



UNITED STATES DEPARTMENT OF LABOR

# SUMMARY OF PERFORMANCE AND FINANCIAL INFORMATION

FISCAL YEAR 2014



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## Secretary's Message

I am pleased to submit the Department of Labor's (DOL) Fiscal Year (FY) 2014 *Summary of Performance and Financial Information*, which highlights information previously published in the FY 2014 *Agency Financial Report* and the FY 2014 *Annual Performance Report*,<sup>1</sup> which can be found at: <http://www.dol.gov/dol/aboutdol/#budget>.



DOL again received an unqualified (clean) audit opinion on our financial statements and an unqualified statement of assurance regarding the department's internal controls. I attest that the summarized financial and performance data included in this document as well as the data in the *Agency Financial Report* and the *Annual Performance Report* are complete and reliable in accordance with Federal requirements.

I invite you to review our progress on the links listed in this report and to follow us on Twitter, Facebook, and YouTube.

THOMAS E. PEREZ  
*U.S. Secretary of Labor*

### Department of Labor Mission, Organization, and Goal Structure

The Department of Labor's mission is *to foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights.*

The Department accomplishes its mission through component agencies and offices that administer various statutes and programs. These programs are carried out through a network of regional offices and smaller field, district, and area offices, as well as through grantees and contractors. The largest program agencies, each headed by an Assistant Secretary, Commissioner, or Director, are: Employment and Training Administration, Occupational Safety and Health Administration, Mine Safety and Health Administration, Veterans' Employment and Training Service, Employee Benefits Security Administration, Wage and Hour Division, Office of Workers' Compensation Programs and the Bureau of Labor Statistics.

The Department operates according to the goal structure in its FY 2014-2018 Strategic Plan (<http://www.dol.gov/sec/stratplan/>). For FY 2014 reporting, the goal structure included five strategic goals and ten strategic objectives.

### Program Performance Overview

#### STRATEGIC GOAL 1: Prepare workers for better jobs

- Strategic Objective 1.1. Advance employment opportunities for US workers in 21st century demand sectors and occupations using proven training models through increased employer engagement and partnerships
- Strategic Objective 1.2. Provide marketable skills and knowledge to increase workers' incomes and help them overcome barriers to the middle class through partnerships among business, education, labor, community organizations and the workforce system
- Strategic Objective 1.3. Advance workers' rights, acceptable work conditions, and livelihoods, particularly for the world's vulnerable populations

The Employment and Training Administration (ETA) and the Veterans' Employment and Training Service (VETS) work to promote and support training and other services that provide workers the opportunity to make a living wage in jobs with

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<sup>1</sup> This report contains information on FY 2014 and Program Year (PY) 2013 performance. Program Year results for 2014 will be available in the FY 2015 Annual Performance Report (APR).

long-term viability. ETA's programs also provide funding to increase skills and gainful employment for adults, dislocated workers, and youth. The Bureau of International Labor Affairs (ILAB) works to improve working conditions, raise living standards, and protect workers' ability to exercise their rights.

Results for key agency performance measures that support Strategic Goal 1 are provided in tabular form below. Following the table is a brief narrative that explains significant successes, challenges, and trends. Detailed performance information and analysis for all Strategic Goal 1 measures are available on pages 22-40 of the FY 2014 DOL APR (<http://www.dol.gov/dol/budget/2016/PDF/CBJ-2016-V1-01.pdf>).

Selected Measures						
*Target reached (Y), improved (I), or not reached (N)		FY/PY 2010	FY/PY 2011	FY/PY 2012	FY/PY 2013	FY/PY 2014
ETA: Six Month Average Earnings (Dislocated Worker)	Target	\$15,238	\$15,418	\$15,930	\$16,364[r]	<b>\$16,694</b>
	Result	\$17,550	\$16,500	\$15,930	\$15,977	
	*	Y	Y	Y	I	
ETA: Six Month Average Earnings, Workforce Investment Act (WIA) Adult	Target	\$12,721	\$12,865	\$13,335	\$13,684	<b>\$13,945</b>
	Result	\$13,801	\$13,457	\$13,482	\$13,842	
	*	Y	Y	Y	Y	
ETA: Percent of participants who earn a diploma, GED, or certificate by the end of the third quarter after exit (WIA-Youth)	Target	55.4%	54.7%	59.6%	62.3%	<b>62.2%</b>
	Result	59.5%	62.6%	62.3%	66.6%	
	*	Y	Y	Y	Y	
ETA: Percent of students who attain industry-recognized credentials (Job Corps)	Target	--	50.0%	51.0%	70.0%	<b>94.0%</b>
	Result	--	77.3%	77.3%	93.5%	
	*	--	Y	Y	Y	
VETS: Percent of Jobs for Veterans State Grants (JVSG) Veterans receiving intensive services	Target	—	—	32.0%	38.0%	<b>50.0%</b>
	Result	22.0%	25.0%	31.0%	39.2%	<b>47.4%</b>
	*	—	—	I	Y	I

[r] Revised from previously reported data

ETA programs support training to help workers become more competitive and to equip them with the credentials and skills to succeed in the global labor market. In PY 2013, ETA reached targets for three of the four job training measures featured in this report and improved performance on all four measures.

ETA attributes the success of meeting the target of the WIA Adult average earnings, at least in part, to the focus on and promotion of credential attainment, which has been found to have a strong impact on wages. The continuous push for credential and certification attainment prior to graduation and the increased focus on graduate full-time placement continued to improve the percent of students who attain industry-recognized credentials in Job Corps, which exceeded the PY 2013 target.

VETS assesses the performance of the American Job Center system on behalf of veterans served by the JVSG by tracking the services provided to participants and participants' employment outcomes. Over the past three fiscal years, VETS Federal staff has provided monitoring, oversight, and technical assistance to State Workforce Agencies (SWAs) to aggressively increase the rate of intensive services provided to JVSG participants. Since FY 2009, intensive service rates have increased from 20 percent to nearly 50 percent.

## STRATEGIC GOAL 2: Improve workplace safety and health

Strategic Objective 2.1. Secure safe and healthy workplaces, particularly in high-risk industries

The DOL agencies working toward safe and healthy workplaces are the Mine Safety and Health Administration (MSHA) and the Occupational Safety and Health Administration (OSHA). By strategically scheduling inspections and outreach in high-risk areas, in addition to completing mandated enforcement activities, DOL expects to have the greatest effect on overall compliance.

Results for key agency performance measures that support Strategic Goal 2 are provided in tabular form below. Following the table is a brief narrative that explains significant successes, challenges, and trends. Detailed performance information and analysis for all Strategic Goal 2 measures are available on pages 41-47 of the FY 2014 DOL APR (<http://www.dol.gov/dol/budget/2016/PDF/CBJ-2016-V1-01.pdf>).

Selected Measures						
*Target reached (Y), improved (I), or not reached (N)		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OSHA: Health Inspections	Target	8,500	6,800	7,280	6,907	<b>7,527</b>
	Result	6,649	7,317	7,381	7,280	<b>6,818</b>
	*	I	Y	Y	Y	<b>N</b>
MSHA: Five-year rolling average of fatal injuries per 200,000 hours worked	Target	0.0171	0.0178	0.0156	0.0143	<b>.0134</b>
	Result	0.0187	0.0164	0.0150	0.0141	<b>.0141</b>
	*	N	Y	Y	Y	<b>N</b>

In FY 2014, OSHA did not meet its target for the number of health inspections conducted and experienced a 6.3 percent decline from FY 2013 performance due to the government shutdown in October 2013. OSHA will continue its focus on enforcement, regulation, compliance assistance, education and outreach to meet the agency's priorities of reducing workplace injuries, illnesses, and fatalities.

In FY 2014, MSHA did not achieve its DOL Priority Goal to reduce mining fatalities. MSHA launched an action plan to include educational outreach and training to respond to the continued deaths in metal and nonmetal mines, which spiked early in FY 2014. MSHA is expanding these efforts in FY 2015 to include cooperative efforts with industry stakeholders and enhanced enforcement.

## STRATEGIC GOAL 3: Promote fair and high-quality work environments

Strategic Objective 3.1. Break down barriers to fair and diverse workplaces and narrow wage and income inequality  
 Strategic Objective 3.2. Protect workers' rights  
 Strategic Objective 3.3. Secure wages and overtime

Eight DOL agencies have strategies, performance goals, and measures that contribute to achievement of this goal. The Office of Federal Contract Compliance Programs (OFCCP) requires that contractors and subcontractors working under contracts with the Federal government take affirmative action and provide equal employment opportunities. The Office of Disability Employment Policy (ODEP) develops policy and strategies to reduce barriers to employment for individuals with disabilities. The Women's Bureau (WB) conducts research, projects, and evaluations on issues of importance to working women.

The Wage and Hour Division (WHD) is responsible for administering and enforcing a number of laws that establish the minimum standards for wages and working conditions in the United States. The ETA's foreign labor certification programs have the primary responsibility for the review of employer-filed applications requesting the Secretary of Labor's certification in order to proceed with the employment-based immigration process. The Office of Labor-

Management Standards (OLMS), OSHA, MSHA, and WHD conduct outreach to better inform workers of their rights and increase their voice in the workplace.

Results for key agency performance measures that support Strategic Goal 3 are provided in the table below. Following the table is a brief narrative that explains significant successes, challenges, and trends. Detailed performance information and analysis for all Strategic Goal 3 measures are available on pages 48-67 of the FY 2014 DOL APR (<http://www.dol.gov/dol/budget/2016/PDF/CBJ-2016-V1-01.pdf>).

Selected Measure						
*Target reached (Y), improved (I), or not reached (N)		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OLMS: Average number of days to resolve union officer election complaints	Target	84	80	76	75	<b>74</b>
	Result	81	79	71	71	<b>72.3</b>
	*	Y	Y	Y	Y	<b>Y</b>
WHD: Percent of directed investigations (excludes conciliations)	Target	24.0%	32.0%	35.0%	38.0%	<b>40.0%</b>
	Result	17.0%	29.0%	40.63%	44.19%	<b>43.51%</b>
	*	N	I	Y	Y	<b>Y</b>

In fiscal years 2010-2014, OLMS exceeded its targets to reduce the average number of days to resolve union officer election complaints. Streamlining communication with the Solicitor’s Office and eliminating process days by using a team approach and early intervention helped OLMS meet the target. This result was a slight increase from the 71 elapsed days achieved in FY 2013. This increase can be attributed to a rise in the number of election cases received as well as a major supervised election case requiring that a substantial amount of investigator time be re-assigned to oversee the election.

Over the last three years, WHD has shifted its resources from complaint-based to directed enforcement to promote compliance on behalf of workers in certain industries or program areas. By better integrating the directed and complaint investigations, WHD maximizes limited enforcement resources towards the goal of improving compliance at the industry-level and reaching the greatest number of vulnerable workers. In FY 2014, WHD maintained increases in the percent of directed investigations with a result of nearly 44 percent, exceeding the 40 percent target.

<b>STRATEGIC GOAL 4: Secure retirement, health, and other employee benefits and, for those not working, provide income security</b>
Strategic Objective 4.1. Provide income support when work is impossible or unavailable and facilitate return to work
Strategic Objective 4.2. Improve health benefits and retirement security for all workers

Three DOL agencies have programs that contribute to Strategic Goal 4. The Office of Workers’ Compensation Programs (OWCP) implements four compensation statutes providing monetary, medical, and return-to-work benefits for work-related injuries and illnesses for designated employee groups. ETA administers the Unemployment Insurance (UI) Program, which provides temporary, partial wage replacement for unemployed workers, providing them with income support when suitable work is unavailable. The Employee Benefits Security Administration (EBSA), through its enforcement of Title I of the Employee Retirement Income Security Act of 1974, protects the security of retirement, health and other benefits and assets for all workers who have employer-sponsored plans.

Results for key agency performance measures that support Strategic Goal 4 are provided in tabular form below. Following the table is a brief narrative that explains significant successes, challenges, and trends. Detailed performance information and analysis for all Strategic Goal 4 measures are available on pages 68-81 of the FY 2014 DOL APR (<http://www.dol.gov/dol/budget/2016/PDF/CBJ-2016-V1-01.pdf>).

*Target reached (Y), improved (I), or not reached (N)		FY/PY 2010	FY/PY 2011	FY/PY 2012	FY/PY 2013	FY/PY 2014
ETA/UI: Percent of all intrastate first payments made within 21 days	Target	86.0%[r]	85.7%[r]	87.0%[r]	87.1%	<b>87.1%</b>
	Result	82.2%	84.6%	82.9%	81.0%	<b>79.7%</b>
	*	N	Y	N	N	<b>N</b>
ETA/UI: Percent of the amount of estimated overpayments that states detect established for recovery	Target	53.1%[r]	52.3%[r]	51.8%[r]	54.1%	<b>54.2%</b>
	Result	55.9% [r]	61.1% [r]	62.75%	57.2%	<b>68.7%</b>
	*	Y	Y	Y	Y	<b>Y</b>
OWCP: Percent of Federal employees with work-related injuries or illnesses coming under Federal Employees' Compensation Act's (FECA) Disability Management that are reemployed by non-Postal Federal Agencies	Target	86.7%	87.0%	88.4%	93.4%	<b>92.0</b>
	Result	89.7%	91.6%	91.5%	91.9%	<b>90.7</b>
	*	Y	Y	Y	I	<b>N</b>
EBSA: Participant Assistance Program Customer Satisfaction Index	Target		Base	68%	69%	<b>72%</b>
	Result		66%	69%	71%	<b>70%</b>
	*		--	Y	Y	<b>N</b>

[r] Revised from previously reported data

Making timely payments to unemployed workers is critical to fulfilling the UI system's key statutory objective of making full payment of unemployment compensation "when due." This measure, which includes nearly 90 percent of all State UI intrastate payments, is a good indicator of overall payment timeliness. In FY 2014, results fell below 80 percent, a slight decrease from FY 2013 performance, despite improvement in 35 states. First payment timeliness declined largely due to staff layoffs associated with reduced administrative funding (due to expiration of the Emergency Unemployment Compensation program), high staff turnover and lack of trained staff to make claim eligibility determinations, IT systems issues, and backlogs in claims and adjudication units.

Ensuring that benefits are paid only to those who meet eligibility requirements and that erroneous payments are detected and recovered are critical to the integrity of any benefit payment program. States detected and established for recovery 68.7 percent of the estimated overpayments, exceeding the 54.2 percent target and improving performance by over 10 percentage points compared to the FY 2013 result. Overpayment detections decreased during the recession, as state workforce agencies reassigned staff from integrity functions to claims processing. As claims loads decreased, performance for this measure has improved.

With a FY 2014 result of 90.7 percent, DOL did not meet the annual target of 92.0 percent for injured workers receiving Federal Employees' Compensation Act Disability Management services, and returning to work within two years of injury. Budgetary factors may have continued to affect agencies' reemployment efforts this past year. In addition, an ongoing performance improvement challenge remains for those Federal agencies with employees working on more hazardous missions or having other occupational reemployment challenges. To improve return to work numbers, OWCP is exploring the use of more targeted strategies specifically designed for those agencies.

Although falling slightly short of its FY 2014 customer satisfaction target, EBSA continued to achieve high ratings. EBSA is developing plans, such as the Benefits Call Quality Assurance program, aimed at improving technical accuracy and quality of inquiry responses.

## STRATEGIC GOAL 5: Produce timely and accurate data on the economic conditions of workers and their families

Strategic Objective 5.1. Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans

The Bureau of Labor Statistics (BLS) is the principal Federal statistical agency responsible for measuring labor market activity, working conditions, and price changes in the economy. Its mission is to collect, analyze, and disseminate essential economic information to support the public and private decision-making that forms the basis of our democratic, free-enterprise system. Like all Federal statistical agencies, BLS executes its statistical mission with independence, serving its users by providing products and services that are accurate, objective, relevant, timely, and accessible. Policies and decisions based on BLS data affect virtually all Americans, and the wide range of BLS data products is necessary to fulfill the diverse needs of a broad customer base.

Results for a key agency performance measure that supports Strategic Goal 5 are provided in tabular form below. Detailed performance information and analysis for all Strategic Goal 5 measures are available on pages 82-83 of the FY 2014 DOL APR (<http://www.dol.gov/dol/budget/2016/PDF/CBJ-2016-V1-01.pdf>).

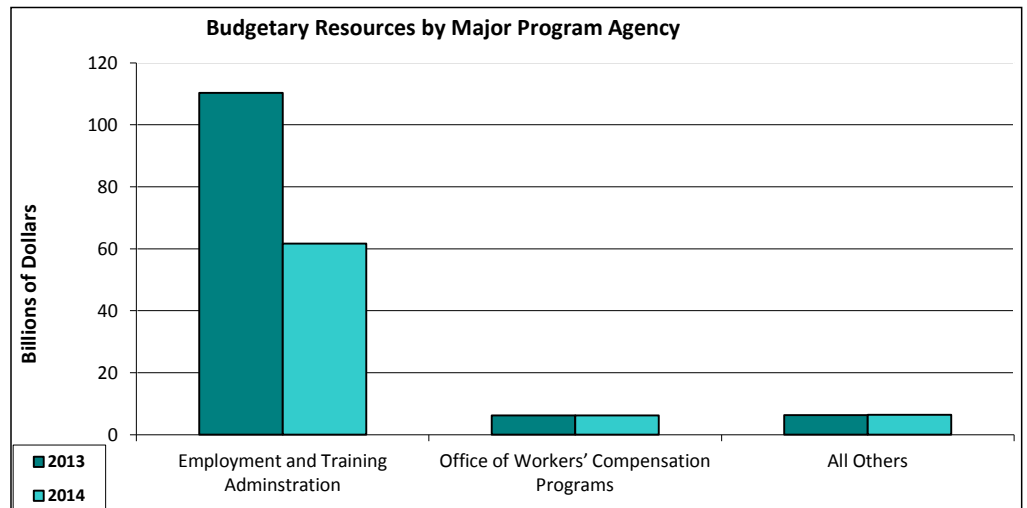
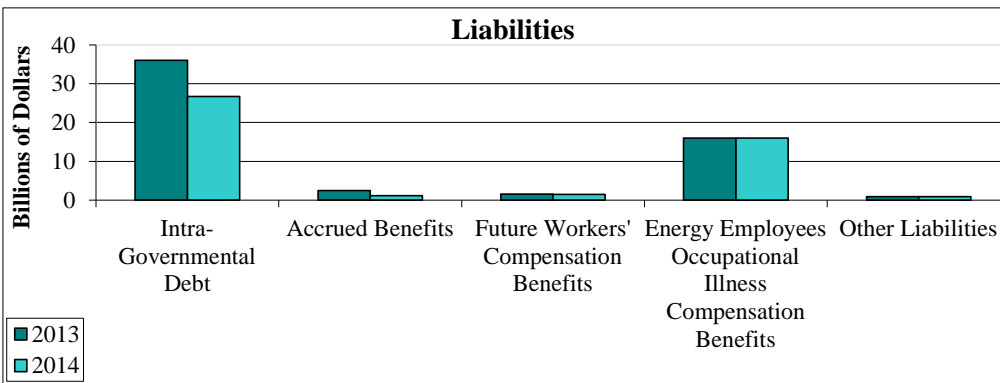
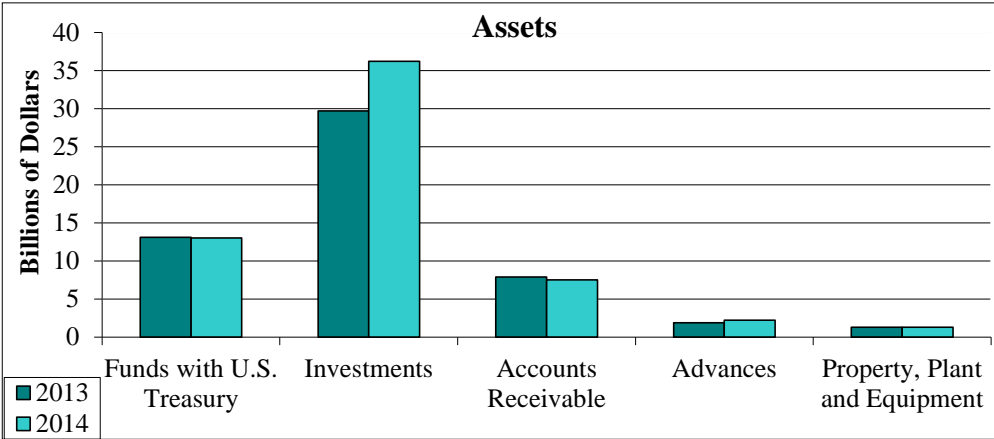
*Target reached (Y), improved (I), or not reached (N)		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
BLS: Percentage of timeliness targets achieved for the Principal Federal Economic Indicators (PFEIs) <sup>2</sup>	Target	--	--	--	--	<b>100.0%</b>
	Result	100.0%	100.0%	100.0%	100.0%	<b>100.0%</b>
	*	--	--	--	--	

In FY 2014, BLS achieved 100 percent of the underlying *timeliness* targets for all of its Principal Federal Economic Indicators.

<sup>2</sup> BLS revised its performance framework in 2014. Cross-cutting measures are new beginning in FY 2014. The FY 2010 - 2013 results are shown for trend comparison purposes.

## Financial Performance Overview

DOL reports its financial activities annually in the Consolidated Financial Statements, prepared in accordance with U.S. generally accepted accounting principles and the financial reporting requirements of the Office of Management and Budget (OMB). These include the *Consolidated Balance Sheets*, *Consolidated Statements of Net Cost*, *Consolidated Statements of Changes in Net Position*, *Combined Statements of Budgetary Resources*, and the *Statements of Social Insurance and Changes in Social Insurance Amounts*. These financial statements are audited and the Department received an unmodified (clean) audit opinion. The complete financial statements and the audit report are included in the FY 2014 Agency Financial Report which is located at [www.dol.gov/dol/aboutdol/](http://www.dol.gov/dol/aboutdol/). The DOL financial reporting entity is organized by major program agencies which conduct operations in five major program areas. The Department's FYs 2014 and 2013 summary financial information is presented below.



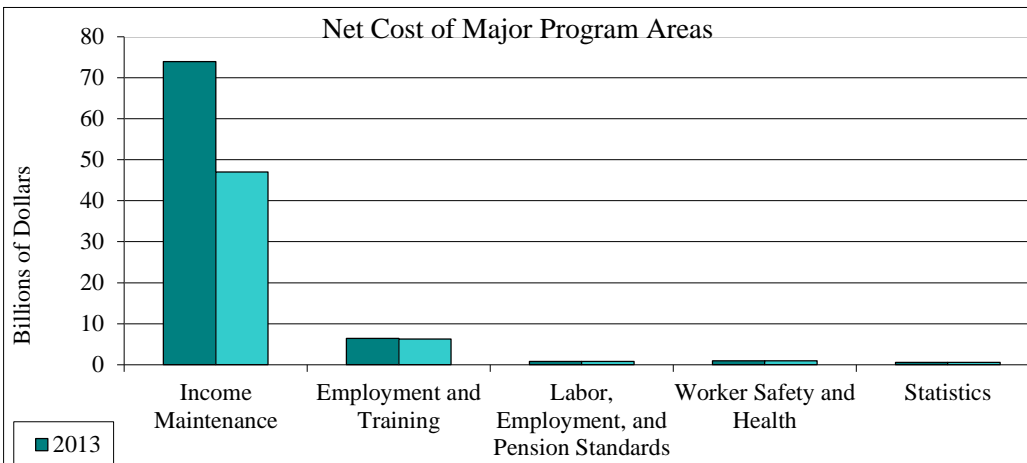


**Net Cost of Operations by Agency and Major Program Areas**

<b>MAJOR PROGRAM OPERATING AGENCIES<sup>3</sup></b>		
	<b>FY 2014 (millions)</b>	<b>FY 2013 (millions)</b>
<b>Employment and Training Administration</b>	\$49,555	\$76,024
<b>Office of Workers' Compensation Programs</b>	\$1,842	\$2,483
<b>Office of Job Corps</b>	\$1,537	\$1,525
<b>Veterans' Employment and Training Service</b>	\$271	\$262
<b>Occupational Safety and Health Administration</b>	\$598	\$590
<b>Mine Safety and Health Administration</b>	\$444	\$407
<b>Employee Benefits Security Administration</b>	\$222	\$215
<b>Bureau of Labor Statistics</b>	\$619	\$624
<b>Wage and Hour Division</b>	\$298	\$304
<b>Departmental Management and Other Agencies</b>	\$303	\$438
<b>TOTAL NET COST OF OPERATIONS</b>	<b>\$55,689</b>	<b>\$82,872</b>

**Employment and Training Administration** (ETA) costs are comprised primarily of unemployment insurance benefit costs which also make the major portion of the Income Maintenance program area. The decrease from FY 2013 is primarily due to decreases in unemployment benefits provided under existing legislation, and lower levels of unemployment as compared to FY 2013. ETA also provides training services at a cost of \$6.3 billion in FY 2014, a decrease of 1.6% from FY 2013.

**Office of Workers' Compensation Programs** (OWCP) costs, included under the Income Maintenance program, are comprised primarily of payments to or on behalf of individuals who qualify for disability and medical benefits due to injury or illness suffered on the job. The decrease is primarily due to a decrease in the projected benefit costs for the Energy Employees Occupational Illness Compensation benefits.



**Income Maintenance** programs comprise the major portion of Departmental costs. These programs include UI benefits paid to covered individuals who are out of work and seeking employment, as well as payments to or on behalf of individuals who qualify for disability and medical benefits due to injury or illness suffered on the job, and the costs to administer these programs. The significant decrease in Income Maintenance program costs is due primarily to lower costs for unemployment insurance benefits.

<sup>3</sup>The Pension Benefit Guaranty Corporation (PBGC), wholly owned by the Federal government and whose Board of Directors is chaired by the Secretary of Labor, has been designated by the Office of Management and Budget as a separate reporting entity for financial statement purposes and has not been included in this financial performance overview.

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## Top Management Challenges

For FY 2014, the OIG considers the following as the most serious management challenges facing the Department:

- Protecting the safety and health of workers
- Ensuring the safety of students and staff at Job Corps Centers
- Helping unemployed adults, youth and veterans obtain skills, training, and services that result in training-related job placements
- Protecting the security of retirement, health, and other benefit plans for workers, retirees, and their families
- Reducing improper payments
- Securing and managing information systems

These top management challenges are intended to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical services to the public. The OIG's assessment of the Department's progress in addressing each challenge and what remains to be done is available on pages 150-158, at:


<http://www.dol.gov/sec/media/reports/annual2014/2014annualreport.pdf>


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### Department of Labor Agency Pages

Bureau of International Labor Affairs <http://www.dol.gov/ILAB/>

Bureau of Labor Statistics <http://www.bls.gov/>

Employee Benefits Security Administration

<http://www.dol.gov/ebsa/>

Employment and Training Administration <http://www.doleta.gov>

Mine Safety and Health Administration <http://www.msha.gov>

Occupational Safety and Health Administration

<http://www.osha.gov/index.html>

Office of Disability Employment Policy <http://www.dol.gov/odep/>

Office of Federal Contract Compliance Programs <http://www.dol.gov/ofccp/>

Office of Labor-Management Standards <http://www.dol.gov/olms/>

Office of Workers' Compensation Programs <http://www.dol.gov/owcp/>

Pension Benefit Guaranty Corporation <http://www.pbgc.gov/>

Veterans' Employment and Training Service <http://www.dol.gov/vets/>

Wage and Hour Division <http://www.dol.gov/whd/>

Women's Bureau <http://www.dol.gov/wb/>

### DOL Regulations and Enforcement

DOL Regulations Search - <http://www.regulations.gov/>

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Please direct any questions or comments about this report to the U.S. Department of Labor, Performance Management Center, 200 Constitution Avenue NW, Room S-3317, Washington, DC 20210 \* 202-693-7120



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