

FY 2008

PERFORMANCE BUDGET

EMPLOYMENT AND TRAINING ADMINISTRATION

Community Service Employment for Older Americans

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

PERFORMANCE BUDGET

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COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

APPROPRIATION LANGUAGE¹

To carry out title V of the Older Americans Act of 1965, as amended, \$350,000,000.

¹ Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

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EXPLANATION OF LANGUAGE CHANGE

No change except funding level.

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ANALYSIS OF APPROPRIATIONS LANGUAGE

Not applicable.

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AMOUNTS AVAILABLE for OBLIGATIONS

(Dollars in Thousands)

	FY 2006 Enacted		FY 2007 Request		FY 2008 Agency Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation (Amount shown in Appropriation Language)		\$436,678		\$432,311		\$350,000
Reduction pursuant to (P.L. 109-148)		-\$4,367				
Legislative Proposal: OAA Reauthorization						
Other Supplementals and Rescissions						
Appropriation, Revised	0	\$432,311	0	\$432,311	0	\$350,000
Comparative Transfer From:						
A.1) Subtotal Appropriation	0	\$432,311	0	\$432,311	0	\$350,000
(adjusted)						
A.2) Subtotal <i>[positive entry]</i>	0	\$0	0	\$0	0	\$0
B. Gross Budget Authority [sum of A.1 and A.2]	0	\$432,311	0	\$432,311	0	\$350,000
Offsetting Collections						
Deduction: (all entries are negative)						
Reimbursements						
Fees						
B.1) Subtotal <i>[negative entry]</i>	0	\$0	0	\$0	0	\$0
C. Budget Authority [sum of B. and B.1]	0	\$432,311	0	\$432,311	0	\$350,000
Before Committee	0	\$432,311	0	\$432,311	0	\$350,000
C.1) Subtotal <i>[positive entry]</i>	0	\$0	0	\$0	0	\$0
D. Total Budgetary Resources	0	\$432,311	0	\$432,311	0	\$350,000
E. Total, Estimated Obligations	0	\$432,311	0	\$432,311	0	\$350,000

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2007 C.R.	FY 2008 Agency Request	Net Change
Budget Authority			
General Funds	432,311	350,000	-82,311
Trust Funds			0
Total	432,311	350,000	-82,311

Explanation of Changes	FY 2007 Base		FY 2008 Change					
			Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Decreases								
B. Program:								
To provide for efficiencies related to streamlining in CSEOA program.		432,311				-82,311		-82,311
Program Subtotal		N/A	0	0	0	-82,311	0	-82,311
Total Decrease		N/A	0	0	0	-82,311	0	-82,311
Total Change		N/A	0	0	0	-82,311	0	-82,311

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Summary Budget Authority and FTE by Activity¹
(Dollars in Thousands)

	FY 2006		FY 2007		FY 2008			
	Enacted		C.R.		Current Law		Legislative Proposal	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Community Service Employment for Older Americans		432,311		432,311		350,000		350,000

¹FY 2006 reflects enacted, not actual, levels.

The 2007 level is the assumed current rate under the terms of P.L. 109-289, as amended.

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**Community Service Employment for Older Americans
Budget Authority By Object Class
(Dollars in Thousands)**

	FY 2006 Enacted	FY 2007 C.R.	FY 2008		08 Agency Request/ 07 Request
			Current Law	Legislative Proposal	
41.0 Grants	432,311	432,311	350,000	350,000	-82,311
Subtotal	432,311	432,311	350,000	350,000	-82,311
Total Resources	432,311	432,311	350,000	350,000	-82,311

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SIGNIFICANT ITEMS IN FY 2007

APPROPRIATIONS COMMITTEES' REPORTS

Not applicable.

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APPROPRIATION HISTORY
COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS
(\$ in thousands)

	<u>President's Budget</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>	
1997.....	350,000	373,000	373,000	463,000	<u>1/</u>
1998.....	440,200	440,200	440,200	440,200	
1999.....	440,200	440,200	440,200	440,200	
2000.....	440,200	440,200	440,200	440,200	
2001.....	440,200	440,200	440,200	440,200	
2002.....	440,200	440,200	450,000	445,100	
2003.....	440,200	440,200	440,200	442,306	<u>2/</u>
2004.....	440,200	440,200	442,306	438,650	<u>3/</u>
2005.....	440,200	440,200	440,200	436,678	<u>4/</u>
2006.....	436,678	436,678	436,678	432,311	
2007.....	388,311				
2008.....	350,000				

1/ \$28,000,000 of the 1997 appropriation was used to fund the 1996 portion of the minimum wage increase.

2/ Reflects a .65% across-the-board rescission pursuant to P.L. 108-7.

3/ Reflects the Conference action including a rescission of 0.59%.

4/ Reflects a 0.8% government-wide rescission pursuant to P.L. 108-447.

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(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	Difference FY 06 Enact FY 07 Req	FY 2008		Difference FY 07 Req FY 08 Req
				Current Law	Legislative Proposal	
			Activity Appropriation	\$432,311	\$432,311	\$0

Introduction

Community Service Employment for Older Americans (CSEOA), authorized by title V of the Older Americans Act, is a federally-sponsored employment and training program that targets low-income older individuals who want to remain in or re-enter the workforce. Participants must be 55 years of age or older with incomes no more than 125 percent of the federal poverty level. The program, known as the Senior Community Service Employment Program (SCSEP), offers participants work-based community service training at non-profit agencies so that they can gain on-the-job experience and prepare to re-enter the workforce. The ultimate goal of the program is to move SCSEP participants into unsubsidized employment so that they can achieve economic self-sufficiency.

**Community Service Employment for
Older Americans**

Fiscal Year	Funding (Dollars in Thousands)
2003	\$442,306
2004	\$438,650
2005	\$436,678
2006	\$432,311
2007	\$432,311

FY 2008

The FY 2008 request proposes a decrease in funding for CSEOA. This program was rated "Ineffective" when assessed by the Department of Labor and the Office of Management and Budget, largely due to inadequate competition in the grants process, lack of data on program performance and impact, and duplication of other federal programs.

In addition, changes made by the Older Americans Act of 2006 allow the Department to use funds more efficiently than possible under prior law to serve workers. It should also be noted that many employers are finding that their demand for skilled workers exceeds the available

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labor supply, and thus are increasingly eager to hire older workers. These employers value the experience, maturity and reliability of older workers. Therefore, in FY 2008, the workforce investment system will play a stronger role in placing older workers in unsubsidized employment rather than SCSEP placing them in subsidized employment.

The Department has taken several steps in the last year to ensure One-Stop Career Centers can provide quality employment and training services to older workers. SCSEP is a required partner in the One-Stop Career Centers, and the Department has encouraged closer integration of SCSEP and WIA programs. The Department has issued a Protocol for Serving Older Workers in the workforce investment system. The goal of this protocol is to enhance the services provided to older workers, and to infuse the One-Stop Career Center system with innovative strategies for tapping into this labor pool. Proposed action steps were identified for six major stakeholders, including One-Stop Career Centers. The Department also plans to fund demonstrations and disseminate best practices to encourage better services for older workers at One-Stop Career Centers.

The streamlining of the administration of the program should enable national program grantees to administer their projects more efficiently, thus freeing up additional funds to serve participants. The reauthorized program also included changes sought by the Department to more quickly move participants into unsubsidized employment, allowing the program to serve more participants with the same number of slots. In addition, the selection of national grantees in the Program Year (PY) 2006 competition was based on criteria that, among other factors, gauged the efficacy of their program and grant management systems as well as their financial management systems. This should also improve the efficiency and effectiveness of the program.

At the requested level of funding, SCSEP will authorize approximately 39,260 positions, based on an estimated unit cost of \$8,915, in FY2008, and SCSEP will served approximately 59,000 low-income older workers in part time work-based training opportunities. It is important to note that this figure accounts for new costs associated with the Fair Minimum Wage Act of 2007 proposed by the House of Representatives as well as changes to state minimum wage levels.

FY 2007

The FY 2007 Budget request for CSEOA assumed a sixteenth reauthorization of the Older Americans Act in 2006. The reauthorization included Title V changes involving: 1) targeting resources on those most in need; 2) competing the national grants at regular intervals to ensure the best service providers and 3) capping participant tenure to maximize use of available slots. CSEOA has provided for 60,050 authorized positions. With the savings achieved through program reforms, CSEOA will support over 100,000 low-income workers through these positions in FY 2007.

FY 2006

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In FY 2006, CSEOA undertook the following initiatives:

- ETA competed the PY 2006 national grants to streamline the program through consolidation of service areas and improve administration of the program, which will improve program performance and reduce administrative costs. Eighteen grants were awarded on July 31, 2006—12 incumbents and 6 new grantees.
- ETA worked with the Congress to address the Older American Act reauthorization principles set forth by the Department in 2005 as the Congress developed the Older Americans Act of 2006. These principles were to help meet employers' demands for skilled workers by attracting more older workers into the labor force, to encourage others to remain in the workforce, and to offer opportunities for older workers to update their skills.
- ETA continued to make One-Stop Career Centers effective and accessible to older workers who could not be served by CSEOA. This allowed the targeting of CSEOA resources to those older workers most in need.

Funding in FY 2006 provided for 60,050 authorized positions nationwide to be administered through a combination of competitively selected national non-profit organizations and state agencies. The slots supported approximately 92,300 low-income older workers.

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WORKLOAD SUMMARY

(Dollars in Thousands)

	FY 2006 Enacted	FY 2007 C.R.	FY 2008*	
			Current Law	Legislative Proposal
Community Service Employment for Older Americans				
Participants	92,300	102,760	59,000	59,000
Slots	60,050	60,050	39,260	39,260
Cost per Participants	\$4.684	\$4.207	\$5.932	\$5.932
Budget Activity Total	\$432,311	\$432,311	\$350,000	\$350,000

*Note: The number of slots, participants, and cost per participant in FY 2008 accounts for new costs associated with the Fair Minimum Wage Act of 2007 proposed by the House of Representatives.

CHANGES IN 2008

(\$ in thousands)

Activity Changes		
Built-in		
To provide for:		
Grants		\$0
Total Built-in		\$0
Net Program		-\$82,311
Direct FTE		
	Estimate	FTE
Base	\$432,311	
Program Decrease	-\$82,311	

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

**U.S. Department of Labor
Community Service Employment for Older Americans
Performance Budget Issue Paper
Community Service Employment for Older Americans Decrease**

Applicable Performance Goal: Performance Goal 2F – Assist older workers to participate in a demand-driven economy through the Senior Community Service Employment Program.

Requested Resources: \$350,000,000, a decrease of \$82,311,000 from FY 2007.

Rationale/Strategy and Performance Impact Related to Resource Decrease: This program was rated "Ineffective" when assessed by the Department of Labor and the Office of Management and Budget, largely due to inadequate competition in the grants process, lack of data on program performance and impact, and duplication with other federal programs. Since the last PART assessment, the Older Americans Act of 2006 has allowed the Department to use funds more efficiently than possible under prior law to serve workers.

In FY 2008, the workforce investment system will play a stronger role in placing older workers in unsubsidized employment rather than SCSEP placing them in subsidized employment. The FY 2008 request will support approximately 59,000 low-income elderly.

Base Level Funding:

Base
Estimate: \$432,311,000 FTE: 0

Program Performance at Request Level: The decrease in funding will result in a decrease in participant levels that is partially offset by improvements to the program as a result of its recent reauthorization.

Program Decrease
Estimate: -\$82,311,000 FTE: 0

Object Class (\$ in thousands): N/A