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## Secretary's Message

November 16, 2009

I am pleased to submit my *first* Performance and Accountability Report to Congress and the American people on behalf of the Department of Labor (Department or DOL) – and the Department's eleventh annual report under the Government Performance and Results Act of 1993 (GPRA). This message presents an overview of the Department's mission, goals, and performance in the presidential transition year of Fiscal Year (FY) 2009. It is important to note that the strategic goals, performance goals and indicators in this report were established by the previous Administration. Soon after my arrival, we embarked on the development of DOL's FY 2010 – 2016 strategic plan, which will be published in September 2010. The updated plan will reflect the future direction of the Department – and it will support my bold vision of *good jobs for everyone*.



Program performance in the recently completed year must be understood in the context of the worst economic crisis in decades. The unemployment numbers tell the story. The unemployment rate rose to 9.8 percent by September 2009 – almost double the rate when the recession started in December 2007 (5.0). For Latinos, African Americans, and youth, unemployment rates are much higher. And – from December 2007 through September 2009 – non-farm payroll employment has decreased each month and job losses have totaled 7.2 million. These numbers merely hint at the difficulties faced by millions of America's workers and families. However, they very clearly indicate that the Department has much work to do on their behalf – which is why my vision of *good jobs for everyone* is so important.

It was my honor and privilege to have been nominated to serve as Secretary of Labor by President Obama – and immediately after my February 24, 2009, Senate confirmation as Secretary, I went to work to strengthen the Department's mission to *"foster and promote the welfare of job seekers, wage earners, and retirees of the U.S. by improving their working conditions, advancing their opportunities for profitable employment, protecting their retirement and health care benefits, helping employers find workers, strengthening collective bargaining, and tracking changes in employment, prices and other national economic measures."* Since that time, I have communicated my vision of *good jobs for everyone* – and, working with the talented staff in each of the Department's agencies – I have identified 13 outcome goals that directly support my vision. The following summary of our FY 2009 performance is organized around those goals:

1. Increasing workers' incomes and narrowing wage and income inequality.
  - Six-month average earnings for Workforce Investment Act (WIA) Adult program participants increased from \$13,575 in July 2007-June 2008 to \$14,695 in July 2008-June 2009. Over the same period, WIA Dislocated Worker participants' earnings rose from \$15,188 to \$16,304; Senior Community Service Employment Program (SCSEP) participants' earnings rose from \$6,713 to \$6,782; and Employment Service participants' earnings dropped from \$12,763 to \$11,074. Trade Adjustment Assistance (TAA) participants' earnings dropped from \$14,281 in FY 2008 to \$13,967 in FY 2009.
2. Securing safe and healthy workplaces, particularly in high-risk industries.
  - In mines, the fatality rate and the all-injury and illness rate both decreased to seven-year lows. The fatality rate was 0.0200 per 200,000 hours worked in FY 2007, 0.0152 in FY 2008, and an estimated 0.0141 in FY 2009.

3. Securing wages and overtime.
  - Wage and Hour law enforcement and compliance results improved by all five performance measures for its associated performance goal – in several cases reversing a two year slump. For instance, the overall level of compliance among prior violators increased by 10 percentage points from 56 percent in FY 2008 to 66 percent in FY 2009.
4. Assuring skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like “green” jobs.
  - WIA Youth program participants’ placement in employment, post-secondary education or advanced occupational training improved by five percentage points, and literacy/numeracy gains improved by almost nine percentage points.
5. Breaking down barriers to fair and diverse work places so that every worker’s contribution is respected.
  - Claims under the Uniformed Services Employment and Reemployment Rights Act (USERRA) increased, but investigation timeliness improved. USERRA claims increased by eight percent in FY 2009 compared to FY 2008 due in part to continued use of the National Guard and Reserve in America's ongoing wars overseas, and average investigation time decreased by 17 percent.
6. Improving health benefits and retirement security for all workers.
  - Employee Retirement Income Security Act (ERISA) fiduciary violations were corrected in 72 percent of the civil cases closed during FY 2009 – an improvement upon the 70 percent performance in FY 2008.
7. Providing workplace flexibility for family and personal care-giving.
  - In 2009, the Department issued a final rule implementing the statutory expansion of the Family and Medical Leave Act (FMLA) for military families, including National Guard and Reserve personnel. The rule expands FMLA protections for family members caring for a covered service member with a serious injury or illness incurred in the line of duty while on active duty.
8. Facilitating return to work for workers experiencing workplace injuries or illnesses who are able to work and sufficient income and medical care for those who are unable to work.
  - Federal non-postal employees lost just 35 days of work per 100 employees, continuing a steady downward trend that began at 62 days in FY 2004.
  - Dramatic improvements were achieved in processing nuclear industry workers’ initial benefit claims. Energy program Part B claims took, on average, 113 days vs. 164 just last year; Part E claims took 159 days vs. last year’s 284.
9. Income support when work is impossible or unavailable.
  - The recession increased average unemployment from 5.3 percent in FY 2008 to 8.6 percent in 2009. In the American Recovery and Reinvestment Act of 2009 (Recovery Act), Congress provided relief by funding additional benefits through several temporary programs. New Unemployment Insurance (UI) benefit claims rose 70 percent, and payments rose 181 percent to \$119.22 billion. Workloads increased accordingly, and despite Federal funding for administration of the new programs and benefits, results declined for all four performance indicators (first payment timeliness, reduce overpayments, reemployment, and new tax liability determination).
10. Helping workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.
  - Entered employment and employment retention rates for all veterans served by One-Stop Career Centers both fell slightly but remained above 60 and 80 percent, respectively.
  - Entered employment rates rose for TAA participants but fell for those served by the WIA Adult and Dislocated Worker programs, the Employment Service, and SCSEP.

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**11. Voice in the workplace.**

- Office of Labor-Management Standards (OLMS) reduced the number of days taken to resolve complaints of violations of the Labor Management Reporting and Disclosure Act (LMRDA) in union officer elections to 70 days, compared to the FY 2008 baseline of 92 days.
- Office of Federal Contract Compliance Programs (OFCCP), with the assistance of the Office of the Solicitor, determined and resolved 77 systemic discrimination cases, benefiting more than 21,820 workers through compliance evaluations of scheduled Federal contractors.

**12. Assuring that global markets are governed by fair market rules that protect vulnerable people, including women and children, and provide workers a fair share of their productivity and voice in their work lives.**

- DOL-supported projects withdrew or prevented 144,890 children from exploitive labor by providing education and/or training opportunities.

**13. Helping middle-class families remain in the middle class.**

- Retention in employment fell for participants in TAA, WIA Adult and Dislocated Worker, the Employment Service, and SCSEP – largely due to the economic recession.

Despite the extraordinary economic challenges, DOL achieved nearly half its goals in FY 2009. Building upon this effort, the Department has developed a three-part framework for achieving the 13 outcome goals that support *good jobs for everyone*. They are: Innovation, Evaluation/Data Driven Strategies, and Improved Implementation. This three-part strategy reflects a Department-wide commitment to continuous improvement in all of our programs. Our management strategies include:

- Engaging in a rigorous process of program evaluations and research to assure that the Department's initiatives serve their intended goals and Departmental vision;
- Producing accurate, timely statistics and statistical analyses reflecting the condition of workers in labor markets and the economy as a whole; and
- Assuring that the Department's customers receive excellent service consistent with the law and responsible practice.

**Recovery Act**

President Obama signed the historic Recovery Act on February 17, 2009. The Department moved aggressively to implement the Recovery Act's provisions that protect workers who have lost their jobs, provide new training opportunities for workers looking to upgrade their job skills, and create new job opportunities in emerging sectors such as clean energy and health information technology.

- More than \$33 billion in Recovery Act funds has been made available to the States to maintain critical support to unemployed workers via Unemployment Insurance (UI) programs.
- The Department allocated \$3.5 billion in worker training funds to state worker training programs.
- DOL made \$500 million available in competitive grants for training for green jobs in fields such renewable energy production, energy-efficiency home retrofitting, biofuel development, and advanced drive train/vehicle development and manufacturing.
- Through our summer youth employment program, nearly 290,000 young people gained valuable work experience.
- The Recovery Act included the Trade and Globalization Adjustment Assistance Act (TGAAA) of 2009, which expanded eligibility for benefits to Service Workers, Public Employees, and workers who produce component parts of the finished products; raised the annual funding cap for training services from \$220 million to \$575 million; and added 26 weeks of income support to eligible workers who exhausted their entitlement to Unemployment Compensation benefits.

More information on the Recovery Act – and our accomplishments – is contained in this report. You can also find up-to-date Recovery Act resources and accomplishments at [www.dol.gov/recovery](http://www.dol.gov/recovery).

## **Our Strategy**

Moving forward, we know that the Department will continue to face challenges as we work to serve and protect America's workers. But we have strategies for success:

### Rebuilding the Economy

We are investing nearly \$1 billion in grants to prepare workers for green jobs and high-growth emerging industries. Green jobs provide an opportunity to rebuild our communities in an equitable manner. In order to realize this opportunity, the Department included features to prioritize access and inclusion in green job training programs for low-income workers, unemployed youth and adults, high school dropouts and other underserved sectors of the workforce in areas of high poverty. These represent some of the communities hardest hit by this recession, and they too will have an opportunity to benefit from green jobs in our economic recovery.

In order to forge a government-wide approach to the development and expansion of green industries, DOL is designing its green job training grants to work in concert with other Federal funding that creates jobs. For example, we are coordinating with the Department of Energy (DOE) to prepare technical assistance for the workforce system and green job grantees to understand Federal energy investments so they can better advise, train, and refer job seekers to opportunities connected to DOE funding.

### Rebuilding the Middle Class

Everyone must benefit from what we are doing. We are making sure that communities of color, youth, veterans, workers with disabilities, and women participate in these new opportunities. And here's why:

- Women earn 80 cents for every dollar a man earns. We need to get more women into the highest paying professions.
- Our soldiers pledge to leave no one behind on the battlefield. We pledge to leave no veteran behind when they come home and want to find work.
- And shockingly, 77 percent of individuals with disabilities do not participate in our labor force. We are making sure that we utilize this untapped, highly motivated and highly educated workforce.

### Protecting Workers

Both the Recovery Act and the President's policies call for a significant realignment of the Department's priorities, including shifting resources to agencies charged with enforcing workplace safety and health laws and the Fair Labor Standards Act. The Department has developed an aggressive, comprehensive hiring plan for its worker protection agencies. Our plan places a special emphasis on hiring multilingual inspectors and investigators so that our worker protection team matches the languages used in the workplace.

The Department moved quickly to reverse regulatory actions that had the effect of lowering wages, that created unnecessary bureaucratic obligations to unions filing documents with the Department, and that otherwise disadvantaged workers. DOL has initiated rulemaking on regulations concerning foreign labor certification for agricultural workers, union reporting requirements, and workplace safety issues.

## **Program Data and Financial Systems**

Department managers routinely use the performance and financial information summarized in this report to improve the quality and cost-effectiveness of services they provide to the public. For management and accountability purposes, it is crucial to have confidence in the quality of this information. DOL conducts annual performance data quality assessments to achieve these goals and to comply with the pertinent requirements of OMB Circular No. A-11, *Preparation, Submission and Execution of the Budget*. These assessments promote continuous improvement in performance goal data by applying criteria such as accuracy, validity, and timeliness. Based on such criteria, the Department's data quality is rated *Very Good* or *Excellent* for over three-fourths of its performance goals. More information on program performance data quality is in the introduction to the Performance Section.

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Management assurances regarding the results of the assessment of internal controls pursuant to the Federal Managers' Financial Integrity Act (FMFIA) and compliance of financial management systems with the Federal Financial Management Improvement Act of 1996 (FFMIA) are included in the *Management's Discussion and Analysis* section of this report.

### **Conclusion**

Again, it is my pleasure to submit my first Performance and Accountability Report to Congress and the American people. This report outlines the Department's performance and accomplishments in FY 2009 and describes how DOL is creating new opportunities for hard-working families while protecting each and every worker, each and every day.

Through my vision of *good jobs for everyone* and the supporting outcome goals, we continue to make strategic investments in opportunities for Americans to help them through these difficult times. But we can't do it alone. So, I invite you to do a little more: mentor a young person, volunteer at a veterans' center, or just help a friend who needs a little care and support. If each of us makes a personal commitment to make a contribution to the recovery of our economy and our nation, our efforts *will* make a difference.

And now, let's *all* do the work that will get America working.



Hilda L. Solis  
Secretary of Labor