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## Strategic Goal 2: A Competitive Workforce

*Meet the competitive labor demands of the worldwide economy by enhancing the effectiveness and efficiency of the workforce development and regulatory systems that assist workers and employers in meeting the challenges of global competition.*

The nation's future economic success will largely depend on a workforce that meets employers' needs for new and skilled workers. 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 makes strategic investments in job training and increase accessibility and quality of information that helps match workers with employers. The current competitive economic environment requires a regulatory structure in which benefits of regulations exceed their costs. DOL conducts reviews to determine if regulations have or will have a significant economic impact on a substantial number of small businesses. These reviews examine the regulations' compliance costs and whether the regulatory burdens of all employers, both large and small, are reduced. In today's global economy, the well-being of American workers is increasingly tied to international stability, which is in part a function of broad-based economic prosperity. DOL-supported international technical assistance programs focus on raising living standards through workplace-related interventions, supporting the expansion of free and fair trade, eliminating exploitive child labor, and promoting the basic rights of workers. DOL agencies and offices supporting this goal are:

- Employment and Training Administration (ETA),
- Office of Disability Employment Policy (ODEP),
- Office of the Assistant Secretary for Policy (OASP), and
- Bureau of International Labor Affairs (ILAB).

To support expansion of Whirlpool manufacturing operations in Ohio, the Governor's office committed \$1.2 million in customized workforce services as part of an incentive package connected with the company's acquisition of Maytag. As operator of the local One-Stop Career Center, Marion Connections was charged with securing a workforce to support Whirlpool's implementation of a weekend production operation which would create 500 jobs within 90 days. This challenge involved recruiting, application screening, testing, interviewing and referring for hire. Results met project goals and greatly exceeded Whirlpool's expectations. Due to the success of this initial partnership, Whirlpool (the county's largest employer) has designated Marion Connections as its exclusive portal to employment. To date, over 3,000 interviews have been conducted and over 1,500 job seekers have been hired. [Photo credit: DOL/ETA]



Fostering a competitive workforce means providing workers with training that meets the rapidly evolving workforce needs of employers. By connecting workers with those needs, DOL can more effectively place those workers in better paying, long-term jobs. DOL supports training efforts that tie directly into local economies – where jobs are located. To achieve this goal, DOL relies on a mix of programs that deliver training focused on the skills employers need to succeed. DOL tailors its programs to specific situations and workers whose skills are no longer in demand, individuals with disabilities, and veterans. DOL primarily measures its success by the numbers of individuals who find and remain in those jobs. In FY 2007, DOL helped more workers find jobs, improved foreign worker application processing for employers, and improved workers protections internationally.

**For American Workers**

- Greater percentages of older workers were still employed several months after completing training programs. In addition to finding a job, staying employed is an important measure of success.
- More policies and effective practices were developed to assist workers with disabilities.

**For Employers**

- Almost 100 percent of H-1B applications were processed within seven days of filing. Workers with H-1B visas help fill critical skill gaps.
- The timeliness of permanent labor certification applications increased.

**For the International Community**

- More children were removed or kept out of exploitive child labor worldwide.
- The number of countries better prepared to address child labor increased.

These national results are realized by meeting the needs of one worker and one employer at a time. Vignettes throughout this section provide stories about the individuals who benefit from programs in Strategic Goal Two. For more program-specific information, please see the Performance Goal narratives.

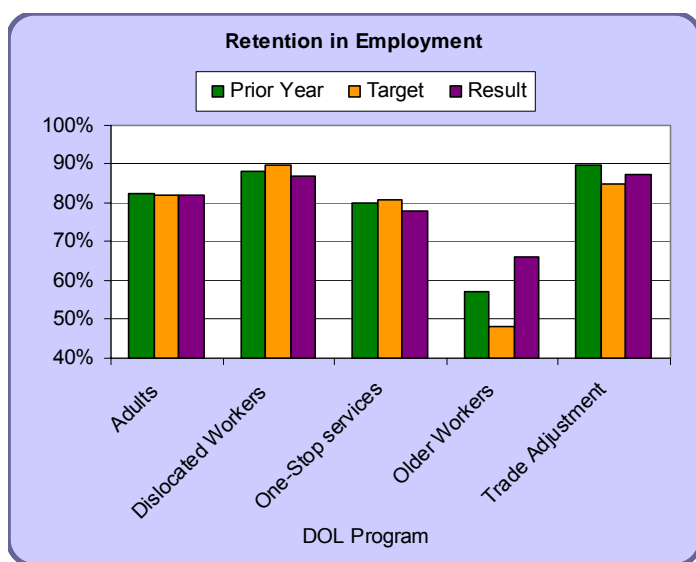
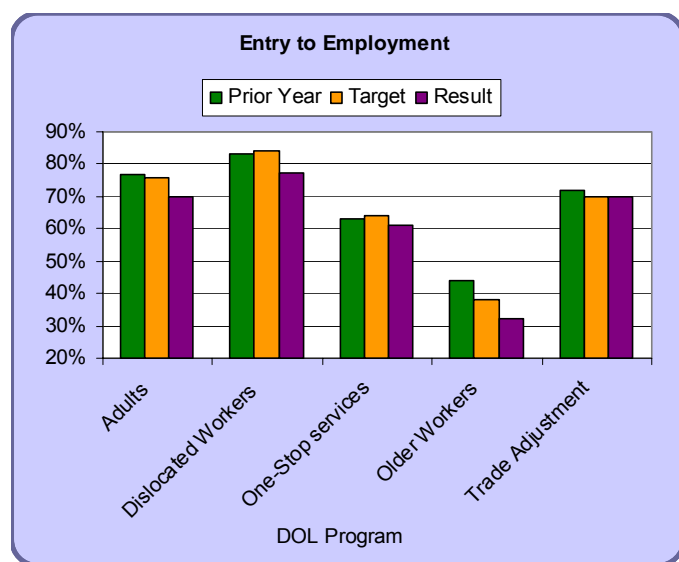
The following table provides key information, goal statements, and achievement for DOL performance goals associated with this strategic goal. Those with labels that begin with "06" operate on a Program Year (PY) basis, and are reporting on the period from July 1, 2006 to June 30, 2007 due to the forward-funding authorized in the Workforce Investment Act of 1998 (WIA). Results for Performance Goal 06-2D (Community Based Job Training Grants) are not reported because data are considered inadequate for the purpose of determining goal achievement.

Goal (Agency) and Statement	Performance Summary	Net Cost (millions) <sup>26</sup>		
		FY 2005 PY 2004	FY 2006 PY 2005	FY 2007 PY 2006
<b>06-2A (ETA)</b> Increase the employment, retention, and earnings of individuals registered under the Workforce Investment Act (WIA) Adult program.	Goal not achieved. Two targets reached and one not reached.	\$906	\$912	\$864
<b>06-2B (ETA)</b> Increase the employment, retention, and earnings replacement of individuals registered under the WIA Dislocated Worker program.	Goal not achieved. One target reached and two not reached.	1,472	1,543	1,443
<b>06-2C (ETA)</b> Improve outcomes for job seekers and employers who receive One-Stop employment and workforce information services.	Goal not achieved. One target reached and two not reached.	831	884	815
<b>06-2E (ETA)</b> Increase accessibility of workforce information through the National Electronic Tools.	Goal achieved. All three targets reached.	26	27	25
<b>06-2F (ETA)</b> Assist older workers to participate in a demand-driven economy through the Senior Community Service Employment Program.	Goal not achieved. One target reached and one not reached.	426	432	443
<b>07-2G (ETA)</b> Assist workers impacted by international trade to better compete in the global economy through the Trade Adjustment Assistance Program.	Goal achieved. Both targets reached.	846	700	816

<sup>26</sup> Net cost as defined in a footnote to the Cost of Results discussion in Management's Discussion and Analysis.

Goal (Agency) and Statement	Performance Summary	Net Cost (millions) <sup>26</sup>		
		FY 2005 PY 2004	FY 2006 PY 2005	FY 2007 PY 2006
<b>07-2H (ETA)</b> Address worker shortages through the Foreign Labor Certification Program.	Goal not achieved. One target reached and three not reached.	60	46	63
<b>07-2I (ODEP)</b> Build knowledge and advance disability employment policy that affects and promotes systems change.	Goal achieved. All three targets reached.	52	50	34
<b>07-2J (OASP)<sup>27</sup></b> Maximize regulatory flexibility and benefits and promote flexible workplace programs.	Goal achieved. All three targets reached.	–	–	–
<b>07-2K (ILAB)</b> Contribute to the elimination of the worst forms of child labor internationally.	Goal achieved. Both targets reached.	74	95	101
Other (Indian and Native American Adult, National Farmworker, and Work Incentive Grants programs, Transition Assistance Program, Pilots, Demonstrations, Research and Evaluation, H-1B Technical Skills Training, and other ILAB programs)		417	375	424
<b>Total for Strategic Goal 2</b>	<b>Five goals achieved and five not achieved.</b>	<b>\$5,110</b>	<b>\$5,064</b>	<b>\$5,027</b>

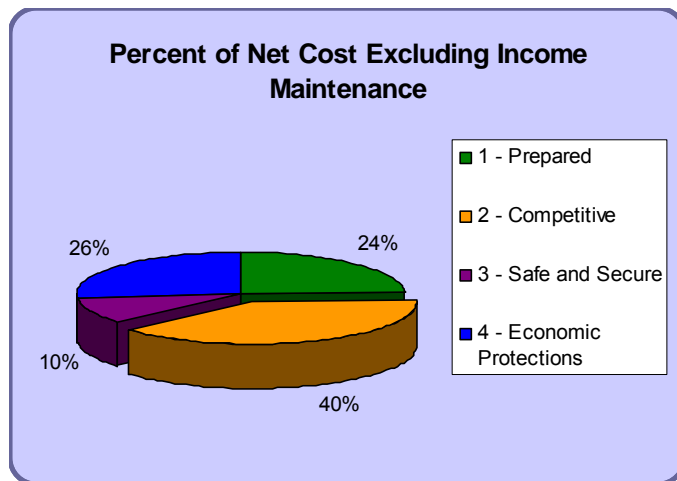
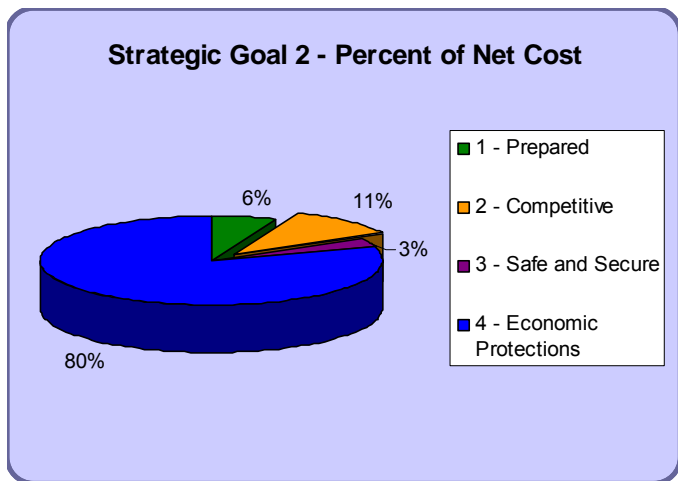
Five of the ten performance goals in Strategic Goal 2 are for employment and training programs whose results are measured by entered employment rate (percent of participants who obtain jobs subsequent to receipt of services) and by employment retention rate (percent of those who obtained jobs who are still employed six months later). The charts below indicate these programs' current and previous year results. Earnings results are not included because the programs that measure earnings used different indicators prior to this year. Average earnings will be reported in FY 2008, when we expect to have comparable data for these programs. Significant differences in results between programs are generally explained by differences in types of services offered and populations served.



The net cost dedicated to Strategic Goal 2 in FY 2007 was \$5.027 billion. The first pie chart below is based on total Departmental costs of \$47.872 billion; the second is based on an adjusted net cost of \$12.771 billion

<sup>27</sup> Costs associated with Performance Goal 07-2J (OASP) are included in costs allocated to other performance goals.

that excludes the major non-discretionary program costs associated with Strategic Goal 4.<sup>28</sup> Net cost dedicated to Strategic Goal 2 in FY 2006 (restated to reflect current goal structure) was \$5.064 billion.



Samson thought he knew everything about cars since his father had opened an auto repair shop in his native Ethiopia. But when he entered the General Service Technician (GST) program at Shoreline Community College, Samson realized how challenging modern car repair had become. The program, funded through the President's High Growth Job Training Initiative, provides industry-certified automotive technician training. In addition to learning about automotive repair, Samson also says he has become a better listener and communicator. He graduated from the program in 2006 and is now working full-time. Samson aspires to become a National Institute for Automotive Service Excellence-certified repairman. Samson believes, "My goal of having my own repair shop is in sight. The sacrifice has been worth it. I'm on my way to achieving my dream." [Photo credit: Mark Cutshall]

<sup>28</sup> 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 (\$32.051 billion) plus disability benefit payments to individuals who suffered injury or illness on the job (\$3.050 billion).



## Increase Employment, Retention, and Earnings for Qualified Adults

### Performance Goal 06-2A (ETA) – PY 2006

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

Indicators, Targets and Results							
*Indicator target reached (Y), improved (I), or not reached (N) **Estimated Some indicators not shown for PY 2001-05 – see Legacy Data note below		PY 2001 Goal Achieved	PY 2002 Goal Not Achieved	PY 2003 Goal Achieved	PY 2004 Goal Achieved	PY 2005 Goal Achieved	PY 2006 Goal Not Achieved
Percent of participants employed in the first quarter after exit	Target	—	70%	71%	75%	76%	<b>76%</b>
	Result	—	74%	74%	77%	77%	<b>69.7%**</b>
	*	—	Y	Y	Y	Y	<b>N</b>
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit	Target	78%	80%	82%	85%	81%	<b>82%</b>
	Result	79%	84%	85%	86%	82.5%	<b>82.2%**</b>
	*	Y	Y	Y	Y	Y	<b>Y</b>
Average earnings in the second and third quarters after exit	Target	—	—	—	—	—	<b>\$11,000</b>
	Result	—	—	—	—	—	<b>\$11,850**</b>
	*	—	—	—	—	—	<b>Y</b>
Goal Net Cost (millions)		—	—	—	\$906	\$912	<b>\$864</b>
Source(s): Annual State WIA performance reports (ETA-9091)							
Legacy Data: Complete indicators, targets and results for PY 2001-05 are available in the FY 2006 report at <a href="http://www.dol.gov/sec/media/reports/annual2006/PGD.htm">http://www.dol.gov/sec/media/reports/annual2006/PGD.htm</a> . See Performance Goal 05-4.1A.							
Note: Costs for this goal are net costs as defined in a footnote to the Cost of Results discussion in Management's Discussion and Analysis. Costs are not allocated to the indicator level for employment, retention and earnings measures because program activities are not separable into categories associated with one or another.							

### Program Perspective and Logic

The Workforce Investment Act (WIA) Adult Program helps adult workers (unemployed and employed) acquire the skills they need to compete in a global economy. Funds are provided by formula to States, which operate statewide networks of One-Stop Career Centers to provide comprehensive services to workers and employers. Services include assessments of skills needs, individual career planning, occupational skills training, on-the-job training, skills upgrading, entrepreneurial training, and adult 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.

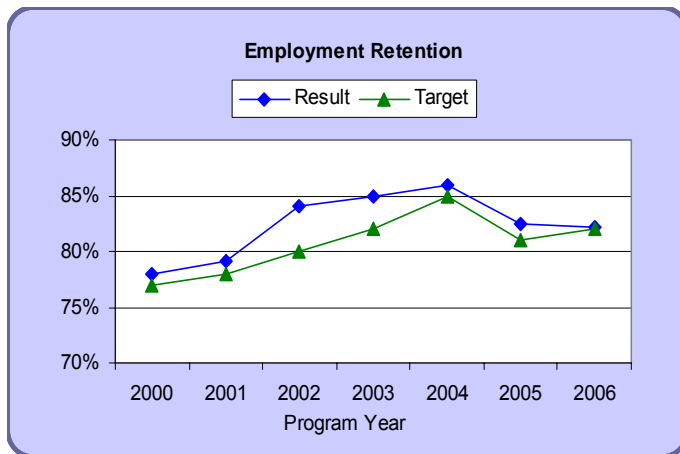
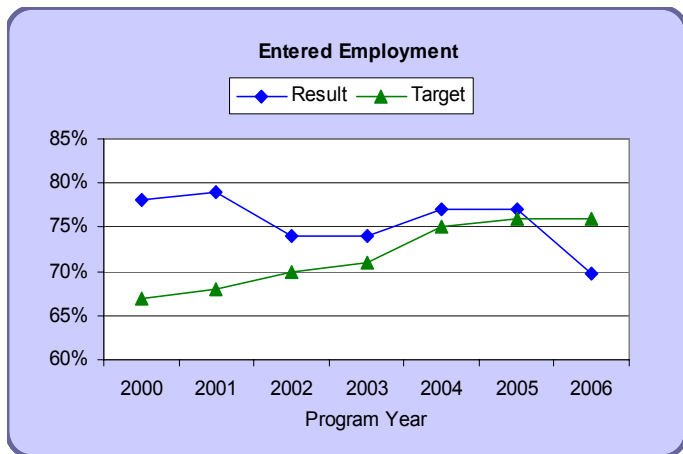
The Department evaluates this program's success using the Federal job training program common measures: entered employment and employment retention rates, and average earnings. A high entered employment rate indicates that participants have improved financial opportunity. A high retention rate indicates stability of participants' new positions. Increased average earnings indicate that participants are getting better jobs. Future performance targets will reflect performance information and data analysis.



Jamie, a single mother of a 22-month old girl, entered the Starke County WorkOne Office in February seeking help to attain marketable skills. Within three weeks of her initial appointment at WorkOne, Jamie was enrolled in high-growth occupational training to become a Certified Nurses Aide (CNA), her first step toward self-sufficiency. Using Workforce Investment Act funds to pay for her tuition and supportive services, Jamie was able to complete her CNA training and certification in April. She began working the next day at Wintersong Village, a local nursing facility in Knox, Indiana. With the assistance of a local faith-based organization, Jamie acquired her own home. Jamie is continuing her education at IVY Tech. [Photo Credit: Dean Corey]

### Analysis and Future Plans

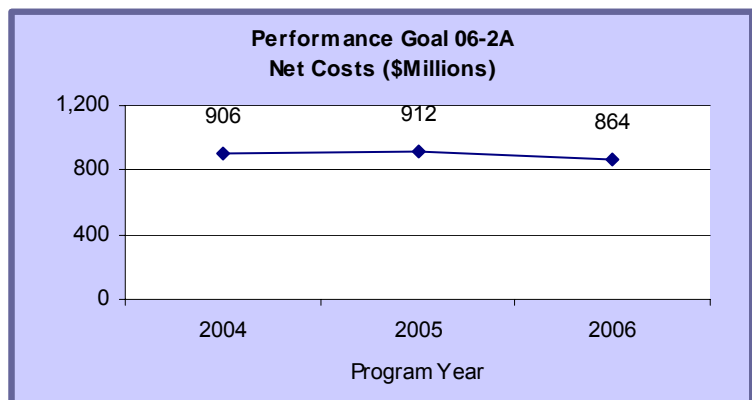
The performance goal for the WIA Adult Program was not achieved. However, DOL reached two of the program's three performance indicator targets. The exception was the entered employment rate of 69.7 percent, which fell six percentage points below the target. As the workforce investment system moves to an integrated service delivery model with broader reach through co-enrollment efforts involving those with lower statistical success such as traditional Wagner-Peyser Act employment services recipients, some drop-off in the entered employment rate was expected. Thus, program performance must be viewed in the context of strategic approaches such as program integration and co-enrollment. The employment retention rate of 82.2 percent reached the target; this means people who find a job are staying employed. Six month average earnings of \$11,850 also reached the target. Continued progress in this indicator will help show the workforce investment system's effectiveness in preparing and placing workers in high growth, high wage industries.



Key strategies to improve services to WIA participants include strengthening strategic partnerships (through strategic planning and grant application requirements) with business and industry, and the education community to develop workforce solutions in the context of State and regional economies. These partnerships promote the use of WIA resources to prepare workers for jobs with career pathways in high demand occupations and industries. Also, the Department expects its grantees to leverage a wide array of non-WIA resources to maximize the impact of WIA investments and prepare more workers with the skills they need to be successful in today's global economy. For example, many States and regions are align WIA funds with other economic development, education, and foundation dollars to transform their regions' talent development approach. The WIA Adult program plays a critical role in this process by preparing workers in new high-growth industries and occupations. Funds may also be dedicated to new talent development models. For example, many areas are placing additional emphasis on entrepreneurship training and lifelong learning.

In order to address employees' need to work and upgrade skills simultaneously, DOL encourages States to implement educational strategies for adult learners that are flexible and offer multiple entry and exit points. As part of the State planning process for PY 2007, many States emphasized their efforts to transform WIA and Wagner-Peyser Act formula funds to provide increased support for postsecondary education and lifelong

learning opportunities that are aligned with State and regional talent development strategies.



Costs associated with this goal decreased five percent from PY 2005 to PY 2006. This partly reflects normal spending fluctuations since States have three years to expend obligated funds. Costs are allocated to the performance goal rather than at the indicator level, as funding supports all the outcomes for the Adult program.

### **PART, Program Evaluations and Audits**

The WIA Adult program underwent a PART review in 2005 and received a rating of *Adequate*. As required in the PART improvement plan, DOL is working with Congress to reform the WIA and consolidate funding for related programs to reduce administrative overhead and increase States' flexibility to tailor services. Common performance measures, allowing for comparison between various job training programs, have already been instituted. In addition, DOL is contracting an independent study of program effectiveness – using administrative data – to be completed in 2008. Also in 2008, a more rigorous, seven-year evaluation will begin to determine WIA services' impact on employment and earnings outcomes for participants. In the FY 2008 Budget, the Department is proposing to implement Career Advancement Accounts (CAAs). These personal \$3,000 accounts are designed to help workers more efficiently access education and training options, and successfully transition to the global market place.

### **“Workforce Investment Act: Additional Actions Would Further Improve the Workforce System,” June 2007 (GAO)**

**Purpose:** This Congressional testimony summarizes earlier reports issued between 2000 and 2007 on WIA.

**Major Findings:** GAO made several recommendations that do not require legislative action:

- 1) To help reduce the incentive to serve only those who will help meet performance levels, DOL should systematically adjust expected performance levels to account for different populations and local economic conditions when negotiating performance.
- 2) DOL issued guidance to standardize the reporting of obligations. However, DOL has not taken steps to more accurately estimate States' available funding by considering obligations as well as expenditures.
- 3) DOL needs to consider alternative approaches that involve ongoing consultation with key stakeholders as the agency seeks to implement new initiatives. Ongoing consultation and collaboration would ensure that, for example, States have the time and resources to implement a new reporting system.
- 4) DOL has not improved policymakers' understanding of what employment and training programs achieve by conducting important program evaluations, including an impact study on WIA, and releasing those findings in a timely manner.

**Recommendations:** See above.

**Actions Taken and Remaining:** Some of the issues raised by GAO are being addressed in policy and legislative proposals, such as WIA reauthorization. To address performance level adjustments, DOL has instructed States to provide data and other evidence to demonstrate how economic conditions and other variables are expected to impact outcomes during the performance level negotiation process. For example, DOL takes into account significant new efforts by States aimed at increasing access to services for special populations who may face barriers to employment. It will be necessary to document how outcomes are impacted by changes in the mix of participants served. DOL will review those States with targeted strategies to determine the extent to which outcomes were impacted by changes in the mix of participants served.

In an effort to improve collaboration on new initiatives, DOL has held discussions with States and conducted a series of conferences in August-September 2007 to provide States with an update on the proposed WISPR reporting system and obtain their feedback. Also, beginning in PY 2007, DOL will be conducting a rigorous, five-year evaluation to determine WIA services' impact on employment and earnings outcomes for participants.

**Additional Information:** The complete Congressional testimony (GAO-07-1051T) is accessible at <http://www.gao.gov/cgi-bin/getrpt?GAO-07-1051T>.

**“Managing Customers’ Training Choices: Findings from the Individual Training Account Experiment (Final Report),” December 2006 (Mathematica Policy Research, Inc.)**

**Purpose:** This final report provides policymakers with information on the effectiveness of, and trade-offs inherent in, three approaches to managing customer choice of training programs (structured customer choice, guided customer choice and maximum customer choice).

**Major Findings:**

- 1) More people can access training with Individual Training Accounts (ITAs) when given individual choice and flexibility. When counseling was voluntary and individual choice maximized, few requested counseling, but the take-up rate of ITAs was highest. Individual choice expedited the start of training and customers were more likely to attend training programs at community colleges.
- 2) Staff counseling had little effect on customers’ employment-related outcomes or on customers’ occupational choices, but may broaden the training options considered by the customer. Individuals are capable, on their own, of choosing an appropriate training path that leads to sustainable employment.
- 3) Available evidence does not indicate that one approach is preferable to others, but cost savings could be achieved through the elimination of bureaucratic inefficiencies and certain unnecessary eligibility screening activities.

**Recommendations:** None

**Actions Taken and Remaining:** Career Advancement Accounts (CAAs), which are similar to the maximum customer choice approach under the ITA experiment, are proposed in the FY 2008 President’s Budget. In addition, ETA is piloting the CAA model in eight States to further test the maximum customer choice approach and increase individuals’ access to postsecondary education and training. If the CAA budget proposal is approved, ETA will use the findings in this report, as well as lessons from the eight-State demonstration, to better structure the CAA program.

**Additional Information:** A copy of the report is available at [http://wdr.doleta.gov/research/keyword.cfm?fuseaction=dsp\\_resultDetails&pub\\_id=2331&mp=y](http://wdr.doleta.gov/research/keyword.cfm?fuseaction=dsp_resultDetails&pub_id=2331&mp=y).

**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. While verification remains an area for improvement, extensive effort has been directed at improving data quality through the use of ETA’s data validation system and monitoring at both the national and regional levels (see item IX, *Improving Performance Accountability of Grants* in the Major Management Challenges section of Management’s Discussion and Analysis). ETA drafted a revised Monitoring Guide for data validation in PY 2006 and is working to implement a streamlined performance reporting system in 2008.



## Assist Dislocated Workers

### Performance Goal 06-2B (ETA) – PY 2006

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

Indicators, Targets and Results							
*Indicator target reached (Y), improved (I), or not reached (N) **Estimated Some indicators not shown for PY 2001-05 – see Legacy Data note below		PY 2001 Goal Achieved	PY 2002 Goal Not Achieved	PY 2003 Goal Not Achieved	PY 2004 Goal Not Achieved	PY 2005 Goal Not Achieved	PY 2006 Goal Not Achieved
Percent of participants employed in the first quarter after exit	Target	73%	78%	78%	82%	83%	<b>84%</b>
	Result	79%	82%	82%	84%	83%	<b>77.3%**</b>
	*	Y	Y	Y	Y	Y	<b>N</b>
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit	Target	83%	88%	88%	91%	89%	<b>90%</b>
	Result	87%	90%	90%	91%	88%	<b>87.5%**</b>
	*	Y	Y	Y	Y	N	<b>N</b>
Average earnings in the second and third quarters after exit	Target	—	—	—	—	—	<b>\$13,800</b>
	Result	—	—	—	—	—	<b>\$14,212**</b>
	*	—	—	—	—	—	<b>Y</b>
Goal Net Cost (millions)		—	—	—	\$1,472	\$1,543	<b>\$1,443</b>
Source(s): Annual State WIA performance reports (ETA-9091)							
Legacy Data: Complete indicators, targets and results for PY 2001-05 are available in the FY 2006 report at <a href="http://www.dol.gov/sec/media/reports/annual2006/PGD.htm">http://www.dol.gov/sec/media/reports/annual2006/PGD.htm</a> . See Performance Goal 05-4.1C.							
Note: Costs for this goal are net costs as defined in a footnote to the Cost of Results discussion in Management's Discussion and Analysis. Costs are not allocated to the indicator level for employment, retention and earnings measures because program activities are not separable into categories associated with one or another.							

### Program Perspective and Logic

The Workforce Investment Act (WIA) Dislocated Worker Program aims to quickly reemploy laid-off workers and to enhance their employability and earnings by increasing occupational skills. The Department allocates 80 percent of funds by formula to the States. The Secretary of Labor may use the remaining 20 percent for discretionary activities specified under WIA, including assistance to localities that suffer plant closings, mass layoffs or job losses due to natural disasters, and military base realignment and closures. 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 literacy activities, and customized training for employers who commit to hiring. The Federal job training common measures assess this program's success. The entered employment rate measures the success of participants returning to work. The retention rate demonstrates if a participant has employment stability. Average earnings is a measure of salary after program intervention.

### Analysis and Future Plans

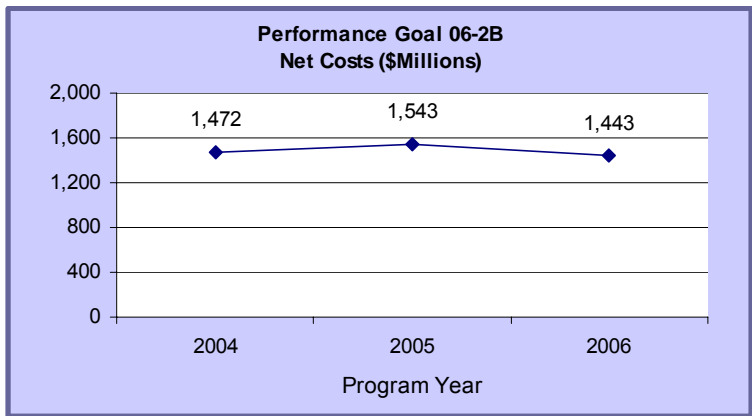
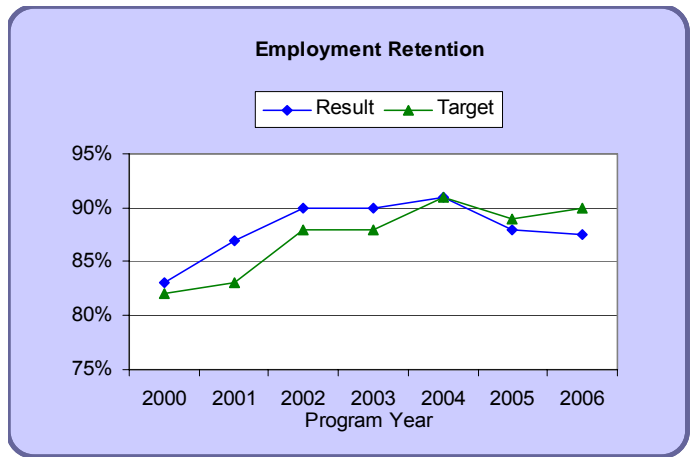
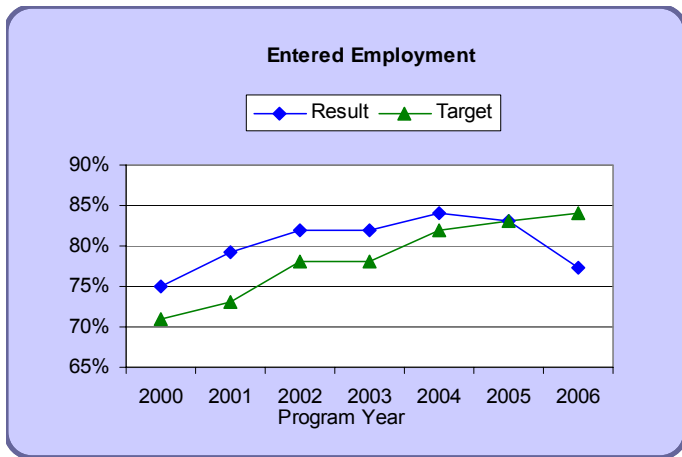
The performance goal for the WIA Dislocated Worker Program was not achieved. The entered employment rate indicator result of 77.3 percent missed the target by seven percentage points. The Department is investigating the impacts of co-enrollment strategies (simultaneous participation in multiple employment and training programs) on performance. Lower outcomes for entered employment is likely a consequence of the broader reach of the program through co-enrollment efforts that include new customers such as trade impacted workers, whose entered employment rates have historically been lower than other dislocated

workers. Thus, program performance must be viewed in the context of this strategic approach. The employment retention rate for dislocated workers nearly equaled last year's result, but missed the target by two percentage points. This may be due to residual impacts of the controlled participant pool. In the first year of recording results for the average earnings measure, the program posted a result of \$14,212, reaching the target. Continued experience with this indicator will help show the workforce investment system's effectiveness in preparing and placing people in high growth, high wage industries.



Many paper mills in Maine are closing due to foreign competition. Many of these displaced workers have specialized job skills that are not transferable to other industries. However, with the assistance of the WIA Dislocated Worker Program, Brian was able to receive the training to successfully compete in a changing economic environment. Brian was selected for the Radiological Technologist program, graduated with honors and was hired by the office where he completed his practicum. Today, Brian is a Certified Medical Assistant at the Family Medicine Institute. As a testament to his success, Brian states, "I love my job, and I work with great people." Brian will attend Kennebec Valley Community College to complete that degree and his employer will pay for tuition. Great work Brian! [Photo Credit: Edward Upham]

DOL encourages and supports States and local areas to eliminate duplicative systems, to develop integrated service delivery strategies for dislocated workers, and to focus education and training investments on skills and occupations in demand. The Department is also developing strategies for a regional approach to workforce and economic development, and education. In instances of worker dislocations in PY 2007, DOL expects States and regions to provide increased support for postsecondary education and lifelong learning opportunities, and place additional emphasis on connecting dislocated worker populations to high growth occupations consistent with the region's talent development plans.



Costs associated with this goal dropped six percent from PY 2005 to PY 2006, likely due to normal spending fluctuations since States have three years to expend obligated funds. Costs are allocated to the performance goal rather than at the indicator level, as funding supports all the outcomes for dislocated workers.

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**PART, Program Evaluations and Audits**

The Dislocated Worker Program underwent a PART review in 2002 and received a rating of *Adequate*. The program has generally met its goals for increasing participants' reemployment and earnings after getting a new job, and program accountability has improved with the adoption of the new common measures (a PART recommendation), allowing for comparisons between various job training programs. However, the review found that States and local communities have insufficient flexibility to help dislocated workers. DOL has been working with Congress to reform the Workforce Investment Act to further consolidate funding for related programs to reduce administrative overhead and increase States' flexibility to tailor services. In addition, DOL is contracting an independent study of program effectiveness – using administrative data – to be completed in 2008. Also in 2008, DOL will sponsor a more rigorous, seven-year evaluation that will begin to determine WIA services' impact on employment and earnings outcomes for participants.

The Government Accountability Office conducted an evaluation titled, “Workforce Investment Act: Additional Actions Would Further Improve the Workforce System.” To view a summary of findings, recommendations, and a link to the study, please refer to Performance Goal 06-2A.

**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. While verification remains an area for improvement, extensive effort has been directed toward improving data quality through the use of DOL's data validation system and monitoring at both the national and regional levels (see item IX, *Improving Performance Accountability of Grants* in the Major Management Challenges section of Management's Discussion and Analysis). DOL drafted a revised Monitoring Guide for data validation in PY 2006 and is working to implement a streamlined performance reporting system in 2008.

## Improve Employment Outcomes for One-Stop System Users

### Performance Goal 06-2C (ETA) – PY 2006

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

Indicators, Targets and Results						
*Indicator target reached (Y), improved (I), or not reached (N) **Estimated Some indicators not shown for PY 2002-05 – see Legacy Data note below		PY 2002 Goal Not Achieved	PY 2003 Goal Achieved	PY 2004 Goal Not Achieved	PY 2005 Goal Achieved	PY 2006 Goal Not Achieved
Percent of participants employed in the first quarter after exit	Target	55%	58%	58%	61%	<b>64%</b>
	Result	63%	61%	64%	63%	<b>61.0%**</b>
	*	Y	Y	Y	Y	<b>N</b>
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit	Target	—	72%	72%	78%	<b>81%</b>
	Result	—	80%	81%	80%	<b>78.0%**</b>
	*	—	Y	Y	Y	<b>N</b>
Average earnings in the second and third quarters after exit	Target	—	—	—	—	<b>\$10,500</b>
	Result	—	—	—	—	<b>\$11,576**</b>
	*	—	—	—	—	<b>Y</b>
Goal Net Cost (millions)		—	—	\$831	\$884	<b>\$815</b>
Source(s): Quarterly State WIA performance reports (ETA-9090)						
Legacy Data: Complete indicators, targets and results for PY 2002-05 are available in the FY 2006 report at <a href="http://www.dol.gov/sec/media/reports/annual2006/PGD.htm">http://www.dol.gov/sec/media/reports/annual2006/PGD.htm</a> . See Performance Goal 05-4.1B.						
Note: Costs for this goal are net costs as defined in a footnote to the Cost of Results discussion in Management's Discussion and Analysis. Costs are not allocated to the indicator level for employment, retention and earnings measures because program activities are not separable into categories associated with one or another.						

### 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 both businesses and job seekers. Core services include job matching, referral, assessments, and a wide array of workforce and labor market information, career guidance products and tools. Funded principally through the Wagner-Peyser Act, as amended by the Workforce Investment Act (WIA) of 1998, these services are designed to help both employed and unemployed workers obtain jobs and give employers access to skilled workers who will help them compete in the global economy. In addition to core services, the One-Stop Career Centers provide customized services to clients with special needs such as Unemployment Insurance claimants, veterans, and migrant and seasonal farm workers.

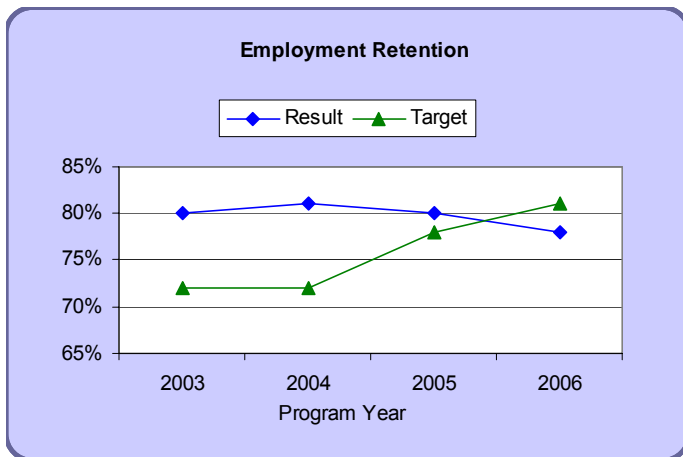
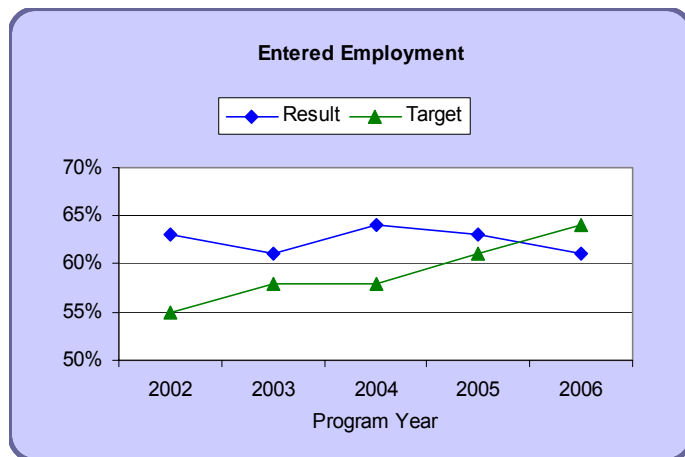
Providing employment and workforce information services that account for the uniqueness of local/regional labor market conditions and the needs of workers is the key to achieving successful outcomes for job seekers and employers. Services are provided in collaboration with a wide array of One-Stop partners and are coordinated with other services available through One-Stop Career Centers, such as training, child care, and transportation.

The Department uses the common measures for Federal employment and job training programs to evaluate its core employment and workforce information services: the entered employment rate, the employment retention rate, and average earnings. 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.

### Analysis and Future Plans

The performance goal for the Wagner-Peyser Act funded Employment Service system was not achieved. The entered employment rate of 61.0 percent and employment retention rate of 78.0 percent were both three percentage points below targets and two percentage points below PY 2005 performance. These measures gauge the workforce system's ability to bring together individuals who are seeking employment and employers who are seeking workers. The Employment Service system registers roughly 13 million participants a year, far more than other employment and training programs. Therefore, the lower results are driven, in part, by the system's universal approach for jobseekers and workers with a diverse range of skills and employment needs.



This year marks the first time six months average earnings data was collected. The program posted a result of \$11,576, which is lower than WIA Adult and Dislocated Worker Program results. Unlike the WIA programs, the Employment Service system does not provide training services and instead delivers core and intensive services to meet the needs of the customers. If additional services are required, these participants are referred to and co-enrolled in WIA programs.

Nicole came to the MontgomeryWorks One-Stop Career Center looking for a job. She had a limited work history and low self-esteem; her goal was to be able to “look someone in the eye.” Nicole had four children under the age of 5 and was receiving food stamps/housing from a program for battered women. Her school Individual Education Plan diagnosed her with learning disabilities. With services coordinated by the Disability Program Navigator (DPN), Nicole enrolled in the WIA Adult program and received occupational training related to computers and customer service, both high growth industries. Upon completion, Nicole's skills were a match for a recipe consultant. In less than a year, she was promoted to a management position. The One-Stop DPN helped Nicole receive assistance with child care, transportation, occupational skills training and employment. Today, in her new career, Nicole can confidently look people in the eye! [Photo credit: Maggie Leedy]



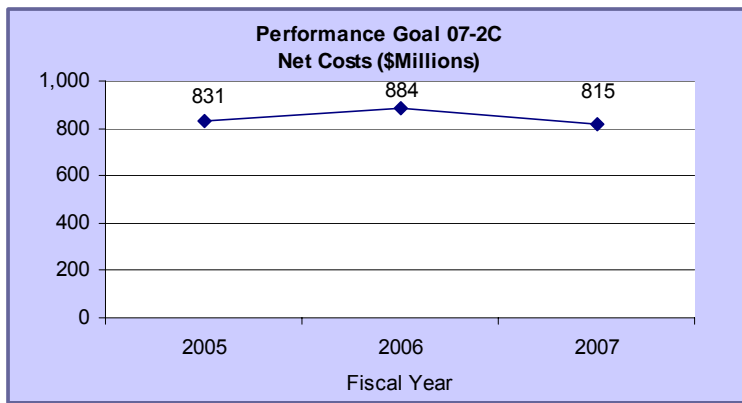
To continually improve performance, DOL has aggressively expanded its work with employers in high growth, high demand industries through its Business Relations Group (BRG). In partnership with States, the BRG has



collaborated with large multi-State employers as well as industry associations to broker their connection to the One-Stop delivery system. This partnership has helped identify the workforce needs of high growth industries and provides a forum for improved communication between industry and the workforce investment system.

In addition to working toward integrating the Wagner-Peyser Act funded employment services and WIA services, DOL strengthened its focus on the role of workforce information in the design and delivery of core, intensive and training services in the One-Stop delivery system. The Department will continue to provide direction and technical assistance in order to achieve a fully integrated workforce investment system focused on building the critical talent pool required for the 21st Century. The Department continues to work with States, regions and local areas to eliminate duplication of services provided through the One-Stop delivery

system, and to focus on training investments on skills in demand to facilitate access to successful career pathways to individuals utilizing the services.



Costs associated with this goal decreased eight percent from PY 2005 to PY 2006. This reflects normal spending fluctuations since States have three years to expend obligated funds. Costs are allocated to the performance goal rather than at the indicator level, as funding supports all measured outcomes for participants.

**PART, Program Evaluations and Audits**

The Employment Service underwent a PART review in 2004 and received a rating of *Adequate*. The review found that grantees' accountability for performance results was insufficient, and that the program duplicates some services offered by the WIA Adult and Dislocated Worker programs. To address the first finding, DOL accelerated implementation of the common measures for Federal job training and employment programs. As a step toward reducing unnecessary duplication of services, the Department will integrate reporting for the training programs and the provision of core services it oversees through the new Workforce Investment Streamlined Performance Reporting System (WISPR). Finally, DOL's proposed legislation to reauthorize the WIA combines the Wagner-Peyser Act funding for core services with those of WIA Adult, Dislocated Worker and Youth programs to minimize duplication of services and administration costs.

**“Workforce Investment Act: Employers Found One-Stop Centers Useful in Hiring Low-Skilled Workers; Performance Information Could Help Gauge Employer Involvement,” December 2006 (GAO)**

**Purpose:** In this report, GAO addressed the extent to which employers hire their employees through One-Stops and the extent to which these employers view one-stop services as useful, and the factors that may affect one-stop service to employers.

**Major Findings:**

- 1) Regardless of business size, employers completing the GAO survey hired a small percentage of their employees through one-stops, and two-thirds of the employees were low-skilled.
- 2) Employers primarily used only one of the seven services available through the one-stop, usually the job posting service, but also viewed other services as helpful. When a particular service was not used, employers indicated that they were not aware that the one-stop provided the service—they either obtained it elsewhere or carried it through on their own.
- 3) At least three factors may affect one-stop services to employers: skills set of the labor pool, limited staff available to serve employers, and lack of data on employers' use of the One-Stop system.

**Recommendations:** DOL should collect information on employers' use of one-stop services, and develop a way to measure employer engagement in the workforce investment system as part of the department's performance reporting system.

**Actions Taken and Remaining:** At the time the GAO study was published in December 2006, DOL planned to

implement a new data reporting system, WISPR, by July 2007 to collect data on how employers were using the system. However, due to external factors, implementation has been delayed until FY 2008. To better address the needs of employers for workers trained in high growth industries, Career Advancement Accounts were proposed in the FY 2008 President's Budget, and the Administration continues to engage Congress on reauthorization of the Workforce Investment Act.

**Additional Information:** A copy of the report can be accessed at <http://www.gao.gov/cgi-bin/getrpt?GAO-07-167>.

#### **Data Quality and Major Management Challenges**

Data quality for this performance goal was rated *Very Good*. Strengths of the data include completeness and validity. While verification remains an area for improvement, extensive effort has been directed towards improving data quality through the use of DOL's data validation system and monitoring at both the national and regional levels (see item IX, *Improving Performance Accountability of Grants* in the Major Management Challenges section of Management's Discussion and Analysis). ETA drafted a revised Monitoring Guide for data validation in PY 2006 and is working to implement a streamlined performance reporting system in 2008.

## Better Decision-making through Workforce Information

### Performance Goal 06-2E (ETA) – PY 2006

*Increase accessibility of workforce information through the National Electronic Tools.*

Indicators, Targets and Results				
*Indicator target reached (Y), improved (I), or not reached (N) Some indicators not shown for PY 2004 – see Legacy Data note below		PY 2004 Goal Sub- stantially Achieved	PY 2005 Goal Achieved	PY 2006 Goal Achieved
Number of page views on America's Career InfoNet (millions)	Target	—	baseline	<b>62.0</b>
	Result	—	61.4	<b>87.2</b>
	*	—	Y	<b>Y</b>
Number of O*NET site visits (millions)	Target	2.77	3.87	<b>7.5</b>
	Result	3.91	7.0	<b>9.7</b>
	*	Y	Y	<b>Y</b>
Number of page views on Career Voyages (millions)	Target	—	baseline	<b>8.5</b>
	Result	—	7.9	<b>10.9</b>
	*	—	Y	<b>Y</b>
Goal Net Cost (millions)		\$26	\$27	<b>\$25</b>
Source(s): Web statistics provided by the State grantees for O*NET and CareerOneStop using AWStats and WebTrends software, respectively.				
Legacy Data: Complete indicators, targets and results for PY 2001-04 are available in the FY 2006 report at <a href="http://www.dol.gov/sec/media/reports/annual2006/PGD.htm">http://www.dol.gov/sec/media/reports/annual2006/PGD.htm</a> . See Performance Goal 05-4.1E.				
Note: Net costs are defined in a footnote to the Cost of Results section of Management's Discussion and Analysis.				

#### 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 integrating 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 partner organizations, and job seekers who find these information services useful for business and 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);
- 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 access to workforce information, including data on wages, occupations in demand, skills held and needed, and growth industries; and
- Workforce information services provided through the nationwide network of over 3100 comprehensive and affiliate 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 public 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. Performance indicators gauge usefulness of the occupational information to the wide-ranging user community – business, educators, students, parents, and job seekers. Goal

attainment over the last two years indicates more customers are using the self-service options to assist them in finding employment. Performance targets are based on past results and other external factors, such as changes in public demand for workforce information or in public participation in the data collection efforts.

The *Key to Career Success* campaign connects veterans and separating military service members to assistance and resources of One-Stop Career Centers nationwide. In November 2006, a Military Transition Portal was launched at [www.careeronestop.org/militarytransition](http://www.careeronestop.org/militarytransition). The portal provides career information and links to services that help veterans and military service members successfully transition to civilian careers in high growth industries, including the wealth of resources available on CareerOneStop Web sites. [Photo Credit: DOL/ETA]



### Analysis and Future Plans

The performance goal was achieved. Results for increased dissemination of O\*NET data as measured by site visits reached the target, and future targets have been adjusted upward accordingly. Career Voyages and America's Career InfoNet reached targets for number of page views, reflecting increased public use of workforce information through the National Electronic Tools. These results indicate that workforce system partners, employers, career counselors, and the public recognize the usefulness and accessibility of the national electronic tools.

It has not yet been determined whether these are sufficient indicators to measure the performance of this activity in PY 2007 and beyond. Since the goal is to increase accessibility of workforce information, increasing usage of the information sites is one measure of performance indicating that there is demand for the data and information provided. To better gauge usability, the Career InfoNet Web site now includes a "Rate this Page" link in the header on all pages. This link provides users visiting the site an opportunity to give feedback on the usefulness of the information.

A significant component of the National Electronic Tools, America's Job Bank (AJB), was discontinued on June 30, 2007 because it duplicated services provided by private sector firms. Due to the uncertainty inherent in attempting to predict the impact of this closure on usage, a baseline for the efficiency measure (cost per page view) and a new baseline for America's Career InfoNet will be developed based on PY 2007 data.

Costs are allocated to the overall performance goal rather than at the indicator level, as funding supports all the outcomes for usage of Career InfoNet, O\*Net, and Career Voyages. Although performance is no longer reported for AJB, the site was in operation for the full program year. The decline in costs due to actual cessation of AJB activities should be reflected in PY 2007.

### PART, Program Evaluations and Audits

The workforce information system was included in the 2004 PART review of the Wagner-Peyser Act funded Employment Service grants, which received a rating of *Adequate*. None of the PART findings and recommendations addressed electronic tools specifically.

### Data Quality and Major Management Challenges

Data quality for this performance goal was rated *Very Good*. Strengths of the data include completeness, accuracy, and reliability. Data for the O\*NET, Career InfoNet, and Career Voyages indicators are gathered and validated by internal management information systems, which comply with industry standards and norms. However, the validity of Web site hits as a measure of impact is limited. While the usability of the Web sites may be inferred from increasing use, the data do not sufficiently link the use of the tools to employment outcomes. As discussed before, the Career InfoNet Web site now includes a "Rate this Page" link on all pages to provide users visiting the site an opportunity to give feedback on the usefulness of the information.

## Provide Older Americans Service and Employment Opportunities

### Performance Goal 06-2F (ETA) – PY 2006

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

Indicators, Targets and Results			
		PY 2005 Goal Not Achieved	PY 2006 Goal Not Achieved
*Indicator target reached (Y), improved (I), or not reached (N) **Estimated			
Percent of participants employed in the first quarter after exit	Target	55%	<b>38%</b>
	Result	44%	<b>32%**</b>
	*	N	<b>N</b>
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit	Target	65%	<b>48%</b>
	Result	57%	<b>66%**</b>
	*	N	<b>Y</b>
Average earnings in the second and third quarters after exit	Target	baseline	<b>baseline</b>
	Result	—	<b>\$6,704**</b>
	*	N	<b>—</b>
Goal Net Cost (millions)		\$432	<b>\$443</b>
Source(s): SCSEP Quarterly Reports from SPARQ data collection system			
Note: Costs for this goal are net costs as defined in a footnote to the Cost of Results discussion in Management's Discussion and Analysis. Costs are not allocated to the indicator level for employment, retention and earnings measures because program activities are not separable into categories associated with one or another of them.			

#### Program Perspective and Logic

The aging of the baby boomer generation presents both challenges and opportunities to the workplace. The Senior Community Service Employment Program (SCSEP) serves low income workers age 55 and older through formula grants to States and competitively awarded grants to public and private non-profit organizations. These funds provide part-time, minimum wage employment and job training services. The goal of the program is to promote self-sufficiency for older persons by placing them in unsubsidized employment. SCSEP grantees and their affiliates coordinate delivery of placement and training services through 3,100 comprehensive and affiliate One-Stop Career Centers nationwide. The program has served over 100,000 individuals each year for the last four years.

DOL uses the Federal job training program common measures – entered employment rate, employment retention rate and average earnings – to evaluate the success of SCSEP. These indicators measure participants' improved financial opportunity, stability of their new positions in unsubsidized employment, and effectiveness of training services, respectively. Targets for these measures are negotiated with each grantee based on past and projected outcomes, improvements in program design, and external economic factors.

#### Analysis and Future Plans

The performance goal for SCSEP was not achieved. The entered employment rate was six percentage points below the target and five percentage points below the PY2005 result. However, the employment retention rate was significantly higher than both the PY 2005 result and PY 2006 target. Targeting difficulties are largely due to incremental implementation of common measures among grantees. As indicated in more detailed discussion below, a new data collection and validation system is expected to resolve this issue. The new six month average earnings measure shows a result of \$6,704.



To continually improve performance, the SCSEP program, through its partnership with the One-Stop delivery system, continues to identify occupational skills that are most in demand and aggressively expand its linkages to high growth industries and employers, in order to place its participants in unsubsidized jobs.

Connie was a SCSEP participant prior to being hired in March 2007 by the Northwest Regional Workforce Investment Board (NRWIB) to be the Payroll Clerk for *MaturityWorks*. NRWIB is a partner of The WorkPlace Inc. in *MaturityWorks*' western Connecticut SCSEP program. Connie is responsible for making sure participants' timesheets are accurate and submitted timely. Connie also tracks program performance data. NRWIB management stated, "We were more than willing to hire Connie when she came to us after the transition. She is an excellent asset to the organization, early to work and late to leave. Every pay period her payroll is on the money." Connie celebrated her 90<sup>th</sup> birthday on June 2. [Photo Credit: Janiese Void]



Beginning July 1, 2004, SCSEP implemented a uniform database reporting system using client-based individual electronic records. While this has created complex operational requirements, it has also allowed the program to make strides in reporting timely, accurate, and reliable data. As more outcome data are received through the new reporting system, DOL will continue analyzing available data to negotiate ambitious and achievable targets for this population pool with the State and national agencies administering the program.

In addition to implementing the common measures for Federal employment and training programs, the SCSEP program has a set of statutorily defined indicators. These additional indicators measure the program's service level and service to those most-in-need; and the customer satisfaction of participants, host agencies, and employers. SCSEP achieved an exceptional response rate and very high scores on the American Customer Satisfaction Index (ACSI) for its customer satisfaction indicator.

Costs are allocated to the performance goal rather than at the indicator level, as funding supports all the measured outcomes for older workers. Costs associated with this goal rose primarily due to the transfer of \$7.5 million of PY 2004 recaptured funds into PY 2006, to help grantees with transition expenses resulting from a new grant competition.

#### **PART, Program Evaluations and Audits**

The SCSEP underwent a PART review in 2005 and received a rating of *Ineffective*. In response to the PART, SCSEP launched the Performance and Results Quarterly (SPARQ) performance reporting system software in May 2006, which allows reporting of individual outcomes and integration of grantee reporting systems. The Department continues to work with Congress to update and strengthen the competitive grant process. For example, DOL increased the number of grantees and consolidated service delivery areas. DOL continues to implement the common measures for Federal employment and job training programs and adjust future performance targets to be ambitious but also more realistic. Common measures have replaced the former SCSEP placement and retention measures for PY 2007 and beyond.

#### **Data Quality and Major Management Challenges**

The data quality for this performance goal was rated *Data Quality Not Determined*, which represents a downgrade from the baseline rating of *Good* in FY 2006. Data are linked to program purpose and collected quarterly; however, they are not yet available from all grantees<sup>29</sup> and there are unresolved issues with verification. In PY 2006, SCSEP implemented an Internet-based version of the SPARQ data collection system and in early PY 2007 the program began to implement a new data validation system. These efforts are expected to improve data reporting and overall quality.

<sup>29</sup> Results for PY 2006 reflect outcomes reported by State agency grantees, which account for 16.3 percent of total exiters from the program.

## Help Trade-Affected Workers Find New Jobs

### Performance Goal 07-2G (ETA) – FY 2007

*Assist workers impacted by international trade to better compete in the global economy through the Trade Adjustment Assistance Program.*

Indicators, Targets and Results							
*Indicator target reached (Y), improved (I), or not reached (N) **Estimated Some indicators not shown for FY 2002-06 – see Legacy Data note below		FY 2002 Goal Not Achieved	FY 2003 Goal Not Achieved	FY 2004 Goal Not Achieved	FY 2005 Goal Not Achieved	FY 2006 Goal Achieved	FY 2007 Goal Achieved
Percent of participants employed in the first quarter after exit	Target	78%	78%	70%	70%	70%	<b>70%</b>
	Result	66%	62%	63%	70%	72%	<b>70%**</b>
	*	N	N	N	Y	Y	<b>Y</b>
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit	Target	88%	90%	88%	89%	85%	<b>85%</b>
	Result	89%	86%	89%	91%	90%	<b>88%**</b>
	*	Y	N	Y	Y	Y	<b>Y</b>
Average earnings in the second and third quarters after exit	Target	—	—	—	—	—	<b>Baseline</b>
	Result	—	—	—	—	—	<b>\$13,700**</b>
Goal Net Cost (millions)		—	—	—	\$846	\$700	<b>\$816</b>
Source(s): Trade Act Participant Report (TAPR) included in the Enterprise Business Support System (EBSS)							
Legacy Data: Complete indicators, targets and results for FY 2002-06 are available in the FY 2006 report at <a href="http://www.dol.gov/sec/media/reports/annual2006/PGD.htm">http://www.dol.gov/sec/media/reports/annual2006/PGD.htm</a> . See Performance Goal 06-4.1B.							
Note: Net costs, which are defined in a footnote to the Cost of Results discussion in Management's Discussion and Analysis, are not allocated to the indicator level for employment, retention and earnings measures because program activities are not separable into categories associated with one or another. The goal was reported as not achieved in the FY 2006 report; corrections to data for two of the three indicators changed this result.							

#### 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 WIA 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; training that can include occupational, on-the-job and remedial training; income support, and access to Health Coverage Tax Credit benefits. The One-Stop system provides counseling, assessment, and placement services for TAA participants.

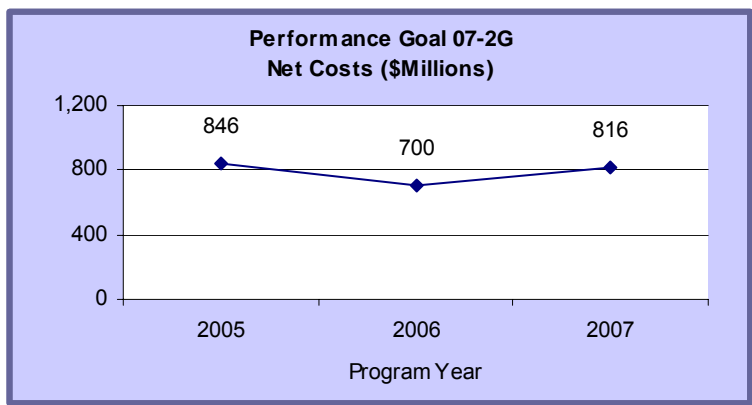
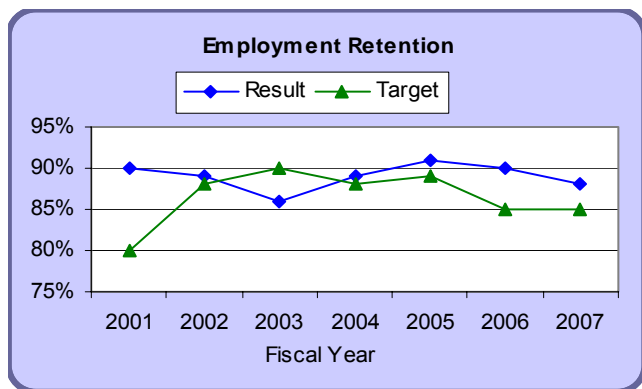
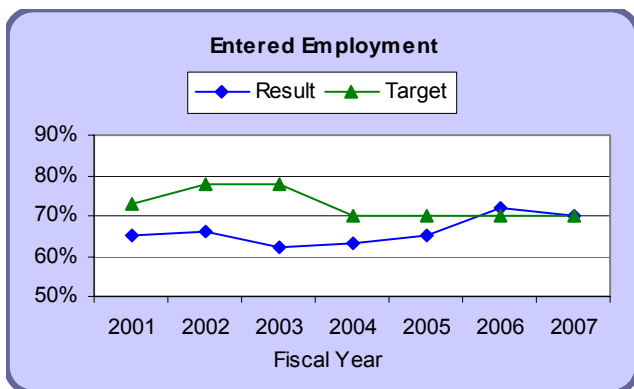
The TAA Program's success in an expanding, global economy is measured by the extent to which it helps individuals regain economic self-sufficiency by quickly securing and maintaining employment. Economic factors such as available labor and the ability to adapt that human capital to new uses appear to contribute importantly to reemployment; therefore, the TAA program is pursuing a regional workforce investment strategy designed to reach more workers and improve their access to training. Performance indicators 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 rate indicates whether participants who quickly obtain jobs are able to sustain employment, and average earnings serves as a measure of job quality.

Ryan and his fellow Alaskan fishermen suffered economic hardship when imported and farmed salmon began taking a heavy toll on the market. Because of the excellent partnerships available in Alaska, the training plan developed for Ryan was supported by multiple resources, including funds from the Trade Adjustment Assistance (TAA), National Emergency Grants for displaced salmon fishermen, and Dislocated Worker Program. TAA funded Ryan's training at Kenai Peninsula College, where he earned his degree in Instrumentation and Process Technology. Today, Ryan is an Oilfield Operations Specialist; he has advanced quickly in his new career, increasing his income to about four times what he earned as a fisherman – more than \$100,000 annually. Another successful story thanks to the Trade Act! [Photo Credit: Thomas Nelson, Alaska Department of Labor and Workforce Development]



### Analysis and Future Plans

As indicated in the table and charts, the TAA Program reached targets for both of its indicators in FY 2007, achieving its goal. Results for the entered employment and the employment retention rates decreased following the 2001–2002 recession, then turned upward with the economic recovery. However, FY 2007 results for both indicators were below FY 2006 results. For average earnings, a baseline was established.



DOL has made great strides in improving administrative efficiency as measured by average days to process petitions for determination of eligibility for TAA benefits. Average processing time has been reduced from 96 days to 31 days between FY 2003-2007. In FY 2003, the program completed just 60 percent of determinations within the 40 day statutory limit; in FY 2006, the TAA program completed over 78 percent of determinations within the limit – a 30 percent increase in efficiency.

Costs associated with this performance goal decreased by 19 percent between FY 2005-06 due primarily to a reduction in demand for Trade Readjustment Allowances (TRA) – which are the weekly cash benefits payable to allow trade-displaced workers to enroll in long-term TAA training. Participation, reflected by the number of individuals who received additional TRA benefits (which can be paid only when the individual is actually

receiving training), decreased by almost one-third in FY 2006. This change appears to be an anomaly, and access to income support for training has returned to previous levels for FY 2007.

### **PART, Program Evaluations and Audits**

The TAA Program underwent a PART review in 2007 and received a rating of *Ineffective*. Areas in need of improvement include reemployment assistance and procedures to measure and improve efficiency. The TAA Program is expected to be reauthorized by Congress; any adjustments in administration of the program will reflect the requirements of the reauthorized statute. ETA is studying how best to implement an efficiency measure tied to performance outcomes for all ETA programs.

In 2007, GAO completed studies on TAA funding allocation and eligibility requirements, industry wide certification, and program administration in preparation for Congressional hearings on reauthorization of the program, as described in the table below. As recommended, DOL is reviewing the training fund allocation methodology for opportunities to improve program effectiveness.

“Trade Adjustment Assistance: Changes to Funding Allocation and Eligibility Requirements Could Enhance States’ Ability to Provide Benefits and Services,” May 2007 (GAO)
<b>Purpose:</b> Report issued in preparation for TAA reauthorization to Senate Finance Committee.
<b>Major Findings:</b> 1) Labor’s process for allocating training funds does not accurately reflect States’ prior year spending. 2) Few TAA participants take advantage of the health coverage benefits due to high out-of-pocket costs. 3) Few TAA participants take advantage of the Wage Insurance benefit due to the requirements that reemployment be obtained within 26 weeks and to choose either training or wage insurance. 4) About 40 percent of the total denials of petitions were because workers were not involved in producing an article.
<b>Recommendations:</b> 1) Congress may wish to review and modify the Wage Insurance and Health Care Tax Credit programs to address disincentives. 2) DOL should review the funding allocation formula, especially the 85% hold harmless provision which over-allocates funds to States.
<b>Actions Taken and Remaining:</b> In its FY 2008 allocation, the 85% hold harmless provision has been removed, and State funding will be based more on actual spending history.
<b>Additional Information:</b> Access the report (GAO-07-701) at <a href="http://www.gao.gov/cgi-bin/getrpt?GAO-07-701">http://www.gao.gov/cgi-bin/getrpt?GAO-07-701</a> .
“Trade Adjustment Assistance: Industry Certification Would Likely Make More Workers Eligible, but Design and Implementation Challenges Exist,” June 2007 (GAO)
<b>Purpose:</b> Report issued in preparation for TAA reauthorization.
<b>Major Findings:</b> 1) During the past three years, DOL certified about two-thirds of the TAA petitions it investigated and generally processed petitions in a timely manner. DOL took on average 32 days to make a certification decision and processed 77% of petitions within the required 40-day time frame. 2) An industry wide certification approach based on three petitions certified in 180 days could double the number of workers eligible for TAA but presents some design and implementation challenges.
<b>Recommendations:</b> GAO made no recommendations at this time.
<b>Actions Taken and Remaining:</b> None
<b>Additional Information:</b> View the report (GAO-07-919) at <a href="http://www.gao.gov/cgi-bin/getrpt?GAO-07-919">http://www.gao.gov/cgi-bin/getrpt?GAO-07-919</a> .

### **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, TAA can further improve timeliness, completeness, validity, reliability, and verifiability. An improvement plan includes 1) updating guidance to regional office staff on monitoring TAA data collection, quality control and reporting methods, and 2) implementing the new Workforce Investment Streamlined Performance Reporting System (WISPR), providing standards for all ETA-administered training and employment service programs.



## Address Worker Shortages

### Performance Goal 07-2H (ETA) – FY 2007

*Address worker shortages through Foreign Labor Certification Programs.*

Indicators, Targets and Results				
*Indicator target reached (Y), improved (I), or not reached (N) **Estimated Some indicators not shown for FY 2005 – see Legacy Data note below		FY 2005 Goal Not Achieved	FY 2006 Goal Not Achieved	FY 2007 Goal Not Achieved
Percent of H-1B applications processed within seven days of the filing date for which no prevailing wage issues are identified	Target	100%	100%	<b>100%</b>
	Result	100%	100%	<b>98.4%**</b>
	*	Y	Y	<b>N</b>
	Cost	—	—	—
Percent of employer applications for permanent labor certification under the streamlined system that are resolved within six months of filing	Target	baseline	60%	<b>65%</b>
	Result	57%	86%	<b>73.8%</b>
	*	Y	Y	<b>Y</b>
	Cost	—	—	—
Percent of accepted H-2A applications with no pending State actions processed within 15 days of receipt and 30 days from the date of need	Target	—	95%	<b>95%<sup>30</sup></b>
	Result	—	53%	<b>57.4%**</b>
	*	—	N	<b>N</b>
	Cost	—	—	—
Percent of the H-2B applications processed within 60 days of receipt	Target	90%	90%	<b>90%</b>
	Result	85%	82%	<b>56.2%**</b>
	*	N	N	<b>N</b>
	Cost	—	—	—
Goal Net Cost (millions)		\$60	\$46	<b>\$63</b>
Source(s): Program Electronic Review Management (PERM) system, Case Management System (CMS), H-1B Electronic Processing System				
Legacy Data: Complete indicators, targets and results for FY 2005 are available in the FY 2006 report at <a href="http://www.dol.gov/sec/media/reports/annual2006/PGD.htm">http://www.dol.gov/sec/media/reports/annual2006/PGD.htm</a> . See Performance Goal 06-4.1A.				
Note: Costs for this goal are net costs as defined in a footnote to the Cost of Results discussion in Management's Discussion and Analysis.				

#### Program Perspective and Logic

The Office of Foreign Labor Certification (OFLC) 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 and there will be no adverse impact on similarly employed U.S. workers if certified. Labor certifications issued by the Department support employers' petitions, filed with the U.S. Citizenship and Immigration Services, to authorize employment of foreign workers under temporary visas (like H-2A and H-2B) or under permanent, employment-based visas which may lead to lawful permanent residency.

<sup>30</sup> In FY 2006, ETA inadvertently reported an incorrect and significantly higher result for the H-2A processing indicator than the actual result, which was confirmed through a more recent data query.



Performance indicators are tied to statutory, regulatory, or internal processing requirements for OFLC programs. The indicator for the permanent (PERM) program, the percent of employer applications for labor certification under the streamlined system that are resolved within six months of filing, reflects automation enhancements and measures improvement in timeliness and cost-effectiveness over pre-PERM processes. Targets are based on performance information, data analysis, and anticipated application caseloads.

### Analysis and Future Plans

The goal was not achieved, with only one of the four indicator targets reached. The H-1B Specialty Occupations Program for highly skilled professionals (specialty workers) processed 98.4 percent of applications — now almost always filed electronically — within the statutory seven-day timeframe. This was almost 2 percentage points lower than the target of 100 percent.

The target for the PERM program was reached. The Department has eliminated the backlog in the permanent program (see vignette). Further, 73.8 percent of new PERM applications were processed within six months, exceeding the target of 65 percent, though performance declined from the prior year. PERM performance was affected by the reallocation of resources to eliminate an applications backlog in the H-2B Temporary Non-agricultural Program. In FY 2008, the Department will closely monitor implementation of the Fraud Rule for impact upon PERM processing and redirect resources that were used to eliminate the H-2B backlog to the PERM program as needed.



In FY 2007, DOL eliminated the backlog of permanent foreign labor certification applications, with nearly 99 percent of cases completed and the remainder awaiting responses from employers. In three years, processing centers reviewed approximately 363,000 pending labor applications. Statutory changes to the Immigration and Nationality Act in 1997 and 2000 led to a dramatic increase in applications to this employment-based program. As a result, processing times rose, and applications sometimes languished for several years. In 2004, the Department opened temporary facilities in Dallas and Philadelphia dedicated solely to eliminating the backlog. From the outset, the department pledged that the backlog would be eliminated by September 30, 2007, when both of the Backlog

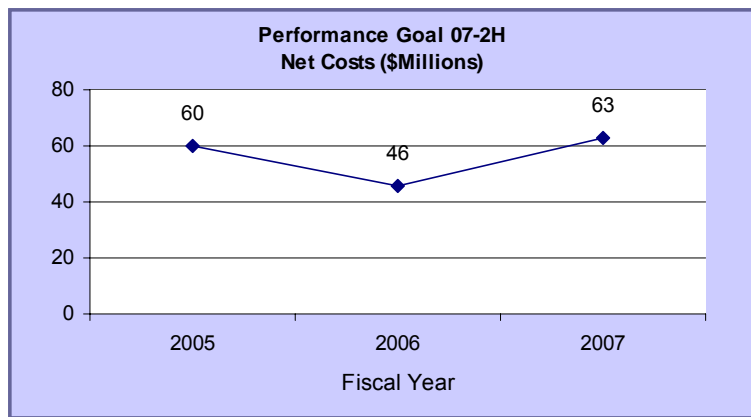
Elimination Centers began shutting down. "Clearing up the Permanent Labor Certification backlog has been a Presidential Management Agenda priority and the job was completed on time, as promised," said Secretary of Labor Elaine L. Chao. "Thousands of people are no longer left waiting and wondering, and the Department is moving ahead with reforms to streamline existing foreign worker certification programs." [Photo credit: DOL/ETA]

Results for the H-2A Temporary Agricultural Program were far below the target. OFLC is meeting the statutory processing timeframe to accept or request a modification of applications within seven days of receipt, but is experiencing delays in obtaining recruitment reports and housing inspections from employers and State Workforce Agencies (SWAs). The number of H-2A applications increased by 19 percent during this period. OFLC conducted training for the SWAs to provide guidance and clarification of the requirements for the H-2A program, including how to conduct housing inspections. The President has directed DOL to review regulations implementing the H-2A program and institute changes providing farmers with an orderly and timely flow of foreign legal workers, while protecting the rights of American laborers.

H-2B Temporary Non-agricultural Program results were also far below the target. Employer demand for H-2B workers increased by over 20 percent; this reflected a disproportionate increase in applications at one National Processing Center. The spike in applications also delayed SWAs' processing and forwarding of

applications to DOL. Some employers seeking to hire H-2B foreign workers experienced delays. The Department conducted employer briefings, issued revised guidance, posted employer application filing tips on the OFLC Web site, redirected other program resources, and provided additional training to State staff. The Department intends to issue regulations streamlining the process for non-agricultural seasonal workers. DOL's proposed rule will speed processing by moving from a government-certified system to an employer-attestation system akin to the PERM system that has reduced backlogs in that program.

The decrease in costs in FY 2006 largely reflects a temporary drop in staff costs in the transition from



processing foreign labor certification applications in ten regions to the new electronic processing system for PERM in two new National Processing Centers coupled with the Backlog Elimination Initiative undertaken in two Backlog Processing Centers. The subsequent increase in FY 2007 costs reflects the staffing up of the National Processing Centers as well as staffing of the Backlog Elimination Centers. From 2005 to 2007, grant related costs trended downward as the responsibilities of the states were reduced with the implementation of the PERM system.

### PART, Program Evaluations and Audits

In 2004, the H-1B and PERM programs underwent a PART review and received ratings of *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 program 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 program findings, DOL developed a new data entry and application processing system; dedicated two facilities to the task of processing PERM applications; and is reporting on new performance and efficiency measures that are directly related to the new PERM process.

### Data Quality and Major Management Challenges

Data quality for this performance goal was rated *Very Good*. Strengths of the data include its timeliness and completeness. OFLC efforts to improve accuracy of reported wages and Employer Identification Numbers include expansion of the data validation checks built into the H-1B application system. See "Labor Could Improve its Oversight and Increase Information Sharing with Homeland Security" (GAO-06-720) for an explanation of key data quality issues. In addition, DOL continually assesses the quality of data, collection methods, and the Web-based case management systems to ensure that data are reliable, appropriate, and useful to management.

Integrity of the foreign labor certification program and the ability to process applications in a timely manner remain among DOL's top management challenges (see item VIII, *Maintaining the Integrity of the Foreign Labor Certification Program*, in the Major Management Challenges section of the Management's Discussion and Analysis). Since FY 2005, DOL has worked aggressively on the backlog of older permanent cases; as of September 30, 2007, it was virtually eliminated.

Fraud cases contribute to inefficiency by tying up resources that could help process the large volume of legitimate applications. Fraud cases involve applications filed on behalf of fictitious companies, the fraudulent use of legitimate companies without their knowledge, the collection of fees from fraudulent applications filed on behalf of foreign workers, and the substitution of aliens for named applicants. Employer compliance is improving as a result of actions such as the PERM Fraud Rule, which DOL published in the Federal Register on May 17, 2007. The new rule limits the certification period to 180 days, prohibits substitution and certain improper payments, and provides for debarment for prohibited practices.

## Increase Employment Opportunities for Youth and Adults with Disabilities

### Performance Goal 07-2I (ODEP) – FY 2007

*Build knowledge and advance disability employment policy that affects and promotes systems change.*

Indicators, Targets and Results					
*Indicator target reached (Y), improved (I), or not reached (N) Some indicators not shown for FY 2004-05 – see Legacy Data note below		FY 2004 Goal Achieved	FY 2005 Goal Achieved	FY 2006 Goal Achieved	FY 2007 Goal Achieved
Number of policy related documents	Target	—	—	baseline	20
	Result	—	—	20	34
	*	—	—	Y	Y
Number of formal agreements	Target	—	—	baseline	20
	Result	—	—	20	23
	*	—	—	Y	Y
Number of effective practices	Target	baseline	11	21	20
	Result	10	19	26	24
	*	Y	Y	Y	Y
Goal Net Cost (millions)		—	\$52	\$50	\$34
Source(s): ODEP Division of Program Management and Research & Evaluation Team					
Legacy Data: Complete indicators, targets and results for FY 2002-05 are available in the FY 2006 report at <a href="http://www.dol.gov/_sec/media/reports/annual2006/PGD.htm">http://www.dol.gov/_sec/media/reports/annual2006/PGD.htm</a> . See Performance Goal 06-1.1B.					
Note: Costs for this goal are net costs as defined in a footnote to the Cost of Results discussion in Management's Discussion and Analysis. Costs are not allocated to the indicator level because program activities are not separable into categories associated with one or the other.					

#### Program Perspective and Logic

The Department's Office of Disability Employment Policy (ODEP) develops and influences the implementation of policy to reduce barriers to employment for people with disabilities. Increasing workforce participation of people with disabilities requires the removal of barriers experienced by employers and employees. ODEP develops policy on and for workforce systems, employers and the workplace, and employment-related support services. Key components include fostering the implementation of effective policies and practices; conducting research and analysis that validates and identifies effective disability-employment strategies; and providing technical assistance on implementing policy and effective practices.

ODEP's response to the traditionally low employment rates among people with disabilities is comprehensive and aggressive. Success requires active involvement and cooperation of stakeholders including Federal, State, and local agencies; non-governmental organizations; and private and public sector employers. Collaboration with these stakeholders results in policy development and implementation that expands access to systems (such as employment and training, education, and vocational rehabilitation), and increases the availability and accessibility of employment-related supports (such as health care, transportation and technology).

ODEP's investments in research and technical assistance activities provide employers with the information they need to increase the recruitment, retention, and promotion of people with disabilities. The results of these initiatives and their activities – in the form of policy related documents, formal agreements, and effective practice identification – are reflected in the indicators and targets used to measure ODEP's performance.

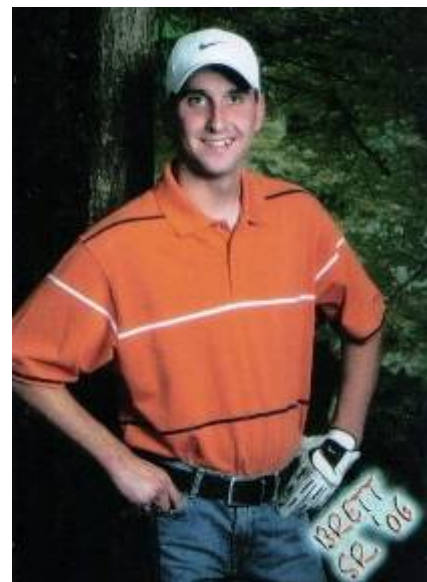


M.W., a shy woman of short stature with significant physical challenges, had 8 years' experience as a baker's helper. When her position was eliminated, she came to a One-Stop Career Center for assistance. M.W. had always wanted to work in an office environment, but she did not have the resources necessary to explore this career field on her own. A Career Center assessment of M.W.'s clerical skills/abilities found that she had solid basic skills and was very good with numbers. She participated in a paid work experience to strengthen her skills and – more importantly, her self-confidence – while mobility accommodations were identified. Using the universal principles of Customized Employment developed by ODEP, Career Center staff customized a clerical position meeting the specific needs of an employer seeking administrative staff for M.W. Today, M.W. works part-time with benefits in the “job of her dreams.” [Photo credit: DOL/ODEP]



Major external factors that influence performance outcomes include the trend of working beyond the traditional retirement age, projected workforce shortages, turn-over, and retirement. Many of these workers may experience disabling conditions, increasing pressure on the employer to keep workers on the job and to have employees who are temporarily disabled return to work quickly. Additionally, small businesses – which employ half of all private sector employees and are expected to generate the majority of new jobs – face unique challenges in hiring and retaining disabled workers.

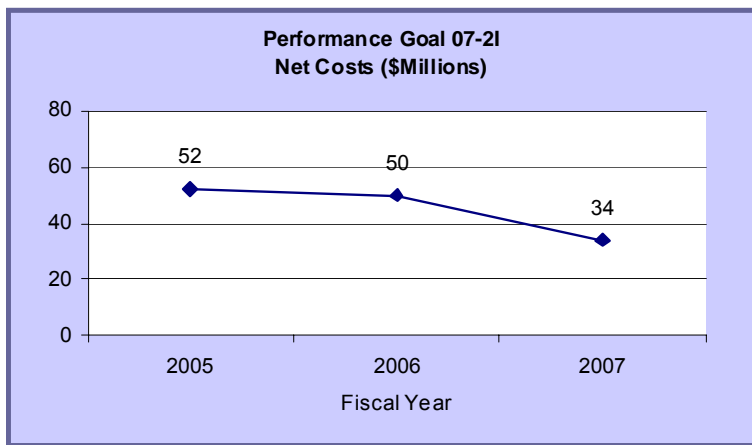
Brett, a young man with cerebral palsy, was shy and insecure when he entered Tech-Now, Oklahoma's High School/High Tech program. Using the framework of the *Guideposts for Success*, developed by ODEP, Tech-Now provided Brett with opportunities to function outside of his comfort zone—something that ODEP's pilot projects have shown is necessary to gain the confidence needed to successfully transition to adulthood. Naturally, Brett was apprehensive when, after a year in the program, he was asked to work in his school's front office. After two difficult weeks, he came to love the job and his confidence increased. In 2005, Brett attended Oklahoma's Youth Leadership Forum for Students with Disabilities. In 2006, he spoke at a Governor's Conference and three statewide competitions. Brett graduated in 2006 receiving two scholarships for college. Brett attends Oklahoma City Community College majoring in Political Science and plans to transfer to the University of Oklahoma. [Photo credit: DOL/ODEP]



### Analysis and Future Plans

The goal was achieved; all three targets were reached. Since FY 2004, ODEP has been tracking the number of effective practices identified. ODEP identified 24 in FY 2007, exceeding its target of 20. For its two new indicators, the number of policy-related documents and the number of formal agreements, the agency set baselines at the close of FY 2006 – both at 20 – which also served as targets for FY 2007. Both targets were exceeded, with results of 34 and 23, respectively.

In FY 2007, ODEP emphasized different strategies to continue its core mission activities of developing and influencing the implementation of policy to reduce barriers to employment for people with disabilities. ODEP moved away from reliance on pilot projects to a greater emphasis on using its internal staff to conduct policy analysis and research to influence the development and implementation of policy. ODEP entered into several cooperative agreements. These cooperative agreements, which require ongoing collaboration between ODEP and the other entity, fund national technical assistance efforts, disability and employment research, and the dissemination of effective practices.



ODEP net costs dropped from \$50 million in FY 2006 to \$34 million in FY 2007. Costs for both years reflect funds awarded in prior fiscal years. The impact of reduced funding was a significant reduction in pilot projects. In FY 2008, some efficiencies are expected to result from staff experts' assumption of work previously performed by grantees, including lower development and operation costs associated with pilot projects. ODEP expects that more effectively utilizing a variety of strategies, including entering into new cooperative agreements, will ensure continued achievement of its goal.

### **PART, Program Evaluations and Audits**

ODEP underwent a PART review in 2006 and received a rating of *Results Not Demonstrated*. ODEP is acting on the three PART recommendations: maintain a consistent set of performance indicators to measure progress toward achieving long-term goals and developing a valid performance management tracking system for collecting data; collect baseline data and out-year data to measure program efficiency and effectiveness; and conduct a rigorous evaluation to assess the impact and effectiveness of the program's policy and coordination functions.

In FY 2007, DOL initiated a program evaluation focused on performance measurement processes. Specifically, this study dealt with definitions of ODEP's annual performance (output) measures, long-term measures and collection of data, including identification of data sources to generate the measures and development of a methodology to obtain the data identified. ODEP worked with a contractor to systematically address the effectiveness and feasibility of ODEP's performance measures, whether other Federal agency data systems can inform ODEP's performance measures, and what types of data collection instruments are necessary and cost effective. The contractor found that in general, ODEP has established annual performance (output) measures that are relevant to ODEP's critical strategies and reflect ODEP activities. Refinements to the measures, such as clarification of the definitions and creation of sub-measures to facilitate linkages between outputs and long-term outcome measures, were recommended. ODEP will continue working with this contractor to make these refinements, improving the agency's performance measurement system.

#### **"Review of ODEP's Performance Measures and Development of Information Gathering Methods," August 2007 (ERG)**

**Purpose:** Evaluate ODEP's performance systems and design a methodology that will enable the Agency to capture information that is essential for analyzing the impact of policies and initiatives.

#### **Major Findings:**

- 1) Question: How effective are ODEP's annual output measures? Strengths include: relevant to current program focus; apply to multiple critical strategies and cut across ODEP's efforts; can be quantified and verified. Weaknesses include: Overlap across the three output measures; aggregated across efforts; cannot easily be linked to intermediate outcome measures.
- 2) Question: How feasible are ODEP's annual output measures? Strengths include: data readily available within ODEP; low resource requirements for data collection and documentation. Weaknesses include: data collection not automated or integrated with other program information.
- 3) Question: How effective and feasible are ODEP's current intermediate measures? Intermediate measures are not effective because they link to prior activities and are not relevant to current ODEP focus. Feasibility is not applicable.
- 4) Question: How effective and feasible are ODEP's current systems outcome measures? Systems outcome measures are not effective because they do not link to ODEP's outputs and intermediate outcomes but might be adaptable to assess cumulative changes in service delivery systems based on revised intermediate outcomes.



Feasibility is not applicable.

**Recommendations:** Recommendations included keeping established output measures, with refinements; starting to formulate new intermediate outcome measures that address extent of increased awareness/knowledge transfer and adoption/implementation of ODEP-related policies and practices; considering the types of internal data that can be generated for measures as part of ODEP's ongoing activities and interactions; establishing an internal data system for performance measurement.

**Actions Taken and Remaining:** ODEP is working to implement recommendations. Actions currently being undertaken include advancing the process of linking outputs to outcomes and providing a systematic, building block approach to identify effective and feasible long-term service delivery systems outcome measures.

**Additional Information:** Please contact Lisa Lahrman or Richard Horne at 202-693-7880.

### Data Quality and Major Management Challenges

Data quality for this goal was rated *Good*. Strengths of the data include timeliness, verifiability, and completeness. ODEP relies on contracted external independent evaluators to validate the data collection systems that support ODEP's performance measures. As ODEP continues to implement its strategic and performance plan, data quality can be improved to ensure uniform guidelines for collecting and reporting data as well as increasing their validity in measuring program performance. ODEP continues to refine performance measurement and data systems in an effort to raise the bar on the quality and nature of performance information reported.

## Promote Flexible Workplace Programs

### Performance Goal 07-2J (OASP) – FY 2007

*Maximize regulatory flexibility and benefits and promote flexible workplace programs.*

Indicators, Targets and Results			
*Indicator target reached (Y), improved (I), or not reached (N) For Legacy Data see note below		FY 2006 Goal Achieved	FY 2007 Goal Achieved
Percent of identified significant regulations that are reviewed	Target	90%	<b>92%</b>
	Result	92%	<b>95%</b>
	*	Y	<b>Y</b>
Percent of regulations identified for revision or withdrawal	Target	85%	<b>88%</b>
	Result	93%	<b>100%</b>
	*	Y	<b>Y</b>
Percent of participating employers who created or enhanced a flexible workplace practice	Target	—	<b>62%</b>
	Result	—	<b>65%</b>
	*	—	<b>Y</b>
Source(s): DOL's Spring 2007 Regulatory Agenda - Initiatives supplied by DOL agencies to OASP. Women's Bureau: Best Practice intake forms			
Legacy Data: Complete indicators, targets and results for FY 2004-06 are available in the FY 2006 report at <a href="http://www.dol.gov/sec/media/reports/annual2006/PGD.htm">http://www.dol.gov/sec/media/reports/annual2006/PGD.htm</a> . See Performance Goal 06-4.2A.			
Note: 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.			

#### 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. The Agenda delineates all the regulations DOL expects to have under consideration for publication, proposal, or review during the coming 1-year period. The focus of Departmental regulatory activity will be on the development of effective rules that advance the Department's goals and that are understandable and usable to the employers and employees in all affected workplaces.

With OASP's assistance, DOL regulatory agencies established plans and procedures to prioritize their regulatory initiatives to ensure they support this goal. It is important to note, however, that most of the items on the Agenda are required in order to implement new statutory requirements or court decisions or to implement policy and program priorities related to the Department's other strategic goals.

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. It is based on meaningful criteria that, where feasible, reflect public input and correct 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 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 of other regulatory projects already underway. In FY 2007, the Deficit Reduction Act of 2005, the Pension Protection Act of 2006, and

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the MINER Act were regulatory actions completed in response to statutory requirements to complete within tight timeframes.

### **Analysis and Future Plans**

This goal was achieved. DOL agencies continue to apply their regulatory review methodologies in order to make decisions about what should be 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 regulatory analyses to help assure that the major regulatory changes maximize net benefits.

OASP, in its role as coordinator of agency efforts under this strategic goal, continued its regulatory review and clean-up project that began in the 4<sup>th</sup> quarter of FY 2005 to ensure that the Department's regulatory structure promotes compliance flexibility and reduces regulatory burden. During the reporting period, the Department had 37 items on its regulatory agenda that were relevant to this performance goal and took action on 35 of them (95 percent), reaching the target of 92 percent. 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 provisions with regulations that reflect current technology and market conditions and address current business practices. In addition, this initiative focuses on identifying routine, obsolete non-technical, or nomenclature changes to DOL regulatory text that could be accomplished without using public notice and comment procedures. In FY 2007, the Department published a direct final rule that affected 10 parts of the Code of Federal Regulations and made over 300 discrete regulatory changes. OASP reached its target, taking action on 100 percent of these items.

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 to respond to growing demand for such options by workers. Small businesses learn how to establish workplace flexibility practices for their employees through one-to-one mentorship 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. In FY 2007, the Womens Bureau reached its target with 65 percent of participating employers creating or enhancing their workplace practices.

### **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 *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. Regulatory data 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 provisions 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 for the flexible workplaces measure is reported by the regions based on the number of programs or policies created or enhanced by participant companies. Data are cross checked and verified at the regional and national level.

One area for improvement is to identify performance data that better represent the desired outcomes, particularly with respect to the Department's regulatory agenda. As noted by a GAO Report on retrospective reviews of regulations (<http://www.gao.gov/new.items/d07791.pdf>), agencies can incorporate various elements into their policies and procedures in order to improve the effectiveness and transparency of retrospective regulatory reviews. This includes high-level management support, pre-planning to identify data needed to conduct effective reviews, and a prioritization process to address time and resource barriers.

## Reduce Child Labor in Developing Countries

### Performance Goal 07-2K (ILAB) – FY 2007

*Contribute to the elimination of the worst forms of child labor internationally.*

Indicators, Targets and Results							
*Indicator target reached (Y), improved (I), or not reached (N) Some indicators not shown for FY 2002-05 – see Legacy Data note below		FY 2002 Goal Achieved	FY 2003 Goal Not Achieved	FY 2004 Goal Achieved	FY 2005 Goal Achieved	FY 2006 Goal Achieved	FY 2007 Goal Achieved
Number of children prevented or withdrawn from exploitive child labor and provided education and/or training opportunities as a result of DOL-funded child labor elimination projects	Target	50,000	60,000	70,000	116,000	178,000	<b>139,000</b>
	Result	51,927	69,915	91,724	161,821	238,733	<b>228,966</b>
	*	Y	Y	Y	Y	Y	Y
Number of countries with increased capacities to address child labor as a result of DOL-funded child labor elimination projects	Target	—	—	15	20	39	<b>31</b>
	Result	—	—	26	39	55	<b>48</b>
	*	—	—	Y	Y	Y	Y
Goal Net Cost (millions)		—	—	—	\$74	\$95	<b>\$101</b>
Source(s): Grantee progress reports and other project monitoring sources.							
Legacy Data: Complete indicators, targets and results for FY 2002-05 are available in the FY 2006 report at <a href="http://www.dol.gov/sec/media/reports/annual2006/PGD.htm">http://www.dol.gov/sec/media/reports/annual2006/PGD.htm</a> . See Performance Goal 06-3.3A.							
Note: In FY 2002-05, the first indicator reflected children withdrawn or prevented from the worst forms of child labor for USDOL-funded ILO-IPEC programs only. Costs for this goal are net costs as defined in a footnote to the Cost of Results discussion in Management's Discussion and Analysis. Costs are not allocated to the indicator level because program activities are not separable into categories associated with one or the other.							

#### Program Perspective and Logic

Through activities implemented by the Bureau of International Labor Affairs (ILAB), the Department has worked to reduce exploitive child labor worldwide since 1993. ILAB conducts Congressionally-mandated research on international child labor, works to increase public awareness of the issue, and funds and oversees projects in over 75 countries to eliminate exploitive child labor and increase access to quality basic education. DOL's international child labor technical assistance programs are implemented through cooperative agreements with a broad array of non-governmental, faith-based and international organizations as well as private firms. Through ILAB's Child Labor Education Initiative, DOL has provided funds for projects focusing specifically on access to and quality of basic education as a means of reducing exploitive child labor. The Department continues to increasingly direct its funds toward large-scale national programs to eliminate the worst forms of child labor. This approach integrates action to eliminate child labor with national policies and programs relating to poverty reduction and education.

ILAB measures its success towards meeting this goal on two levels: first, through direct interventions made at the community level to withdraw or prevent children from exploitive labor; and second, through country-level actions that increase national capacity to eliminate exploitive child labor. ILAB establishes annual targets for its two indicators through analysis of baseline information, individual project targets, past performance, and external factors. ILAB's FY 2007 target is lower than its FY 2006 results due to a decline in funding levels over the past several years and the conclusion of some projects serving high numbers of children.

In FY 2007, Congress appropriated about \$60 million to DOL's child labor program. Ninety percent of the funds directly contributed to ILAB's two performance indicators described above. Remaining funds contributed to ILAB's performance goal indirectly through administration and oversight funds, including child

labor research and reporting, project monitoring, project evaluation, and examination level attestation engagements.

Various external factors influence ILAB's targeted outcomes, such as the implementing environment of developing countries. DOL-funded projects work in countries with diverse political, social, and economic environments. Civil unrest, natural disasters, economic shocks, frequent changes in governments, and poor infrastructure can also impact the progress of project implementation.

### Analysis and Future Plans

The goal was achieved. During FY 2007, DOL-supported international child labor projects prevented or withdrew 228,966 children from exploitive child labor by providing them with education and/or training opportunities. Since the beginning of DOL's international child labor technical cooperation program in 1995, DOL-funded projects have prevented or withdrawn close to 1.1 million children around the world from exploitive child labor. Children served by these projects were working or at risk of working in places such as mines, commercial plantations, and manufacturing workshops. Others were exploited or at risk of exploitation in the worst forms of child labor such as trafficking, forced labor, debt bondage, recruitment for use in armed conflict, and commercial sexual exploitation.

Apollo, an orphan, became part of a 20-year armed conflict in Northern Uganda when he was abducted by insurgents of the Lord's Resistance Army (LRA). Apollo was forced to carry weaponry and wounded soldiers in combat situations and served as an attendant to his brigade's commander. During this time, Apollo witnessed the murder of several fellow abductees by LRA soldiers. He says of those days, "I would cry within my heart for fear of being killed." When Apollo finally returned home, he had no family to support him through school. The International Rescue Committee offered him assistance via the DOL-funded ORACLE (Opportunities for Reducing Adolescent and Child Labor through Education) project, which paid his school fees and purchased a uniform, school books and materials. Now 16 years old, Apollo has passed his primary school exams and is enrolled in a secondary biology, chemistry, and math program. [Photo credit: DOL/ILAB]



Since eliminating the worst forms of child labor requires a sustained effort and institutional change, DOL-funded projects also aim to increase countries' capacity to address the issue. Increasing capacity to address child labor includes changes in a country's legal framework, development and implementation of national policies, strengthening enforcement mechanisms, and creation of systems for monitoring of child labor. During FY 2007, with technical support from DOL-funded projects, 48 countries around the world increased their capacity to eliminate the worst forms of child labor by adopting laws increasing the minimum age for employment, defining the worst forms of child labor, providing for increased enforcement and penalties, and establishing anti-trafficking provisions.

In FY 2007, costs for this performance goal rose to \$101 million from \$95 million in FY 2006 – an increase of six percent. The increase is a result of normal spending fluctuations by grantees that have five years to expend obligated funds.

In the coming year, ILAB plans to develop new evaluation methodologies that will improve its ability to assess program impact and effectiveness. In addition, ILAB will work with its grantees to identify specific project components and exit strategies that can lead to greater sustainability once DOL funding has ended.



### **PART, Program Evaluations and Audits**

ILAB underwent a PART review in 2004 and received a rating of *Adequate*. A principal finding was the need for more data to assess the impact of ILAB's technical cooperation programs. The PART found that ILAB's programs had not undergone a comprehensive evaluation. In response, ILAB conducted a project-level document review of its programs in 2005-2006 (see box below). Additionally, the Department funded a comprehensive program evaluation of its international child labor technical cooperation program in 2007. Also, in response to the PART assessment, ILAB implemented a cost efficiency measure.

"Project-Level Review of the Bureau of International Labor Affairs Technical Cooperation Programs" October 2006 (SRA International)
<p><b>Purpose:</b> To conduct a project-level review of ILAB's international child labor technical assistance programs to determine impact, effectiveness, and sustainability of those programs. This review compiled information on accomplishments, strengths, and weaknesses, lessons learned, and recommendations from project-related documents from a sample of 19 projects.</p>
<p><b>Major Findings:</b></p> <ol style="list-style-type: none"> <li>1) ILAB projects have had some positive impacts, including increasing awareness of child labor; creating or strengthening legislation, policies and organizations seeking to eliminate child labor; increasing children's education and skills levels; and removing children from exploitive child labor.</li> <li>2) In some cases, slow start-up, implementation delays, ambitious design or under-funding, and sometimes incomplete diagnosis of country conditions affected overall project implementation.</li> </ol>
<p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1) ILAB should focus more attention on the front-end of the project cycle and make sure that project designs accurately reflect country conditions.</li> <li>2) ILAB should not over-commit to too many overarching goals, and project objectives should align with project funding levels.</li> </ol>
<p><b>Actions Taken and Remaining:</b> ILAB has taken actions to improve its collection of information about country conditions prior to funding projects, including conducting desk reviews prior to publishing solicitations for grant applications and requiring grant applicants to include needs assessments of target populations. In regard to aligning goals with funding, ILAB is working with project implementers to ensure they establish challenging but reasonable goals. In 2007, DOL will fund a program-level evaluation that will involve independent analysis and an expanded and more rigorous methodology, including site visits and interviews.</p>
<p><b>Additional Information:</b> For additional information, please contact Marcia Eugenio, Director of the Office of Child Labor, Forced Labor, and Human Trafficking at 202-693-4849.</p>

### **Data Quality and Major Management Challenges**

Data quality for this performance goal was rated *Excellent*. Strengths of the data include accuracy, relevance, and completeness. ILAB, which does not have an overseas presence, has developed a multi-pronged framework for monitoring data quality and project performance. DOL grantees submit semiannual project-level financial and technical progress reports including data for each ILAB indicator. In addition, DOL requires grantees to report on educational retention and completion. DOL also requires grantees to develop Performance Monitoring Plans specifying sources of data, methods and frequency of data collection, responsible personnel, and costs for monitoring project indicators. DOL requires independent mid-term and final evaluations of all projects. GAO noted DOL's monitoring efforts in "Human Trafficking: Monitoring and Evaluation of International Projects are Limited, but Experts Suggest Improvements" (GAO-07-1034). GAO researchers stated, "We believe the overall monitoring of anti-trafficking projects is limited because the projects funded by the other five agencies [that also grant US government-funded anti-trafficking projects] did not have the elements of monitoring we found in Labor's projects."

Furthermore, financial and performance-related examination-level attestation engagements are being conducted on many DOL-funded child labor projects. These attestation engagements review data to ensure that grantees are reporting data based on ILAB-established definitions, and that the data are supported by adequate records and observation. When issues in reporting are identified, grantees are required to provide a corrective action plan to revise the data as necessary.