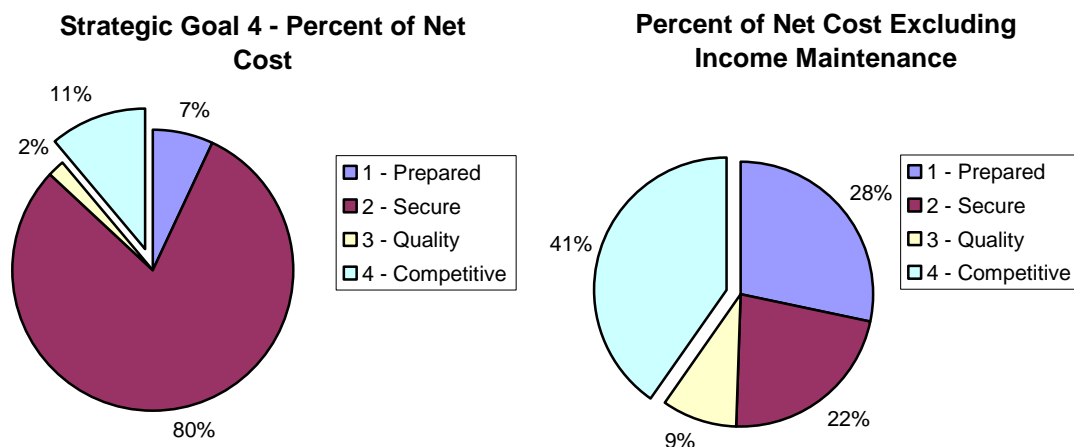


Strategic Goal 4: A Competitive Workforce

Maintain Competitiveness in the 21st Century Economy

Of the eight performance goals under *A Competitive Workforce*, seven are associated with Employment and Training Administration (ETA) programs that focus on retooling the national workforce investment system to respond to needs for labor skills geared toward technological advancements and global competition. Similarly, the other performance goal under *A Competitive Workforce*, is managed by the Department’s Office of the Assistant Secretary for Policy (OASP). This performance goal gauges DOL’s success in retooling regulatory strategies and approaches to promote flexibility; employment laws, regulations and regulatory practices are reviewed to ensure they do not impose costs on employers without yielding corresponding benefits to the workforce and the economy.

The net cost dedicated to Strategic Goal 4 in FY 2006 was \$4.889 billion. The first chart below is based on total Departmental costs of \$45.328 billion; the second is based on an adjusted net cost of \$12.101 billion that excludes the major non-discretionary program costs associated with Strategic Goal 2.³⁰ Net cost dedicated to Strategic Goal 4 in FY 2005 (restated to reflect current goal structure) was \$4.943 billion.



This goal consists of two broad objectives – *Build a Demand-Driven Workforce System* (Outcome Goal 4.1) and *Promote Workplace Flexibility and Minimize Regulatory Burden* (Outcome Goal 4.2). Their results, costs, and future challenges are discussed below.

Outcome Goal 4.1 – Build a Demand-Driven Workforce System

The nation’s future success will largely depend on a workforce that meets employers’ needs for new and skilled workers. DOL is committed to making the workforce investment system responsive to the changing needs of business and to linking job seekers with opportunities in high-growth industries. Through partnerships with State and local workforce agencies, business and industry, education and training providers, faith-based and community organizations, and economic development agencies, DOL seeks to understand the skills demanded by the labor market, make strategic investments in job training and increase accessibility and quality of information that helps match workers with employers.

³⁰ The excluded costs are referred to as Income Maintenance – unemployment benefit payments to individuals who are laid off or out of work and seeking employment (\$31.322 billion) plus disability benefit payments to individuals who suffered injury or illness on the job (\$1.905 billion).

Goal (Agency) and Statement	Performance Summary	Cost (millions)	
		FY 2005 PY 2004	FY 2006 PY 2005
05-4.1A (ETA) Increase the employment, retention, and earnings of individuals registered under the Workforce Investment Act (WIA) Adult program.	Goal achieved. All three targets reached.	\$906	\$912
05-4.1B (ETA) Improve outcomes for job seekers and employers who receive One-Stop employment and workforce information services.	Goal achieved. All three targets reached.	746	791
05-4.1C (ETA) Increase the employment, retention, and earnings replacement of individuals registered under the WIA Dislocated Worker program.	Goal not achieved. One target reached and one not reached.	1472	1543
05-4.1D (ETA)³¹ Assist older workers to participate in a demand-driven economy through the Senior Community Service Employment Program.	Goal not achieved. Three targets not reached.	426	432
05-4.1E (ETA) Increase accessibility of workforce information through the National Electronic Tools.	Goal achieved. All three targets reached.	111	120
06-4.1A (ETA) Address worker shortages through the Foreign Labor Certification Program.	Goal not achieved. Three targets reached and one not reached.	60	46
06-4.1B (ETA) Increase the employment, retention, and earnings replacement of workers dislocated in important part because of trade who receive trade adjustment assistance benefits.	Goal not achieved. Two targets reached and one not reached.	846	700
Other (Indian and Native American Adult, National Farmworker, and Work Incentive Grants programs, Transition Assistance Program, Pilots, Demonstrations, Research and Evaluation, and H-1B Technical Skills Training)		376	345
Total for Outcome Goal 4.1	Three performance goals achieved and four not achieved	\$4943	\$4889

Results Summary

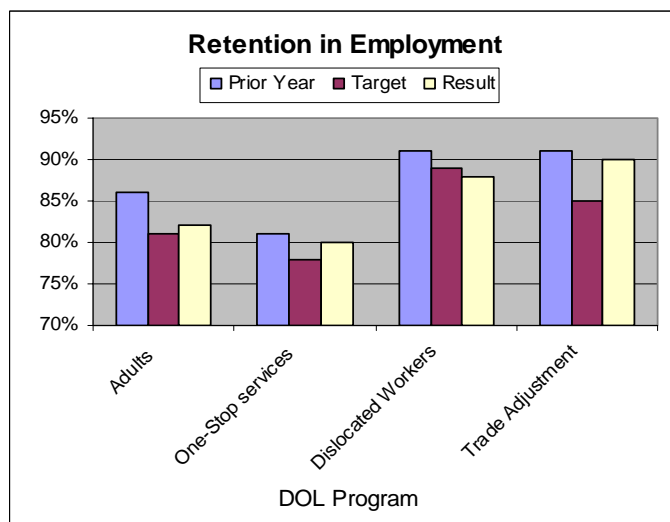
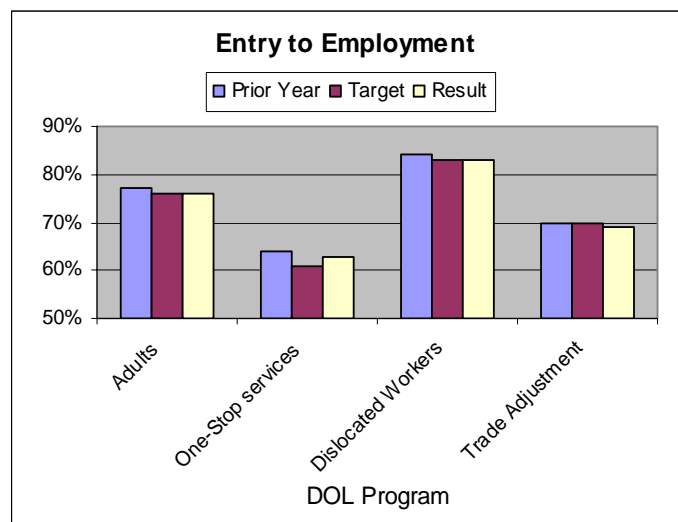
Five of the seven performance goals in Outcome Goal 4.1 are for employment and training programs whose results are measured by entered employment rate – percent of participants who obtain jobs subsequent to receipt of services – and by retention – percent of those who obtained jobs who are still employed six months later. The charts below indicate results for the previous year, plus the current year's targets and results.³² Earnings are important, too, but results are not provided because the programs that have earnings data used different indicators. This will be resolved in the next year or so as Federal job training program common measures are fully implemented. Significant differences in results between programs are generally explained by differences in types of services offered and populations served.

The Department achieved its performance goal for the WIA Adult program. All three performance indicators reached or exceeded targets. However, entered employment and employment retention rates are lower than prior year results. The earnings change of \$4044 exceeded the target and remains on an upward trajectory, reflecting an improved economy and sustained employment. One-Stop employment services entered employment and retention rates both exceeded targets for the third year in a row but were slightly below PY 2004 results, and a baseline was established for earnings change. The WIA Dislocated Worker goal was not achieved; entered employment reached the target, but retention dipped below the target and was three percentage points below the prior year's performance.

³¹ In FY 2005, this goal was included in Other programs under Outcome Goal 1.1.

³² The Senior Community Service Employment Program (Performance Goal 05-4.1D) is omitted because of problems discussed in the performance goal narrative.

This may to some extent be attributed to the change in the definition for retention, which now requires verification of employment in two periods instead of one – a factor in this year’s results for many programs using common measures. Earnings change was reported under a new definition and excluded from the goal achievement calculation. The Trade Adjustment Assistance program achieved targeted levels for retention and earnings but fell just shy of the target for entered employment.



The Senior Community Service Employment Program (SCSEP) did not achieve its performance goal. None of its targets were reached – entered employment and retention due to historically unprecedented targets, and average earnings because baseline data were not collected. The Department achieved its performance goal for electronic tools, exceeding the target for increased dissemination of O*NET data and setting baselines for Career Voyages and America’s Career InfoNet Web site page views. The Foreign Labor Certification goal was not achieved, but three of four targets were reached. The H-1B (specialty workers) Program processed all applications within the statutory seven-day timeframe. The permanent program significantly exceeded its target of processing 60 percent of applications within six months. The program also exceeded its processing target for H-2A (temporary agricultural) but not for H-2B (temporary non-agricultural).

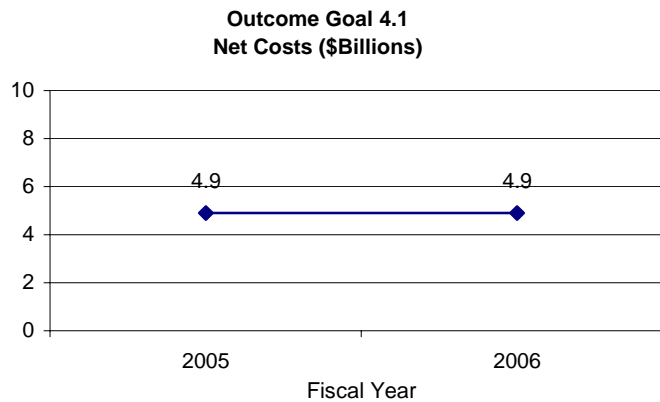
When Jerry was laid off from his machinist position in April 2003, he decided to make a career change. In search of more reliable employment, Jerry enrolled in the Trade Adjustment Assistance (TAA) tuition assistance program to receive training in the healthcare field. With guidance from a specialist, Jerry developed a career plan to reach his goal of becoming a health care worker. Using tuition assistance from TAA, Jerry enrolled in the Respiratory Therapy program at Illinois Central College in August 2003. With hard work and commitment to his goal, Jerry graduated in May 2005. Soon after graduation, Jerry found full-time work as a Respiratory Therapist at St. Francis Medical Center. Jerry is now self-sufficient, able to support his family and is personally fulfilled in his career.

Photo Credit: Lacy Peyton



Net Cost of Programs

Total net cost for this goal for FY 2006 was \$4.889 billion – one percent less than FY 2005 net cost after restatement to include the WIA Adult, One-Stop, Dislocated Worker and several smaller programs (Other) that were moved from Outcome Goal 1.1, for comparison.



Future Challenges

To improve outcomes for WIA participants, the Department is integrating service delivery and providing workers with the right skills to get and retain good jobs with good wages. Key strategies include strengthening strategic partnerships with business and industry and the education community. The objective of these partnerships is to develop workforce solutions customized to State and local economies that use WIA resources and targeted to prepare workers for jobs with career pathways in high demand occupations and industries. Other strategies involve assuring that every individual, including individuals with disabilities, veterans, new Americans, older workers and others have access to the full array of services through the One-Stop delivery system. DOL is also examining workforce education strategies and optional arrangements that would provide greater flexibility to States and local workforce agencies to tailor services to meet the needs of their regional economies. During FY 2007, the Department will host national Rapid Response Summits and Trade Coordinators' meetings and follow-up forums that will emphasize the importance of reliable, accurate performance data in meeting the needs of dislocated workers. In addition, the Department has undertaken a multi-State study of the effects on performance of co-enrollment in the WIA Dislocated Worker and Trade Adjustment Assistance programs.

Enhancements to the SCSEP that will be pursued in the context of reauthorization of the Older Americans Act include strengthening the efforts of the workforce investment system to integrate the full spectrum of services available to older workers and increasing the range of training services that can be offered to older workers. The reauthorized program should more effectively target those most in need and provide flexibility to grantees to use other training options in addition to community service employment.

Strategies to improve labor certification programs include continuing efforts to eliminate the permanent program's backlog (applications filed and being processed under the regulation in effect prior to March 28, 2005) and to reengineer the H-2B temporary program. DOL will continue to seek legislative approval to fund application processing activities for the permanent program through an employer-paid application fee. The Department will focus on improving overall program integrity by emphasizing fraud detection and prevention and by providing employer compliance assistance.

Outcome Goal 4.2 – Promote Workplace Flexibility and Minimize Regulatory Burden

A competitive economic environment requires a regulatory structure in which benefits of regulations exceed their costs. Many employment laws and regulations were written long ago; the applicable context for them has changed considerably, yet the rules themselves have not. DOL is systematically reviewing the regulations it is responsible for enforcing, to ensure they do not pose unnecessary barriers. In addition, DOL is conducting reviews pursuant to the Regulatory Flexibility Act of 1980 to determine if regulations have or will have a significant economic impact on a substantial number of small entities. These reviews also examine the effect on employers' compliance costs and whether the regulatory burdens of all employers, both large and small, are reduced. Performance indicators measure DOL's success in creating a more competitive economic environment through promotion and development of a regulatory structure that is congruent with the modern workplace.

Costs of achieving DOL's results in maximizing regulatory flexibility are included in the Department's regulatory agencies' costs of operations.

Goal (Agency) and Statement	Performance Summary
<p align="center">06-4.2A (OASP)</p> <p>Maximize regulatory flexibility and benefits and promote flexible workplace programs.</p>	<p>Goal achieved. All three targets reached.</p>

Results Summary

DOL agencies continue to make progress on their regulatory agendas. In the course of promulgating revised regulations, agencies conduct cost benefit analyses to help assure that the regulations maximize net benefits. The following are examples of these regulatory initiatives.

- MSHA published a supplemental proposed rule that would establish new mandatory electrical safety standards for the installation, use, and maintenance of high-voltage continuous mining equipment used in underground coal mines, thereby eliminating the need for mine operators to seek petitions for modifications to use high-voltage equipment.
- OSHA conducted hearings on its intent to update a 30-year old construction standard, to address technological advances, and amend the maintenance provisions of the general industry standard.
- EBSA has proposed rulemaking that would update the regulatory requirements to allow employee benefit plan annual reports to be filed electronically.

The regulatory review and clean-up project implementation continued to update obsolete, non-substantive references in the Code of Federal Regulations (CFR) that can be accomplished without notice or comment. In the second and third quarters of FY 2006, four direct final rules affecting 51 parts of the CFR and 740 discrete regulatory changes were published by DOL to correct or remove obsolete regulatory references. Another direct final rule that will affect 10 parts of the CFR and make 330 discrete regulatory changes will be published by the end of 2006 or early 2007.

The Women's Bureau's Flex-Options for Women project encourages business owners to develop workplace flexibility policies and programs in response to the growing demand for such options in the workplace. Seven of ten Women's Bureau's Regional Offices participate – covering 27 states along with Puerto Rico, the Virgin Islands, and Guam. FY 2006 has been its most successful year to date, with 92 companies implementing or enhancing significant flexible workplace policies and programs.

Future Challenges

The Department will promote the greater flexibility desired by workers and employers. This includes examining the regulatory environment — employment-related laws, regulations and regulatory practices — in light of non-traditional work arrangements and the need to reduce regulatory burdens. In particular, some regulations written decades ago may no longer be applicable or effective; they may impose costs on employers without yielding corresponding benefits to the workforce. The shift to knowledge work will also reinforce the ongoing trend of “non-traditional” work arrangements. Over the next several years, OASP and the Department's regulatory agencies, such as the Occupational Safety and Health Administration, Employment Standards Administration and the Employee Benefits Security Administration will continue to conduct comprehensive reviews of key laws and regulations to determine their effectiveness and applicability to the new workplace.

Increase Employment, Retention, and Earnings for Qualified Adults

Performance Goal 05-4.1A (ETA) – PY 2005

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

Indicators, Targets and Results	PY 2004 Result	PY 2005 Target	PY 2005 Result	Target Reached*
Percent of participants employed in first quarter after program exit	77%	76%	76%	Y
Percent of those employed in the first quarter after program exit still employed in the second and third quarters after program exit	86%	81%	82%	Y
Average earnings change for those employed in the first quarter after program exit and still employed in the third quarter after exit	\$3746	\$3400	\$4044	Y
Cost (millions)	\$906	–	\$912	
*Indicator target reached (Y), substantially reached (S) or not reached (N)				Goal Achieved

Program Perspective and Logic

The Workforce Investment Act (WIA) Adult program is designed to help adult workers (unemployed and employed) acquire the skills and jobs they need to compete in a global economy. WIA Adult program funds are provided by formula to States and local areas, which operate statewide networks of One-Stop Career Centers. These centers provide a continuum of comprehensive services to workers and employers. Examples of services are assessments of skills and service needs, individual employment planning, group counseling and career planning, case management and short-term prevocational services. The types of training services available to Adults are occupational skills training, on-the-job training, skills upgrading, entrepreneurial training, job readiness training, and adult education and literacy activities. States also use the WIA Adult program to leverage additional, non-Federal resources to increase the quality and variety of assistance. Through collaboration with program partners, the WIA Adult program seeks to assist individuals in their career goals, reduce welfare dependency, and improve the quality, productivity and competitiveness of the nation's workforce.



On August 26, 2005, Geovanna had a good job working as a medical assistant and a nice apartment in Jefferson Parish, Louisiana. A few days later, Hurricane Katrina left her unemployed and homeless. Before the storm hit, Geovanna made her way to Austin, Texas, where she learned about the employment services offered at WorkSource, a WIA-funded organization in Greater Austin that oversees the activities of all 28 regional Workforce Boards across Texas. She went to the nearest Career Center and was immediately connected to the WIA and National Emergency Grant programs. WorkSource staff helped Geovanna register for work using WorkInTexas.com and put together a new resume for an upcoming job fair at the Career Center. At the job fair, Geovanna was introduced to a representative from a local healthcare academy that was looking for someone with her skills. Four days later, Geovanna landed a job at the school teaching medical assisting, earning approximately \$10 more per hour than her previous job in Louisiana.

Photo Credit: Leanne James

The Department uses the Federal job training common measures to evaluate the success of WIA employment and training services for adults: entered employment, employment retention, and earnings change. A high entered employment rate indicates that participants have improved financial opportunity. A high retention rate indicates stability of participants' new positions. Increased average earnings indicate that participants are getting better jobs.

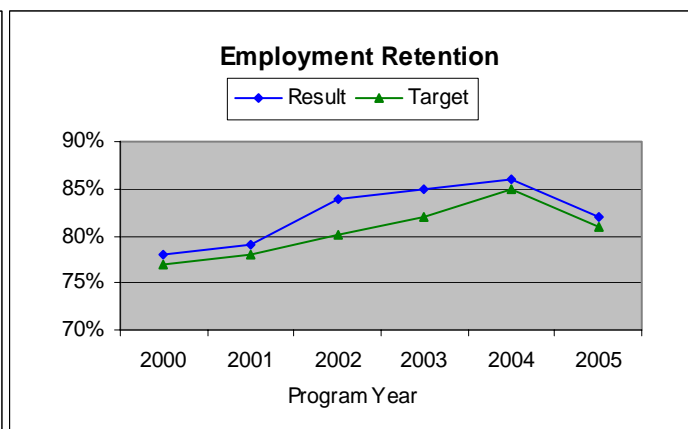
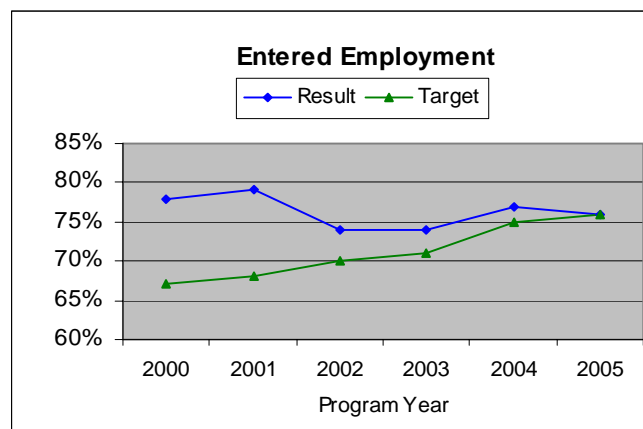
National labor market conditions strongly influence employment program outcomes. Results for the indicators associated with this goal showed continuous improvement up until PY 2005 as the unemployment rate decreased.

While lower than the previous year's results, the PY 2005 results did reach or exceed targets. The targets for future years build upon the PY 2005 results to drive continuous program improvement.

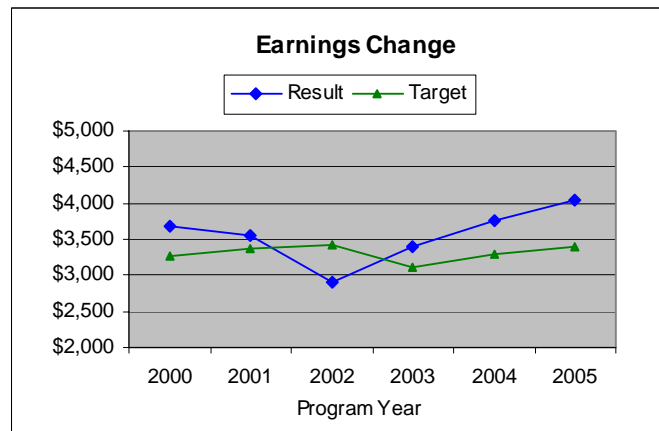
Analysis and Future Plans

The Department achieved its performance goal for the WIA Adult program. All three performance indicators reached or exceeded targets. However, the entered employment outcome of 76 percent dropped slightly from PY 2004. The employment retention rate of 82 percent is also lower than prior-year results. This change may be attributed to the change in the definition for retention, which now requires verification of employment in two consecutive calendar quarters, instead of one. The earnings change of \$4044 exceeded the target and remains on an upward trajectory, reflecting both an improved economy and sustained employment.

Costs associated with this goal were virtually flat from PY 2004 to PY 2005. The average cost per participant fell from \$2025 to \$1323 as a result of an increase of 231,000 individuals receiving services – from 447,265 in PY 2004 to 678,012 in PY 2005.



To improve outcomes for WIA participants, the Department is focusing on integrated service delivery and new approaches to workforce investment designed to ensure workers have the right skills to get and retain good jobs with good wages. Key strategies include strengthening strategic partnerships with business and industry and the education community. These partnerships are used to develop workforce solutions customized to State and local economies that use WIA resources and targeted to prepare workers for jobs with career pathways in high demand occupations and industries. Other strategies involve assuring that every individual, including individuals with disabilities, veterans, new Americans, older workers and others have access to the full array of integrated services through the One-Stop delivery system. Finally, the Department is leveraging a wide array of non-WIA resources to maximize the impact of WIA investments and to train more workers in the skills they need to be successful.



In PY 2006, the Department will continue to provide direction and technical assistance to state and local workforce organizations in support of a flexible, demand-driven, fully integrated workforce investment system focused on helping workers develop the skills necessary to succeed in the 21st century innovation economy. The Department will encourage and support States and local areas to eliminate duplicative system infrastructures, to develop integrated service delivery strategies for the wide array of populations served through the One-Stop delivery system, and to focus job training investments on high-demand skills and occupations. In turn, this will enable individuals to successfully access career pathways leading to self-sufficiency.

PART, Program Evaluations and Audits

In 2005, the WIA Adult program was assessed under the Program Assessment Rating Tool (PART) review, and was rated Adequate. The PART improvement plan follow-up actions included conducting the Personal Reemployment

Account Demonstration to test integrated funding streams and self-directed career accounts, and making revisions to performance reporting requirements to implement common measures. In the FY 2007 Budget, the Department proposed Career Advancement Accounts to help workers more efficiently access education and training and successfully transition to the global market place, and to support workforce investment boards' efforts to streamline the One-Stop service delivery system through the elimination of outdated service delivery processes. This proposal, which is contingent on legislative action, would increase the number of workers trained, improve services by providing participants individual choice, and increase flexibility in States' use of Federal funding.

One study by the OIG (*Insufficient Federal Guidance Could Result in Misuse of Incumbent Worker Training Program Funds*) and another by GAO (*Workforce Investment Act: Labor and States Have Taken Actions to Improve Data Quality, but Additional Steps Are Needed*) apply to several WIA programs and are summarized in the narrative for Performance Goal 05-1.1A. More information on these studies is also available in Appendix 2, where they appear as Studies 1 and 2.

Data Quality and Major Management Challenges

Data quality for this performance goal was rated Very Good. Strengths of the data include its validity, accuracy and completeness. In PY 2004, in response to concerns raised by OIG regarding accuracy of data reported by States for WIA performance, DOL developed and implemented a data validation methodology for WIA programs (see item I, *Improve Accountability for Performance and Financial Data*, in the Major Management Challenges section of the Executive Summary). State workforce agencies used handbooks, user guides, and software developed by DOL to validate outcomes reported in PY 2003-04. DOL is in the process of revising the data validation materials and software to support accurate and reliable data reporting. In addition to data validation, which includes both report and data element validation, implementation of common measures addressed a major management challenge related to DOL programs having different definitions, such as "veteran" or timing of retention measurement. Uniform definitions for performance indicators aid understanding of system impacts. To facilitate implementation of the common measures for PY 2005, DOL revised guidance on data elements definitions.

Improve Employment Outcomes for One-Stop System Users

Performance Goal 05-4.1B (ETA) – PY 2005

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

Indicators, Targets and Results	PY 2004 Result	PY 2005 Target	PY 2005 Result	Target Reached*
Participants employed in the first quarter after program exit	64%	61%	63%	Y
Percent of those employed in the first quarter after program exit still employed in the second and third quarters after program exit	81%	78%	80%	Y
Average earnings change for those employed in the first quarter after program exit and still employed in the third quarter after exit	–	Baseline	\$1580	Y
Cost (millions)	\$746	–	\$791	
*Indicator target reached (Y), substantially reached (S) or not reached (N)				Goal Achieved

Program Perspective and Logic

A fundamental underpinning of the nation's One-Stop Career Centers is the delivery of core employment and workforce information services to a universal population of both businesses and job seekers. Core services include a wide array of workforce and labor market information, career guidance products and tools, assessments, job matching and referral, reemployment services for UI claimants, targeted services for veterans and more. Funded principally through the Wagner-Peyser Act and programs administered by the Veterans' Employment and Training Service (VETS), as well as the Workforce Investment Act (WIA), these services are designed to help workers (employed and unemployed) obtain jobs and give employers access to skilled workers who will help them compete in the global economy. Providing effective employment and workforce information services that account for the uniqueness of local/regional labor market conditions and the needs of workers is the key to achieving successful outcomes for both workers and employers. Such services are provided in collaboration with a wide array of One-Stop partners and are fully integrated with other services (training, for example) available through One-Stop Centers.

Employment services are provided at no charge, with special emphasis on services for Unemployment Insurance (UI) claimants, migrant and seasonal farm workers, veterans, and businesses. We are encouraged that PY 2005 is the fourth consecutive year in which results for the indicators associated with this goal have exceeded targets. The targets for PY 2005 were higher than the targets for PY 2004, reflecting the trend of using ever-more ambitious goals to drive continuous program improvement.

DOL uses the Federal job training program common measures to evaluate its core employment and workforce information services: entered employment, employment retention, and earnings change. A high entered employment rate indicates that participants have improved financial opportunity. A high retention rate indicates stability of participants' new positions. Increased average earnings indicate that participants are getting better jobs.

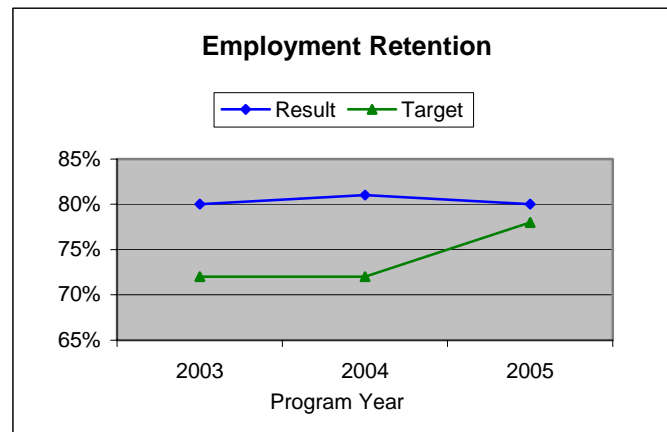
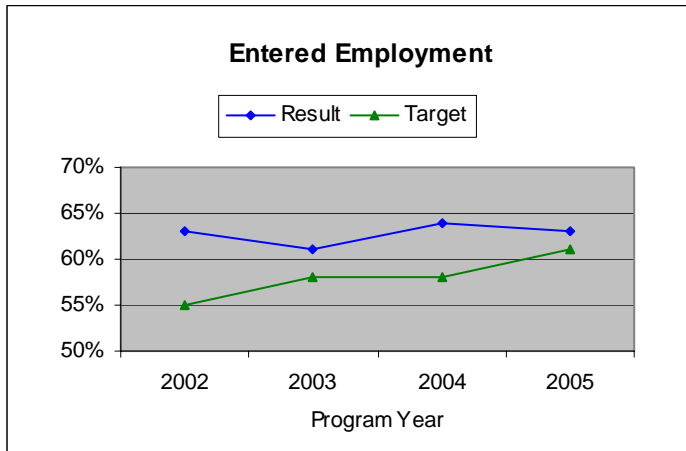
Costs associated with this performance goal increased by six percent between PY 2004 and PY 2005. Budget authority increased slightly, but most of the increase likely resulted from States' expenditure of prior years' funding because the grants provide spending authority for two years.

Analysis and Future Plans

Reports submitted by the States for the quarter ending June 30, 2006 contain four quarters of outcome data for entry into employment and employment retention for job seekers who registered and received core employment and workforce information services.³³ The entered employment rate highlights the effectiveness of the workforce system

³³ Final data for PY2005 does not include any data for Wyoming.

in meeting the employment needs of job seekers, most of whom are unemployed, as well as the workforce system's ability to match employers with high skilled workers in occupations that are in demand. Performance levels were first established for Wagner-Peyser Act funded employment services in PY 2002, hence there are four years of measured results for entered employment and three years for employment retention, which lags by six months.



For the entered employment rate, the illustration above shows that outcomes for employment services have exceeded targets in each of the past four Program Years. While the PY 2005 rate of 63 percent exceeded the target, it was one percentage point lower than that achieved in PY 2004. The 80 percent result exceeded the target but is slightly lower than the prior year outcome. This may be attributed to the change in the definition for retention, which now requires verification of employment in two periods instead of one. The earnings change, which in PY 2005 was a new indicator for employment services, was \$1580.



For the third year running, the Massachusetts Department of Workforce Development sponsored the Annual Jobs First Day to help job seekers connect with employers across the Commonwealth. This one-day event featured a statewide job fair hosted by the 32 One-Stop Career Centers. Job First Day resulted in impressive turnouts with 6,500 job seekers and over 600 employers participating at the 32 Career Center locations. Recruiters representing many different industries were on hand to share information about a wide variety of available positions and interview qualified workers. Throughout the day, workshops were hosted for employers to learn about employment resources such as the state's Workforce Training Fund, tax incentives for hiring and regional labor market information. In addition to meeting prospective employers, job seekers were able to attend workshops on job search strategies, get their resumes critiqued and talk to a career counselor.

Photo Credit: Henry Soones

PART, Program Evaluations and Audits

In 2004, the Program Assessment Rating Tool (PART) review rated this program Adequate. The review found that accountability for performance results by grantees was insufficient, and that services duplicate some services offered by the WIA Adult and Dislocated Worker programs. In response, DOL accelerated implementation of the Federal job training program common measures. Separate funding streams that fund core employment services through the One-Stop system, particularly the WIA Adult and Dislocated Worker funding and the Wagner-Peyser Act funding, continue to present challenges to program performance. DOL is proposing to streamline reporting for these programs. With WIA reauthorization, DOL proposes to combine these funding streams and WIA Youth into one consolidated program to minimize duplication of services and administrative support funds.

In *Two of Illinois' One-Stop Centers Have Not Fully Implemented the Seamless Service Concept*, the OIG reported challenges and deficiencies related to One-Stop implementation (see Study 35 in Appendix 2). The State of Illinois

indicated that it had already identified some of the issues identified in the OIG audit in its own reviews and was already implementing improvement strategies. The State also indicated that challenges in these two One-Stops were not reflective of overall state conditions. In another study, *The State of Texas has Effectively Implemented the One-Stop Seamless Service Concept* (Study 36 in Appendix 2), the OIG found that the State of Texas had effectively implemented a seamless One-Stop service delivery model and operational structure, and made no recommendations.

Data Quality and Major Management Challenges

Data for this performance goal was rated Very Good. Strengths of the data include its completeness and validity. In response to concerns raised by the Office of the Inspector General regarding the accuracy of performance data reported by States, DOL developed and implemented a data validation methodology for WIA programs, including employment services (see item I, *Improve Accountability for Performance and Financial Data*, in the Major Management Challenges section of the Executive Summary). State workforce agencies used handbooks, user guides, and software developed by DOL to validate outcomes reported in PY 2003 and PY 2004. DOL has updated the data validation materials and software to support accurate and reliable data reporting; details regarding the updates are available on ETA's Performance Web site (<http://www.doleta.gov/Performance/Reporting/datavalidation.cfm>).

Assist Dislocated Workers

Performance Goal 05-4.1C (ETA) – PY 2005

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

Indicators, Targets and Results	PY 2004 Result	PY 2005 Target	PY 2005 Result	Target Reached*
Percent of participants employed in the first quarter after program exit	84%	83%	83%	Y
Percent of those employed in the first quarter after program exit still employed in the third quarter after program exit	91%	89%	88%	N
Average earnings change for those employed in the first quarter after program exit and still employed in the third quarter after exit	93%	92%**	\$461	–
Cost (millions)	\$1472	–	\$1543	
*Indicator target reached (Y), substantially reached (S) or not reached (N)			Goal Not Achieved	
**Target was established using a different definition – replacement of earnings prior to dislocation/layoff.				

Program Perspective and Logic

The Workforce Investment Act (WIA) Dislocated Worker program aims to quickly reemploy laid off workers and preferably to enhance their employability and earnings by increasing occupational skills. The Department allocates 80 percent of funds by formula to the States. The Secretary may use the remaining 20 percent for discretionary activities specified in the Workforce Investment Act, including assistance to localities that suffer plant closings, mass layoffs or job losses due to natural disasters and military base realignment and closures. This program is seamlessly integrated with other programs (such as the Wagner-Peyser Act employment services and the WIA Adult program) to offer comprehensive assistance to workers and employers at One-Stop Career Centers. The types of training services available to Dislocated Workers are occupational skills training, on-the-job training, skills upgrading, entrepreneurial training, job readiness training, adult education and literacy activities and customized training for employers who commit to hiring.

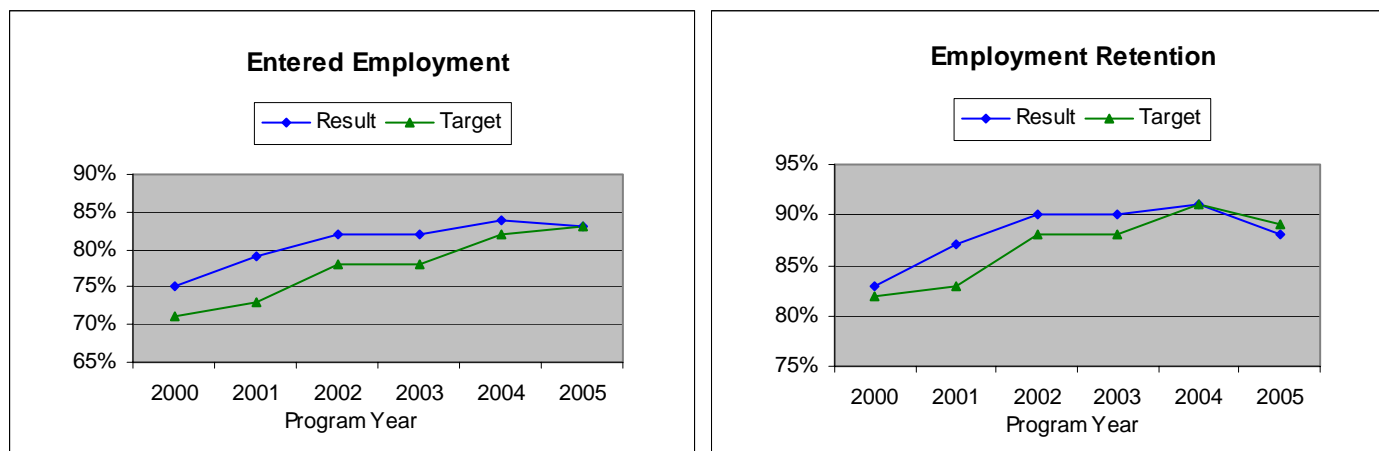
Three key indicators – Federal job training program common measures – are used to assess the program’s success. The entered employment rate measures the program’s effectiveness at helping participants return to work. The retention rate and earnings replacement indicators demonstrate the program’s effectiveness at matching or enhancing participants’ skills and abilities to fit employment opportunities. In PY 2006, ETA will measure average earnings in lieu of the earnings replacement rate to be consistent with measures for similar programs.

Analysis and Future Plans

The Department did not achieve its performance goal for the WIA Dislocated Worker program. Results for the entered employment rate have been between 82 and 84 percent for the past several years. Employment retention for dislocated workers dipped to a rate of 88 percent, below the target and down from 91 percent in PY 2004. This could be attributed in part to the change in the definition for retention, which now requires verification of employment in two periods instead of one. DOL previously reported wage replacement as the earnings measure for this population, but has recently adopted the common measures definition of earnings change. Consequently, performance against the target for this indicator is unknown.

Cost for this performance goal increased by five percent between FY 2005 and FY 2006 due to increased budget authority. Average cost per participant continues to rise, from \$3505 in PY 2004 to \$4610 in PY 2005, because participants served dropped by 30 percent – from 330,566 in PY 2004 to 320,204 in PY 2005. The program is projected to serve only 292,460 dislocated workers in PY 2006. To maximize resources, workforce systems are introducing innovative methods of worker preparation that are less staff-intensive. Enhancing the systems’ role as labor market and career advisor will help workers and businesses make self-directed informed choices in preparing

for their future. Integrating system services (such as the array of separately authorized programs for dislocated workers), further using and expanding the existing public infrastructure (such as the nationwide network of community colleges, vocational and adult education programs, and apprenticeships), as well as reducing duplication and achieving economies of scale will maximize resources and minimize duplication of services.



The Department continues to provide direction and technical assistance to state and local workforce organizations in support of a flexible, demand-driven, fully integrated workforce investment system focused on helping dislocated workers develop and upgrade their skills in order to successfully make employment transitions and obtain reemployment that supports economic self-sufficiency. The Department is working to encourage 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. In turn, this will enable dislocated workers to successfully access career pathways that provide multiple opportunities for advancement.

The Department is also examining workforce education strategies and developing strategies for a regional approach to workforce development, economic development and education. In FY 2007, DOL proposed that Congress pass legislation that would consolidate the WIA Dislocated Worker Program, the WIA Adult and Youth Programs, and the Employment Service into a single grant to States for Career Advancement Accounts and basic employment services. Consolidation of funding streams would provide greater flexibility to states and local workforce areas to tailor service delivery to meet the needs of their regional economies.

Kevin lost his job when his employer announced they were downsizing. Losing the sole income for his family of six was very stressful and required many adjustments. He enrolled in the Dislocated Worker Program at the Missouri Career Center in Washington and entered a 15-month accelerated Registered Nursing Program at Barnes School of Nursing. While attending training, his wife worked, and his family received assistance through the Family Support Division and the Jefferson/Franklin Community Action Agency. Kevin also joined the Navy Reserves, which provided extra income. Notwithstanding a multitude of family health issues, Kevin graduated in August 2004 and now works at St. John’s Medical Center’s Intensive Care Unit, where he has also been accepted into the Critical Care Fellowship Program. He is now proudly serving in Iraq, applying his skills and defending his country. Kevin’s accomplishments would not have been achieved without the support of Missouri’s workforce system.

Photo Credit: Michael Waltman



PART, Program Evaluations and Audits

In the Program Assessment Rating Tool (PART) review conducted in 2002, the WIA Dislocated Worker program was rated Adequate. The review found that States and local communities have insufficient flexibility due to separate Federal funding streams and requirements, and that administrative overhead was excessive. In response, DOL issued guidance that outlined existing service provisions and funding flexibility in WIA applicable to special layoff and disaster situations.

Additionally, the FY 2007 Budget proposed to consolidate the program with three other State grant programs, and use the consolidated State grant to finance Career Advancement Accounts. This proposed program redesign would increase the number of workers trained, improve access to quality workforce education services and eliminate unnecessary overhead spending.

One study by the OIG (*Insufficient Federal Guidance Could Result in Misuse of Incumbent Worker Training Program Funds*) and another by GAO (*Workforce Investment Act: Labor and States Have Taken Actions to Improve Data Quality, but Additional Steps Are Needed*) apply to several WIA programs and are summarized in the narrative for Performance Goal 05-1.1A. More information on these studies is also available in Appendix 2, where they appear as Studies 1 and 2.

In December 2005, the OIG issued a report, *Alleged Violations of WIA Program and Federal Guidelines at One-Stop Center Operated by Affiliated Computer Services, Inc.*, documenting findings regarding its investigation of a complaint that a WIA program operator in Kansas mismanaged the Dislocated Worker program and funds (see Study 37 in Appendix 2). The OIG determined that the allegation was unsupported and made no recommendations.

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

Data Quality and Major Management Challenges

Data quality for this performance goal was rated Very Good. Strengths of the data include its validity, accuracy and completeness. In response to concerns raised by the Office of Inspector General regarding accuracy of data reported by States for WIA performance, DOL developed and implemented a data validation methodology for WIA programs (see item I, *Improve Accountability for Performance and Financial Data*, in the Major Management Challenges section of the Executive Summary). SWAs used handbooks, user guides, and software developed by DOL to validate outcomes reported in PY 2003 and PY 2004. In PY 2005, SWAs implemented Federal job training program common measures. In PY 2006, the States will report on average earnings, rather than an earnings change measure, to look at participant earnings 6 months after program completion.

Provide Older Americans Service and Employment Opportunities

Performance Goal 05-4.1D (ETA) – PY 2005

Assist older workers to participate in a demand-driven economy through the Senior Community Service Employment Program.

Indicators, Targets and Results	PY 2004 Result	PY 2005 Target	PY 2005 Result	Target Reached*
Percent of participants employed in the first quarter after program exit	36%	55%	37%	N
Percent of those employed in the first quarter after program exit still employed in the third quarter after program exit	65%	65%	48%	N
Average earnings gain for those employed in the first quarter after exit and still employed in the third quarter after program exit	–	Baseline	–	N
Cost (millions)	\$426	–	\$432	
*Indicator target reached (Y), substantially reached (S) or not reached (N)			Goal Not Achieved	

Program Perspective and Logic

Older Americans are often unemployed because they lack up-to-date skills required of workers in our rapidly changing economy. The Senior Community Service Employment Program (SCSEP) is designed to serve low income workers age 55 and older by providing job training and work experience through community based organizations and government agencies. The goal of the program is to promote self-sufficiency for seniors by placing individuals in unsubsidized employment. The program, a required partner under the Workforce Investment Act (WIA), coordinates delivery of placement and training services through the One-Stop Career Center system. The program has served over 100,000 individuals each year for the last 3 years.

The Department uses the Federal job training common measures to evaluate the success of SCSEP: entered employment, employment retention and earnings change. A high entered employment rate indicates that participants have improved financial opportunity. A high retention rate indicates stability of participants' new positions in unsubsidized employment. Higher earnings gains reflect effective assistance, especially of training services. Effective Program Year 2006, SCSEP will measure average earnings instead of earnings gain.

Costs associated with this goal did not vary appreciably from FY 2005.

Analysis and Future Plans

Clearly, targets for PY 2005 were overly ambitious; they were not updated due to delays in funding and technical problems in implementing a new data collection instrument. In other words, the PY 2004 baseline results shown in the table were not available until late in the year. Moreover, the retention rate result is insufficient to establish a target; due to the inherent lag of six to twelve months, it represents incomplete data. No data were collected on average earnings; the baseline year has been shifted to PY 2006.

As noted in the Data Quality and Major Management Challenges discussion below, PY 2005 data are reliable. Because this is effectively the baseline year for employment and retention, there is nothing to be said about trends. However, as reported performance levels are low in comparison to other employment and training programs, there is room for improvement. To increase placement of its participants in unsubsidized jobs, the SCSEP program, through its partnership with the One-Stop delivery system, will aggressively expand its network of high growth industries and employers.

In addition to the common measures, SCSEP uses seven program-specific performance indicators that measure service level, service to most-in-need, and customer satisfaction of participants, host agencies, and employers. For this last indicator, SCSEP achieved an exceptional response rate and very high scores on the American Customer Satisfaction Index (ACSI).



Emmery's experience with the Senior Community Service and Employment Program (SCSEP) began in January 2004 when he turned to Experience Works for help after exhausting all other options. Experience Works worked with him to determine his work experience and thought the Wisconsin Veterans Home in King, Wisconsin, a nursing care facility for aging or disabled veterans and their spouses, was a natural fit for Emmery's skills and interests. After six months in a subsidized position within the activities department at the Wisconsin Veterans Home, he became a full-fledged employee, working 20 hours per week and earning almost double his training wage. Through Experience Works and SCSEP, he was able to benefit from this community service placement, gain valuable new experience, and work with individuals with a similar background.

Photo Credit: Emmery Perzentka

PART, Program Evaluations and Audits

In the 2005 Program Assessment Rating Tool (PART) process, the program was reviewed as the Community Service Employment for Older Americans Program and rated Ineffective. The review found that improvements were needed in the program's competitive grant process, performance measures and performance reporting systems. In response, DOL has worked with the Congress to modernize and strengthen the grants process; implemented the Federal job training program common measures; published a proposed rule to implement the 2000 Older Americans Act (OAA) Amendments; and made performance targets more challenging.

The Government Accountability Office (GAO) report, *Older Workers: Labor Can Help Employers and Employees Plan Better for the Future*, issued in November 2005, recommended that DOL design a comprehensive public awareness campaign to bridge the gap between employers and older workers (Study 39 in Appendix 2). ETA has begun conducting outreach to employers about the benefits of hiring and retaining older workers with the intention of providing more employment opportunities. ETA will continue to sponsor an annual week-long event designed to raise the awareness of employers about the benefits of utilizing older workers. These activities have resulted in improved working relationships between local projects and local employers.

At the request of the Chairman of the Senate Special Committee on Aging, who expressed concerns regarding the effects of the OAA Amendments, the Government Accountability Office (GAO) issued *Senior Community Service Employment Program: Labor Has Made Progress Implementing Older Americans Act Amendments of 2000, but Challenges Remain* in April 2006 (Study 38 in Appendix 2). The report raised concerns about the number of unresolved issues concerning the coordination between SCSEP and WIA programs in helping older adults obtain intensive and training services at One-Stop centers. In response, DOL is taking steps to establish an enhanced performance accountability system for SCSEP and modifying some eligibility criteria to target limited program funds to individuals it believes are most in need of SCSEP services.

Data Quality and Major Management Challenges

Data quality for this performance goal was rated Good. Strengths of the data include its validity and completeness. Data are collected quarterly, linked to program purpose, and are reliable and verifiable, but there are difficulties in the process of verification. The SCSEP has implemented a new Internet-based data collection system called SPARQ2, which will ensure enhanced data quality. In addition, the SCSEP is scheduled to implement a data validation system in 2007.

Better Decision-making Through Workforce Information

Performance Goal 05-4.1E (ETA) – PY 2005

Increase accessibility of workforce information through the National Electronic Tools.

Indicators, Targets and Results	PY 2004 Result	PY 2005 Target	PY 2005 Result	Target Reached*
Increase number of page views on America's Career InfoNet	–	Baseline	61.4 million	Y
Increase the dissemination of O*NET data measured by site visits	3.91 million	3.87 million	7.0 million	Y
Increase the number of page views on Career Voyages	–	Baseline	7.9 million	Y
Cost (millions)	\$111	–	\$120	
*Indicator target reached (Y), substantially reached (S) or not reached (N)				Goal Achieved

Program Perspective and Logic

The State and national workforce information system supports the goal of increased accessibility of workforce information through the National Electronic Tools by creating and broadly disseminating current, local information on high growth industries and occupations that is critical for planning and delivering demand-driven workforce services. Customers include employers, state and local Workforce Investment Boards, Workforce Investment Act partner agencies, and job seekers who find these information services useful for business, economic development, education, and individual career decision-making. The workforce information system consists of:

- Occupational Information Network (O*NET) – a database of occupational competency requirements (tasks, knowledge, skills, abilities, work activities, and other characteristics);
- State workforce agency core products and services that describe state and local labor market dynamics, e.g., employment, wages, and skills in demand by industry and occupation;
- CareerOneStop national electronic tools that allow universal distribution and self-service access to workforce information, including data on wages, occupations in demand, skills held and needed, and growth industries; and
- Workforce information services provided through state workforce agencies' One-Stop Career Centers.

The CareerOneStop electronic tools, Career Voyages, and the O*NET OnLine web sites are designed to improve self-service options for customers of the workforce investment system. Resources supporting these systems are used for technical assistance and emerging occupation research, to operate the web sites, and to keep the databases current. The performance indicators gauge usefulness of the occupational information to the wide-ranging user community—business, educators, students, parents, and job changers. External factors that could affect performance are changes in public demand for workforce information or in public participation in the data collection efforts.

Costs associated with this performance goal increased by 8 percent between PY 2004 and PY 2005. This increase is consistent with normal fluctuations in spending obligated funds. Some of the increase is attributable to the development of new electronic tools – for example, tools in support of identifying skills needed for high-growth occupations.

Analysis and Future Plans

The Department achieved its performance goal for workforce information systems. The result for increased dissemination of O*NET data exceeded the target and high baselines have been set for Career Voyages and America's Career InfoNet page views. After vastly exceeding last year's target, the growth in demand for O*NET information slowed this year. It has not yet been determined whether these are the appropriate indicators to measure the performance of this activity in PY 2006 and beyond.

Baseline data for an efficiency measure for this goal will be gathered in PY 2006. The measure will be the cost per page view of the activities that are included as indicators under this goal.

Workforce system partners, employers, career counselors, and the public have recognized the usefulness and accessibility of the national electronic tools, which results in an overall increase in both new and repeat users. The list of new and recently redesigned resources that account for an increase in site visits includes tools and technology data, skills profiler, job description writer, employer locator, online coaches, and occupational profiler. The use of the national electronic tools also has become increasingly popular due to customers ever-growing familiarity with and use of Web-based resources.



When a large manufacturer declared bankruptcy and closed plants employing 6,000 workers across eight states, the company asked state employment agencies to help their workers find new jobs. In California, the State Employment Development Department created a rapid response toolkit to help frontline local agency staff serve the company's former employees quickly and efficiently. This comprehensive "how to" instruction kit for case managers, rapid response teams, and One-Stop Career Center staff outlined a step-by-step process for using information from the O*NET OnLine Web site in conjunction with labor market information to smooth the transition of these dislocated workers by linking them to alternative occupations calling for similar skills. In addition, California made the toolkit available to other states with the firm's plants to enable them to prepare customized "just-in-time" resources and professional support for clients.

Photo Credit: Laurence Seidel

PART, Program Evaluations and Audits

The workforce information system was included in the FY 2004 Program Assessment Rating Tool (PART) review of the Wagner-Peyser Employment Service grants. None of the PART findings and recommendations addressed electronic tools, which were subsequently organized as a separate program.

Data Quality and Major Management Challenges

Data for this performance goal was rated Very Good. Strengths of the data include its completeness, accuracy, and reliability. Data for the O*NET indicators are gathered and validated by internal management information systems, which complies with industry standard and norms. However, the validity of Web site hits as a measure of performance is limited. While the usability of the Web site may be inferred from increasing use of the Web site, the data does not sufficiently link the use of the tools to employment outcomes.

Address Worker Shortages

Performance Goal 06-4.1A (ETA) – FY 2006

Address worker shortages through the Foreign Labor Certification Program.

Indicators, Targets and Results	FY 2005 Result	FY 2006 Target	FY 2006 Result	Target Reached*
Percent of H-1B applications processed within seven days of the filing date for which no prevailing wage issues are identified	100%	100%	100%**	Y
Percent of employer applications for labor certification under the streamlined system that are resolved within six months of filing	57%	60%	86%**	Y
Percent of accepted H-2A applications processed within 30 days of the date of need where there are no pending State actions	–	95%	97.5%**	Y
Percent of the H-2B applications processed within 60 days of receipt	85%	90%	82%**	N
Cost (millions)	\$60	–	\$46	
*Indicator target reached (Y), substantially reached (S) or not reached (N)				
**Estimated			Goal Not Achieved	

Program Perspective and Logic

The Office of Foreign Labor Certification (FLC) reviews requests for Department of Labor certification from U.S. employers seeking to hire foreign workers on a temporary or permanent basis when qualified American workers are unavailable. Labor certifications issued by the Department then become part of the documentation supporting employers' respective petitions, filed with the U.S. Citizenship and Immigration Services, to authorize the employment of foreign workers under temporary visas like H-2A and H-2B or under permanent, employment-based visas leading to lawful permanent residency.

In the face of growing market-driven demand, the Department has taken steps to improve processing efficiency and customer service while maintaining program integrity and deterring fraud. By regulation effective March 28, 2005, the Department eliminated the duplicative, staff-intensive State role in the Permanent Labor Certification Program, permitted the electronic filing of applications via a new Program Electronic Review Management (or PERM) system, and streamlined the process by providing for pre-filing recruitment and employer attestations (rather than lengthy post-filing recruitment supervised by State agencies). The Department will continue to evaluate the PERM Program and increase outreach efforts to encourage employers to file petitions electronically.

Performance indicators tie to statutory, regulatory, or internal processing requirements for various applications; performance is tracked using quarterly data and often linked to performance standards for individual managers and analysts. Indicators for the PERM program (percent of employer applications for labor certification under the streamlined system that are resolved within six months of filing) reflect the new, automated system and seek to measure improvement in timeliness and cost-effectiveness over pre-PERM processes.

Cost associated with this performance goal decreased by 20 percent between FY 2005 and FY 2006. Most of the \$14 million drop (\$10.5 million) is accounted for by a lag in recovery of H-1B fees.

Analysis and Future Plans

The goal was not achieved, but three of the four targets were reached. The H-1B Labor Condition Applications Program for highly skilled professionals (specialty workers) continues to perform at a high level; in FY 2006, the program processed 100 percent of applications – now almost always filed electronically – within the statutory seven-day timeframe. In fact, virtually all applications filed using the Department's web-based system are processed within a couple of days of receipt.

The Department continues to place a high priority on improving the overall performance of the PERM program. In FY 2006, the program processed 86 percent of applications within six months, exceeding its target of 60 percent. An automated process, strong communication between the program's national office and its processing centers, and effective resource allocation and adjustments throughout the year contributed to this strong result. The Department expects this trend to continue as the program gains additional experience with the substantive issues and filing cycles of applications filed under the reengineered program.

Similarly, the program exceeded its target for processing H-2A temporary agricultural applications. The target for the H-2B temporary non-agricultural program was not reached. Although processing times for processing these applications have significantly decreased at both the State and Federal levels, the programs have not kept pace with employer demand for H-2B workers, and as a result, some employers seeking to hire H-2B foreign workers continue to experience delays. In FY 2007, the Department will provide additional training to staff performing state-level activities related to foreign labor certification. These changes, coupled with additional attention to competence and efficiency in various parts of the process should streamline and improve overall DOL administration and accountability of the H-2B program.

Program managers continually reevaluate the type of data being collected across foreign labor certification programs to ensure the best fit between information and needs. To improve performance measurement, program analysis, and applications management, the Department will continue to enhance its reporting capabilities to the case management systems for both the permanent and temporary programs. New modules and control mechanisms currently being added to the PERM system will significantly enhance the program's ability to analyze and manage individual applications and the overall workload.



Personnel from the Chicago National Processing Center (Center) share a light hearted moment to celebrate the One Year Anniversary of the Center. Opened a year ago to process all permanent labor certification cases filed under the new streamlined program that took effect on March 28, 2005, both the Chicago and the Atlanta National Processing Centers are significantly improving the speed and efficiency of foreign labor application processing. Specifically, the Centers, which also process labor certification requests for temporary or non-immigrant programs, have greatly improved the number of employer applications for labor certification resolved within six months of filing with the use of new computer software programs and streamlined procedures.

Photo Credit: Raymundo Garcia

PART, Program Evaluations and Audits

In 2004, the H-1B and PERM programs were reviewed in the Program Assessment Rating Tool (PART) process, and were rated Moderately Effective and Adequate, respectively. Findings included fraud concerns related to both programs and a need for measures of application backlogs for the PERM program. In response to H-1B findings, DOL implemented a fraud detection module; streamlined the automated process developed for employers to submit Labor Certification Applications; and collaborated with the Departments of Homeland Security and State in a multi-agency effort to identify, address, and deter H-1B and other visa fraud. In response to PERM findings, DOL developed a new data entry and application processing system; dedicated two facilities to the task of processing PERM applications; and has begun reporting on new performance and efficiency measures that are directly related to the new PERM process.

In June, 2006, the Government Accountability Office (GAO) issued *H1-B Visa Program: Labor Could Improve Its Oversight and Increase Information Sharing with Homeland Security*, recommending that DOL improve its checks of employers' applications and that Homeland Security's U.S. Citizenship and Immigration Services include Labor's

application case number in its new information technology system (see Study 40 in Appendix 2). In response, DOL has developed 26 new fact sheets to describe employer responsibilities and employee rights that will be made available on the Internet, and is working with the Department of State to provide similar information on cards issued to H-1B workers and employers.

Data Quality and Major Management Challenges

Data for this performance goal was rated as Very Good. Strengths of the data include its timeliness and completeness. The quality of data collected through the web-based case management systems, as well as the collection methods and systems themselves are continually being assessed to ensure that data are reliable, appropriate, and that it informs management. In the future, a series of improvements to data management and data reporting functions will be implemented. The web-based systems used in combination with programmed and manual checks limit the number of errors or inaccuracies in data.

In its FY 2001 report, the Office of Inspector General (OIG) first listed integrity of the foreign labor certification programs among DOL's top management challenges, and it remains on the list in FY 2006 (see item IV, *Maintaining the Integrity of the Foreign Labor Certification Program*, in the Major Management Challenges section of the Executive Summary). Fraud cases involve applications filed on behalf of fictitious companies, the fraudulent use of legitimate companies without their knowledge, and the collection of fees from fraudulent applications filed on behalf of foreign workers. DOL continues to improve overall program integrity and employer compliance. For example, a fraud detection/prevention module is planned for the new PERM system. In FY 2006, FLC contracted an independent firm to conduct an evaluation of their website, which is the primary vehicle for communicating compliance assistance information to employers and others. The appearance, content, effectiveness, currency and maintenance of the FLC website were found to be favorable. Additionally, in 2006, the Department proposed changes in regulation to reduce the incentives and opportunities for fraud and abuse related to the permanent employment of foreign workers in the United States. The Department is currently evaluating comments; final publication is scheduled for April 2007.

Help Trade-Affected Workers Find New Jobs

Performance Goal 06-4.1B (ETA) – FY 2006

Increase the employment, retention, and earnings replacement of workers dislocated in important part because of trade and who receive trade adjustment assistance benefits.

Indicators, Targets and Results	FY 2005 Result	FY 2006 Target	FY 2006 Result	Target Reached*
Percent of participants employed in first quarter after program exit	70%	70%	69%**	N
Percent of participants employed in first quarter after exit who are still employed in the third quarter after exit	91%	85%	90%**	Y
Average percent of pre-separation earnings for those employed in the third quarter after program exit	76%	80%	84%**	Y
Cost (millions)	\$846	–	\$700	
*Indicator target reached (Y), substantially reached (S) or not reached (N)			Goal Not Achieved	
**Estimated				

Program Perspective and Logic

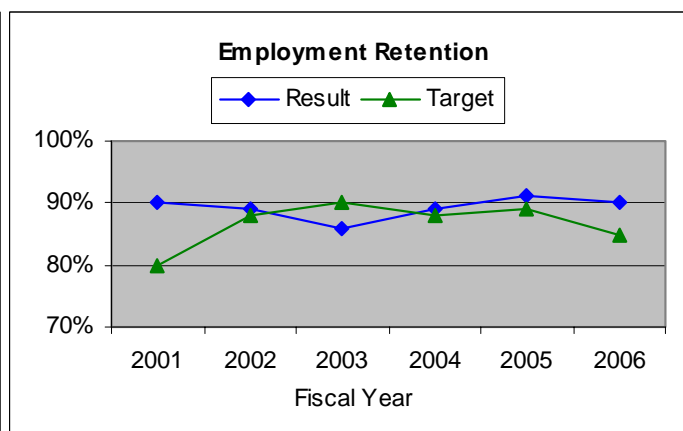
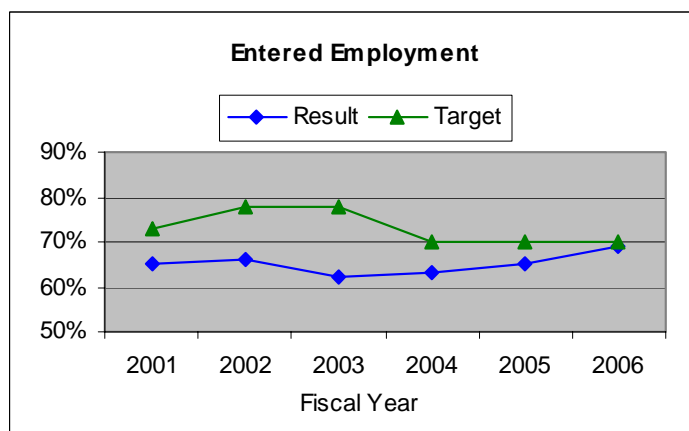
DOL's Trade Adjustment Assistance (TAA) program provides training, income support, and related assistance to workers who lose their jobs due to increased imports or shifts in production to foreign countries. TAA's goal is to return workers to suitable employment. The TAA program is one component of integrated products and services available through the nationwide network of One-Stop Career Centers, including those funded under the Workforce Investment Act Adult and Dislocated Worker programs and the Wagner-Peyser Act. The comprehensive readjustment services and benefits offered by the TAA program include job search and relocation assistance, occupational on-the-job and remedial training, income support, and the Health Coverage Tax Credit. The One-Stop system provides counseling, assessment, and placement services to TAA participants.

The TAA program's success in an expanding, global economy is measured by the extent to which it helps individuals to regain economic self-sufficiency by quickly securing and maintaining employment. As we move to a regional based workforce system, it appears economic factors such as available labor and the ability to adapt that human capital to new uses contribute importantly to reemployment. The three key indicators used to measure the TAA program's success are the Federal job training program common measures. The entered employment indicator tracks the program's progress in quickly returning participants to employment. The retention measure indicates whether participants who quickly obtain jobs are able to sustain employment, and average earnings serves as a measure of job quality. For FY 2006, however, the TAA program continued using earnings replacement to track the program's success at returning participants to employment at wages close to those earned prior to layoff.

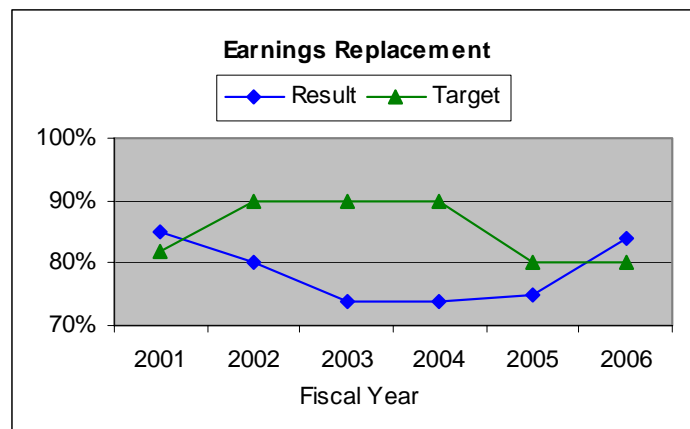
Costs associated with this performance goal decreased by 17 percent between FY 2005 and FY 2006. The primary reason for the decreased cost is a reduction in demand for TAA program training services.

Analysis and Future Plans

Based upon data for the first three quarters of FY 2006, the TAA program is on track to achieve targeted levels for retention and earnings but appears to fall just shy of the target for entered employment. Retention results continue to exceed expectations, implying that trade affected workers who obtain suitable reemployment tend to stay employed. Improved earnings outcomes reflect the Department's efforts to integrate services to meet the needs of all trade-affected dislocated workers, ensuring that they have access to the full range of reemployment services offered through the One-Stop system, and managing funds to reach more customers. Improvements may also have been discovered via efforts to more accurately capture program outcomes (see the Data Quality discussion below).



During FY 2007, the Department will further integrate the workforce investment system by completing implementation of common performance measures (adding efficiency, or cost per participant) and hosting national Rapid Response Summits and Trade Coordinators' meetings. These meetings and a new series of follow-up Forums will provide an additional opportunity for the Department to emphasize the importance of reliable, accurate performance data in meeting the needs of dislocated workers. In addition, the Department has undertaken a multi-state study on co-enrollment to more accurately inform the system of the effects of co-enrollment on performance.



PART, Program Evaluations and Audits

During the 2003 Program Assessment Rating Tool (PART) process, the TAA program was reviewed and rated Ineffective. Findings included limited coordination of services with the WIA Dislocated Workers program and a need to improve accountability for results. In response, the Department drafted the revised TAA regulations to implement the 2002 Trade Act amendments; conducted six forums on integration of assistance to dislocated workers between the TAA program and the WIA Dislocated Worker program; and developed and implemented a new funding formula to improve financial management practices with respect to TAA training expenditures. A second round of forums is planned for early 2007.

The Government Accountability Office (GAO) report *Trade Adjustment Assistance: Most Workers in Five Layoffs Received Services, but Better Outreach Needed on New Benefits*, issued in January 2006, recommended that DOL provide guidance to State and local officials on how to ensure that potentially eligible workers are made aware of the new health insurance and wage insurance benefits (Study 41 in Appendix 2). To provide further guidance to State and local officials, DOL has developed a work plan of future activities to assure that workers know what services are available, workers have access to the services for which they are eligible, and eligibility determination is done consistently throughout the states.

The GAO report *Trade Adjustment Assistance: Labor Should Take Action to Ensure Performance Data Are Complete, Accurate, and Accessible*, issued April 2006, recommended actions to help improve the completeness and accuracy of performance data, to make the performance data more informative, and to increase opportunities for states to share lessons learned on issues relevant to TAA data quality (Study 42 in Appendix 2). In response, DOL has taken major steps toward improving the quality of its new data validation requirements and has recently improved the availability of TAA performance information by posting the information on its Web site.

In 2004, DOL contracted for a five-year net-impact study of the TAA program in order to obtain a more comprehensive understanding of the effects of the TAA program on trade-affected workers' employment outcomes. Interim occasional papers will be prepared on such topics as the role of rapid response in the TAA program and a report on TAA linkages within the workforce system.

Data Quality and Major Management Challenges

Data quality for this performance goal was rated Fair. Strengths of the data are its accuracy and relevance; however, a recent GAO report noted significant areas for improvement (Study 37 in Appendix 2 – summarized above). For example, only half the States are including all participants and some data refer to participants who left the program 30 months earlier. In response, TAA has taken a number of steps to improve data quality. A new performance and reporting system is being implemented for this program that emphasizes consistent definitions to provide more complete and reliable measurement of results. Program files are validated each year by the States using ETA funded validation software. In addition, national and regional staff perform random checks of the validated files to ensure accuracy and validity of the annual performance report. A monitoring guide is under development which will stress the importance of data quality. These improvements also apply to a Major Management Challenge (MMC) – item I in the MMC section of the Executive Summary.

Promote Flexible Workplace Programs

Performance Goal 06-4.2A (ASP) – FY 2006

Maximize regulatory flexibility and benefits and promote flexible workplace programs

Indicators, Targets and Results³⁴	FY 2005 Result	FY 2006 Target	FY 2006 Result	Target Reached*
Percent of identified significant regulations that are reviewed	–	90%	92%	Y
Percent of regulations identified for revision or withdrawal	–	85%	93%	Y
Best practices for, and models of, flexible workplace practices are identified and publicized.	–	21	23	Y
*Indicator target reached (Y), substantially reached (S) or not reached (N)				Goal Achieved

Program Perspective and Logic

The Office of the Assistant Secretary for Policy (OASP) coordinates and tracks DOL's achievement of this goal in part through its role in directing the compilation and publication of the Department's Annual Regulatory Plan and Semi-Annual Regulatory Agenda. With OASP's assistance, DOL regulatory agencies have established the plans and procedures they use to prioritize their regulatory initiatives to ensure they support this strategic goal. It is important to note, however, that most of the items on the Agenda are either not discretionary (i.e., they are required to implement new statutory requirements or court decisions) or implement policy and program priorities related to the Department's other strategic goals. During the reporting period, the Department had 38 items on its regulatory agenda that were relevant for goal 4.2 purposes and took action on 35 of them. Actions included publishing notices of proposed rulemaking, final rules, interim final rules, etc. In each case, DOL agencies pursued actions that maximized net benefits, promoted regulatory flexibility, and/or replaced obsolete regulatory provisions with ones that reflect current technology and market conditions and address current business practices.

Each indicator for this performance goal measures DOL's progress in promoting flexibility in ways that are crucial to a competitive workforce: regulatory flexibility and workplace flexibility. The regulatory flexibility indicators ensure that DOL's regulation review plan emphasizes flexibility, is based on meaningful criteria that, where feasible, reflect public input, and corrects current regulatory practices that are duplicative, obsolete or not cost-effective. The workplace flexibility indicators ensure that DOL highlights and publicizes best practices of flexible workplaces and model flexibility practices.

External factors impacting performance for this goal include court decisions and new legislation that mandate regulatory changes or that require drafting new regulations within certain time frames. These unexpected regulatory projects must be given priority and therefore can disrupt the progress on other regulatory projects already underway. In FY 2006, two examples of new statutory requirements to complete regulatory actions within tight timeframes are The Pension Reform Act of 2006 and the MINER Act.

Analysis and Future Plans

DOL agencies apply their regulatory review methodologies to make progress on their regulatory agendas. Their review processes allow opportunities for public input, where appropriate, on both the selection of regulations for review and the outcomes of reviews. In the course of promulgating revised regulations, agencies conduct cost benefit analyses to help assure that the regulations maximize net benefits. The following are examples of these regulatory initiatives.

The Mine Safety and Health Administration (MSHA) published a supplemental proposed rule that would establish new mandatory electrical safety standards for the installation, use, and maintenance of high-voltage continuous mining equipment used in underground coal mines. These standards would eliminate the need for mine operators to

³⁴ Costs of achieving DOL's results in maximizing regulatory flexibility are distributed throughout the department's regulatory agencies, as it is part of their costs of operations.

seek petitions for modifications to use high-voltage equipment. MSHA also published a notice of intent to review the Environmental Protection Agency's (EPA) Nonroad Diesel Engine Standards. The review would determine if MSHA's own product approval regulations for diesel engines used in gassy underground mines are consistent with EPA's standards.

The Occupational Safety and Health Administration (OSHA) conducted hearings on its intent to update a 30-year old construction standard. The update would address technological advances and amend the maintenance provisions of the general industry standard. OSHA is continuing its long-term effort to update standards that either reference or include language from outdated consensus standards. Both OSHA and EBSA are engaged in reviews of the relative benefits and burdens of existing regulations in accordance with Executive Order 12886 and section 610 of the Regulatory Flexibility Act. OSHA is currently conducting reviews on standards regulating occupational exposure to lead in the construction industry and excavations.

The Employee Benefits Security Administration (EBSA) is conducting a review of its Plan Assets-Participant Contribution Regulation. These reviews allow opportunities for public input, where appropriate, on both the selection of regulations for review and the outcomes of reviews. EBSA has proposed rulemaking that would update the regulatory requirements to allow employee benefit plan annual reports (i.e., Form 5500) to be filed electronically.

DOL's regulatory review and clean-up project implementation continued to update obsolete, non-substantive references in the Code of Federal Regulations (CFR). This initiative focuses on identifying routine, non-technical, or nomenclature changes to DOL regulatory text that can be accomplished without notice or comment. During the 2nd and 3rd quarters of FY 2006, four direct final rules affecting 51 parts of the CFR and 740 discrete regulatory changes have been published by DOL to correct or remove obsolete regulatory references. Another direct final rule that will affect 10 parts of the CFR and make 330 discrete regulatory changes will be published by the end of 2006 or early 2007.

The Flex-Options for Women project, sponsored by the Women's Bureau, encourages business owners to develop workplace flexibility policies and procedures, such as telecommuting, job sharing and compressed work-week schedules. Small businesses learn how to establish workplace flexibility practices for their employees through one-on-one mentoring relationships with corporate executives who have succeeded in establishing these practices in their own companies and from others who have years of experience in designing workplace flexibility practices. The audience includes all businesses, regardless of gender of ownership. Six of ten Women's Bureau's Regional Offices participate in the Flex-Options for Women project – covering 27 states along with Puerto Rico, the Virgin Islands, and Guam. In project year four, a seventh region will be added, upping the total state coverage to 31. The project is completing its third year of operation. FY 2006 has been its most successful year to date, with 92 companies implementing new and outstanding flexible workplace policies and programs.

PART, Program Evaluations and Audits

OASP is not subject to PART reviews.

Data Quality and Major Management Challenges

Data quality for this performance goal was rated as good. Data and results are not estimated, but are based on reporting from public actions taken as part of the rulemaking process. Strengths of the data include its accuracy and relevance. Data used to determine OASP agency indicators and results are taken directly from the Department of Labor's Semi-Annual Regulatory Agenda. Items are added to the Regulatory Agenda through a transparent process that begins with the agency identifying those items on which they propose to focus. After a rigorous Departmental review and clearance process, the approved items are added to the Department's Regulatory Agenda, which is published in the Federal Register each Spring and Fall. Data used to measure results for the third indicator represent reporting from the regions on what programs or policies have been created or enhanced by participant companies. Data are cross checked and verified. One area for data quality improvement is to identify data that better represent the desired outcomes for the performance goal.