

# EXECUTIVE SUMMARY

## UNITED STATES DEPARTMENT OF LABOR

### INTRODUCTION

This report, prepared in accordance with the Reports Consolidation Act of 2000, presents the results of the Department of Labor's (DOL) program and financial performance for FY 2001. The report features how the Department of Labor — in service to the American public — is "Meeting the Challenges of the 21st Century Workforce." FY 2001 confronted the Nation and the Department of Labor with challenges previously unimaginable as Americans came under attack in their places of work on September 11th and then faced economic turmoil in the aftermath. DOL honors all of our Nation's workers — those who died at their jobs on September 11th, those who risked their own lives in the rescue efforts, those who returned to work with quiet courage and determination in the uncertain days following the attack, and those who now seek new employment to regain economic

security for themselves and their families. As we move forward into the 21st Century, we renew DOL's commitment to delivering results that enable America's workers to meet every challenge posed by the global economy — ensuring that all Americans will have the education, technical skills and opportunities to attain rewarding careers in a safe and healthful work environment and the economic security to enjoy their retirement years.

The FY 2001 Annual Report is divided into three major sections.

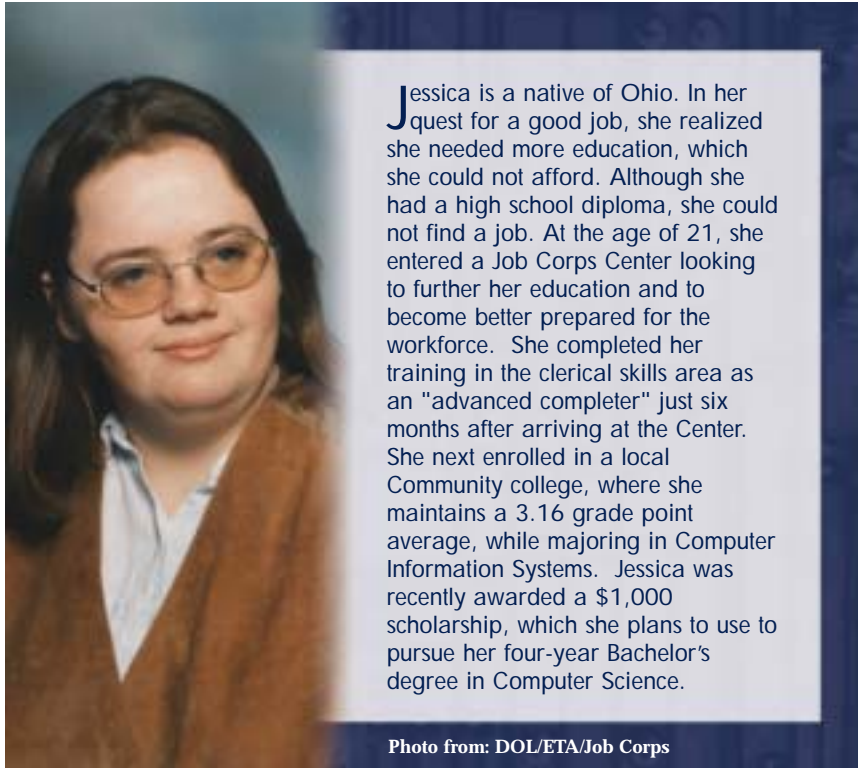
***The Annual Performance Report*** reflects both the progress realized and the setbacks encountered in achieving the Department's three strategic goals — *A Prepared Workforce, A Secure Workforce, and Quality Workplaces*. Through statistics, analysis, and the stories of individuals, the Annual Performance Report illustrates the contributions of DOL programs to

In Guatemala, nine-year old Wendy used to wake up early each morning to go to the river and break stones. Her family has broken stones their whole lives to survive. But now, her mother, Palestina, has her own business and Wendy and her three siblings attend school. This was all made possible through support from a DOL-funded International Labor Organization project targeting working children and their families in the stone-quarry sector. Wendy is very happy with the changes in her life. She likes being in school and spending time with her friends. Her mother is optimistic about what the future holds: "Perhaps I will never stop being poor," she says, "but my children will have more opportunities, as will their children."

Photo from: USDOL/ILAB archive



prepare the Nation's workers and their families to achieve their aspirations in the dynamic and challenging environment of the 21st Century workforce.



Jessica is a native of Ohio. In her quest for a good job, she realized she needed more education, which she could not afford. Although she had a high school diploma, she could not find a job. At the age of 21, she entered a Job Corps Center looking to further her education and to become better prepared for the workforce. She completed her training in the clerical skills area as an "advanced completer" just six months after arriving at the Center. She next enrolled in a local Community college, where she maintains a 3.16 grade point average, while majoring in Computer Information Systems. Jessica was recently awarded a \$1,000 scholarship, which she plans to use to pursue her four-year Bachelor's degree in Computer Science.

Photo from: DOL/ETA/Job Corps

***The Financial Performance Report*** demonstrates our commitment to effective stewardship over the funds DOL receives to carry out the mission of the Department, and includes the FY 2001 financial statements and the Inspector General's audit of those statements.

***The Management and Performance Challenges*** section of this report summarizes the top 10 challenges identified by the Department's Inspector General and the Department's progress and plans to meet these challenges. Both the Annual Performance Report and the Financial Performance Report discuss in detail the challenges the Department is encountering as it

moves toward higher levels of excellence in the delivery of key services to the Department's customers.

A summary of each of the three sections follows.

## **I. THE ANNUAL PERFORMANCE REPORT**

FY 2001 marks the third year that the Department of Labor along with other Federal Agencies has reported program results against the goals in the annual performance plan. In addition to the Department's Annual Performance Plan, each DOL agency developed an Annual Performance Plan. Over 200 performance goals included in these plans have provided a basis for targeting and measuring the accomplishments of DOL programs. Those goals that are key to the accomplishment of DOL's programs were selected from agency plans and included in the FY 2001 Departmental Performance Plan, providing a basis for assessing the Department's effectiveness in providing core services to our constituents, as well as the performance of individual DOL agencies.

The FY 2001 Annual Report includes descriptions of the Department's strategic goals, the ensuing outcome goals, and a presentation of program results for two measurement years, Fiscal Year 2001 and Program Year 2000. The Department's Employment and Training Administration includes some programs which are forward-funded and follow a program year that begins nine months after the fiscal year for which program funding was received. These goals were included in the FY 2000 Annual Performance Plan and address

programs funded in the FY 2000 budget for a program year beginning July 1, 2000 and ending June 30, 2001.

The Appendices provide additional details and explanatory materials supporting the program results. Of particular note is Appendix 2, which lists the performance goals included in this report and identifies the time period of measurement and a summary assessment of the results reported for each goal.

### **Program Performance Overview**

Of the 48 performance goals presented in the FY 2001 Annual Performance Report, the Department exceeded or fully achieved 60.4 percent of its goals, substantially achieved 6.3 percent, and did not achieve 33.3 percent. Performance results declined from FY 2000, when the Department fully achieved 76 percent of the goals, substantially achieved an additional 15 percent and did not achieve 9 percent of the goals. The assessment category of substantially achieved acknowledges program performance where results were close to achieving the target (attained 80 percent or more of the targeted goal).

Several factors, including the economy and the increased outcome-orientation of the Department's goals influenced program results during FY 2001. For example, as the Department's job training programs under the Workforce Investment Act (WIA) placed a new emphasis on longer-term employment outcomes, the slowing pace of the economy prompted employers to reduce their labor forces with a disproportionate impact on the most recently hired workers including WIA participants. The increased outcome focus of the

Department's goals, as in the case of the WIA goals, introduces a much greater number of factors outside the control of program managers and raises the difficulty of achieving such goals. Notwithstanding these challenges, the Department fully accepts our responsibility and accountability for achieving goals that target improving performance in the key results that DOL's programs are expected to deliver on behalf of America's workers.

To improve achievements in FY 2002 and bring DOL closer to the ultimate objective of a performance-based organization — one that manages programs by using performance information to achieve planned results — the Department has introduced several initiatives under the leadership of the newly established Management Review Board, chaired by the Assistant Secretary for Administration and Management and comprised of the Chief of Staff, the Deputy Secretary, and the Assistant Secretaries and heads of major agencies. The performance agreements or standards used to evaluate the performance of individual DOL executives and managers have been revised to institutionalize personal accountability for achieving the Department's performance goals. The Management Review Board members have reinstated the practice of meeting at mid-year and year end with the Deputy Secretary to review performance progress and results, providing a capstone to a management oversight process supported by regular program reviews at lower levels of management in individual DOL agencies.

Planning efforts during FY 2001 focused on assessing the relationship

between program strategies and performance goals, and the Department will intensify these initiatives during the remainder of FY 2002 as DOL strives to enhance the results of core programs. Program evaluations, which have demonstrated their value to the Department's job training programs, will be extended to other programs to address the causes of shortfalls in performance results, identify more effective and efficient strategies, ensure the accuracy and reliability of performance data, and supplement the performance information available through existing data collection processes. To develop more coordinated strategies for improving the results of cross-cutting programs, with a special emphasis on job training programs and related services, the Department is participating actively in an inter-agency planning workgroup with the Departments of Education, Health and Human Services and Veterans Affairs.

The Management Review Board also provides leadership to the Department's initiatives to advance the President's Management Agenda, developing goals and strategies to achieve the Agenda for the Department's FY 2002 and 2003 Annual Performance Plans. Among the President's Management Agenda initiatives, the integration of performance and budget represents an important step on the path to a performance-based organization. This report and the Department's FY 2002 Annual Performance Plan present DOL's initial efforts to offer a financial context to our performance objectives. During the remainder of FY 2002, the Department will pilot the development of goals to improve the cost-effectiveness of selected programs and continue efforts to integrate the overall presentation of DOL's budget and performance plans.

The Department recognizes that transitioning to a fully performance-based organization depends upon the availability of reliable and timely information concerning the results of DOL's programs. The challenges to performance measurement vary significantly among DOL's programs, with the data sources and the agencies' level of control over the reporting systems representing the primary factors influencing the reliability and usefulness of the Department's performance information. During FY 2001, the Department has continued its progress working with third parties that provide critical performance information about DOL's programs. Most noteworthy is the Employment and Training Administration's development of a verification and validation process to assist its State partners to improve the effectiveness of data-driven management decisions at the State level and to ensure the accuracy of performance data before the States report to the Department. The Office of Inspector General has also expanded its audits of performance information, including data collected by third parties, to assist the Department in identifying data sources requiring attention.

### **DOL Strategic, Outcome, and Performance Goals**

DOL's functions are organized around three strategic goals, which have provided a focus for the Department's strategic planning and a framework for its annual performance plans. These goals build on our successes and respond to the challenge of helping every American participate and prosper in today's economy. Through these strategic goals and their supporting outcome goals, DOL staff and the American public can see a direct link between the Department's purpose and its activities. The three

DOL strategic goals are:

<b>DOL Strategic Goals</b>	
<b>Goal 1. A Prepared Workforce:</b>	<i>Enhance opportunities for America's workforce</i>
<b>Goal 2. A Secure Workforce:</b>	<i>Promote the economic security of workers and families.</i>
<b>Goal 3. Quality Workplaces:</b>	<i>Foster quality workplaces that are safe, healthy, and fair</i>

The Department will revise the Strategic Plan during FY 2002 to highlight the Secretary's 21st Century Workforce initiatives and to refocus the strategic direction of the major DOL programs.

**Performance Highlights by Strategic Goal<sup>1</sup>**

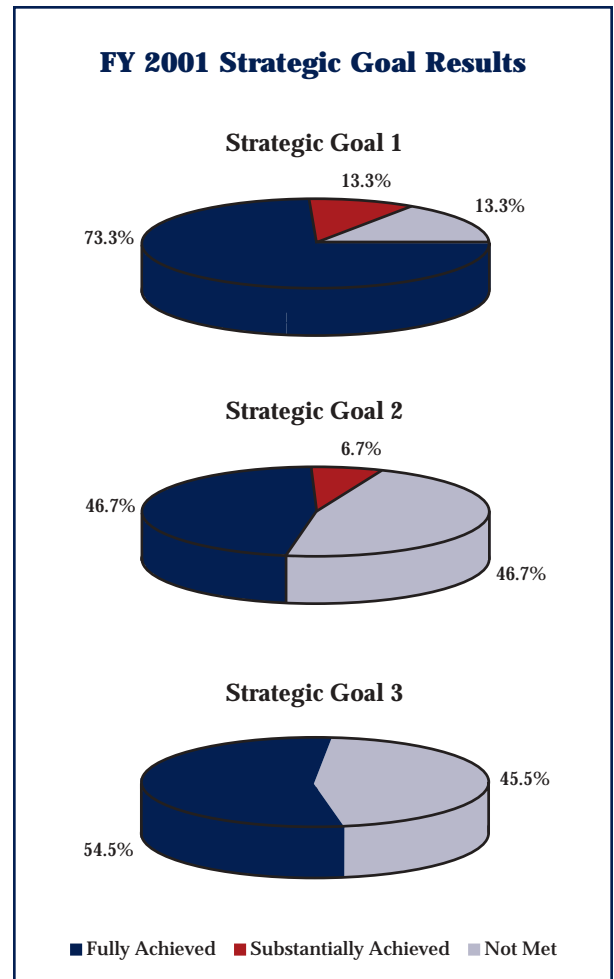
**Strategic Goal 1**, a Prepared Workforce, includes 15 performance goals. Eleven of 15 or 73.3 percent of the goals were fully achieved — a decline in performance in comparison to FY 2000, when 93 percent of the goals in this area were achieved. Of the remaining four goals, two were substantially achieved, and two were not met.

Some decline in performance was expected given the major program transition occurring in Youth and Adult training during this first full year of performance under the implementation of the Workforce Investment Act. The new program focus on longer-term retention in employment for adults or in advanced training, education or employment for younger participants, presented the most significant challenge for the job

training programs. A downturn in the economy compounded the challenges to retaining employment for participants, since newly hired workers with limited skills and experience generally are laid off first.

**Strategic Goal 2**, a Secure Workforce, includes 15 performance goals, of which 7, or 46.7 percent, were achieved. Performance in FY 2001 was less than in FY 2000, when 69 percent of the goals were achieved. Of the eight goals remaining, one was substantially achieved, and seven were not met.

DOL continues to strive to increase compliance with labor standards governing wages and work hours in selected low-wage industries and will focus intensively on evaluating the effectiveness of its strategies. Although the overall compliance goals were not achieved, increasing numbers of employers in the industries were paying and employing workers in compliance with the minimum wage and overtime requirements.



<sup>1</sup> The performance goals under the 3 strategic goals total only 41, because they do not include the departmental management goals. DOL exceeded or fully achieved five of its seven management goals.

The economy adversely affected the achievement of other Secure Workforce goals, particularly the timely payment of benefits to unemployed workers, causing the number of States paying Unemployment Insurance claims on time to decline for the first time since FY 1998. Economic factors leading to workforce downsizing at the U.S. Postal Service restricted employment opportunities for employees recovering from work-related injuries and illnesses, contributing to a Government-wide increase in

disability periods following such incidents.

**Strategic Goal 3, Quality Workplaces,** includes 11 performance goals. Six goals or 54.5 percent were achieved and 5 were not met,

representing a decline in performance as compared with FY 2000, when 77 percent of the goals comprising this strategic objective were achieved. Several of the unmet performance indicators were first introduced and measured in FY 2001, and the limited historical data available may have contributed to setting unrealistic targets.

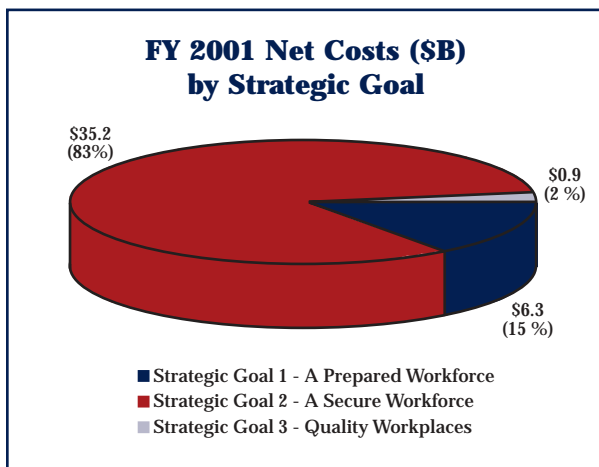
Nearly all goals to improve workplace safety and health goals were achieved and, in some cases, significantly exceeded. In FY 2001, the mining industry, for example, experienced the lowest number of fatalities in the

history of the industry. In addition, the five industries characterized by high-hazard workplaces – shipyards, food processing, nursing homes, logging, and construction – experienced significant reductions in the incidence rates of injuries and illnesses over the last five years.

### Program Costs<sup>2</sup>

The costs for achieving the Department's goals vary significantly as illustrated in the graph on this page and the table presented on the next page. The graph allocates costs by the three strategic goals, depicting that 83 percent of the Department's total FY 2001 net operating costs of \$42.5 billion supported the accomplishment of a Secure Workforce, and the majority of those funds provide benefits to unemployed workers or workers disabled as a result of work-related injuries or illnesses. Fifteen percent of the Department's FY 2001 costs contributed to the goal of a Prepared Workforce, providing grants to States and other organizations to offer job training and a host of employment-related services to assist workers to improve their skills and obtain productive, long-term employment. Only two percent of the FY 2001 expenditures contributed to the goal of Quality Workplaces, and the majority of those costs fund the salaries of Federal employees dedicated to improving safety and health in the Nation's workplaces.

The DOL goal structure hierarchy includes 10 Outcome goals which further refine the objectives of the Department's three strategic goals. The following table is informative in that it relates DOL FY 2001 program



<sup>2</sup> Net cost data is presented. Net cost reflects the full cost of each program as assigned by DOL entities to the Department's Outcome Goals less any exchange revenue earned. Full cost consists of (a) both direct and indirect costs, and (b) the costs of identifiable supporting services provided by other segments within the reporting entity and by other reporting entities.

costs to each of the 10 major performance oriented segments of the Department's mission. An analysis of program cost trends covering the last three fiscal years (FY 1999-2001) is included as part of each Outcome Goal description within the Performance Report following the Executive Summary<sup>3</sup>.

### Reporting Performance Results

In this report, performance data and supporting information are presented by strategic goal, following the sequence in the Department's FY 2001 Annual Performance Plan. Each DOL Strategic Goal serves as a category for presenting performance results. Under each Strategic Goal, outcome goals that segment the larger objective of the Strategic Goal into more specific objectives are discussed. This information provides a non-technical orientation on how DOL serves the public in each major area of the overall DOL mission and serves as an introduction to the detailed performance information that follows.

Following each outcome goal, separate reports of results for individual performance goals provide the following information:

- A report and analysis of performance results against the goal.
- A description of the program being evaluated.
- Highlights of key strategies employed toward achieving the goal.
- A capsule summary of any planned changes in the program and performance measures in the Department's FY 2002 or FY 2003 Annual Performance Plans, based on performance results.

### DOL Program Costs and Percentage of Costs by Outcome Goal

OUTCOME GOAL	Costs (thousands of dollars)	Percent
<b>Strategic Goal 1: A Prepared Workforce:</b>		
Increase employment, earnings, and assistance	\$3,211,851	7.56%
Increase the number of youth making a successful transition to work	2,670,933	6.29%
Improve the effectiveness of information and analysis on the U.S. economy	463,044	1.09%
<b>Strategic Goal 2: A Secure Workforce</b>		
Increase compliance with worker protection laws	299,141	0.70%
Protect worker benefits	33,833,754	79.69%
Increase employment and earnings for retrained workers	1,055,751	2.49%
<b>Strategic Goal 3: Quality Workplaces</b>		
Reduce workplace injuries, illnesses, and fatalities	723,594	1.70%
Foster equal opportunity workplaces	107,681	0.25%
Support a greater balance between work and family	7,845	0.02%
Reduce exploitation of child labor, strengthen the protection of workers' basic rights, and improve economic opportunities for workers	45,407	0.11%
Costs not attributed to programs	40,865	0.10%
<b>Totals</b>	<b>\$42,459,866</b>	<b>100%</b>

- Summary comments on any evaluations relevant to the performance goal that were conducted during the year.

### Appendices

The following appendices provide supporting information for the performance results presented in the body of the report.

*Appendix 1* presents the organizational chart for the Department.

*Appendix 2* lists each performance goal and identifies whether or not the goal has been achieved. This section also includes performance goals that were

<sup>3</sup> The number of Outcome Goals changed from eleven to ten in FY 2001. Accordingly, net costs by outcome goal for FY 1999 and FY 2000, as reflected in the financial statements for these years, have been realigned to provide consistency in the placement of costs for this analysis.

eliminated or revised subsequent to the release of the FY 2001 Annual Performance Plan. The Appendix also lists the measurement period for the performance data addressed in the performance goals.

*Appendix 3* includes a listing of significant evaluations of DOL programs conducted by the General Accounting Office (GAO), OIG, and other organizations during FY 2001.

*Appendix 4* contains supporting information for each performance goal including the performance indicator, source of data, baseline data, and any comments pertinent to data collection.

*Appendix 5* is the glossary of acronyms used in this document.

*Appendix 6* includes a listing of DOL internet links.

## II. THE FINANCIAL PERFORMANCE REPORT

In FY 2001, the Department of Labor maintained its outstanding record in financial management. Under the Government Management Reform Act (GMRA) and the Chief Financial Officers Act of 1990 (CFOA), all Federal agencies are required to produce annual financial statements and to have those statements audited.

The Department's Inspector General issued an unqualified, or "clean," opinion on the financial statements, marking the fifth consecutive year that DOL has attained this highest level of financial performance. The audit report also states that no material weaknesses were found in the Department's system of internal controls that would affect the financial statements' accuracy. In addition, all financial systems at the Department were in compliance with the Federal Financial Management Improvement Act of 1996 (FFMIA). This marked the completion of a multi-year effort to bring DOL's systems into full compliance.

The Department is shifting its managerial cost accounting efforts from agency-specific pilots to a department wide approach. Initially these efforts will focus on the development of a high-level departmental cost accounting model. This model will provide improved cost information and support better accountability and resource allocation. Subsequent efforts will target providing more detailed cost information and enhanced reporting capabilities in support of performance budgeting. These cost accounting efforts will significantly enhance management decision-making in the Department by providing accurate, relevant and timely information on the cost of DOL programs.



Christian, who has a severe cognitive disability, is a Lab Aide on a quality control and materials team for a research institute in a large university. This team is responsible for the sequencing of genes from clones. Christian labels the plates that carry the genetic material. He has this job thanks to his job coach at the Institute for Community Inclusion, a DOL project grantee in a major U.S. city. This project, which is coordinated through the DOL Office of Disability Employment Policy, encourages employers to raise their expectations of persons with disabilities and to consider hiring people with significant disabilities in non-stereotypical jobs consistent with the individual's interests and abilities. Christian's supervisor says, "Christian does a very good job here. He pays close attention to detail. If Christian did not do his job properly, for each batch of plates that were improperly labeled, we would lose somewhere around \$300,000 per day. I trust him to do his job every day."

Photo from: DOL/ODEP



## Financial Resources and Results of Operations

The accompanying principal financial statements summarize DOL's financial position, net cost of operations and changes in net position, provide information on budgetary resources and financing and present the sources and disposition of custodial revenues for fiscal years 2001 and 2000.

Highlights of the financial information presented in the principal statements are shown below:

### *Net Cost of Operations*

- DOL conducted operations under five major programs during 2001 and 2000: Income Maintenance, Employment and Training, Labor, Employment and Pension Standards, Worker Safety and Health, and Statistics. The total and net operating costs of DOL's major programs are shown on the Statement of Net Costs. Total costs are reduced by earned program revenues to calculate net program costs. Total net program costs, plus net costs not assigned to programs, comprise DOL's net cost of operations.
- The total cost of DOL operations during 2001 and 2000 was \$45.1 billion and \$35.4 billion respectively. These costs were offset by earned revenues of \$2.6 billion and \$2.5 billion, to arrive at net cost of operations of \$42.5 billion and \$32.9 billion in 2001 and 2000 respectively, a \$9.6 billion increase (29 percent) between fiscal years. This increase in the net cost of operations during 2001 was primarily attributable to cost increases within DOL's largest program, Income Maintenance.
- Income maintenance costs represented 82 percent and 78 percent of the Department's net cost of operations in 2001 and 2000

respectively. DOL reported net program costs for Income Maintenance of \$34.8 billion and \$25.6 billion in 2001 and 2000, an increase of \$9.2 billion between fiscal years. This increase was attributable to increases in unemployment benefits (\$7.4 billion) and disability benefits (\$1.8 billion) during 2001. Benefit payment expenses of \$32.9 billion, incurred under DOL's unemployment (\$28.5 billion) and disability (\$4.4 billion) compensation programs, comprised the majority of the Department's income maintenance costs during 2001. Benefit payment expenses were \$23.6 billion in 2000.

- DOL reported net costs for Employment and Training programs of \$5.9 billion and \$5.6 billion in 2001 and 2000 respectively, and increase of \$0.3 billion (5 percent) between fiscal years. Net program costs reported under DOL's remaining three major programs were \$1.7 billion and \$1.6 billion in 2001 and 2000 respectively.
- DOL's earned revenues for 2001 and 2000 were \$2.6 billion and \$2.5 billion respectively. Earned revenues consisted primarily of payments to DOL's Unemployment Trust Fund and Special Benefit Fund from other Federal agencies, to reimburse these funds for unemployment benefits or workers' compensation benefits paid from the funds to the agencies' employees.

### *Net Results of Operations*

- DOL's net cost of operations must be funded by financing sources other than earned revenues. Other financing sources are reported on the Statement of Changes in Net Position, as a reduction to the net

cost of operations, to arrive at net results of operations. DOL reported other financing sources of \$40.7 billion and \$41.3 billion in 2001 and 2000 respectively. Non-exchange revenues from employer taxes in the amount of \$27.2 and \$27.1 billion comprised over 66 percent of DOL's other financing sources in 2001 and 2000. During 2001, the \$40.7 billion reported by DOL as other financing sources did not entirely cover the Department's \$42.5 billion net cost of operations, resulting in a loss of \$1.8 billion in net results of operations for 2001. During 2000, the \$41.3 billion reported as other financing sources was sufficient to cover the Department's \$32.9 billion net cost of operations and to produce a net operating gain of \$8.5 billion in net results of operations for 2000. DOL's 2001 operating loss represented a \$10.3 billion decrease in net results of operations from 2000.

#### *Financial Position*

- DOL reported total assets of \$106.7 and \$103.2 billion at the end of 2001 and 2000 respectively. Entity assets comprised over 99 percent of DOL's total assets for both fiscal years. Investments in U. S. Government securities of \$89.1 billion and \$86.6 billion, reported at the end of 2001 and 2000 respectively, represented 84 percent of DOL's total assets at the end of each fiscal year. Unemployment Trust Fund investments comprised over 99 percent of DOL's total investments in each fiscal year.
- DOL reported total liabilities of \$13.4 billion and \$9.2 billion at the end of 2001 and 2000 respectively, an increase of \$4.2 billion (46 percent) between fiscal years. This increase was primarily attributable to the transfer of the Occupational

Illness Compensation Benefits Program from the Department of Energy to DOL in 2001. DOL recorded a liability of \$3.2 billion dollars at the end of 2001 for future benefits payable under the Occupational Illness Compensation Benefits Program.

- Liabilities totaling \$7.7 billion (57 percent of total liabilities) in 2001 and \$7.1 billion (77 percent of total liabilities) in 2000 were not covered by budgetary resources. Repayable advances of \$7.3 billion and \$6.7 billion, payable by DOL's Black Lung Disability Trust Fund to the U.S. Treasury, comprised 54 percent and 73 percent of DOL's total liabilities and over 94 percent of those liabilities not covered by budgetary resources at the end of 2001 and 2000 respectively.
- The difference between DOL's assets and liabilities represents the Department's net position relative to those assets. DOL reported a net position of \$93.4 billion and \$94.0 billion at the end of 2001 and 2000 respectively, a decrease of \$0.6 billion. This decrease was attributable to a \$1.8 billion decrease in cumulative results of operations, offset by a \$1.2 billion increase in DOL's unexpended appropriations.

#### **Limitations on the Principal Financial Statements**

The principal financial statements report the financial position and results of operations of DOL, pursuant to the requirements of U.S.C. 3515(b). The statements have been prepared from the books and records of DOL in accordance with OMB prescribed formats. The statements are different from the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The

statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity, and that liabilities reported in the financial statements cannot be liquidated without legislation providing resources to do so.

### III. THE MANAGEMENT AND PERFORMANCE CHALLENGES

The Office of Inspector General (OIG) has identified the following areas to be the most serious management and performance challenges facing the Department of Labor:

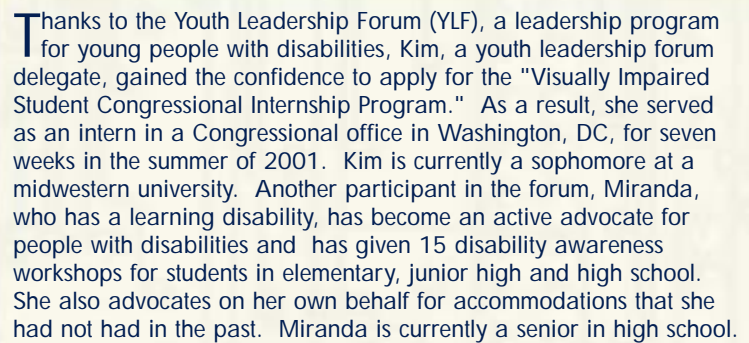
- Effectiveness of Employment and Training Programs
- Financial Performance
- Accountability: Budget and Performance Integration
- Security of Pension Assets
- Protection of Worker Benefit Funds
- Information Technology and Electronic Government Challenges
- Integrity of Foreign Labor Certification Programs
- Effectiveness of Mine Safety and Health Programs
- Rapid Expansion of the Bureau of International Labor Affairs Program
- Human Capital Management

The Department recognizes that the ten challenges posed by the Inspector General represent issues of major potential impact on the effectiveness and efficiency of the Department's programs and operations. The Department's responses identify extensive actions, which have been completed or are currently in progress to address these challenges.

Several of the challenges reference specific concerns reported in detail in OIG audits issued over the past several years, and the majority of these

findings, if not already closed, should be corrected within the next year.

Other challenges require legislative action or otherwise fall outside of the Department's jurisdiction, as explained in management's response. The Department's responses to other challenges offer systemic performance data to provide readers comprehensive information about the overall effectiveness of a program or area of responsibility.



Thanks to the Youth Leadership Forum (YLF), a leadership program for young people with disabilities, Kim, a youth leadership forum delegate, gained the confidence to apply for the "Visually Impaired Student Congressional Internship Program." As a result, she served as an intern in a Congressional office in Washington, DC, for seven weeks in the summer of 2001. Kim is currently a sophomore at a midwestern university. Another participant in the forum, Miranda, who has a learning disability, has become an active advocate for people with disabilities and has given 15 disability awareness workshops for students in elementary, junior high and high school. She also advocates on her own behalf for accommodations that she had not had in the past. Miranda is currently a senior in high school.

Where a sustained effort is required over several years to address an OIG management challenge that impacts a core program or management priority, performance goals and strategies are targeted in either the Departmental or agency annual performance plans. For example, plans at the Departmental and agency level are in place to comprehensively address the human capital management challenges faced by the Department. Goals to continuously improve the results of each DOL job training program identified in the challenges are included in the Department's Annual Performance Plan. Finally, other issues raised in the management challenges, such as plans to improve data quality and achieve further integration of budget and performance, are discussed in detail in the Department's Annual Performance Plan. ■