impact analysis evaluation of the WIA Adult, Dislocated Worker, and Youth programs. The increase will support the experimental, random-assignment and multi-tiered evaluation which is commonly known in the field of program evaluation as the methodological "gold standard" because of its reliability in establishing and validating causal relationships among specific and measurable program impacts along any given array of program variables. Two treatment groups and a control group are included in this evaluation. Each group is being statistically measured against the others to generate cross-treatment comparisons and subgroup analysis. Through this evaluation, ETA will be able to gather specific impact, efficiency, and efficacy program element measurements in the aggregate as well as incrementally. Begun in FY 2007, the evaluation was designed in the first phase, grants were provided for the implementation phase, and the complete evaluation (including the data collection and analysis phase) will be conducted over the course of seven years.

Second, the additional resources will help ETA to better support the random assignment phase in the ongoing evaluation of the Senior Community Service Employment Program (SCSEP) by enabling intensive training of intake workers and monitoring of the process to ensure that procedures are understood and followed correctly and crossover (control group members enrolling in SCSEP) is held to a minimum. The random assignment phase is the most critical aspect of this study and will help ETA determine how the SCSEP program intervention fairs against the WIA services for the older worker and aging population.

Third, the increase will allow ETA to fully support the random assignment experiment phase of an ongoing evaluation of Community-Based Job Training Grants (CBJTG). The results of this study will help ETA determine the impact of training on participants' outcomes.

WIA NATIONAL ACTIVITIES

Program Performance

Two performance measures are used for evaluation (as well as pilot, demonstration, and research) activities:

- The percent of all scheduled pilot, demonstration, research, and evaluation reports that will be submitted for public dissemination approval within 3 months of completion.
- Upon approval, the percent of pilot, demonstration, research, and evaluation reports that will be published within 3 months, and briefings/summaries of studies will be prepared for use by the Assistant Secretary to inform workforce investment planning and decisions.

ETA met or exceeded the performance targets for both indicators for Program Years 2004, 2005, and 2006, the most recent year for which performance results are available (for specific results over these program years, see the FY 2009 performance discussion for Pilots, Demonstrations and Reports). The target for both indicators for PY 2009 is 95 percent.

Efficiency Measure

An important function of the Federal Project Officers is to provide guidance to evaluation grantees and contractors in designing and implementing studies. Project officers ensure the study design clearly articulates the research questions and methodologies to be employed. The guidance provided by project officers yields quality studies and reports. By increasing the quality of the study design, ETA is making its evaluation projects more efficient. ETA will determine the efficiency of projects based on the percentage of project reports that are approved for publication.

WIA NATIONAL ACTIVITIES

Technical Assistance

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est/FY 09 Req
Activity Appropriation	480	0	0	-480	0	0	0
FTE	0	0	0	0	0	0	0

Introduction

Following the enactment of the Workforce Investment Act of 1998 (Public Law 105-220) funds were appropriated for activities authorized under Section 170, including providing training, technical assistance, staff development and other activities to states and localities, and in particular, activities to assist in making transitions to the new law. Since the enactment of this legislation in 1998, the need for such technical assistance has diminished.

In recent years, Congress has directed that the appropriations for this line item be used to fund Women in Apprenticeship grants authorized by the Women in Apprenticeship and Non-Traditional Occupations Act (WANTO) of 1992 (Public Law 102-530). The Women's Bureau and ETA have jointly administered the program, which awards competitive grants to recruit, hire, train, and retain women in apprenticeships and nontraditional occupations. The grants focus on conducting innovative projects to improve the recruitment, selection, training, employment, and retention of women in the construction industry. WANTO grants are awarded to community-based organizations, which may include faith-based, union-related organizations and employer-related non-profit organizations, among others.

Funding Mechanism

WANTO Grants are awarded annually to community-based organizations through a competitive Solicitation for Grant Applications (SGA) process.

Five-Year Budget Activity Component History

Fiscal Year	Funding (Dollars in Thousands)	FTE
2004	2,982	0
2005	2,958	0
2006	1,980	0
2007	480	0

WIA NATIONAL ACTIVITIES

FY 2009

As in the FY 2007 and 2008 Budget requests, no funds are requested for WIA National Activities – Technical Assistance in FY 2009. The need for technical assistance funds has been largely met through prior investments, and current funding is providing the opportunity to successfully demonstrate innovative approaches for the training of women in non-traditional occupations.

On June 28, 2007, three WANTO grants of \$300,000 were awarded from the FY 2007 Department of Labor appropriation, and an additional \$72,180 was provided to a technical assistance contractor to provide support to the WANTO grantees. For 2008, the Congress directed ETA to award the entire of this line item to support WANTO grants. ETA will award this funding through a competitive SGA to community-based organizations.

Performance of current projects is being measured through wage gains and nine month retention of participants. Additional outcome information includes success in meeting recruitment goals and information and education outreach efforts.

Efficiency Measure

Not applicable to this activity.

WOMEN in APPRENTICESHIP

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est/FY 09 Req
Activity Appropriation	1,000	983	983	-17	0	0	-983
FTE	0	0	0	0	0	0	0

Introduction

Following the enactment of the Workforce Investment Act of 1998 (Public Law 105-220) funds were appropriated for activities authorized under Section 170, including providing training, technical assistance, staff development and other activities to states and localities, and in particular, activities to assist in making transitions to the new law. Since the enactment of this legislation in 1998, the need for such technical assistance has diminished.

In recent years, Congress has directed that the appropriations for this line item be used to fund Women in Apprenticeship grants authorized by the Women in Apprenticeship and Non-Traditional Occupations Act (WANTO) of 1992 (Public Law 102-530). The Women's Bureau and ETA have jointly administered the program, which awards competitive grants to recruit, hire, train, and retain women in apprenticeships and nontraditional occupations. The grants focus on conducting innovative projects to improve the recruitment, selection, training, employment, and retention of women in the construction industry. WANTO grants are awarded to community-based organizations, which may include faith-based, union-related organizations and employer-related non-profit organizations, among others.

Funding Mechanism

WANTO Grants are awarded annually to community-based organizations through a competitive Solicitation for Grant Applications (SGA) process.

Five-Year Budget Activity Component History

Fiscal Year	Funding (Dollars in Thousands)	FTE
2007	1,000	0
2008	983	0

WOMEN in APPRENTICESHIP

FY 2009

As in the FY 2007 and 2008 Budget requests, no funds are requested for WIA National Activities – Technical Assistance in FY 2009. The need for technical assistance funds has been largely met through prior investments, and current funding is providing the opportunity to successfully demonstrate innovative approaches for the training of women in non-traditional occupations.

On June 28, 2007, three WANTO grants of \$300,000 were awarded from the FY 2007 Department of Labor appropriation, and an additional \$72,180 was provided to a technical assistance contractor to provide support to the WANTO grantees. For 2008, the Congress directed ETA to award the entire of this line item to support WANTO grants. ETA will award this funding through a competitive SGA to community-based organizations.

Performance of current projects is being measured through wage gains and nine month retention of participants. Additional outcome information includes success in meeting recruitment goals and information and education outreach efforts.

DENALI COMMISSION

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est /FY 09 Req
Activity Appropriation	6,875	6,755	6,755	-120	0	0	-6,755
FTE	0	0	0	0	0	0	0

Introduction

The Denali Commission is a Federal and State partnership designed to provide critical utilities and infrastructure throughout Alaska, particularly in distressed communities. The authorizing legislation for this program is the Denali Commission Act of 1998, Public Law 105-227, 42 U.S.C. 3121. One of the stated purposes of the Act is to provide job training and other economic development services in rural communities particularly distressed communities in Alaska. Under the Act, the Commission makes available project grants to state and local governments, private, public, profit, nonprofit organizations and institutions or individuals eligible in the state.

In previous years, the Department of Labor Appropriation Acts have contained a General Provision authorizing that such sums be appropriated as may be necessary to the Denali Commission through the Department to conduct job training of the local workforce where Denali Commission projects will be constructed. In addition, line item funding has been provided to the Department, although this constitutes only about 5 percent of total Denali Commission funding. Other funding for the Denali Commission has been provided through the Energy and Water Development Appropriations and appropriations for the Health Resources and Services Administration of the Department of Health and Human Services.

Funding Mechanism

Funds are provided to the Denali Commission, which has its own authority, process, and criteria for making grant awards. In general, projects are judged based on consistency with locally developed and regionally supported infrastructure development plans, long term sustainability, relative impacts on reducing unemployment, raising the standards of living, reducing the cost of utilities, and cost-sharing by others.

FY 2009

As in the FY 2007 and 2008 Budget requests, the 2009 Budget proposes to terminate direct funding for the Denali Commission. The Budget requests \$6 million (\$2 million in the Energy and Water appropriations bill, and \$4 million in a trust fund) for the Denali Commission, which will allow it to continue the constructive role the Commission plays as a regional planner and coordinator of other Federal investments in Alaska. Alaska will receive Federal support for job

DENALI COMMISSION

training and employment services through Workforce Investment Act (WIA) formula grants, Native Americans training grants, and its Job Corps center.

Efficiency Measures

Not applicable to this activity.

WORKLOAD SUMMARY (Dollars in Thousands)				
	FY 2007 Actual	FY 2008 Target	FY 2009	
			Current Law	Legislative Proposal
Denali Commission				
Participants	N/A	N/A	N/A	N/A
Cost per Participant	N/A	N/A	N/A	N/A
Budget Activity Total	\$6,875	\$6,755	\$0	\$0

PERFORMANCE GOALS AND INDICATORS

Denali Commission

Performance indicators are not provided.

DENALI COMMISSION

CHANGES IN FY 2009

(Dollars in Thousands)

Activity Changes		
Built-In		
To Provide For:		
Built Ins Subtotal		0
Net Program		-6,755
Direct FTE		0
	Estimate	FTE
Base	6,755	0
Program Decrease	-6,755	0

INDIAN AND NATIVE AMERICANS PROGRAM

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est /FY 09 Req
Activity Appropriation	53,696	52,758	52,758	-938	45,000	45,000	-7,758
FTE	0	0	0	0	0	0	0

Introduction

Section 166 of WIA, the Indian and Native American Program, makes funds available to Indian tribes, tribal organizations, Alaska Native entities, Indian controlled organizations serving Indians, or Native Hawaiian organizations to support employment and training activities for Indian, Alaska Native, and Native Hawaiian individuals in order to: 1) develop more fully the academic, occupational, and literacy skills of such individuals; 2) make such individuals more competitive in the workforce; and 3) promote the economic and social development of Indian, Alaska Native, and Native Hawaiian communities in accordance with the goals and values of such communities.

Section 174 (a)(2)(A) of WIA authorizes the Secretary of Labor to reserve not less than \$55,000,000 for carrying out section 166. In addition, section 127 (b)(1)(C) authorizes 1.5 percent of state youth allotment funding (approximately \$14,000,000) to provide youth activities under section 166.

Public Law 102-477, the Indian Employment, Training, and Related Services Demonstration Act of 1992, commonly referred to as the “477” demonstration initiative, allows tribes to consolidate and integrate workforce and other formula funded programs across Federal agencies into a single integrated set of services, designed to address tribal needs and goals. This demonstration project is administered by the Department of the Interior’s Office of Indian Energy and Economic Development. The Department of Labor provides training and technical assistance funds and other administrative support to grantees. As of October 2007, 47 of the 119 Public Law 102-477 eligible Section 166 grantees have opted to participate in the “477” demonstration project. This program allows tribes and Alaska Native entities to combine funds in a single plan, budget and report. ETA will continue to encourage Indian tribes and Alaska Native entities that are Section 166 grantees to participate in this program.

Together, these efforts attempt to address the high unemployment rate for American Indians and Alaska Natives, which is almost three times that of the total population, by helping them gain the skills necessary to obtain employment in a competitive job market.

INDIAN AND NATIVE AMERICANS PROGRAM

Funding Mechanism

The Native American Employment and Training program awards annual funding to Indian tribes, tribal organizations, Alaska Native entities, Indian controlled organizations serving Indians, and Native Hawaiian organizations on a competitive basis using the following funding formula for the Indian and Native American Adult Program:

- Twenty-five percent of the funds appropriated for the program will be allocated on the basis of the relative number of unemployed Native Americans in a grantee's designated service area compared to all such Native Americans in the United States.
- Seventy-five percent of funds appropriated for the program will be allocated on the basis of the relative number of Native Americans in poverty in the grantee's designated service area compared to all such Native Americans in the United States.

The data and definitions used to implement the formula described above are provided by the U.S. Bureau of the Census.

The FY 2007 appropriation for the Indian and Native American Adult Program was \$53,696,000. These funds were allocated to 180 grantees. The median funding allocation per Native American adult program grantee in FY 2007 was \$160,426.

Five-Year Budget Activity History

Fiscal Year	Funding (Dollars in Thousands)	FTE
2004	54,676	0
2005	54,238	0
2006	53,696	0
2007	53,696	0
2008	52,758	0

FY 2009

In FY 2009, a total of \$45,000,000 is requested for the Indian and Native American Section 166 Program. This is the same amount as requested in FY 2008 and a decrease of \$8,696,000 from the FY 2007 appropriation. ETA believes that providing a greater emphasis on assisting Native Americans in competing and obtaining jobs in professions identified as high growth and high demand through skills training targeted by the Section 166 grantees will result in individuals being served with better outcomes. As a result of the PART improvement plan (discussed below), ETA has taken actions to improve financial management and program efficiency of Native American tribes and non-profit organizations. These efficiencies will lower cost per participant, and compensate for part of the funding reduction.

ETA's overall priorities for the Native American Section 166 Program in FY 2009 will be to:

- Increase program efficiency;

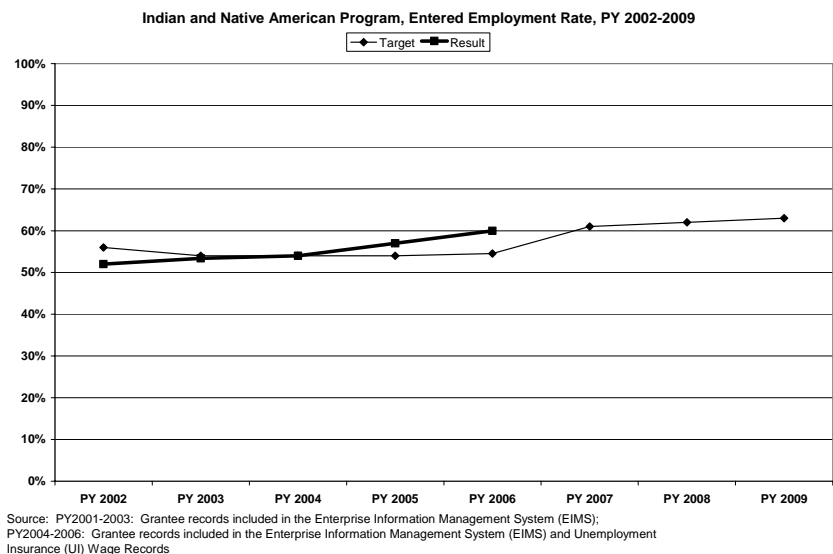
INDIAN AND NATIVE AMERICANS PROGRAM

- Increase the amount of program funds spent on training participants and reduce funding spent on overhead costs;
- Increase performance outcomes;
- Emphasize training and talent development in high-growth and high-demand occupations; and
- Integrate the program with the One-Stop Career Center system.

To help achieve these priorities, ETA recently provided new program software to Native American grantees that has improved the quality and validity of the data being reported to ETA. This software will make grantees more efficient in reporting participant outcomes and will provide ETA with better quality data in order to determine program accountability and performance.

Program Performance

In PY 2006, the Native American program implemented the three common performance measures that OMB requires of all job training programs: 1) Entered Employment, 2) Job Retention, and 3) Average Earnings. Entered Employment had been a performance measure prior to PY 2006. The time trend graph provided below illustrates the program's performance in this measure since PY 2002.



Efficiency Measures

The Native American program uses an “Average Cost per Participant” to determine how efficient the program is in providing services to Native Americans. In order for the Native American program to meet its efficiency goal at the Federal level, each grantee must meet its goal at the local level. The FY 2009 efficiency goal for the Native American program is \$2,400. Accordingly, this will also be the goal for each individual grantee.

The baseline year used in establishing the efficiency rate was FY 2003. During that year, the Native American program's actual efficiency rate was \$2,518. In PY 2006 the cost per participant was \$2,468. ETA has set targets for PY 2007 and PY 2008 at \$2,450 and \$2,425 respectively. ETA believes that a 1% reduction each year from the result for PY 2006 is a challenging, yet achievable goal.

INDIAN AND NATIVE AMERICANS PROGRAM

The efficiency measure (also known as the “average cost per participant”) is calculated by dividing a grantee’s annual funding by the number of participants the grantee serves during the year. For example, a grantee that receives a \$100,000 in annual funding and serves 100 individuals would have an efficiency rate of \$1,000. Therefore, a grantee with a low efficiency rate is more likely to be operating an efficient program. While the purpose of an efficiency measure is to encourage grantees to provide more direct services to more individuals, ETA also recognizes that promoting lower efficiency rates could discourage grantees from providing higher-cost and higher-quality training. Therefore, ETA will provide guidance to grantees that will allow them to have a higher efficiency rate if the grantee can demonstrate that its high average cost per participant is a result of high training costs. In addition, ETA will require all grantees to provide specific information in their two-year strategic plans on how they plan to meet the efficiency measure including detailed training costs.

WORKLOAD SUMMARY				
(Dollars in Thousands)				
	FY 2007 Target	FY 2008 Target	FY 2009	
			Current Law	Legislative Proposal
Indian and Native Americans				
Participants	21,916	21,756	18,750	18,750
Cost Per Participant	\$2.450	\$2.425	\$2.400	\$2.400
Budget Activity Total	\$53,696	\$52,758	\$45,000	\$45,000

INDIAN AND NATIVE AMERICANS PROGRAM

PERFORMANCE GOALS AND INDICATORS

Indians and Native Americans: Increase the employment, retention, and earnings of individuals registered under Indians and Native Americans Program.										
	PY 2004		PY 2005		PY 2006		PY 2007		PY 2008	PY 2009
	Goal Not Achieved		Goal Achieved		Goal Achieved					
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
1. Percent of participants employed in the first quarter after exit.	54%	54%	54%	57%	54.5%	60.0%*	61%	RNA	62%	63%
2. Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit.	--	--	--	--	Baseline	71.5%*	72%	RNA	73%	74%
3. Average hourly wage gain.	\$3.50	\$3.50	\$3.70	\$4.80	\$3.75	N/A	N/A	N/A	N/A	N/A
Average earnings in the second and third quarters after exit.	--	--	--	--	--	--	Baseline	RNA	TBD	TBD

Baseline(s): A baseline for average earnings under common measures was originally intended to be collected in PY2006, but delays implementing reporting system changes in PY 2006 associated with the move to common measures have cause collection of baseline data to slip to PY 2007.

Data Source(s): Grantee records included in the Enterprise Information Management System (EIMS) and Unemployment Insurance (UI) Wage Records

Comments: RNA = Results not available

* PY 2006 results are 4th quarter data as of 12/13/07.

INDIAN AND NATIVE AMERICANS PROGRAM

CHANGES IN FY 2009

(Dollars in Thousands)

Activity Changes		
Built-In		
To Provide For:		
Built Ins Subtotal		0
Net Program		-7,758
Direct FTE		0
	Estimate	FTE
Base	52,758	0
Program Decrease	-7,758	0

MIGRANT AND SEASONAL FARMWORKERS

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est /FY 09 Req
Activity Appropriation	79,752	79,668	79,668	-84	0	0	-79,668
FTE	0	0	0	0	0	0	0

Introduction

The National Farmworker Jobs Program (NFJP) is authorized under Title I, Subpart D, Section 167 of the Workforce Investment Act (WIA) and serves economically disadvantaged persons who are primarily dependent on agricultural labor employment for their livelihood. Eligible participants are typically those persons employed on a seasonal or part-time basis in the unskilled and semi-skilled manual labor occupations in crop and animal production. Through training and other workforce development investment services, the program assists seasonal farmworkers and their families to prepare for jobs that provide stable, year-round employment in agricultural and non-agricultural occupations.

In FY 2007, with funds appropriated by the Congress for the NFJP in the FY 2007 Appropriations Continuing Resolution, ETA conducted the biennial grants competition, and grants were awarded in June 2007 for the PY beginning on July 1, 2007. Fifty-three job training grants and 15 housing assistance grants were awarded through this competition. Activities to be conducted in PY 2007 include an expansion of employment opportunities for farmworkers through specific targeting of employers and occupations in high-growth industries; i.e., building a demand driven system. Grantees are also expected to continue making progress towards enhanced integration through the One-Stop system, leading to improved service delivery and increased efficiencies. Funding for these grants is available through June 30, 2008.

Since FY 2003, the Administration has consistently proposed the elimination of the Section 167 program, to be replaced by a three-pronged strategy to ensure agricultural employers and farmworkers have access to the full spectrum of workforce investment services available through the broader workforce system:

- *Creation of a policy framework* that encourages increased investments by local Workforce Investment Boards in employment and training services to farmworkers;
- *Technical assistance and information* to increase the level of collaboration and coordination among One-Stop partners to find solutions that increase services to farmworkers in the One-Stop Career Center system; and
- *Pilot and demonstration initiatives* to develop innovative solutions to achieving integration, and through these initiatives, to lead by example the process of local change.

MIGRANT AND SEASONAL FARMWORKERS

Funding Mechanism

Funds appropriated for the NFJP are subject to a biennial grants competition that is open to state agencies, local workforce investment boards, faith-based and community organizations, institutions of higher learning, and other entities capable of delivering services on a statewide basis. Funds are allocated to states via a formula that estimates the relative proportion of eligible farmworkers in each state; thus, Alaska and the District of Columbia receive no funding, and California has a total of five grants (the only state with more than one grant). The most recent grants competition was held in April 2007, for the Program Year (PY) that began on July 1, 2007.

In addition, appropriations language requires that approximately six percent of the NFJP appropriated funding be used to operate a Housing Assistance program for farmworkers. The Housing Assistance program is a supportive service offered to assist migrants and seasonal farmworkers to retain employment or enter into or complete training. Funds for this program are also subject to a biennial grants competition; the most recent competition was held in April 2007, for the PY beginning on July 1, 2007. State agencies, local workforce investment boards, and faith-based and community organizations are examples of the entities eligible to compete for these funds.

Five-Year Budget Activity History

Fiscal Year	Funding (Dollars in Thousands)	FTE
2004	76,874	0
2005	76,259	0
2006	79,252	0
2007	79,752	0
2008	79,668	0

FY 2009

No budget authority is requested for the WIA Section 167 (NFJP) program in FY 2009. Similarly, no budget authority was requested for the WIA Section 167 NFJP program in FY 2008.

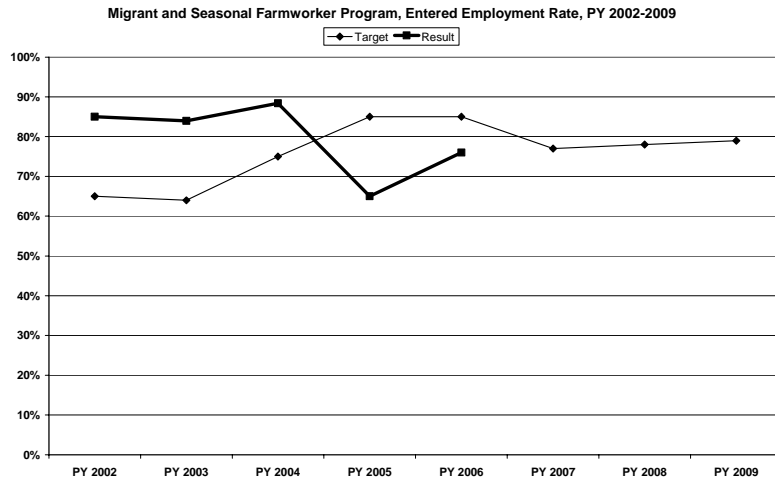
Performance

Performance results for the NFJP in PY 2006 are a 76 percent Entered Employment Rate; a 74 percent Employment Retention Rate; and Average Earnings of \$9,625.

Lower than expected performance results can be attributed, in large part, to the transition of the NFJP to common measures in PY 2005. Previously, performance results for both the Entered Employment Rate (EER) and the Employment Retention Rate (ERR) had remained fairly steady from Program Year (PY) 2002 through PY 2004. The transition to common measures in PY 2005 required significant changes to the NFJP grantees' reporting structure; for example,

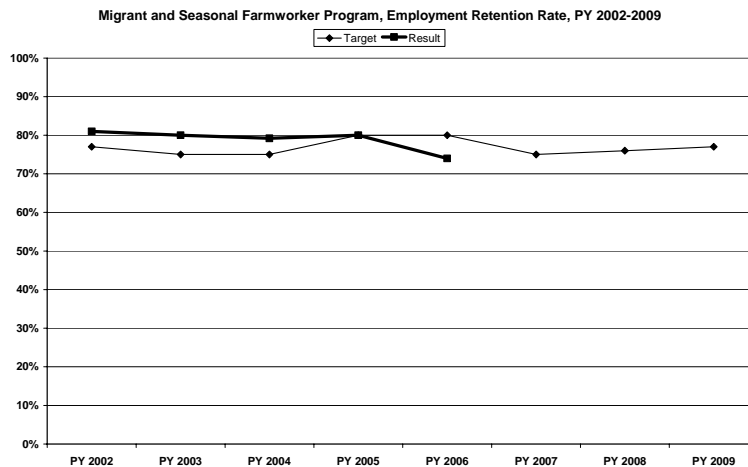
MIGRANT AND SEASONAL FARMWORKERS

grantees needed to adjust their systems to apply a participant's exit date retroactively after 90 days without services, as defined by the EER common measure. This lengthened the time needed to track participants and report their outcomes. A temporary decrease in performance was expected, and did happen, as grantees implemented changes to their data reporting systems to report on common measures.



Source: Grantee reports included in the Enterprise Business Support System (EBSS).

In addition, common measures are calculated differently from previous measures in important ways that lower outcomes, even if grantees actually perform the same as in prior years. For example, previously grantees' EER was calculated based on the number of program exiters who were employed at the time of exit from the program, while the EER under common measures only counts program exiters who are employed in the quarter after exit. This change tends to lower the EER. Previously, the EER calculation did not account for participants' employment status at the time of entry into the program; the current measure excludes participants who were employed at program entry. Since most farmworkers seeking training do so after completing their agricultural employment, this change in definition tends to lower the EER for this population.



Source: Grantee reports included in the Enterprise Business Support System (EBSS).

Similar changes in the definition and time periods inherent in the ERR under common measures have had a similar effect on this performance result, lowering it for the two years in which the NFJP has reported under common measures. The Average Earnings measure, new for PY 2006, has exceeded the target.

MIGRANT AND SEASONAL FARMWORKERS

Performance results, particularly for the ERR, have begun to stabilize as grantees become more adept at tracking their participants and as the accuracy of their reporting systems increases. The EER will be analyzed for possible adjustments to future targets, as appropriate.

Efficiency Measures

The efficiency measure currently in use for the NFJP is a cost per participant measure, defined as the program appropriation level, in dollars, divided by the number of participants served by the program for that Program Year (PY).

The baseline year for NFJP was PY 2004; the result for that year was \$2,445. The target for PY 2005 was \$3,301; the result \$4,212 and the target for PY 2006 was \$3,670, and the result was \$4,320. For PY 2007, the target was raised to \$4,275, or one percent below the PY 2006 result, and results will be available in November 2008. Funding for this program is not requested in PY 2009. However, if the FY 2009 budget for NFJP is approved under current law, the PY 2009 target is \$4,190.

By statute most of the ETA programs are intended to provide flexibility to hundreds of local workforce investment boards to determine the appropriate mix of service strategies and population needs they serve. Unit costs change from year to year, primarily because of changes in service mix and population, in addition to increases in unemployment claims and few jobs created during recessions. A higher unit cost in one year compared to the previous year does not necessarily denote a less efficient program, nor does a lower unit cost necessarily suggest a more efficient use of funds. ETA is working to improve its measure of efficiency so efforts aimed at improving cost-effectiveness can be assessed. Baseline data for the new (yet unidentified) efficiency measure will be collected in PY 2009.

WORKLOAD SUMMARY				
(Dollars in Thousands)				
	FY 2007 Target	FY 2008 Target	FY 2009	
			Current Law	Legislative Proposal
Migrant and Seasonal Farmworkers				
Participants	18,655	18,811	0	0
Cost Per Participant	\$4.275	\$4.235	\$0.00	\$0.00
Budget Activity Total	\$79,752	\$79,668	\$0.00	\$0.00

MIGRANT AND SEASONAL FARMWORKERS

PERFORMANCE GOALS AND INDICATORS

Increase the employment, retention, and earnings of individuals registered with the Migrant and Seasonal Farmworkers Program.										
	FY 2004		FY 2005		FY 2006		FY 2007		FY 2008	FY 2009
	Goal Achieved		Goal Not Achieved		Goal Not Achieved					
Performance Indicator	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target
1. Percent of participants employed in the first quarter after program exit.	75%	88%	85%	65%	85%	76%	77%	RNA	78%	79%
2. Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit.	75%	79%	80%	80%	80%	74%	75%	RNA	76%	77%
3. Average earnings in the second and third quarters after exit.* (2004-05 results and targets are for a similar earnings gain measure)	\$3,200	\$4,630	\$3,450	\$7,709	Baseline	\$9,625	\$7,500	RNA	\$8,000	\$8,000
Baseline(s): * The earnings measure changed to Average Earnings in PY2006										
Data Source(s): Grantee reports submitted to DOL via the Enterprise Business Support System (EBSS); <i>Workforce System Results</i>										
Comments: PY 2006 results are based on the 4th quarter report. RNA = Results not available										

MIGRANT AND SEASONAL FARMWORKERS

CHANGES IN FY 2009

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Built Ins Subtotal

0

Net Program

-79,668

Direct FTE

0

Estimate

FTE

Base

79,668

0

Program Decrease

-79,668

0

YOUTHBUILD

Budget Authority Before the Committee (Dollars in Thousands)							
					FY 2009		
	FY 2007 Comparable	FY 2008 Enacted	FY 2008 Estimate	Diff. FY 07 Comp/ FY 08 Est	Current Law	Legislative Proposal	Diff. FY 08 Est /FY 09 Req
Activity Appropriation	49,500	58,952	58,952	9,452	50,000	50,000	-8,952
FTE	0	0	0	0	0	0	0

Introduction

On September 22, 2006, President George W. Bush signed the YouthBuild Transfer Act into law (Public Law 109-281). The bill transferred the YouthBuild program from the Department of Housing and Urban Development (HUD) to the Department of Labor (DOL) and made modifications and improvements to the program. The bill amended the Workforce Investment Act by adding a new section 173A to subtitle D of Title I of WIA (29 USC 2918a).

YouthBuild is a successful strategic approach to workforce investment that supports at risk youth gaining high school credentials and receiving skill training that leads to employment. YouthBuild provides job training and educational opportunities for at-risk youth ages 16-24 while constructing or rehabilitating affordable housing for low-income or homeless families in their own neighborhoods. Youth split their time between the construction site and the classroom, where they earn their General Equivalency Diploma (GED) or high school diploma, learn to be community leaders, and prepare for college and other postsecondary education opportunities.

YouthBuild serves participants between the ages of 16-24 who have one or more of the following barriers: 1) low income family; 2) foster care youth (including youth aging out of foster care); 3) youth offender; 4) youth with disabilities; 5) child of incarcerated parent; 6) migrant youth; and 7) school dropout. Up to 25 percent of participants may be youth who do not meet these requirements, but can be enrolled in the program provided they are: 1) basic skills deficient, even if they have their high school diploma or GED; or 2) have been referred by a local secondary school to a YouthBuild program that leads to the attainment of a secondary school diploma.

The program has four purposes:

- To enable economically disadvantaged youth to obtain the education and employment skills necessary to achieve economic self-sufficiency;
- To foster the development of leadership skills and commitment to community development among youth in low-income communities;
- To provide economically disadvantaged youth with opportunities for meaningful work and service to communities in helping meet the housing needs of specified populations; and
- To expand the supply of permanent affordable housing for specified populations.

YOUTHBUILD

The construction industry is experiencing considerable growth. According to the U.S. Bureau of Labor Statistics, the construction industry is predicted to add 781,000 new jobs between 2006 and 2016, and construction will be among the economy's top 10 largest sources of job growth. The YouthBuild program helps youth take advantage of career opportunities in this growing industry and helps to address the construction industry's need for skilled workers. ETA has also identified construction as a high-growth industry under the President's High Growth Job Training Initiative. The YouthBuild program reflects the principles of this initiative, such as working collaboratively in strategic partnerships that include the workforce investment system, education and training providers, and business and industry. YouthBuild will serve as a key component of the solution for the workforce issues facing the construction industry by expanding the pipeline of skilled workers by introducing youth to the construction industry.

Funding Mechanism

The funds appropriated for YouthBuild are administered through a grant competition which is authorized by the YouthBuild Transfer Act legislation. The competition is held every two years. Grantees receive three-year grants with the expectation that the bulk of the funds will be used in years one and two, with a small portion reserved for year three to support follow-up activities for youth who have successfully exited the program in year two. The second year of funding is contingent both on satisfactory performance and Congressional appropriation.

FY 2009

With the transfer of the YouthBuild program from HUD to DOL, in FY 2008, ETA's attention was focused on providing training for the new YouthBuild grantees on DOL's administrative procedures, regulations, and performance expectations during this transition year. While the agency will continue to work with grantees on these areas, in FY 2009, the Department of Labor will focus on performance outcomes for the YouthBuild program. In FY 2009, ETA will hold its second YouthBuild grant competition. Under the competition, 90-100 new grants will be awarded to serve approximately 3,200 participants. In addition, since the core components of the YouthBuild program remained the same under the YouthBuild Transfer Act, ETA will continue to emphasize improved academic programming, provision of industry recognized skill training, project based learning that connects education and skill training, collaboration with a broad range of business and community partners, and seamless transitions to post-secondary education and training.

Program Performance

The GAO report on YouthBuild from September 2006 recommended that the program have more of a performance focus. To that end, ETA is using the youth common measures to evaluate program performance and has provided YouthBuild grantees with a Web-based case management and performance system to facilitate the collection of performance data. In late PY 2007, DOL will begin collecting data on the three youth common measures. YouthBuild historical data is unavailable from HUD.

YOUTHBUILD

All of the youth common measures are long term measures and preliminary baseline data is not expected until PY 2008 for the degree/certificate measure and until PY 2009 for literacy and numeracy gains measure. DOL set performance targets for the placement measure based on available performance data from YouthBuild, USA. The targets for the placement measure are 60% in PY 2008 and 61% in PY 2009. DOL will set targets for the degree/certificate measure and literacy/numeracy measure following the collection of baseline data. We will continue to provide targeted technical assistance to YouthBuild grantees and the workforce system, focusing on the strategies identified in FY 2008.

Efficiency Measures

For the YouthBuild program, the efficiency measure is the cost per participant ratio determined by dividing the amount appropriated for a specific program year by the number of participants served within that program year. For PY 2009, it is estimated that 3,401 participants will be served at an annual cost of \$14,700 per participant.

In PY 2007, ETA's attention was focused on implementing the program transfer and providing training for the grantees on DOL's administrative procedures, regulations, and performance expectations during this transition year. Due to the grant award schedule and projected timeframes for participants to exit the program, baselines will not be collected until PY 2008.

YouthBuild intends to improve efficiency (cost per participant) by achieving higher success rates on performance measures while remaining stabilized at current funding levels (with adjustment for inflation).

WORKLOAD SUMMARY (Dollars in Thousands)				
	FY 2007 Target	FY 2008 Target	FY 2009	
			Current Law	Legislative Proposal
Youthbuild				
Participants *	3,135	3,771	3,231	3,231
Cost per Participant	\$15,000	\$14,850	\$14,700	\$14,700
Budget Activity Total	\$49,500	\$58,952	\$50,000	\$50,000

* The participant level is based on the total appropriation minus the mandatory 5 percent technical assistance allocation taken from the total request as required under the YouthBuild statute.

YOUTHBUILD

PERFORMANCE GOALS AND INDICATORS

Increase placements and educational attainment of youth served through YouthBuild.						
	PY 2006		PY 2007		PY 2008	PY 2009
	Target	Result	Target	Result	Target	Target
1. Percent of participants entering employment or enrolling in post-secondary education, the military or advanced training/occupational skills training in the first quarter after exit.	N/A	N/A	N/A*	N/A	60%	61%
2. Percent of youth who attain a diploma, GED, or certificate by the end of the third quarter after exit.	N/A	N/A	N/A *	N/A	Baseline	TBD
3. Percent of participants deficient in basic skills who achieve literacy or numeracy gains of one Adult Basic Education (ABE) level	N/A	N/A	N/A *	N/A	N/A	Baseline
Baseline(s): Due to grant award schedule and projected timeframes for participants to exit program, baseline information for the second measure will not be available until PY2008. Due to lag in collecting data for the Literacy/Numeracy measure, baseline information for the third measure will not be available until PY 2009.						
Data Source(s): Grantee reports						
Comments: N/A = Not Available TBD = To Be Determined * While authorization to administer the program was transferred to DOL from HUD, HUD retained the responsibility to manage the remaining grants through PY 2006. Since HUD maintains responsibility for the remaining grants, performance information will also be reported by HUD. DOL received funds in PY 2007 to administer new grants and has set up a new management information system to support the new program and will begin collecting data in the latter part of PY 2007. However, data on these measures, given the long-term nature of the measures, will not be available until PY 2008.						

YOUTHBUILD

CHANGES IN FY 2009

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Built Ins Subtotal

0

Net Program

-8,952

Direct FTE

0

Estimate

FTE

Base

58,952

0

Program Decrease

-8,952

0

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

Introduction

H-1B fees are authorized under Sec. 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (P.L. 105-277, title IV), as amended by P.L. 108-447 (codified at 29 U.S.C. 2916a). These authorized fees are available to the Department of Labor without appropriations action by Congress and are primarily used to provide job training and related activities to workers to assist them in gaining the skills and competencies needed to obtain or upgrade employment in high growth industries and economic sectors.

Participants are trained in occupations and industries for which employers are using H-1B visas to hire foreign workers. Funds may also be used for activities that enhance the provision of job training services and information, such as supporting talent development related to entrepreneurship and small business development; developing and implementing model activities to build core competencies and train workers; identifying and disseminating career and skill information; and integrated regional planning, such as increasing the integration of community and technical college activities with activities of businesses and the public workforce investment system to meet the training needs of business.

Fee revenues are used to support activities under two major initiatives – the High Growth Job Training Initiative (HGJTI) and the Workforce Innovation in Regional Economic Development (WIRED) Initiative.

High Growth Job Training Initiative

The HGJTI, launched by the President in 2003, targets the skill and talent needs of 14 high growth, high demand industries in our nation's economy and provides the resources necessary to educate and train workers in the skills demanded by the 21st century economy. It has also served as a model for demand-driven workforce development for the workforce investment system. Through the HGJTI, ETA has invested \$288,517,000 in 156 strategic partnerships among business and industry, education and training programs, and the workforce investment system. Grants were provided to develop and model workforce solutions to industry defined challenges and to ensure workers have clear education and career pathways that lead to good jobs with good wages. The results, products, and knowledge gained from these projects are disseminated widely to the workforce system and our strategic partners in business, industry, and education. By training workers with skills that are in demand, more workers are able to obtain quality jobs with higher wages and enhanced career opportunities. At the same time, employers are able to fill critical workforce needs.

Workforce Innovation in Regional Economic Development

The WIRED Initiative supports innovative approaches to workforce and economic development that go beyond traditional strategies preparing workers to compete and succeed. The Department launched WIRED in February 2006 to catalyze the creation of high-skill and high-wage opportunities for American workers within the context of regional economies. Under the WIRED Initiative, the Department of Labor is investing \$325,000,000 of H1-B fee revenues and

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

providing expert assistance to 39 regions across the nation. These funds leverage a significant amount of non-federal resources in these regions. The Initiative seeks to help the regions transform their workforce investment, economic development, and education systems to support talent development and overall regional economic growth.

Though global competition is often seen as a national challenge, it is actually at the regional level where solutions must be developed and the challenges met. It is in regional economies where companies, workers, researchers, entrepreneurs and government come together to create competitive advantage and where new ideas and new knowledge are transformed into advanced, high-quality products or services. Therefore, WIRED focuses on labor market areas that are comprised of multiple jurisdictions within a state or across state borders.

The 39 WIRED regions have been affected by global trade, are responding to Base Realignment and Closures (BRAC) activities, are dependent on a single industry, or are recovering from natural disasters. Each region has a collaborative partnership among universities, businesses, government, workforce and economic development organizations, and other key regional partners. The regional partnerships have undertaken strategies that are customized to the particular economic challenges and opportunities of their regions and focused on the high growth industries in that area.

The workforce investment system is a member of the regional partnership in every WIRED region and plays a number of roles, including serving as members on governing boards and steering committees, conducting outreach to businesses, and identifying workers to participate in training. In some WIRED regions, the workforce investment system is the regional leader, facilitating and convening partners to implement solutions.

Funding Mechanism

In FY 2009, funding for grants available through H-1B revenues will be awarded through a competitive Solicitation for Grant Application process.

Five-Year Budget Activity History

Fiscal Year	Funding (Dollars in Thousands)	FTE
2004	845	0
2005	104,596	0
2006	131,653	0
2007	134,199	0
2008	125,000	0

FY 2009

Based on continuous evaluation and analysis of the kinds of workforce challenges facing high growth, high demand industries, DOL has identified the following areas of focus for future investments for this funding:

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

- Talent Development in Regional Economies. Identify strategies to further integrate workforce education and talent development with economic development, particularly at the regional level, to ensure workers have the skills they need to compete in the global marketplace.
- Technology-Based Learning Models. Invest in new and innovative education and learning models, including technology-based learning curricula and programs to promote better access to education and training programs.
- Enhancing Capacity of Talent Development Institutions. Enhance new and expanded pathways to post-secondary education, develop competency-based apprenticeships and internships, and build a framework for competencies across industries that can be customized within sectors and easily updated to accommodate changing technology and business practices.
- Expanding Access to Human Capital. Work with industry to develop strategies for engaging untapped labor pools and overcoming barriers to employment.

In addition to identifying new funding opportunities, during FY 2009, ETA will provide third-year funding for the Second and Third Generations of WIRED regions.

Program Performance

All High Growth Job Training grantees are reporting on the number of individuals trained through the grants. In addition, grantees are encouraged to report grant impacts as part of a quarterly report. Through the \$285.5 million investment, the HGJTI is expected to train over 130,000 participants under the grants awarded to date. Cumulative results to date:

Number of participants enrolled in training: 76,500
Number of participants completing training: 73,430

As a result of the agency's current strategic planning, anticipated investments under this Initiative will continue to taper off. Therefore, projected performance targets are based on both an analysis of the data collected to date as well as trends in investment. Based on awards to date and announced solicitations, another \$12.5 million will be awarded during PY 2007 (6 have been awarded representing \$2.5 in long-term health care and an additional \$10 million is available for energy/construction to be awarded this year), representing an increase of 4%. Another \$10 million is available for science, technology, engineering and mathematics and will be awarded in PY 2008, representing an increase of 8% over the baseline year 9 (Additional HGJTI investment will likely be awarded, but final decisions about resource allocations have not been made). Targets based on these estimates reflect the reality that enrollment will decrease as more grants come to a close, and inversely, training completion will increase as those enrolled in prior program years exit training. Estimates for PY 2009 are derived using the PY 2008 estimate of 8%.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

The Department has been taking steps to collect the common performance measures fully aligned with those required under the Workforce Investment Act on individuals participating in training. The measures include entered unsubsidized employment, employment retention, and average earnings. Currently a reporting format is being finalized and a reporting system developed. Upon implementation of the reporting system, ETA will begin collecting standardized data. Subsequently, ETA will establish baselines for targets at the earliest possible date which is projected to be in FY 2009.

Recognizing that increased productivity and economic growth are long-term measurements, ETA is conducting an implementation and a net-impact evaluation of the HGJTI to more fully understand these results as the grants mature. The goal is to evaluate the effects HGJTI grant-funded training has on worker employment and earnings and the final evaluation report is anticipated in early 2008.

Efficiency Measure

H-1B fees are available to ETA for job training and related activities. Funds may be used for diverse activities, ranging from skills training to disseminating career information to integrated regional planning. Given this broad range of activities, an efficiency measure for this budget activity, such as cost per participant, would not be meaningful.

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

PERFORMANCE GOALS AND INDICATORS

Support a demand driven system through High Growth Job Training Grants						
Performance Indicator	PY 2006		PY 2007		PY 2008	PY 2009
	Target	Result	Target	Result	Target	Target
Total Enrolled in Training	--	15,300* Baseline	14,690**	RNA	13,510**	12,430**
Total Completed Training	--	14,680* Baseline	15,270**	RNA	16,490**	17,810**
Percent of participants employed in the first quarter after exit.	--	RNA	--	RNA	Baseline	TBD
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit.	--	RNA	--	RNA	Baseline	TBD
Average earnings in the second and third quarters after exit.	--	RNA	--	RNA	Baseline	TBD
Baseline(s): Baseline year moved from PY 2006 to PY 2007 due to a delay in the reporting system.						
Data Source(s): Grantee Reports to be submitted to DOL. Grantees are required to report financial data and program performance narratives, but there is not yet an approved, standardized performance reporting form. Data presented here is gathered from the performance narratives and represents grantees interpretations of definitions rather than a standardized definition.						
Comments: RNA=Results Not Available * The Program Year (PY) 2006 baseline estimate is based on the average of the results attained annually for each of the first five years the grants have been in operation. **Since the inception of the High Growth Job Training Initiative (HGJTI) in Program Year (PY) 2002, the bulk of investment activity occurred in 2004 when 53 grants were awarded. These grants are not awarded on a Program Year basis. Additional information about cumulative results and projected funding and grant awards is provided in the performance section of the budget narrative for this initiative.						