

REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION

(Unaudited)

STEWARDSHIP INVESTMENTS IN HUMAN CAPITAL

Stewardship investments are made by DOL on behalf of the nation, providing long-term benefits that cannot be measured in traditional financial reports. DOL's stewardship investments are in human capital, reported as employment and training program expenses in DOL's net cost of operations. Within DOL, the **Employment and Training Administration (ETA)**, the **Office of Job Corps (OJC)**, and the **Veterans' Employment and Training Service (VETS)** administer training programs that invest in human capital. These investments are made for the general public, and are intended to maintain or increase national economic productive capacity, as demonstrated by program outputs and outcomes.

Employment and Training Administration and the Office of Job Corps

In 2008, ETA incurred total net costs of \$51.3 billion, providing services to an estimated 26.5 million people. The majority of ETA's net costs consisted of expenditures for employment and training, unemployment insurance and benefit payments. Also included in net costs were ETA investments in human capital of \$4.3 billion, serving over 4.09 million participants in 2008. These investments were made through job training programs authorized by the Workforce Investment Act of 1998 (WIA), Title V of the Older Americans Act, the Trade Act of 1974, as amended by the Trade Adjustment Assistance Reform Act of 2002, and the National Apprenticeship Act of 1937.

The Office of Job Corps (OJC), transferred from ETA to the Office of the Secretary (OSEC) in 2006, also invests in human capital through job training programs authorized by WIA. OJC's 2008 investment in human capital was \$1,505.0 million. The ETA and OJC job training programs under WIA are discussed below.

Workforce Investment Act Job Training Programs

- **Adult employment and training programs** – ETA awards financial assistance grants to States and territories to design and operate training and employment assistance programs for disadvantaged adults, including public assistance recipients. ETA's 2008 investment in human capital through adult programs was \$824.8 million.
- **Dislocated worker employment and training programs** – ETA awards grants to States to provide reemployment services and retraining assistance to individuals dislocated from their employment. ETA awards non-competitive grants for unexpected economic impacts and emergency dislocations; and competitive grants from the national reserve account to build training capacity and to train workers through community and technical colleges. ETA's 2008 investment in human capital through dislocated worker programs was \$1,414.3 million.
- **Youth programs** – ETA awards grants to states to support program activities and services to prepare low-income youth for academic and employment success, including summer jobs, by linking academic and occupational learning with youth development activities. ETA's 2008 investment in human capital through youth programs was \$962.1 million.
- **Job Corps program** – OJC awards contracts to support a system of primarily residential centers offering basic education, training, work experience and other support, typically to economically disadvantaged youth. Large and small corporations and non-profit organizations manage and operate 94 Job Corps centers under these contractual arrangements. The remaining 28 centers are operated through interagency agreements between DOL and the U.S. Departments of Agriculture and Interior. In addition, 20 operators are contracted to provide outreach and admissions (OA) and career transition services (CTS). OJC's 2008 investment in human capital through the Job Corps program was \$1,505.0 million.



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- **Reintegration of Ex-Offenders** – ETA supports programs to help individuals exiting prison make a successful transition to community life and long-term employment through the provision of mentoring and job training programs to promote the successful return of adult and juvenile ex-offenders into mainstream society. ETA's 2008 investment in human capital through ex-offender programs was \$61.0 million.
 - **National programs** – ETA's National programs provide employment and training services and support for WIA nationally administered activities for segments of the population that have special disadvantages in the labor market, including grants to Indian tribes and other Native American governments or non-profit organizations, and to Migrant and Seasonal Farmworker service organizations, to provide training, work experience and employment-related services. ETA's 2008 National Programs investment in human capital was \$206.1 million.

Title V of the Older Americans Act, as Amended

ETA also invests in human capital through its older worker program, authorized under Title V of the Older Americans Act, to benefit low income workers, age 55 and over. The Older Americans Act Amendments of 2006, reauthorized and provided important reforms to Title V's Community Service Employment for Older Americans Program, including an increase in the percentage of program funds available for skills training and related services.

- **Community Service Employment for Older Americans program (CSEOA)** – An employment and training program that provides part-time training through work experience in community service activities for low-income persons age 55 and older, who wish to remain in or re-enter the workforce, with the ultimate goal of moving the participants into unsubsidized employment. ETA's 2008 investment in human capital through the CSEOA program was \$497.6 million.

Trade Act of 1974 as Amended

ETA makes investments in human capital through training programs authorized by the Trade Act of 1974, as amended by the Trade Adjustment Assistance Reform Act of 2002, which consolidated the Trade Adjustment Assistance (TAA) and the NAFTA Trade Adjustment Assistance programs into a single, enhanced TAA program.

- **Trade Adjustment Assistance programs** – TAA programs provide training, income support and related assistance to workers who have been adversely affected by foreign trade agreements. TAA benefit payments are classified as income maintenance program costs and are not included as investments in human capital. ETA's 2008 investment in trade adjustment assistance training programs was \$248.4 million.

The National Apprenticeship Act

The National Apprenticeship Act of 1937 established the foundation for development of the nation's skilled workforce through apprenticeship programs, which combine on-the-job learning with related technical instruction to teach workers the theoretical aspects of skilled occupations. Funding provides a national system for skilled and technical occupational training, which promotes apprentices, registers apprenticeship programs, certifies apprenticeship standards, and safeguards the welfare of apprentices. ETA's 2008 investment in apprenticeship programs was \$20.5 million.



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Program Costs and Outputs

The cost of ETA and OJC investments in human capital, and the participants served by each, are shown in the chart below, for the five year period 2004 through 2008.

**ETA And OJC Investments In Human Capital
Program Costs (in Millions) and Participants Served (in Thousands)
For The Five Year Period 2004 Through 2008**

Program	2008		2007		2006		2005		2004	
	Costs	Part. Served	Costs	Part. Served	Costs	Part. Served	Costs	Part. Served	Costs	Part. Served
<i>WIA</i>										
Adult (1)	\$824.8	2,828.7	\$ 893.8	1,723.2	\$ 884.6	1,052.6	\$ 953.9	441.8	\$ 962.5	444.3
Dislocated Worker (2)	1,414.3	401.3	1,466.3	413.1	1,525.1	398.2	1,538.3	361.4	1,533.1	364.4
Youth	962.1	250.7	950.7	248.9	1,006.2	272.9	1,146.5	390.8	1,379.9	423.5
Job Corps	1,505.0	63.4	1,485.6	64.8	1,364.8	61.0	1,367.1	61.9	1,357.5	64.3
Ex-Offenders (3)	61.0	14.2	76.4	15.7	52.1	11.5	23.7	6.8	29.4	5.7
National Programs (4)	206.1	44.7	219.7	44.0	267.3	42.1	178.2	54.7	297.1	57.6
<i>Title V</i>										
CSEOA	497.6	89.6	450.4	86.4	313.0	93.5	621.9	92.1	429.6	101.4
<i>Trade Act</i>										
TAA Training	248.4	82.1	223.1	79.2	188.8	84.2	222.8	95.8	249.1	105.1
Apprenticeship Act										
Apprenticeship System	20.5	385.7	21.4	309.5	22.4	237.9	21.5	196.2	21.4	198.9
<i>Other (5)</i>	108.2	Na	91.2	Na	99.1	Na	37.4	Na	93.7	Na
TOTAL	\$5,848.0	4,160.4	\$5,878.6	2,984.8	\$5,723.4	2,253.9	\$6,111.3	1,701.5	\$6,353.3	1,765.2

- (1) Adult program increases in participants served, beginning in 2006, can be attributed to the inclusion of participants who access self-services only and may be co-enrolled in more than one program.
- (2) Dislocated Worker programs also include National Emergency Grant costs and participants.
- (3) Ex-Offender programs include the Prisoner Re-entry and Youthful Offender programs.
- (4) National Programs include the Native American and Migrant and Seasonal Farmworker programs.
- (5) Other includes training programs for highly skilled occupations funded through H1-B fees, and costs for lapsed programs.



Program Outcomes

The overall performance of ETA programs towards the achievement of DOL's strategic goals is discussed in the Performance Section of this report. Outcomes for training programs comprising ETA's investment in human capital are shown below for the most current year measured.

Strategic Goal 1 – A Prepared Workforce

- **Performance Goal 07.1B (Job Corps) – PY 2007**

Improve educational achievements of Job Corps students and increase participation of Job Corps graduates in employment and education.

This goal was not achieved. Job Corps did not reach targets in three performance indicators.

- **Performance Goal 07.1C (WIA Youth) – PY 2007**

Increase placements and educational attainments for youth served through the WIA youth program.

This goal was achieved; ETA reached targets for two performance indicators and met benchmarks for the third.

- **Performance Goal 08.1D (Apprenticeship) – FY 2008**

Improve the apprenticeship system to meet the training needs of business and workers in the 21st century.

This goal was not achieved. ETA failed to reach the target for one of two performance indicators.

Strategic Goal 2 – A Competitive Workforce

- **Performance Goal 07.2A (WIA Adult) – PY 2007**

Increase the employment, retention and earnings of individuals under the WIA Adult program.

This goal was not achieved. ETA failed to reach the target for one of three performance indicators.

- **Performance Goal 07.2B (WIA Dislocated Workers) – PY 2007**

Increase the employment, retention and earnings of individuals under the WIA Dislocated Worker program.

This goal was not achieved. ETA failed to reach the target for two of three performance indicators.

- **Performance Goal 07.2F (CSEOA) – PY 2007**

Assist older workers participate in a demand economy through Senior Community Service Employment.

This goal was substantially achieved. ETA reached targets for two performance indicators and improved performance in the third indicator.

- **Performance Goal 08.2G (TAA) – FY 2008**

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

This goal was not achieved. ETA failed to reach targets for two of three performance indicators.



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Veterans Employment and Training Service

The mission of the Veterans Employment and Training Service (VETS) is to provide veterans and transitioning service members with the resources and services to succeed in the 21st century workforce, by maximizing their employment opportunities, protecting their employment rights, and meeting labor market demands with qualified veterans.

Program Activities

Jobs for Veterans State Grants

The Jobs for Veterans Act (JVA) of 2002, which allocates resources to the States through the Jobs for Veterans State grants program, supports the majority of VETS activities through three major VETS programs, as discussed below:

- **Disabled Veterans Outreach Program (DVOP) Specialist** – The DVOP, codified at 38 U.S.C. 4103A, awards formula grants to State Workforce Agencies (SWAs) to support DVOP specialists providing intensive services to meet the employment needs of veterans, including counseling, assessment, lifelong learning skills and referral to training, particularly veterans with disabilities or those who recently separated from the military.
- **Local Veterans Employment Representative (LVER)** – The LVER, codified at 38 U.S.C. 4104, provides grants to State Workforce Agencies (SWAs) for the appointment of LVER staff positions identified in Job Service local offices and One-Stop Career Centers, to enhance veterans' services and help them into productive employment.
- **Transition Assistance Program (TAP)** – TAP, authorized under 38 U.S.C. 4215 and 10 U.S.C. 1144, operates as a partnership between the Departments of Labor, Defense and Veterans Affairs. The program provides separating service members and their spouses or individuals retiring from military service with career counseling and training. TAP workshops are provided throughout the United States and overseas.

Federal Management

VETS Federal management activities provide programs and policies to meet the employment and training needs of veterans. The majority of resources are devoted to Uniformed Services Employment and Reemployment Rights and Veterans Preference Rights (USERRA) compliance and outreach. Activities, as discussed below:

- **Uniformed Services Employment and Reemployment Rights and Veterans Preference Rights** – The Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994, codified at 38 U.S.C. Chapter 43, protects civilian job rights and benefits for veterans, members of the National Guard and Reserves. Veterans Preference for Federal Employment is codified in 5 U.S.C. 2108. VETS promotes a productive relationship between employer and employee by educating both on the employment rights of the individual veterans.

Homeless Veterans and Veterans' Workforce Investment Programs

- **Homeless Veterans Reintegration Project (HVRP)** – The HVRP, codified at 38 U.S.C. 2021, provides employment assistance to homeless veterans through grants to States or other entities in both urban and rural areas to operate employment programs to reach out to homeless veterans and help them become employed.



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- **Veterans Workforce Investment Program (VWIP)** - The VWIP, {38 U.S.C. 2913}, provides competitive grants for training and retraining of veterans to create high skilled employment opportunities for targeted veterans.

Program Costs and Outputs

The full cost of VETS programs is presented in the Statement of Net Costs. The costs of VETS investments in human capital, and the participants served by this investment, are presented below, by major program.

VETS Investments In Human Capital
Program Costs and Participants Served (in Thousands)
For The Five Year Period 2004 Through 2008

Program	2008		2007		2006		2005		2004	
	Costs	Part. Served	Costs	Part. Served	Costs	Part. Served	Costs	Part. Served	Costs	Part. Served
DVOP	\$86,844	373.5	\$86,667	363.4	\$86,153	398.1	\$86,104	342.8	\$85,151	507.2
LVER	80,028	468.6	80,000	400.6	79,526	429.3	79,481	330.0	78,601	529.9
TAP	6,898	150.0	7,704	151.3	4,792	139.5	4,919	134.3	4,684	130.0
USERRA	9,100	93.0	9,170	70.8	8,819	109.9	9,123	126.9	9,506	80.5
HVRP	27,620	14.0	27,504	12.8	26,975	13.8	24,883	13.8	21,821	12.5
VWIP	7,651	3.3	7,667	3.6	9,123	3.8	7,966	4.3	9,444	3.5
TOTAL	\$218,141	1,102.4	\$218,712	1,002.5	\$215,388	1,094.4	\$212,476	952.1	\$209,207	1,263.6

Program Outcomes

The performance of VETS programs towards the achievement of DOL's strategic goals is discussed in the Performance Section of this report. Outcomes for 2008 are summarized below:

Strategic Goal 1 – A Prepared Workforce

- **Performance Goal 07.1C (VETS) – PY 2007**

Improve employment outcomes for veterans receiving One-Stop Career Center and veteran's program services.

This goal was achieved. VETS met targets for all four performance indicators.

Strategic Goal 3 – Safe and Secure Workplaces

- **Performance Goal 08.3C (VETS) – FY 2008**

Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.

This goal was not achieved. VETS fell short of their target for the performance indicator.

