

DEPARTMENT OF LABOR

PART ASSESSMENTS¹

¹ For each program that has been assessed using the PART, this document contains details of the most recent assessment. These details are presented in their original form; some programs have revised performance targets and developed or replaced performance measures since the original assessment. The PART summaries published with the 2006 Budget (in February 2005) provide current information on follow-up to recommendations and other updates.

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PART Performance Measurements

Program: Black Lung Benefits Program
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	75%	86%	60%	Effective

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: As defined by its authorizing statute, the program's purpose is to provide benefits, in cooperation with the States, to coal miners who are totally disabled due to pneumoconiosis (black lung disease) and to eligible surviving dependents of such miners; and to ensure the provision of future adequate benefits to coal miners and their dependents in the event of their death or total disability due to black lung disease.

Evidence: The Federal Coal Mine Health and Safety Act of 1969, as amended (30 U.S.C. 901 et seq) and program regulations (20 CFR Part 718).

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight 20%

Explanation: Congress created the program in 1969 based on its finding that: "there are a significant number of coal miners . . . who are totally disabled due to pneumoconiosis arising out of employment in one or more of the Nation's underground coal mines; that there are a number of survivors of coal miners whose deaths were due to this disease; and that few States provide benefits for death or disability due to this disease to coal miners or their surviving dependents." While Federal respirable dust control standards and advances in dust suppression technology have helped to reduce the prevalence of occupational black lung disease, it remains a problem. There are anecdotal data suggesting that State coverage of black lung disease remains inadequate.

Evidence: The prevalence of pneumoconiosis, as measured by Federal data, declined significantly from 1970 to 1995. More recent data suggest a continued decline for underground miners with over 20 years of experience, but no clear trend for others. 1995-2002 data yielded a crude prevalence of 2.8%, but low participation by contract miners and miners at small operations suggest this may be an underestimate. In FY 2002, the program received about 8,060 new claims and had 117 thousand beneficiaries (including 65 thousand beneficiaries under Part B and 52 thousand under Part C). [Sources: The Federal Coal Mine Health and Safety Act of 1969, as amended; U.S. Centers for Disease Control and Prevention, "Pneumoconiosis Prevalence Among Working Coal Miners Examined in Federal Chest Radiograph Surveillance Programs--United States, 1996-2002," Morbidity and Mortality Weekly Report, No 52 (15), pp. 336-340.]

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Program: Black Lung Benefits Program
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1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight 20%

Explanation: The program was established because State workers' compensation rarely assisted victims of black lung disease. Today very few individuals receiving Federal Black Lung benefits also receive state workers' compensation benefits. In cases where an individual receives both State and Federal benefits, the Federal benefit is reduced by the full amount of the State benefit. The Act permits states to petition for exemption from the Federal program, if they have a program that meets or exceeds the Federal benefit standards. No state has ever applied (although there is no incentive for them to do so). DOL and Social Security Administration (SSA) have taken steps to eliminate duplication of effort within the program itself. Social Security Disability Insurance benefits are reduced by the full amount of Black Lung benefits.

Evidence: According to program data as of April 30, 2003, only 8.3% of the miners entitled to benefits under Part C of the Act also received state workers' compensation benefits. Only 1.7% of disabled miners' widows receive such benefits. Program data suggest that most Black Lung do not seek state benefits: of 206 claimants filing between 6/5/03 and 6/13/03, only 40% had filed a State claim. Based on estimates provided in February 2003 by SSA, only about 600 Part C Black Lung beneficiaries (out of approximately 50,000) are eligible for DI. SSA has responsibility for Part B of the Act, which governs claims filed on or before December 31, 1973; and DOL has responsibility for Part C, which governs subsequent claims. Since 1997, DOL has managed Part B claims on SSA's behalf. Administration-proposed legislation to unify program responsibility in DOL was enacted (P.L. 107-275) and will be implemented by the first quarter of FY 2004.

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight 20%

Explanation: The Black Lung Trust Fund has a large and mounting debt dating back to the Trust Fund's early years, when excise taxes were inadequate to fund the program and DOL had to borrow from the General Fund to cover the shortfall. Congress subsequently changed the program and since then tax revenues have generally covered program costs, but the interest payments have grown and now exceed Part C benefit and administrative costs. (The FY 2005 Budget includes a proposal to refinance, and ultimately retire, the Trust Fund debt.)

Evidence: At the end of FY 2003, the Black Lung Disability Trust Fund had an outstanding debt of \$8.2 billion. FY 2003 Part C costs were distributed as follows: \$367 million for benefits, \$55 million for administration, and \$621 million for interest on Treasury advances.

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1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%

Explanation: OWCP has achieved a relatively low erroneous payment rate for the program (less than 2%), although the FY 2003 overpayment rate is higher than the prior year (when it was less than 1%). Under Part C, 30% of overpayments stem from the statute's unique interim benefits provision, which requires the payment of benefits after an initial OWCP determination of eligibility (versus after resolution of appeals). Congress added interim benefits to provide some monetary relief to typically low-income claimants while their claim was going through the appeals process. If the claimant is ultimately found ineligible, OWCP seeks repayment (but has waiver authority in certain cases, such as economic hardship). DOL recovers about one-third of these costs. To control erroneous payments, the national office collects and tracks monthly data from the nine district offices and conducts bi-yearly accountability reviews that assess district office performance. The program conducts routine audits to identify claimants who die, and dependents who reach age 18 and students who may no longer be eligible for benefits (common sources of erroneous payments).

Evidence: In FY 2003, Parts B and C overpayments represented 1.7% (\$13.7 million) of benefits paid (OWCP/Division of Coal Mine Workers' Compensation, overpayment summary report as of 9/30/2003). Part C overpayments were \$8.1 million, of which 30% (\$2.4 million) were overpayments stemming from interim benefits.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 12%

Explanation: The program currently has one long-term GPRA output goal: by FY 2008, to increase the percentage of Black Lung benefit claims for which, following an eligibility decision by the division director, there are no requests for further action from any party pending one year after receipt of the claim. Beginning in FY 2004, the program will add a second long-term goal of reducing the average time for OWCP to make a claims decision. While output goals, they meaningfully reflect OWCP's overarching strategic goal (minimizing the social, human, and economic impact of occupational injury and disease) and the purpose of the program (to provide benefits). Averting resource-intensive appeals and speeding claims processing both serve to minimize the hardship imposed by black lung disease. The program also plans to add, beginning in FY 2005, a third goal of keeping the rate of change in Black Lung medical costs at or below the nationwide comparable trend.

Evidence: DOL FY 2003-2008 Strategic Plan (http://www.dol.gov/_sec/stratplan/main.htm; see outcome goal 2.2), FY 2005 Budget documents.

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2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight:12%

Explanation: The FY 2008 goal is to increase by 10 percentage points over baseline (66.5%) the percentage of benefit claims for which there are no requests for further action from any party pending one year after receipt of the claim. In FY 2002, the program realized an improvement of 23.4 percentage points (89.9% of claims had no requests for further action)--well above the FY 2008 target. Circumstances during this period (see adjacent column) suggest that the FY 2002 performance level was artificially high, and that future performance levels will drop as claims return to normalcy. The program will monitor actual performance in FY 2003 and adjust this long-term goal as necessary to ensure that it is challenging. The program has added a second long-term goal: to reduce to 300 days the average time for OWCP to make a claims decision. (Currently it takes an average of 455 days from filing to a proposed decision.)

Evidence: Circumstances suggest that the FY 2002 performance level is an anomaly. In January 2001, revised program regulations became effective. Because many claimants believed these regulations would liberalize eligibility, the program received a large volume of new claims--8,988 in FY 2001 and 8,060 in FY 2002 (compared to 6,351 in 2000). When claimants realized the eligibility criteria had not changed, those with manifestly futile claims withdrew them. This contributed to a high number of withdrawals (1,495 in 2002), which inflated the number of claims without further action pending after one year. In addition, there was a judicial stay for half of FY 2001, which prevented all claims adjudication activity. (Department of Labor FY 2003-FY 2008 Strategic Plan.)

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight:12%

Explanation: The program has established annual goals that demonstrate progress toward its single GPRA goal of reducing the percentage of claims with requests for action pending one year after filing. The program also has numerous management goals (e.g., measuring the share of specific actions, such as conversion of survivor benefits, completed within target timeframes) that it uses to measure district and overall case processing performance.

Evidence: The FY 2005 goals are to: (1) increase to by 73.5% (one percentage point above the FY 2004 target) the percentage of Black Lung benefit claims for which, following an eligibility decision by the district director, there are no requests for further action from any party pending one year after receipt of the claim; (2) reduce to 315 days the average time for OWCP to render a claims decision (a 2% reduction from the FY 2004 target); and (3) keep the medical cost trend within the comparable nationwide medical cost trend. (Sources: DOL FY 2003-FY 2008 Strategic Plan, Division of Coal Mine Workers' Compensation FY 2003 Operational Plan, FY 2005 Budget documents.)

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight:12%

Explanation: Baselines have been established for the current GPRA goal and the new claims processing goal. Targets and baseline for the medical cost containment goals are to be determined--OWCP is seeking a medical cost index to use as a point of comparison. Program managers review the program's performance against GPRA and management goals to ensure they remain appropriate given program performance.

Evidence: The FY 2005 goal is to increase by 7% over the FY 2001 baseline the percentage of Black Lung benefit claims for which, following an eligibility decision by the district director, there are no requests for further action from any party pending one year after receipt of the claim. FY 2001 baseline is 66.5%. Additional claims processing goal for FY 2005 is to render proposed decision on a Black Lung benefits claims within an average of 315 days. (In the second quarter of FY 2003, the average processing time was 455 days--partially a function of the backlog that developed during the court-ordered stay.)

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2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NO Question Weight:12%

Explanation: The Office of the Administrative Law Judge, Benefits Review Board, and Solicitor play critical roles in resolving Black Lung claims (and account for over 40% of the program's administrative costs), but (with the exception of BRB) have not set performance goals and should be required by the Department to do so. The ALJ and BRB have workload measures, but only the BRB has set performance goals for processing Black Lung claims. The Solicitor has no performance standards or measures. The program has no authority to impose performance goals on its external partners - UMWA Health and Retirement Funds, SSA, and the state workers' compensation programs - but has mechanisms to monitor and document performance. In the case of SSA and UMWA, OWCP establishes activity expectations in memoranda of understanding and similar documents and requires parties to report on their activities. In the case of States (which receive no Black Lung funding) the program has no ability to impose performance goals.

Evidence: The Benefits Review Board has set goals of issuing decisions within one year, issuing reconsideration decisions within 6 months, and issuing decisions on attorneys' fees within 3 months. The Office of the Administrative Law Judge has no internal performance standards, but has a general goal of reducing the Black Lung backlog (1,259 cases at the end of FY 2002). SSA accepts claims under Part C of the program on behalf of DOL and is reimbursed for these services. SSA provides a quarterly statement detailing their activities. Similarly, the United Mine Workers Association (UMWA) Health and Retirement Funds is reimbursed by DOL for medical services provided to Black Lung beneficiaries. UMWA provides a detailed accounting of their activities and OWCP performs audits at least yearly and in response to particular issues to ensure the integrity of the process.

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight:12%

Explanation: In 2001 the program participated in the University of Michigan's American Customer Satisfaction Index survey. The DOL CIO recently conducted a comprehensive review of the program's IT system to ensure alignment with program mission, strategic goals, the e-government initiative, and relevant laws and directives, the results of which are pending. In 2002, DOL hired a contractor to evaluate the effectiveness of pulmonary rehabilitation services reimbursed by the program. The DOL and SSA Inspectors General performed two audits (1999 and 2000) of DOL's Part B activities on behalf of SSA. The program pays more than \$700 million in benefits annually. Given this, and the program's fiduciary responsibility for the Black Lung Disability Trust Fund, financial management is a significant portion of the program's activities. Accordingly, the annual OIG financial audits represent an evaluation of a major component of program operations. Audit findings are used to improve program performance and effectiveness.

Evidence: OIG audits, American Customer Satisfaction Index (University of Michigan), December 17, 2001; CIO review scorecard (results pending), DOL OIG, "Review of Cost and Fraud Controls and Allowances for Home Oxygen in the Federal Black Lung Program," Report 2E-04-433-0001 (October 27, 1999); OIG Audit 17-99-008-04-433: "A Joint Assessment of the MOU Between SSA and DOL/ESA's Division of Coal Mine Workers' Compensation Program on Handling Part B Black Lung Claims" (1999); OIG Audit 17-00-009-04-433: "Second Annual Audit of the MOU Between SSA and DOL/ESA/DCMWC's Program on Handling Part B Black Lung Claims" (2000).

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2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight:12%

Explanation: Like the rest of DOL, OWCP does not have an integrated accounting and performance management system to identify the full cost of achieving this program's performance goals and support day-to-day operations. While the program's budget requests are aligned with the program's strategic and operational goals, they are not based on what is needed to attain specific levels of performance. The FY 2004 Budget for the Black Lung program identified all benefit costs and direct and indirect administrative resources for program activities for FY 2004. Benefit funding trends and the impact of legislative changes on mandatory (benefit) funding are estimated using existing cost models, which an Office of the Inspector General (OIG) actuary reviews on an annual basis.

Evidence: FY 2004 Department of Labor Congressional Justification.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:12%

Explanation: The program has added claims processing time and medical cost containment goals, and will begin measuring performance against these goals in FY 2005. DOL is in the process of implementing a managerial cost accounting system. In FY 2005, OWCP will contract with an independent entity to conduct a comprehensive review of the Black Lung program to examine how well the program is accomplishing its mission and meeting its long-term goals. DOL will also ensure that OALJ, BRB, and the Solicitor set ambitious goals that contribute to timely Black Lung claims processing, and report on performance against those goals.

Evidence: The program's new goals are to reduce to 300 days the average time for OWCP to make a claims decision, and keep Black Lung medical cost trends within the trend for comparable populations (comparable trend is to be determined).

PART Performance Measurements

Program: Black Lung Benefits Program
Agency: Department of Labor
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Type(s): Direct Federal

Section Scores				Rating
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3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight:14%

Explanation: Every fiscal year OWCP develops operational plans that establish performance standards for each of the district offices, and throughout the year collects and evaluates information measuring performance against these standards. National office managers weekly review key data, such as progress in eliminating claims backlogs, and make adjustments to ensure that goals are met and make adjustments as necessary. Quarterly meetings are held with district offices to their evaluate performance and to initiate corrective actions where necessary. In addition, more detailed accountability reviews of district offices are conducted every other year. Accountability reviews assess performance against 18 quality and timeliness elements, based on a randomly selected sample of cases. The national office also applies a weighted formula to workload projections to determine how to allocate staff among the regional offices. OWCP requires some of its external partners (SSA and the United Mine Workers Association (UMWA)) to report on their activities and works with them to resolve any performance issues.

Evidence: As problems are identified actions are taken to ensure the appropriate distribution of resources to meet performance goals. For example, in May 2003 OWCP noted that the Parkersburg office had a large volume of claims relative to staff, and that processing time was increasing. To address this, OWCP transferred 165 cases from Parkersburg to Johnstown, which did not have as large a backlog of cases. Within six weeks the Johnstown office had dramatically reduced this inherited backlog. UMWA's Health and Retirement Funds, which is reimbursed by DOL for medical services provided to some Black Lung beneficiaries, provides a detailed accounting of its activities to allow DOL to determine whether they are appropriate Black Lung program costs. OWCP performs audits at least yearly and in response to particular issues.

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: NO Question Weight:14%

Explanation: The Office of the Administrative Law Judge, Benefits Review Board, and Solicitor--which play critical roles in resolving Black Lung claims (and receive over 40% of Black Lung administrative funds)--have workload measures, but only the BRB has set performance goals. OWCP has no authority to impose performance goals on non-DOL partners, but specifies the types of services to be performed in memoranda of understanding and similar documents, and requires parties to report on their activities. The program has a performance-based IT contract, according to which the contractor is held accountable for cost, schedule and performance results. The contractor must submit a monthly report that details performance on numerous factors. Program staff review this report and other data to ensure compliance. DOL ties performance ratings for managers and supervisors to the achievement of Departmental and program-specific goals and outcomes; employees are aligned on a fiscal year cycle to help cascade standards to non-supervisory personnel, and a system accountability review is planned for 2004.

Evidence: Revised Performance Management Plans for Senior Executives (Form DL 1-2059, Rev. 10/2001) and for Supervisors and Managers (Form DL 1-382, Rev. 10/2001); briefings by DOL staff; and DOL goals supporting the Human Capital Initiative of the President's Management Agenda. [Answer was re-ordered to put OALJ/BRB/SOL discussion first.]

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3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight:14%

Explanation: Salaries and expenses funding is obligated in a timely manner, and according to the OWCP spending plan. OWCP monthly monitors status of spending against the plan. An actuarial model, reviewed on an annual basis by OIG, is used to project benefit outlays. The program has a low level of erroneous payments--in FY 2003 data, Parts B and C overpayments represented 1.7% (\$13.7 million) of benefits paid.

Evidence: OWCP/Division of Coal Mine Workers' Compensation, overpayment summary report as of 9/30/2002.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight:14%

Explanation: The Black Lung program has no cost effectiveness goals, but has added a goal of reducing the average claims processing time and has committed to tracking and reporting in the Budget productivity data (specifically output-per-FTE) data. In addition, program managers numerous management goals and track district office case processing performance against them. For example, as part of its FY 2003 operational plan, the program has established overall performance goals (and district office goals that contribute to them): (1) to issue a schedule for the submission of additional evidence (SSAE) within 180 days from filing, (2) issue a proposed decision and order within an average of 140 days after SSAE; and (3) process 98% of Part B maintenance actions within 30 days. The program establishes targets each year.

Evidence: For example, a decision to integrate program networks with the common ESA platform in FY 2002 resulted in a bottom line reduction of \$700,000 in projected system expenditures, based on economies of scale, from FY 2002 to FY 2003. Division of Coal Mine Workers' Compensation, FY 2003 Operational Plan.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight:14%

Explanation: OWCP has cultivated a close working relationship with SSA, which shares statutory responsibility for the Black Lung program. SSA has responsibility for Part B of the Act, which governs claims filed on or before December 31, 1973; and DOL has responsibility for Part C, which governs subsequent claims. Since 1997, DOL has managed Part B claims on SSA's behalf under a reimbursable agreement. Legislation to unify program responsibility in DOL was enacted (P.L. 107-275) and will be implemented by the first quarter of FY 2004. OWCP and SSA share claims data (e.g., benefit payments, death reports) to prevent duplicate and erroneous payments. The program also works with managers of the United Mine Workers of America (UMWA) Health and Retirement Fund, which the Black Lung program reimburses for appropriate medical payments to certain miners. OWCP also consults with States before paying claims to ensure that there are no State benefits (which would reduce the Federal benefit).

Evidence: Agreement between DOL and the UMWA Health and Retirement Funds for the Reimbursement of Qualified Medical Expenses paid to Miners Eligible for benefits under the Black Lung Benefits Act (originally signed in 1980 and modified as necessary); DOL and SSA--Agreement Covering Reimbursable Services: Request for Duplication of the Death Master File (VDMAS); DOL and SSA--Agreement Covering Reimbursable Services: Taking miners and survivors claims for Black Lung Benefits under DOL jurisdiction and searching earnings records for coal miner employment.

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3.6 Does the program use strong financial management practices? Answer: YES Question Weight:14%

Explanation: The most recent audit of the Department of Labor (FY 2002) revealed no material or reportable weaknesses pertaining to the Black Lung program. The Black Lung accounting system substantially complies with Federal accounting requirements (the exception is managerial cost accounting). To control erroneous payments, the national office collects and tracks monthly data from the nine district offices and conducts bi-yearly accountability reviews that assess district office performance. The program conducts routine audits to identify claimants who die, and dependents who reach age 18 and students who may no longer be eligible for benefits (common sources of erroneous payments). The program has a low rate of erroneous payments (less than 2%).

Evidence: In FY 2003, Parts B and C overpayments represented 1.7% (\$13.7 million) of benefits paid (OWCP/Division of Coal Mine Workers' Compensation, overpayment summary report as of 9/30/2003). See also the Department of Labor's FY 2003 Report on Performance and Accountability.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight:14%

Explanation: The program has added a long-term goal of reducing to 300 days the average time for OWCP to make a claims decision (the current average is 455 days). The program has also agreed to track and provide in the Budget output-per-FTE data to demonstrate efficiency and productivity improvements from year to year. DOL will also ensure that OALJ, BRB, and the Solicitor set ambitious goals that contribute to timely Black Lung claims processing, and report on performance against those goals.

Evidence:

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: SMALL EXTENT Question Weight:20%

Explanation: Because the program's goals are new, there are limited data upon which to judge progress toward the long-term goals. The first year of performance data for increasing the percentage of claims without requests for further action at one year showed performance well beyond the FY 2008 targeted level and a promising trend. However, circumstances suggest that the FY 2002 level is artificially high (see response to question 2.2, evidence/data), and that the percentage will drop in subsequent years. The claims processing and medical cost trend goals are new for FY 2005, so progress against them cannot be judged. The program had no prior GPRA goals. The ALJ, BRB, and Solicitor do not have long-term goals, so progress against them cannot be evaluated.

Evidence: For FY 2002, 89.9% of claims had no requests for further action after one year (versus the FY 2002 goal of 68.5% and the FY 2008 goal of 76.5%).

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4.2 Does the program (including program partners) achieve its annual performance goals? Answer: **LARGE EXTENT** Question Weight **20%**

Explanation: The first year of performance data for increasing the percentage of claims without requests for further action at one year showed performance well beyond the FY 2002 targeted level. However, circumstances suggest the performance level is artificially high (see response to question 2.2, evidence/data). The claims processing and medical cost trend goals are new for FY 2005, so progress against them cannot be judged. The program had no prior GPRAs goals. Some ALJ and BRB workload data are available and indicate progress in claims processing (although the ALJ does not have performance goals and no data were available to track performance against BRB goals). The Solicitor has not committed to performance goals.

Evidence: For FY 2002, 89.9% of claims had no requests for further action after one year (versus the FY 2002 goal of 68.5%). OWCP has reduced its aged SSAE inventories from 1096 to 530 and PDO inventories from 787 to 341 during FY 2003 (through June 13, 2003), indicating progress in terms of claims processing timeliness. From FY 2001 to FY 2002, the ALJ reduced the number of Black Lung claims pending at the end of the year, from 1417 to 1259, and the backlog from 14 months to 12 months.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: **YES** Question Weight **20%**

Explanation: The program has no cost-effectiveness performance goals, but has provided data that shows some efficiency improvements over time and will begin tracking and reporting these data in the Budget. The program has also agreed to add a performance goal pertaining to OWCP's average claims processing time. Current management goals assess the share of claims processed in a timely manner (and show a consistently high percentage of claims actions meeting the targeted time frames).

Evidence: From FY 2001 to FY 2003 (Q1 and Q2), adjudications per FTE increased from 16 to almost 38 (2001 was affected by the judicial stay). During the same period, claims managed per FTE dropped from 598 to 496. The number of claims managed per FTE, which increased dramatically (to 710) when DOL in 1998 assumed responsibility for SSA Part B claims, has declined since then (a factor of declining caseloads). Number of schedules for submission of additional evidence (a new work product under the revised regulations) per FTE increased from 37 to 39 from 2002 to 2003. "YES" is contingent on agreement to report productivity data, as per 3.4.

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: **SMALL EXTENT** Question Weight **20%**

Explanation: In FY 2001 OWCP participated in the University of Michigan's American Customer Satisfaction Index, which assesses programs government-wide based on customer surveys. Based on feedback from a subset of Black Lung program Part B beneficiaries, the program received an index score of 93--higher than the national average for private and public-sector entities providing goods and services, and the highest score among benefit programs. No data are available to compare the program's outputs, outcomes, cost-effectiveness, or efficiency with those of other similar programs.

Evidence: University of Michigan Business School, American Society for Quality, "American Customer Satisfaction Index: Report on Employment Standards Administration Division of Coal Miners Compensation (ESA)", May 2001.

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4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: **LARGE EXTENT** Question Weight **20%**

Explanation: Two joint DOL/SSA Office of the Inspector General audits (1999 and 2000) concluded that DOL was providing "high quality services" in processing Part B claims on SSA's behalf, and recommended the transfer of the program to DOL. In 2001, the Black Lung program received an American Customer Satisfaction Index score of 93, the highest score among benefit programs. The final report on the effectiveness of Black Lung-reimbursed pulmonary rehabilitation services is expected shortly (difficulties in assembling data delayed and limited the scope and generalizability of the study).

Evidence: University of Michigan Business School, American Society for Quality, "American Customer Satisfaction Index: Report on Employment Standards Administration Division of Coal Miners Compensation (ESA)", May 2001; OIG Audit 17-99-008-04-433: "A Joint Assessment of the MOU Between SSA and DOL/ESA's Division of Coal Mine Workers' Compensation Program on Handling Part B Black Lung Claims" (1999); OIG Audit 17-00-009-04-433: "Second Annual Audit of the MOU Between SSA and DOL/ESA/DCMWC's Program on Handling Part B Black Lung Claims" (2000); OCIO ASP Review (04/2003); OIG Consolidated financial Statement Audits.

PART Performance Measurements

Program: Black Lung Benefits Program
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	75%	86%	60%	Effective

Measure: Percentage of Black Lung benefit claims decided under the revised regulations where there are no requests for further action from any party pending one year after receipt of claim.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2001		66.5	
2002	68.5	89.9	
2003	70.5	86.6	
2004	72.5		
2005	73.5		
2006	74.5		
2007	75.5		
2008	76.5		

Measure: Average number of days for the Office of Workers' Compensation Programs to render a decision on a claim for Black Lung benefits.

Additional Information: Purpose is to reduce the time (in days) it takes for OWCP to render a proposed decision and order on a Black Lung benefits claim.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term (Efficiency Measure)
2004	320	323	
2005	315		
2006	310		
2007	305		

PART Performance Measurements

Program: Black Lung Benefits Program
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	75%	86%	60%	Effective

2008 300

Measure: Percentage increase in Black Lung medical costs from the previous year is less than the comparable national index. (Measure under development.)

Additional Information: Purpose is to keep the rate of change in Black Lung medical costs at or below the nationwide comparable trend.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2005			

PART Performance Measurements

Program: Bureau of Labor Statistics
Agency: Department of Labor
Bureau: Bureau of Labor Statistics (BLS)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	75%	100%	80%	

1.1 Is the program purpose clear?

Answer: YES Question Weight20%

Explanation: Clear focus on labor-related data gathering and analysis. BLS must produce impartial, objective, and accurate data on employment and unemployment, price change, compensation, safety and health, productivity, and economic growth.

Evidence: Authorizing law: 29 USC Secs. 1-9. GPRA document: <http://www.bls.gov/bls/blsplan00.htm>. FY 2005 BLS budget submission.

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES Question Weight20%

Explanation: Much of BLS data represents a national-level, pure public good -- essential to develop macro-economic policy -- which will not be provided in the market because revenue for dissemination cannot defray the cost of data collection.

Evidence: In Statistical Policy Directive #3, OMB designates seven BLS series as Principal Federal Economic Indicators, subject to the directive's government-wide requirements. General lack of competition in providing BLS-like data. Paul A. Samuelson, "The Foundations of Economic Analysis."

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES Question Weight20%

Explanation: BLS is virtually the only organization collecting labor-related data nationwide. Rare competing data sources -- resulting data has little redundancy. The newly enacted data sharing law will allow BLS and Census to share business data which should further reduce redundancy. The Bureau of Economic Analysis (BEA) does very little of its own data collection. With rare exceptions, BLS data are reliable, consistent, produced efficiently, and (so far as is known), accurate, although definitions and coverage may lag behind economic change.

Evidence: The OMB designation of seven BLS series as Principal Economic Indicators, subject to government-wide requirements. Lack of competing data sources. Professional economic and statistical literature, e.g., National Research Council, "Principles & Practices for a Federal Statistical Agency," 2nd ed., 2001.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?

Answer: YES Question Weight20%

Explanation: No evidence that any other mechanism for data collection would be more effective.

Evidence: National Research Council, "Principles & Practices for a Federal Statistical Agency," 2nd ed., 2001.

PART Performance Measurements

Program: Bureau of Labor Statistics
Agency: Department of Labor
Bureau: Bureau of Labor Statistics (BLS)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	75%	100%	80%	

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight: 20%

Explanation: A mixed situation that meets the standard for "yes." BLS has made good progress in focusing its efforts toward improving its price data and increasing service-sector coverage. Still (and granted the need for due continuity in statistical time series), the agency has sometimes been slow to serve the new users interested in data on new and growing industries, occupations, and geographic areas. That is because it can be slow to reallocate resources from old to new industries, etc. and also from one survey to another. For example, a key table of the monthly employment gives the goods sector (e.g., mining, manufacturing) nine times the per-employee disaggregation of the service sector. Also, a March 2000 report to the Workforce Information Council recommended comprehensively rethinking the five layoff-related data sources, but there is little sign thus far of such agency action.

Evidence: National Research Council, "At What Price? Conceptualizing and Measuring Cost-of-Living and Price Indexes," 2002. Evaluation of employment data by the American Statistical Association, 1993. Disaggregation of employment data: <http://www.bls.gov/news.release/pdf/empsit.pdf> for 7/03, Table B-3. "Layoff-Related Data Sets," a working group report to the Workforce Information Council (www.workforceinfocouncil.org).

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 12%

Explanation: Working with DOL, BLS has made considerable progress since last year in limiting the number of long-term performance measures and adding an efficiency measure for one survey. Adding long-term and annual measures, BLS has reduced the length of the list from 56 pages to one, and from about 360 measures to eight. Moreover, despite outcome measures ordinarily being difficult for statistical agencies, BLS includes customer satisfaction.

Evidence: Draft of performance table for FY 05 Budget and other GPRA materials. Comparison with those of other statistical agencies. National Research Council, "Principles and Practices for a Federal Statistical Agency," 2nd ed., 2001. [Federal] Interagency Council on Statistical Policy (ICSP), "Guidelines on Reporting the Performance of Statistical Agencies," 2000. GAO, "Statistical Agencies: Adherence to Guidelines" 1995. The preceding three reports provide principles for many of the performance concepts that BLS uses.

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight: 12%

Explanation: A mixed situation that does not yet meet the standard for "yes." Often, targets reflect the design of surveys and information systems, rather than program performance. As a result some targets and measures do not necessarily reflect continual improvement. However, some of the projects referred to are ambitious -- even bold.

Evidence: See above. FY 04 Congressional Budget Justification.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 12%

Explanation: As mentioned, BLS has drastically limited its count of performance measures, as one step in achieving greater transparency.

Evidence: See 2.1 .

PART Performance Measurements

Program: Bureau of Labor Statistics
Agency: Department of Labor
Bureau: Bureau of Labor Statistics (BLS)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	75%	100%	80%	

- | | | | |
|---|--|-------------|---------------------|
| 2.4 | Does the program have baselines and ambitious targets for its annual measures? | Answer: YES | Question Weight:12% |
| Explanation: BLS has made considerable improvement since last year toward setting ambitious annual targets. | | | |
| Evidence: See 2.1 . | | | |
| 2.5 | Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? | Answer: YES | Question Weight:12% |
| Explanation: Contracts with State agencies specify deliverables and data quality. Program partners are monitored. | | | |
| Evidence: For example, LMI Memo S-02-4, "2003 Labor Market Information Cooperative Agreement," May 14, 2002. | | | |
| 2.6 | Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? | Answer: YES | Question Weight:12% |
| Explanation: Many of the evaluations -- often initiated by BLS -- are totally independent and of extremely high quality. Many evaluations are sparked by research discoveries of data problems (often, through BLS research) and/or by changed economic circumstances highlighting data deficiencies -- these represent evaluations based on the needs of the program. The evaluations have frequently led to program improvements. | | | |
| Evidence: Boskin Commission on the consumer price index (M.J. Boskin et al., "Final Report on the Advisory Commission to Study the Consumer Price Index," GPO, 1996) and followups, such as BLS-commissioned study by the National Research Council ("At What Price? Conceptualizing and Measuring Cost-of-Living and Price Indexes," 2002). Evaluation of employment data by the American Statistical Association, 1993. | | | |
| 2.7 | Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? | Answer: NO | Question Weight:12% |
| Explanation: Despite improvement, does not yet meet the standards for "yes." Although the FY 2005 budget submission does relate a few numerical performance measures to the overall resource level, the presentation is neither complete nor transparent. Most of the submission uses the qualitative and non-transparent performance level of "produce [a] full set of information." Still, BLS has served as the model for DOL's submission of an integrated performance budget that accounts for expenditures at the survey-program level. Despite the emphasis on a "full set of information" as a performance measure, the FY 2005 BLS budget submission does show how one survey's sample size, output publications, and response rate would be hurt by a budget total at what is called the allowance level. Two years ago, BLS updated its allocation of direct and indirect costs to its major surveys to show the linkage between funding and total costs, although not unit costs. | | | |
| Evidence: FY 2005 and prior BLS budget submissions. | | | |

PART Performance Measurements

Program: Bureau of Labor Statistics
Agency: Department of Labor
Bureau: Bureau of Labor Statistics (BLS)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	75%	100%	80%	

- 2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:12%
- Explanation: The agency has worked closely with DOL's Center for Program Planning and expects further program in improving transparency. e.g., by reporting what general users consider indicators of statistical accuracy, through more emphasis on non-sampling errors, such as response rates. BLS plans to include an efficiency measure in its 2005 budget.
- Evidence: FY 2004 and 2005 BLS budget submissions. GPRA document: <http://www.bls.gov/bls/blsplan00.htm>.
- 3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight:14%
- Explanation: Regular monitoring of survey partners such as State agencies is used in real time to modify procedures. Results of independent, quality, outside evaluations have been used to modify BLS practices.
- Evidence: Boskin Commission on the consumer price index (M.J. Boskin et al., "Final Report on the Advisory Commission to Study the Consumer Price Index," GPO, 1996) and followups, such as BLS-commissioned study by the National Research Council ("At What Price? Conceptualizing and Measuring Cost-of-Living and Price Indexes," 2002). Evaluation of employment data by the American Statistical Association, 1993. BLS' internal Quarterly Review and Analysis Reports.
- 3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight:14%
- Explanation: Quarterly progress reports by executives and meetings with the Commissioner. Systematic reviews of cooperative agreements with program partners. The agreements delineate deliverables, specified quality assurances, and performance standards. Also, DOL ties performance ratings for managers and supervisors to the achievement of Departmental and program-specific goals and outcomes; employees are aligned on a fiscal year cycle to help cascade standards to non-supervisory personnel, and a system accountability review is planned for 2004.
- Evidence: Quarterly Review and Analysis Reports. Revised Performance Management Plans for Senior Executives (Form DL 1-2059, Rev. 10/2001) and for Supervisors and Managers (Form DL 1-382, Rev. 10/2001); briefings by DOL staff; and DOL goals supporting the Human Capital Initiative of the President's Management Agenda.
- 3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:14%
- Explanation: There are no outstanding audit findings. The agency reviews obligations and outlays monthly. Additionally, BLS accounts for commitments. Generally accurate projection of end-of-year balances.
- Evidence: Automated BLS financial systems. Monthly status reports. Quarterly estimates and actual obligations reported in apportionments.

PART Performance Measurements

Program: Bureau of Labor Statistics
Agency: Department of Labor
Bureau: Bureau of Labor Statistics (BLS)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	75%	100%	80%	

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight:14%

Explanation: A mixed situation that satisfies the standard for "yes." BLS has a detailed and timely internal accounting system. It awarded a major survey contract through competition and uses competition for its labor hours contracts, as well as non-Federal contracts, such as contracts for supermarket-scanner data. However, there could be more use of competitive sourcing, such as through further position classification in the FAIR process.

Evidence: DOL 2001 Commercial Activities & Inherently Governmental inventories.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight:14%

Explanation: Notably, continuing reimbursable agreement with Census Bureau to collaborate on the Current Population Survey and the use of BLS data by the Bureau of Economic Analysis (BEA) to prepare, e.g., GDP estimates. Works with State agencies through the Workforce Investment Council (WIC). BLS is a member of the Interagency Council on Statistical Policy, a committee of representatives from 15 Federal agencies, which works to identify areas for collaboration.

Evidence: WIC authorized in Workforce Investment Act of 1996 (PL 105-220), Sec. 309.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight:14%

Explanation: Since 2001, the annual audits have posted "clean opinions." BLS has consistently received 3 or fewer audit findings. In April 2003, DOL rated each agency's progress on the PMA scorecard. BLS received a progress rating of "green" on the financial management initiative. Strong and detailed internal accounting system.

Evidence: DOL, "Annual Report on Performance & Accountability," various years. GPRA document: <http://www.bls.gov/bls/blsplan00.htm> & <http://www.bls.gov/bls/blsapp.htm> .

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight:14%

Explanation: Quarterly reviews of each BLS statistical program and meetings with the Commissioner. Also, the Department of Labor has recently tied its performance goals to performance ratings for managers; the new appraisal system *check is being cascaded throughout the Department.

Evidence: Revised DOL performance management plans for senior executives (Form DL1-2059, rev. 10/01) and for supervisors & managers (Form DL1-382, rev. 10/01).

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: SMALL EXTENT Question Weight:20%

Explanation: Generally good progress in achieving long-term performance goals. Targets usually met but often are not adequately ambitious yet.

Evidence: Draft of performance table for FY 05 Budget. GPRA documents: <http://www.bls.gov/bls/blsplan00.htm> & <http://www.bls.gov/bls/blsapp.htm> .

PART Performance Measurements

Program: Bureau of Labor Statistics
Agency: Department of Labor
Bureau: Bureau of Labor Statistics (BLS)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	75%	100%	80%	

4.2 Does the program (including program partners) achieve its annual performance goals?

Answer: YES

Question Weight 20%

Explanation: Targets generally met.

Evidence: See above. FY 04 Congressional Budget Justification.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?

Answer: LARGE
EXTENT

Question Weight 20%

Explanation: Increased coverage of the service sector, for example, has been achieved without an inflation-adjusted program budget increase, as was conversion of a key employment survey to probability sampling. Similarly, certain detailed employment which was previously available only annually, is now available quarterly. However, the efficiency measure is new and limited to a single survey, there has been little use of the A-76 process, routine updating is sometimes considered an "efficiency improvement," and sometimes is slow to change program operations (see, e.g., q. 1.5) or reimbursable agreements.

Evidence: Draft of performance table for FY 2005 Budget. GPRA documents: <http://www.bls.gov/bls/blsplan00.htm> & <http://www.bls.gov/bls/blsapp.htm> .

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?

Answer: YES

Question Weight 20%

Explanation: BLS releases key employment and unemployment data faster than other countries, according to the International Monetary Fund (IMF). Although this is not the case for consumer-inflation data (i.e., CPI), the U.S. is the only nation with any of the following desirable features for its consumer-inflation data: probability sampling used throughout for more representative data; combination of geometric-mean and Laspeyres formulas to show better how changes in relative prices affect the cost of living; and a "superlative" measure, also to reflect changes in relative prices. Making a different comparison, BLS' FY 2001 score of 74 on the American Customer Satisfaction Index (ACSI) -- although unpublished -- compares favorably with those of other statistical agencies that published their scores. (BLS will measure its ACSI satisfaction levels annually, starting with FY 2003.)

Evidence: IMF: <http://www.imf.org/> ; <http://dsbb.imf.org/> ; and Working Paper 96/103 at <http://www4.statcan.ca/>. ACSI: <http://www.theacsi.org/> and FY 2005 budget submission.

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: YES

Question Weight 20%

Explanation: Results of independent, quality, outside evaluations have shown effectiveness and, moreover, have been used to improve BLS practices.

Evidence: Followups to the Boskin Commission on the consumer price index, such as BLS-commissioned study by the National Research Council ("At What Price? Conceptualizing and Measuring Cost-of-Living and Price Indexes," 2002). Evaluation of employment data by the American Statistical Association, 1993.

PART Performance Measurements

Program: Bureau of Labor Statistics
Agency: Department of Labor
Bureau: Bureau of Labor Statistics (BLS)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	75%	100%	80%	

Measure: Number of data series converted from outdated to up-to-date current industrial classification system. (Baseline is zero for 2001.)

Additional Information: FY01 baseline=0, out of a total of 12 series. Strategic goal is to improve data relevance, by reflecting changes in the economy.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	1	1	
2003	4	4	
2004	8		
2005	9		
2006			

Measure: Customer satisfaction with BLS data and assistance. (Baseline is 74 for 2001. Scale is 0-100, using the American Customer Satisfaction Index.)

Additional Information: FY01 baseline=74. BLS participates in the American Customer Satisfaction Index.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2001	new	74	
2003	75+	74	
2004	75+		
2005	75+		
2006			

PART Performance Measurements

Program: Bureau of Labor Statistics
Agency: Department of Labor
Bureau: Bureau of Labor Statistics (BLS)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	75%	100%	80%	

Measure: Number of months elapsing between collection and publication of detailed employee-benefits data, with no increase in production spending. (Extensive staff editing precedes publication. Three-year publication cycle. Number of months elapsed is shown. Baseline is 24 months for 2002.)

Additional Information: FY 02 baseline=24 months. Employee Benefit Survey.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term (Efficiency Measure)
2003	6	6	
2006	5		

Measure: Percent of scheduled releases issued on time.

Additional Information: Generally, FY 97 baseline=100%. Strategic goal is to deliver data on time.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2000	100%	99%	
2001	100%	100%	
2002	100%	100%	
2003	100%		
2004	100%		

Measure: Percent of components of new system completed that reprises the Producer Price Index.

Additional Information: Strategic goal is to enhance information technology, thus reducing the likelihood of delayed release of the data.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	new		
2002	2%	2%	
2003	8%		

PART Performance Measurements

Program: Bureau of Labor Statistics
Agency: Department of Labor
Bureau: Bureau of Labor Statistics (BLS)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	75%	100%	80%	

2004 22%

2005 37%

Measure: Percentage of output of the service sector covered in the Producer Price Index (PPI)

Additional Information: The rapidly growing service sector is the predominant component of the economy. FY 97 baseline=38.8%. Targets shown are annual increases, in percentage points. The actual FY 02 level is 53.1%.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2001	3.4% points	3.4% points	
2002	5.3% points	5.3% points	
2003	0.9% points		
2004	5.1% points		
2005	16.6% points		

Measure: Cost per transaction of Internet Data Collection Facility.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004			
2005			
2006			

PART Performance Measurements

Program: Community Service Employment for Older Americans
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	57%	7%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: The program seeks to provide useful community services through temporary, part-time subsidized jobs and foster individual economic self-sufficiency through work experience and job placement in unsubsidized jobs.

Evidence: Authorizing statute (42 U.S.C. 3056d(a), as amended by P.L. 106-501).

1.2 Does the program address a specific interest, problem or need?

Answer: YES

Question Weight 20%

Explanation: CSEOA is intended to provide a source of short-term income and unsubsidized employment for low-income individuals who are 55 years old or over, the number of which is growing. The program grew out of a pilot project first funded in 1965 to employ poor, chronically unemployed adults, primarily in rural areas. In 1973 the program was refocused on older individuals.

Evidence: Between 1998 and 2008, the number of over-55 individuals is projected to grow by 46%, to 43.7 million. During the same period, the target CSEOA population is expected to grow by 27% (from 8 million to 10 million). [Fredrica Kramer and Demetra Smith Nightingale/Urban Institute, "Aging Baby Boomers in a New Workforce Development System," (Washington, DC: DOL, January 2001)].

1.3 Is the program designed to have a significant impact in addressing the interest, problem or need?

Answer: NO

Question Weight 20%

Explanation: Program impact data are limited to the rate of placement into unsubsidized employment; there are no data to show the effect of the program on a significant portion of the eligible population, or at a broader level (and relative to other factors and programs).

Evidence:

1.4 Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?

Answer: NO

Question Weight 20%

Explanation: Similar programs exist (such as the National Senior Service Corps programs, which provide stipended, part-time service opportunities for low-income seniors). The Workforce Investment Act can also serve many of the same individuals. WIA programs provide services, but historically fewer than 5% of participants are over 55. A 1995 GAO report noted duplication within the program, despite regulatory requirements for coordination with other relevant agencies. In most states, both State agencies and nonprofit national sponsors receive CSEOA funding, and there are often multiple national sponsors. There has been no mechanism to ensure coordination of effort, which has resulted in service overlap in some areas, and gaps in others. (The 2000 OAA amendments require the development of State Senior Employment Services Coordination Plans, which could fix these problems.)

Evidence: GAO, Senior Community Service Employment Program Delivery Could be Improved through Legislative and Administrative Actions (November 1995, HEHS-96-4), Program regulations at 29 CFR 89.12. Workforce Investment Act of 1998 (WIA; P.L. 105-220) Information on the National Senior Service Corps programs is accessible at <http://www.cns.gov>. When the results of the recent National SCSEP Grantee competition are made final by July 1, 2003, the number of program operators in many counties and in a few states will be reduced. Moreover, one of the amendments to the OAA called for the development of a State Senior Employment Coordination Plan that solicits involvement from all organizations interested in senior employment and could include those in the National Senior Service Corps programs. In addition this State plan addresses gaps and over -service among all SCSEP operators within a State.

PART Performance Measurements

Program: Community Service Employment for Older Americans
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	57%	7%	

1.5 Is the program optimally designed to address the interest, problem or need?

Answer: NO

Question Weight: 20%

Explanation: National program awards (about 78% of program funding) are non-competitively awarded; statute requires contractors to be held at their 2000 level of activity, which in the past has been treated as a hold harmless. The 2000 Older Americans Act (OAA) amendments anticipate competition of funding in cases where contractors repeatedly fail to perform. Broader competition could strengthen program design and service delivery. In December 2002, a broad competitive SGA was issued to compete the entire national grantee portion of the program (\$342 million and the positions of 47, 000 low income seniors). New grantees will begin operations on July 1, 2003. Draft regulations were published for comment on April 28, 2003, with the comment period ending on June 12, 2003. Regulations to implement the amendments have not yet been finalized, but are targeted to be in place in Fall 2003. If competition is introduced, and regulations implementing the 2000 OAA amendments are finalized, this answer could change to a "yes."

Evidence: Authorizing statute (42 U.S.C. 3056, as amended by P.L. 106-501). Information on the SGA is accessible at http://wdsc.doleta.gov/seniors/html_docs/OAA_SGA.htm. Draft regulations are accessible at <http://wdsc.doleta.gov/seniors/>.

2.1 Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?

Answer: YES

Question Weight: 14%

Explanation: CSEOA is part of the Job Training Common Measures initiative. Accordingly, the program has adopted four goals that will better measure the impacts of the program and allow comparisons across similar programs. DOL is implementing the common measures and will establish numerical targets over the next year. The draft regulations published on April 28, 2003, include the common measure for earnings increase. In consultation with OMB, CSEOA plans to include the common measures for entered employment and retention as reporting items until the OAA is amended to accommodate these common measures. For PY 2003 - 2004, CSEOA has also set a target for 37% of participants to be placed in unsubsidized jobs, which is higher than any previous program achievement level. DOL will negotiate grantee performance levels for PY03 individually to encourage grantee organizations to focus on performance. The FY04 performance budget also establishes the CSEOA goal: increase the employment, retention, and earnings of individuals participating in the Senior Community Service Employment Program.

Evidence: Information on performance indicators is available in Volume 1 of FY 2004 Budget Justifications for Appropriation Estimates for Committee on Appropriations. Draft regulations and information on the common measures are accessible at <http://wdsc.doleta.gov/seniors/>.

PART Performance Measurements

Program: Community Service Employment for Older Americans
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	57%	7%	

2.2 Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals? Answer: YES Question Weight:14%

Explanation: CSEOA is part of the Job Training Common Measures initiative. Accordingly, the program has adopted four specific long-term goals that will better measure the impacts of the program and allow comparisons across similar programs. DOL is implementing the common measures and will establish numerical targets over the next year. The draft regulations published on April 28, 2003, include the common measure for earnings increase. In consultation with OMB, CSEOA plans to include the common measures for entered employment and retention as reporting items until the OAA is amended to accommodate these common measures. For PY 2003 - 2004, CSEOA has also set a target for 37% of participants to be placed in unsubsidized jobs, which is higher than any previous program achievement level, and which ties to the strategic goal. DOL will negotiate grantee performance levels individually for PY03.

Evidence: The OAA amendments mandate the establishment of certain performance goals, including placement and retention in unsubsidized employment, number of persons served, community services provided, customer satisfaction, and any other appropriate measures. Information on performance indicators is available in Volume 1 of FY 2004 Budget Justifications for Appropriation Estimates for Committee on Appropriations. Draft regulations and information on the common measures are accessible at <http://wdsc.doleta.gov/seniors/>. A preliminary paper work reduction package has been shared with OMB and substantial refinements to it are being developed.

2.3 Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program? Answer: YES Question Weight:14%

Explanation: Grantees must commit to program goals as a condition of their grant award, and the majority of grantees exceed the national goals by substantial amounts. To address under-performance, DOL negotiates corrective action plans with grantees, develops and releases lists of grantees ranked by their unsubsidized placement rate and their participation rate, and holds training to help grantees improve their performance. Historically, there have been no funding consequences for poor performance. The OAA amendments strengthen accountability by mandating numerous performance indicators and requiring recipients to be assessed against, and held accountable for, their performance in these areas. Draft regulations were published on April 28, 2003, and grantees may make comments on them and the proposed performance measures. Additional guidance on the performance measures and the indicators will be published separately in the Federal Register for comment. DOL also expects to provide grantees with software and training that will assist them in reporting.

Evidence: Older Americans Act of 2000 (P.L. 106-501). Draft regulations and information on the common measures are accessible at <http://wdsc.doleta.gov/seniors/>.

2.4 Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives? Answer: NO Question Weight:14%

Explanation: WIA requires CSEOA coordination with Workforce Investment Act programs (it is a mandatory One-Stop partner under the law), although there is no evidence of effective collaboration. Program has an interagency agreement with HHS' Administration on Aging. However, the program has not collaborated with the Corporation for National and Community Services' Senior Service Corps programs.

Evidence: WIA Section 121(b) (1) (B) (vi). GAO reports that the CSEOA offers special services to older workers, and is accessible to these individuals through the One Stop system. Seventy-eight percent of the local area respondents to a GAO survey said that CSEOA staff were located in One-Stop Centers. (GAO-03-350 page 22).

PART Performance Measurements

Program: Community Service Employment for Older Americans
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	57%	7%	

2.5 Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness? Answer: NO Question Weight:14%

Explanation: A comprehensive study of CSEOA has not been done since 1986. There have been more focused independent evaluations done since then--the last such assessments were in 1995 (GAO) and 1996 (Urban Institute). No impact or outcome evaluations of this program are financed under the long-term research plan. However, DOL has developed a revised evaluation plan that will establish a regular cycle of evaluation for all major job training and employment programs, including CSEOA.

Evidence: Urban Institute (Nancy Pindus and Pamela Holcomb), Analysis of the Impacts of Proposed Legislative Changes in the Senior Community Service Employment Program (March 1996); GAO, Senior Community Service Employment Program Delivery Could be Improved through Legislative and Administrative Actions (November 1995, HEHS-96-4).

2.6 Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known? Answer: NO Question Weight:14%

Explanation: Program funding is linked to outputs, rather than outcomes. Cost per "slot" (unit cost), which is the estimated annualized cost of administrative expenses plus an enrollee's wages, benefits, training, and incidental expenses is divided by the appropriation to arrive at the targeted number of enrollees. Federal administrative costs are not shown alongside programmatic costs; they are carried in ETA's Program Administration budget. In preparing its FY 2004 submission, DOL moved closer to providing full program costing and began to integrate performance goals with budget information. However, this program performance and cost integration does not yet permit measurement of the full costs of each program or an assessment of the impact of budget levels on performance outcomes.

Evidence: In the FY 2004 budget, DOL intends to provide full program costing and integrate performance goals with budget information. This program performance and cost integration needs to permit measurement of the full costs of each program and an assessment of the impact of budget levels on performance outcomes.

2.7 Has the program taken meaningful steps to address its strategic planning deficiencies? Answer: YES Question Weight:14%

Explanation: DOL published draft regulations on April 28, 2003. Among other things, the regulations will establish new performance indicators and sanctions for the program. DOL is also preparing a new reporting system for CSEOA to capture performance information.

Evidence: Draft regulations are accessible at <http://wdsc.doleta.gov/seniors/>.

PART Performance Measurements

Program: Community Service Employment for Older Americans
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	57%	7%	

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight:14%

Explanation: ETA gathers from funding recipients various data, including enrollment, placements and placement rate, types of services, and enrollee characteristics. ETA has taken steps to improve data validation, working with a contractor to set up new reporting systems. Based on the information it collects, ETA determines the need for corrective actions or technical assistance (although historically, low performers have continued to receive awards every year without funding consequences). ETA is strengthening its efforts to improve performance by conducting technical assistance to help grantees--particularly those with low placement rates--boost their unsubsidized placement rate (the goal for which has been raised for PY 2002 - 2004).

Evidence: DOL's Annual Report on Performance and Accountability for FY 2002, which is accessible at: http://www.dol.gov/_sec/media/reports/annual2002/. Volume 1 of FY 2004 Budget Justifications for Appropriation Estimates for Committee on Appropriations.

3.2 Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results? Answer: YES Question Weight:14%

Explanation: The OAA amendments mandate certain performance indicators (see above) and requires the assessment of funding recipients against those indicators. At the Federal level--the Department of Labor has recently tied its performance goals to performance ratings for managers; this new appraisal system has been cascaded through the Department.

Evidence: Older Americans Act 2000 (P.L. 106-501). Revised performance management plans for senior executives (Form DL 1-2059, Rev. 10/2001) and for supervisors and managers (Form DL 1-382, Rev. 10/2001).

3.3 Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: NO Question Weight:14%

Explanation: For the past 5 years, appropriations have been obligated in a timely manner and expended within a 14-month period. The program reviews obligations and outlays monthly. However, past GAO and DOL OIG findings have revealed inappropriate use of funding. A 1995 GAO report found that most recipients spent above the permissible amount (up to 15%) for administrative activities. In addition, a 2000 OIG report questioned \$6 million in costs claimed by one of CSEOA's largest grantees, raising concerns about the purposes for which funds were being spent. ETA has taken some action to address these issues (although it questioned GAO's findings regarding administrative expenditures). The OAA amendments sought to address these concerns by clarifying appropriate administrative expenditures and establishing "responsibility tests" for funding. Once completed, the implementing regulations should reinforce these controls.

Evidence: GAO, Senior Community Service Employment Program Delivery Could be Improved through Legislative and Administrative Actions (November 1995, HEHS-96-4), DOL OIG (March 2000, OA Report No. 18-00-006-03-360. Since the release of the GAO report program grantees have been provided with additional information on cost categorization. The draft regulations published on April 28, 2003, are designed to track the cost categorization approach used under WIA. The legislation and the regulations establish limits on administrative costs, and a minimum that must be spent on the wages of program participants.

PART Performance Measurements

Program: Community Service Employment for Older Americans
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	57%	7%	

3.4 Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: NO Question Weight:14%

Explanation: The program does not have cost-effectiveness or efficiency measures. Once DOL submits completed common measures data that include an efficiency measure, OMB and DOL will work together to craft a methodology for using these data to assess cost effectiveness and this answer could be changed to a "Yes."

Evidence: The program is currently collecting information on under-expenditures from prior appropriations which can be used for incentive grants, technical assistance and training, and other purposes pursuant to OAA section 515(c). A notice was published in the Federal Register on June 5, 2002. When regulations are final additional effort will be made to access cost effectiveness.

3.5 Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels? Answer: NO Question Weight:14%

Explanation: The amount budgeted for the program does not include the cost of Federal staff who administer the program. These staff are funded (and displayed) in the Employment and Training Administration's Program Administration account. Apart from changes in participation levels, there is no sense of how changes in funding will affect performance. Like the rest of DOL, ETA does not have an integrated accounting and performance management system to identify the full cost of achieving this program's performance goals and support day to day operations. In preparing its FY 2004 budget submission, DOL moved closer to providing full program costing and began to integrate performance goals with budget information. However, this program performance and cost integration does not yet permit measurement of the full costs of each program or an assessment of the impact of budget levels on performance outcomes.

Evidence: FY 2003 and FY 2004 Budgets for CSEOA. Budget requests are available at: http://www.dol.gov/_sec/media/reports/.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight:14%

Explanation: No material weaknesses were identified last year.

Evidence: DOL's FY 2002 Annual Report on Performance and Accountability, which is accessible at http://www.dol.gov/_sec/media/reports/annual2002/

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight:14%

Explanation: DOL has completed work on a proposed rule, which will implement the 2000 OAA amendments. The draft regulations published on April 28, 2003. Among other things, the rule will establish more rigorous and comprehensive performance standards for the program. DOL also hopes to strengthen financial and non-financial performance incentives for grantees. In addition, DOL has recently tied its performance goals to performance ratings for managers; this new appraisal system is to be cascaded through the Department.

Evidence: Revised performance management plans for senior executives (Form DL 1-2059, Rev. 10/2001) and for supervisors and managers (Form DL 1-382, Rev. 10/2001).

PART Performance Measurements

Program: Community Service Employment for Older Americans
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	57%	7%	

4.1 Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)? Answer: NO Question Weight 20%

Explanation: Although the program exceeded its placement goal, its rigor is questionable. CSEOA has adopted four new long-term goals as part of the Job Training Common Measures initiative. With the exception of job placement and unit cost, performance in the Common Measures cannot be assessed with current data. DOL is implementing the common measures and will establish numerical targets over the next year. DOL is developing an updated CSEOA reporting system that will collect base line data for the common measures in PY 2003. DOL will use this information to negotiate and establish new performance levels with individual grantees. OMB will reconsider the answer to this question once this work is complete.

Evidence: FY 2003 Performance Plan; Volume 1 of FY 2004 Budget Justifications for Appropriation Estimates for Committee on Appropriations. The draft regulations published on April 28, 2003 include the common measure for earnings increase. In consultation with OMB, CSEOA plans to include two other common measures - entered employment and retention - as reporting items until the OAA can be amended to accommodate these measures. Draft regulations are accessible at <http://wdsc.doleta.gov/seniors/>.

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: NO Question Weight 20%

Explanation: Although the program exceeded its placement goal, its rigor is questionable. CSEOA has adopted four new long-term goals as part of the Job Training Common Measures initiative. With the exception of job placement and unit cost, performance in the Common Measures cannot be assessed with current data. However, CSEOA is implementing the common measures and will establish numerical targets over the next year. Along with the development of a system to collect information during PY 03, base line information will be obtained on the new performance measures. DOL will use this information to negotiate and establish new performance levels with individual grantees. OMB will reconsider the answer to this question once this work is complete.

Evidence: FY 2003 Performance Plan; Volume 1 of FY 2004 Budget Justifications for Appropriation Estimates for Committee on Appropriations. The draft regulations published on April 28, 2003 include the common measure for earnings increase. In consultation with OMB, CSEOA plans to include two other common measures - entered employment and retention - as reporting items until the OAA can be amended to accommodate these measures. Draft regulations and information on the common measures are accessible at <http://wdsc.doleta.gov/seniors/>.

4.3 Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year? Answer: NO Question Weight 20%

Explanation: The program has no cost-effectiveness or efficiency measures, so there is no basis on which to assess this. However, DOL is participating in the development of one common measure of efficiency and cost-effectiveness for the 2004 Budget.

Evidence:

PART Performance Measurements

Program: Community Service Employment for Older Americans
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	57%	7%	

4.4 Does the performance of this program compare favorably to other programs with similar purpose and goals? Answer: NO Question Weight 20%

Explanation: CSEOA is part of the Job Training Common Measures initiative. Leaving aside differences among the various job training programs being measured (e.g., different populations), the program does not compare favorably. Its placement rate is among the lowest, and it does not measure employment retention or earnings growth.

Evidence:

4.5 Do independent and quality evaluations of this program indicate that the program is effective and achieving results? Answer: SMALL EXTENT Question Weight 20%

Explanation: There have been few evaluations of the program (and no comprehensive evaluations since 1986), but those that have been conducted show some evidence of effectiveness. A 1996 Urban Institute review of past evaluations and surveys (evaluations from 1981, 1985, and a phone survey from 1995) concluded that the program is well regarded and successful, and exceeds its statutory 20% placement goal. A 1995 study by GAO raised concerns about the program (e.g., how funding was used, duplication of effort). More recent evidence of program effectiveness is limited. However, DOL has developed a revised evaluation plan that will establish a regular cycle of evaluation for all major job training and employment programs, including CSEOA.

Evidence: Urban Institute (Nancy Pindus and Pamela Holcomb), Analysis of the Impacts of Proposed Legislative Changes in the Senior Community Service Employment Program (March 1996); GAO, Senior Community Service Employment Program Delivery Could be Improved through Legislative and Administrative Actions (November 1995, HEHS-96-4), DOL OIG (March 2000, OA Report No. 18-00-006-03-360).

PART Performance Measurements

Program: Community Service Employment for Older Americans
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	57%	7%	

Measure: Entered Employment: Percentage of program participants employed in 1st quarter after program exit (Note: New measure; Targets to be determined. 2002 shows performance against a similar previous measure.)

Additional Information: Performance Target: New Measure: result of common measures initiatives; targets to be determined in 2004. Actual Performance: Progress will be reassessed based on DOL's targets and data for new common measures goals.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	37	35.2	
2005			
2006			
2004			

Measure: Retention in Employment: Percentage of program participants employed in 1st quarter after program exit who remained employed in the 2nd and 3rd quarters after exit (Note: New Measure; Targets to be determined.)

Additional Information: Performance Target: New Measure: result of common measures initiatives; targets to be determined in 2004. Actual Performance: Progress will be reassessed based on DOL's targets and data for new common measures goals.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
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Measure: Earnings: Percentage change in earnings for program participants: (1) pre-enrollment to program exit; and (2) 1st quarter after exit to 3rd quarter after exit. (Note: New measure; Targets to be determined.)

Additional Information: Performance Target: New Measure: result of common measures initiatives; targets to be determined in 2004. Actual Performance: Progress will be reassessed based on DOL's targets and data for new common measures goals.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
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PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

1.1 Is the program purpose clear?

Answer: YES

Question Weight 25%

Explanation: The program implements the Davis-Bacon Act of 1931 (DBA), which requires employers on federal construction contracts over \$2,000 to pay laborers and mechanics no less than wages and fringe benefits prevailing for the same job classifications in the geographic area where the contract is performed. The Secretary of Labor determines which rates prevail in each locality; covered contracts must include a Department of Labor-issued wage determination for each class of worker on the project. Since enactment, some 60 federal laws have extended DBA requirements to construction funded through federal loans, grants, loan guarantees, and insurance in transportation, housing, environmental protection, and other industries. DOL studies local wage conditions and analyzes data submitted voluntarily by contractors, others to calculate wage rates for thousands of job classes in four construction sectors (building, heavy, highway, residential) in 3,141 counties across the country. In 2001, \$67 billion federal dollars were awarded for projects subject to DBA. DBA may govern as much as 25% of construction nation-wide.

Evidence: Davis-Bacon Act, as amended, 40 USC 3141 et seq. (P.L. 107-217, 2003; www.gpoaccess.gov/plaws/index.html; enrolled bill pp.89-92), revising and recodifying 40 USC 276a et seq. (1931); Wage and Hour Division (WHD) implementing regulations appearing in 29 CFR Parts 1, 3, 5, and 7 (www.dol.gov/dol/allcfr/ESA/Title_29/Chapter_I.htm); DBA compliance information on WHD website (www.dol.gov/esa/programs/dbra/faqs.htm; www.dol.gov/esa/whd/contracts/dbra.htm); 29 CFR Part 1 Appx. A (list of 57 federal statutes requiring the payment of construction wages at rates predetermined by DOL; www.dol.gov/dol/allcfr/ESA/Title_29/Part_5/29CFR5.1.htm); Congressional Budget Office (CBO), Budget Options (Feb. 2001); Daniel P. Kessler and Lawrence Katz, Prevailing Wage Laws and Construction Labor Markets, National Bureau of Economic Research Working Paper No.7454 (December 1999), citing CBO 1982 estimate that DBA covers 25% of all construction in the U.S.

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight 25%

Explanation: The Congress has frequently considered, and continually affirmed, the continuing need for the Act. The DBA was enacted during the Great Depression to prevent destabilization of local wages by unscrupulous contractors who would import cheap labor to a town in order to underbid local companies for federal contracts. However, today's experts disagree on the role, effectiveness, and continuing need for the Act. To supporters, DBA serves to protect workers and communities by ensuring fair competition for federal construction work; regulating project quality; and encouraging apprenticeship and training. To critics, major socioeconomic changes since 1931 make the law unnecessary; the act imposes undue, unjustifiable regulatory and paperwork burdens on contractors; and serious weaknesses that have existed historically in DOL's program contribute to the act's considerable inflationary effect, demanding the program's overhaul or dismantlement.

Evidence: See, e.g., General Accounting Office (GAO) Report HRD-79-18 4/27/79, and GAO Testim. No.109238 5/29/79 (changed socioeconomic conditions since enactment; unsound principle behind wage determinations; untimeliness, inaccuracies, and impracticalities of administering wage determinations; and act's inflationary effect all warrant repeal); Owens statement on floor of House of Rep., 142 Cong. Rec. H 5996 et seq., 104th Congress, June 6, 1996 (act encourages private sector investment, and training and employment opportunities for minorities through apprenticeship programs; citing letters from individual employers and industry groups describing benefits of act); State of Ohio, Leg. Budget Office Policy Brief 1/7/2000 (outlining arguments for and against prevailing wage laws; www.lbo.state.oh.us/123ga/publications/periodicals/policybriefs/v01_n11_prevwage.pdf). Countless bills have been introduced in Congress to either repeal, limit, expand, or reform the Act.

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight 25%

Explanation: Under DBA, the authority to calculate and administer prevailing wages for construction contracts funded entirely or in part with federal dollars rests solely with the Secretary of Labor. However, 32 States currently have similar ("little" Davis-Bacon) laws governing construction contracts funded with State funds.

Evidence: Davis-Bacon Act, as amended, 40 USC 3141 et seq. (P.L. 107-217, 2003; www.gpoaccess.gov/plaws/index.html; enrolled bill pp.89-92), revising and recodifying 40 USC 276a et seq. (1931); WHD implementing regulations appearing in 29 CFR Parts 1, 3, 5, and 7 (www.dol.gov/dol/allcfr/ESA/Title_29/Chapter_I.htm); and WHD table of dollar thresholds for 32 State prevailing wage laws (www.dol.gov/esa/programs/whd/state/dollar.htm).

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight 25%

Explanation: Here, regulation is the most appropriate means through which to implement the Act. However, independent reviewers and some who work regularly with DBA in industry and government have, through the years, identified statutory provisions or program dynamics that they consider problematic and which continue to be debated today. For example: (1) Voluntary wage surveys. Neither DOL regulations nor the DBA authorization statute requires the submission of wage data by construction contractors or others. The voluntary nature of wage surveys may help to introduce reporting bias that undermines the accuracy of wage determinations. (2) Outdated threshold. The Act's jurisdictional threshold, set at \$2,000 in 1935, has remained unchanged. Some say a static threshold not only is contrary to Congress' original intent to have the Act govern larger purchases, but also overburdens small business.

Evidence: GAO Testim. No.109238 5/29/79, pp.26-27 (citing problems in obtaining data through voluntary submission), and reports HEHS-94-95R 2/7/94, p.6 (reliance on voluntary cooperation of contractors leads to wage rates issued based on response rates as low as 25%), HEHS-96-166 6/96, p.10 (survey response rates could affect the validity of wage determinations), and HEHS-99-21, p.10 (reiterating that "reporting bias resulting from the voluntary nature of wage surveys may reduce the accuracy of wage determinations"); DOL Office of Insp. General (OIG) Rept. 04-97-013-04420 3/10/97 (voluntary nature of surveys is one factor threatening reliability of wage rates). Also see, for example, H.R.2094 (introd. 6/7/01 to raise threshold to \$100,000), S.1183 (introd. 8/11/95 to raise threshold to \$100,000), and proposal by former Vice President Gore's Nat'l Performance Review to tie the DBA jurisdictional threshold to a "simplified acquisition threshold" of \$100,000 used government-wide (9/14/93; govinfo.library.unt.edu/npr/library/nprprt/annrpt/sysrpt93/reinven.html).

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: NA Question Weight: 0%

Explanation: The program does not have a distributional component; its intent is not income redistribution. The purpose of the Act and of the program to implement it is to promote economic stability -- a public good. More specifically, the act was designed, in part, to prevent the disruption of local market conditions ' in particular, the depression of local wages -- that might be caused by the infusion of federal funding. In a competitive bidding process, where low bids were key to receiving federal contracts that would often employ many workers in a community, the experience was that the government's considerable purchasing power always had the potential to push down wages. DOL wage rates that significantly underestimate or overestimate a locality's true prevailing wage undermine this legislative intent.

Evidence: OIG Rept. 04-97-013-04420 3/10/97, Appdx. p.1 (www.oig.dol.gov; DBA's "intent was to prevent [federally] funded construction projects from undercutting local prevailing construction wages" and to "reduce local labor displacement resulting from the importation of low-wage workers from outside of the Government construction area"); Peter Phillips, et al., Losing Ground: Lessons from the Repeal of Nine "Little Davis-Bacon" Acts, p.3 (Prevailing wage laws "attempt to neutralize the effects of government purchases on wage determination in the private sector. [The objective of the DBA] is to prevent the federal government from affecting local wages and construction conditions; Davis-Bacon disallows the government from pushing down wages in competitive bidding."); Owens statement, 142 Cong. Rec. H 5996 et seq. ("Davis-Bacon does not set the wage rate; it reflects existing community standards"; 71% of wage determinations issued by DOL are non-union rates).

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: NO Question Weight:12%

Explanation: The program has a broad outcome goal (tied to two performance indicators dealing with timeliness of wage rates) and a customer satisfaction goal. However, these goals lack numerical targets; the evolution of DBA goals and measures has not been linear (in recent years, goals have been eliminated, added, revised); and some goals have involved discrete, short-term outcomes, like the completion of a given process redesign, whose impact cannot be readily measured. Tying successes in any of these areas back to program outcomes becomes difficult. Additional, concrete steps must be taken to lay the groundwork for effective strategic planning. For example, the program needs active, measurable targets for both timeliness goals and other critical determinants of effectiveness such as data accuracy and survey participation rates. Even more fundamentally, WHD must pull together and critically edit the many DBA measures and indicators it has been using into a clear, organized framework that accurately reflects current conditions, and outlines and supports effective, consistent, long-term program measurement.

Evidence: Draft WHD 2003 Performance Plan; WHD 2002 Performance Plan, 2001 Performance Report; and DOL Strategic Plan for FYs 1999-2004. Outcome goal: "Insure timely, accurate and accessible wage determinations." Long-term performance indicators: (1) Each area of the country will be surveyed for all four types of construction at least every three years. (2) Length of time from receipt of survey data in National Office to issuance of wage determination; update 90% of DBA wage rates within 60 days of receipt of underlying survey data. Other measures: Goal to complete DBA modernization; separate measures for wage rate database transition, completion of survey data collection; proportion of jurisdictions surveyed; wage rate error rate. In years past, WHD has lacked the infrastructure to make certain goals achievable; 2003 goals followed a series of long-planned process and technological improvements that made the goals more realistic. To an extent, fluidity of measures to date reflect ongoing program improvements, in part in response to findings of independent reviews.

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight:12%

Explanation: The program currently has no timeframe or numerical targets for its long-term goals. WHD has convened a task group to evaluate additional measures and appropriate numerical goals; the group will submit recommendations for review and approval by the WHD executive team.

Evidence: The WHD staff has briefed OMB on program operations, including timing of the development and implementation of new program goals. As DOL performance plans and reports show, during the late 1990s WHD sought to address GAO and OIG recommendations within a larger context of designing, testing, choosing and, ultimately, implementing two major program reform alternatives. While initial efforts focused on providing a programmatic and technological framework to support the piloting of each alternative, once a reform track was chosen, efforts turned to building an infrastructure that would support the program's broad long-term goals. WHD staff strongly believe that substantial completion of these underlying improvements was necessary before a new phase of strategic planning could begin, and that evaluation and revision of goals and measures becomes appropriate only now, when major improvements are nearing completion.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: NO Question Weight:12%

Explanation: The program currently has no annual performance measures to demonstrate progress toward long-term goals. As stated above, WHD has convened a task group to evaluate additional measures and appropriate numerical goals; the group will submit recommendations for review and approval by the WHD executive team.

Evidence: The WHD staff has briefed OMB on program operations, including timing of the development and implementation of new program goals. As explained above, once a reform track was selected, WHD made a deliberate decision to use a series of qualitative, project-specific goals to measure programmatic progress as it designed and implemented major technological and process improvements to the DBA wage determination system. Though more traditional program statistics continued to be tracked, these were not used as measures or applied toward existing goals.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight:12%

Explanation: The program has not developed annual targets. Data from fiscal year 2002 surveys is being tallied and analyzed to provide baseline information for the first performance goal (completing surveys for all States every three years), and as a first step toward more effective strategic planning.

Evidence: Draft WHD 2003 Performance Plan; WHD 2002 Performance Plan, 2001 Performance Report; and DOL Strategic Plan for FYs 1999-2004.

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NA Question Weight: 0%

Explanation: Neither federal contractors governed by the statute nor other interested parties are statutorily required to participate in wage surveys which form the basis of DOL's wage determinations. Given that accurate wage data provided by interested parties such as individual employers, contractors associations, and labor organizations is one critical determinant of the reliability of wage determinations, the voluntary nature of these submissions can always threaten data quality because it potentially allows for significant reductions in the response rate -- or consistently low response rates -- for any given wage survey.

Evidence: DOL 9/18/2002 press release on electronic submission of survey data (www.dol.gov/opa; "[WHD] determines local prevailing wage rates using the data submitted voluntarily on the WD-10 form by construction contractors, unions, and associations during statewide surveys of construction projects."). The voluntary nature of the survey impacts participation rates for the initial surveys and, once surveys are returned, rates at which employers permit WHD or its agents access to wage data for purposes of verification. DOL has authority to subpoena payroll records of federal contractors, but is reluctant to do so for purposes of wage verification. See, for example, OIG Rept. 04-98-003-04-420 2/19/98, pp.4-5 (www.oig.dol.gov; "[WHD] believes it is not appropriate to use its subpoena authority under the Fair Labor Standards Act to force employers to allow examination of payroll records for WD-10 verification purposes...Upon learning that participation was voluntary, several contractors refused to cooperate with [the firm WHD had contracted to assist with on-site verification of wage survey data].").

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: NO Question Weight: 12%

Explanation: Recent reviews have focused on specific issues, primarily data verification; have neither directly addressed other conditions that impact effectiveness such as survey response rates nor retraced major issues identified by earlier evaluations; and were completed before program modernization efforts were substantially complete. Though GAO concluded in 1999 that either of the two reform tracks being tested at the time by WHD had the potential to improve the program, no study has assessed the impact of these redesigns. A process evaluation would help to determine whether the numerous weaknesses identified by stakeholders and independent reviewers have been reduced or eliminated; provide a clearer understanding of current program design and practices, as well as of potential trade-offs between alternatives; perhaps, recommend program measures; and set a more current, post-redesign baseline for judging program performance. WHD plans an external review of the DBA program for 2004.

Evidence: GAO reports HEHS-99-21 1/11/99 (www.gao.gov/archive/1999/he99021.pdf; focused primarily on verification procedures) and HEHS-99-97 5/28/99, pp10, 13 (www.gao.gov/archive/1999/he99097.pdf; "On the basis of our review of Labor's efforts and our past work on the Davis-Bacon Act, we believe that a number of Labor's efforts under both tracks, if successfully implemented, have the potential to improve the accuracy and timeliness of wage determinations." Also, briefly discussed need for performance measurement and referenced DBA-related goals, to "survey each area of the country for all four types of construction at least every 3 years" and "issue 90 percent of all wage determinations within 60 days of Labor's national WHD office receiving wage survey data from regional offices.").

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight:12%

Explanation: Although DOL is moving toward a fully integrated budget, the ESA budget submission currently does not track FTE and other resources for the wage determination program separately from the rest of the WHD request. In addition, the DBA program currently lacks performance measures to which to tie funding. Given the high level of stakeholder interest in this program, and in furtherance of budget and performance integration, it would be helpful for future budget submissions to describe resource levels for the program.

Evidence: WHD Congressional Justification submitted each February with the President's Budget.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: NO Question Weight:12%

Explanation: While WHD has taken important steps in recent years to address weaknesses identified in past evaluations of the wage determination program, it has not tied existing performance goals to numerical targets or evaluated the design, appropriateness, or sufficiency of current long-term or annual performance measures. The program needs a long-term strategy for identifying key outcomes, and effectively designing and implementing numerical targets, for major determinants of the timeliness and accuracy of wage determinations.

Evidence: Draft WHD 2003 Performance Plan; WHD 2002 Performance Plan, 2001 Performance Report; and DOL Strategic Plan for FYs 1999-2004.

2.RG1 **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?** Answer: NO Question Weight:12%

Explanation: The program does not systematically review existing regulations and conducts no look-back studies to better understand the impact of chosen alternatives. Many stakeholder groups express strong concerns about the program. Systematic regulatory review and more consistent, aggressive outreach to stakeholder groups would increase confidence that all regulations continue to be needed, appropriate revisions have been considered, and that the program is implementing the Department-wide goal to maximize regulatory flexibility and benefits while it minimizes regulatory burden.

Evidence: Draft DOL Strategic Plan for FYs 2003-2008, Strategic Goal 4.2: Promote job flexibility and minimize regulatory burden.

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: NO Question Weight: 9%

Explanation: Important performance information is missing. For example, program goals require both timeframes and numerical targets, and must evolve to reflect program performance in the most appropriate, and critical, areas. Although WHD does collect and track certain performance information regarding the status of DBA wage surveys, it does not currently link this data to long-term or interim goals designed to measure improvement in performance. Program evaluations are outdated, having been conducted before DBA modernization efforts were substantially complete, and have only briefly addressed performance measurement. Program partners are not statutorily required to submit wage survey data that would more fully assist WHD in determining precise levels of prevailing wages and benefits, information which can be critical to informed program management and effective strategic planning.

Evidence:

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: NO Question Weight: 9%

Explanation: DOL ties performance ratings for managers and supervisors to the achievement of Departmental and program-specific goals and outcomes; employee evaluations are aligned on a fiscal year cycle to help cascade standards to non-supervisory personnel, and a system accountability review is planned for 2004. However, although the current goals of the DBA program may provide some general reference against which to assess managerial performance, the absence of a broader, solid strategic framework for the wage determination program that includes specific long-term and annual targets makes accountability less clear.

Evidence: Revised Performance Management Plans for Senior Executives (Form DL 1-2059, Rev. 10/2001) and for Supervisors and Managers (Form DL 1-382, Rev. 10/2001); briefings by DOL staff; DOL goals supporting the Human Capital Initiative of the President's Management Agenda; Draft WHD 2003 Performance Plan; WHD 2002 Performance Plan; WHD 2001 Performance Report; and DOL Strategic Plan for FYs 1999-2004.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 9%

Explanation: One of ESA's outcome goals is to enhance the agency's fiscal integrity and effective management of program funds. Neither DOL CFO reports, reviews by DOL's OIG, nor documents supporting ESA apportionment requests to OMB reveal reportable or problematic conditions related to the spending or obligation of DBA program funding. WHD closely monitors financial management systems at the DOL and bureau level that support the wage determination program's daily activities, and reports monthly to executive staff on current and planned spending.

Evidence: Estimated and actual obligations reported by quarters in OMB apportionments and DOL reports to the Treasury Department. ESA Strategic Plan for FYs 1999-2004. DOL's OIG audited the DBA program in 1997, and reviewed (non-audit based) DBA-related expenditures in 1998. Neither assessment identified anomalies in spending or obligations. OIG Reports No. 04-98-003-04-420 (February 19, 1998), and No. 04-97-013-04-420 (March 10, 1997) (both found at www.oig.dol.gov/cgi-bin/oa_rpts.cgi?s=davis-bacon&y=all&a=all).

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: NO Question Weight: 9%

Explanation: WHD has created efficiencies in select areas of the DBA program, including more effective use of technology, and the outsourcing -- at least in part -- of critical activities such as verification of wage survey data and the distribution and data entry of wage survey forms. However, other important areas still require attention. WHD does not calculate unit costs for the DBA program; does not link performance measures to numerical or progressive, efficiency-based targets; and does not appear to have mechanisms in place to consistently incorporate cost-effectiveness considerations into day-to-day operations or long-term planning.

Evidence: Draft WHD 2003 Performance Plan; WHD 2002 Performance Plan; WHD 2001 Performance Report; and DOL Strategic Plan for FYs 1999-2004. WHD has contracted consultants to design and develop improvements -- including technological, efficiency-based changes -- to the DBA program. Commercial off-the-shelf software options have been evaluated and selected based on cost efficiency and suitability to overall program needs. WHD contracts with a Certified Public Accounting firm to conduct on-site verification of wage survey data, and has outsourced the printing, mailing, and scanning of wage survey forms to the Census Bureau. As required, cost analyses were conducted during the deliberation of these contracts.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 9%

Explanation: WHD collaborates and coordinates effectively with DOL's Solicitor and the Administrative Review Board in the administration of the DBA program. WHD may also work with other DOL, federal, and -- as needed -- State programs to fulfill DBA-related responsibilities. For example, when WHD was deliberating alternative reforms to the DBA program, it worked closely with the Bureau of Labor Statistics (BLS) to explore the possible use of BLS survey data; WHD regional staff regularly work with State and federal agencies to collect wage rate data; and WHD has entered into agreements with the Census Bureau for the printing, mailing, and scanning of wage survey forms.

Evidence:

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 9%

Explanation: There have been no material control weaknesses reported by auditors. WHD closely monitors financial management systems at the DOL and bureau level that support the wage determination program's daily activities, and reports monthly to executive staff on current and planned spending.

Evidence:

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 9%

Explanation: WHD has redesigned and automated its wage survey form; contracted for automated printing and mailing of surveys through the Census Bureau; begun use of imaging and knowledge management software to speed survey processing, optimize use of analysts' skills; created a comprehensive DBA website linking to wage rates, compliance assistance; and "fully addressed" GAO's recommendations for better data verification. However, improvements continue to be needed in many areas, and additional steps must be taken to demonstrate WHD's commitment to sustained progress. For instance, WHD must increase accountability of program managers; complete surveys more frequently and effectively to significantly improve timeliness of wage rates; continually evaluate verification procedures to ensure and maintain the integrity of underlying wage data; brainstorm further modifications to survey methodology or outreach strategies to boost survey participation; and work more closely with stakeholders to identify, recommend and implement regulatory, administrative, or statutory changes, where those are in order.

Evidence: DOL FY 1999 Annual Perf. Rpt. (program redesigns targeted for and completed in 1999); GAO Rpt. HEHS- 99-97 (DOL reforms have potential to improve wage rates), Letter 11/21/2000 (new procedures "fully addressed" GAO recommendations for verification; will help improve completeness, accuracy of data), and Rpt. 01-251 1/2001 (WHD addressed management challenges by, for example, changing data verification procedures to improve accuracy, timeliness of wage rates). However, some wage rates have not been updated in as many as 13 years. And although DOL ties performance ratings for managers and supervisors to the achievement of Departmental and program goals, DBA program goals cover only timeliness and have no timeframes or targets. Accountability would be strengthened by adding specific, numerical targets to goals that cover all appropriate areas of the program. Revised Perf. Mgmt. Plans for Senior Execs. (Form DL 1-2059, Rev. 10/2001) and for Supervisors and Managers (Form DL 1-382, Rev. 10/2001); briefings by DOL staff; and DOL goals supporting the Human Capital Initiative of the President's Management Agenda.

3.RG1 **Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?** Answer: YES Question Weight: 9%

Explanation: ESA agencies have formally incorporated increased collaboration and feedback loops into their outcome goals. WHD collaborates with key stakeholders, including government, private, industry and advocacy groups on program direction and effectiveness. Major regulations have analyzed and responded to comments received.

Evidence: ESA Strategic Plan for FYs 1999-2004 (one ESA outcome goal is to "foster organizational excellence and increase collaboration"; plan states that "cooperation with employers is paramount to goal attainment for all ESA programs" and describes WHD consultation with stakeholders; www.dol.gov/esa/aboutesa/str-plan/SP99_04final.PDF). When WHD commenced deliberations over potential reforms to the DBA wage survey process, it reached out to academic and statistical organizations and used the input received to help formulate six alternative approaches; these were subsequently discussed with key stakeholders, including contractor associations, labor unions, and federal agencies. Once the options were narrowed to two, WHD met periodically with stakeholders to keep them apprised of progress in evaluating the two alternatives.

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

3.RG2 **Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R** Answer: YES Question Weight: 9%

Explanation: A review of WHD regulations implementing the DBA found no cases in which rulemaking failed to meet the requirements. For example, in its rulemaking process for changes to 29 CFR Parts 1 and 5, DOL determined that the proposed rule would have economically significant effects and prepared, for OMB consideration, a full economic impact analysis.

Evidence:

3.RG3 **Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?** Answer: NO Question Weight: 9%

Explanation: Although WHD reviews its regulatory agenda on a quarterly basis, it conducts no look-back studies and does not systematically review regulations implementing the DBA. WHD should consider initiating a review to update and simplify its DBA regulations.

Evidence:

3.RG4 **Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?** Answer: NO Question Weight: 9%

Explanation: Ongoing stakeholder concerns and findings from those program evaluations conducted in years past point to serious questions of implementation, of which the regulatory scheme is a primary tool. The absence of systematic regulatory reviews and look-back studies further undermines confidence that net benefits are being maximized. More active consultation with stakeholder could help identify new areas of concern and/or additional strategies to address stakeholder burden or unease.

Evidence:

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: NO Question Weight 20%

Explanation: The program's completion of a series of key projects, combined with GAO's recent positive evaluations of select program activities, signals important progress toward long-term goals. However, such progress cannot be quantified; long-term goals focus only on timeliness and have no associated numerical targets, and no recent evaluation exists to confirm or assess effectiveness. The program has no interim, short-term goals to measure progress toward long-term objectives. Measuring progress is made more difficult because, as stated above, the evolution of DBA goals and measures has not been linear; in recent years, goals have been eliminated, added, revised. As recommended above, existing long-term measures and their corresponding indicators must be closely reviewed for their usefulness, focus, and number.

Evidence: DOL Annual Performance Reports FY1999, p.249, FY2000, p.273, and FY2001, p.322 (all describing DBA modernization goals for the coming year and/or met for the previous year). GAO Rept. 01-251 1/2001, p.9 ("Based on recommendations made by us and others, [DOL] has made a number of improvements..., such as increasing the accuracy and timeliness of wage rate determinations."), Letter 11/21/2000 (DOL improvements "fully address" GAO proposals for better data verification and will likely improve the accuracy of wage determinations), and Rept. HEHS-99-97 (DOL reforms have potential to improve performance). Since 1999, WHD has established a comprehensive, one-stop DBA website; redesigned and automated its wage survey form; increased survey efficiencies by transitioning from county to statewide surveys; and made more effective use of technology -- including databases and knowledge management applications -- to collect, organize, and analyze wage data.

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: NO Question Weight 20%

Explanation: As stated above, the program currently lacks numerical performance targets. However, to date, WHD has set and met important qualitative (non-numerical) goals for key improvements to the wage determination process, some made in response to recommendations from GAO and DOL's OIG. Some of these goals have involved discrete, short-term outcomes, like the completion of a given process redesign, whose contribution to the program's long-term success -- while not readily measurable -- is significant.

Evidence: DOL Annual Performance Reports FY1999, p.249, FY2000, p.273, and FY2001, p.322 (all describing DBA modernization goals for the coming year and/or met for the previous year).

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: NO Question Weight: 20%

Explanation: In recent years, efficiencies created and/or cost-effectiveness achieved have been measured through the successful completion of major projects, including effective implementation of mission-critical software. GAO has also remarked that WHD's improvements to the data verification portion of the wage determination process would not only made verification itself more efficient and effective, but also contribute to greater accuracy and timeliness of the wage rates. However, other program areas need additional attention. For example, the program must develop efficiency measures with which to demonstrate year-to-year progress, and give due consideration to competitive sourcing guidelines in its decisionmaking. WHD has convened a task group to evaluate additional measures and appropriate numerical goals; the group will submit recommendations for review and approval by the WHD executive team.

Evidence: The WHD staff has briefed OMB on program operations, including timing of the development and implementation of new program goals. GAO has acknowledged some of the efficiencies that WHD reforms have created. GAO Rpt. 01-251 1/2001, p.18 ("[I]n response to concerns we raised about the accuracy and timeliness of its wage rate determination process under the [DBA], WHD increased the efficiency and effectiveness of its wage data verification procedures to ensure greater accuracy and timeliness in the wage data used to determine prevailing wages.") DOL FY 2002 Annual Perf. Report, OIG Statement (one key to DOL's successful integration of budget and performance is "effective strategic planning ' and the ability to improve the quality and accessibility of program and cost data").

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NA Question Weight: 0%

Explanation: Conceptually, the DBA wage determination program is similar to WHD's wage determination program under the Service Contract Act (SCA), and to the 32 programs implementing State prevailing wage laws. However, the DBA program's performance relative to these programs is not currently known, and it is unclear whether a comparison is appropriate. For example, the SCA program implements a separate law; serves a different industry (services, not construction) with distinct requirements, dynamics, and stakeholder interests; and uses a different mechanism for calculating wage rates. Before an analysis is initiated, OMB and DOL must discuss and agree on which programs lend themselves to an appropriate comparison.

Evidence:

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: SMALL EXTENT Question Weight 20%

Explanation: Program evaluations through the mid 1990s cite major weaknesses in program administration and data quality. Historically, wage rates have been based on data that is years old, poorly verified, or from surveys with low response rates. These and other factors have resulted in wage rates that may have underestimated or overestimated the true local wage, thereby contravening the intent of the act not to undermine local wage and benefit standards. Evaluations since the mid 1990s have made general reference to persistent weaknesses but have not looked at the program comprehensively and were conducted before program modernization efforts were substantially complete. GAO has favorably reviewed two major reform alternatives WHD developed for the program and its improvements to data verification, a key process. The program has continued to make key process and technological improvements, but the impact of these changes has not been evaluated. WHD plans an external review of the DBA program for 2004.

Evidence: GAO (www.gao.gov) reports HEHS-94-95R 2/94 (low survey participation rates; infrequent or irregular surveys; poor data analysis, verification), HEHS-96-130 5/96, HEHS-96-166 6/96 (must improve data verification; update technology; advertise, explain appeals options; correct other, "larger weaknesses"; use of fraudulent, inaccurate data could yield wage rates that are lower, higher than those prevailing), and HEHS-99-21 1/99 (verification process costly, time-intensive, of limited short-term impact); and OIG Rept. 04-97-013-04420 3/97 (voluntary nature of surveys, inaccurate data, weaknesses in survey methodology, all threaten reliability of wage rates; www.oig.dol.gov). Academic studies, independent program reviews, and other analyses estimate DBA inflationary effects of between 3% and 38%; studies conflict on the impact of repealing prevailing wage laws. But see GAO report HEHS-99-97 5/99 (DOL reforms have potential to improve wage rates) and GAO letter 11/2000 (new procedures "fully addressed" GAO recommendations for verification; will help improve completeness, accuracy of data).

4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits? Answer: NO Question Weight 20%

Explanation: Ongoing stakeholder concerns and findings from those program evaluations conducted in years past point to serious questions of implementation, of which the regulatory scheme is a primary tool. The program could conduct a regulatory review to identify alternative approaches, creative strategies, or other changes to regulations that might be appropriate.

Evidence:

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

Measure: Complete wage surveys: (1) covering all four types of construction, (2) in each area of the country, (3) every three years. From these surveys, issue wage determinations that represent locally prevailing wages and benefits. Measure under development.

Additional Information: Some wage rates have not been updated in as much as 13 years. This measure was designed to promote both timeliness and accuracy in wage determinations. The measure and its targets are currently being reevaluated.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
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Measure: Percentage of Davis-Bacon wage determinations that program issues or updates within 60 days of receiving underlying survey data.

Additional Information: This measure was designed to preserve the current level of timeliness.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term (Efficiency Measure)
2004	80%		
2005	80%		
2006			

Measure: "Complete development of all aspects of a revised Davis-Bacon system." (2001) (Qualitative one-year goal.)

Additional Information: Activities associated with WHD's testing of two reform tracks, one dealing with use of data from the Bureau of Labor Statistics, the other involving modernization of the existing wage survey system. The program measured success on this goal qualitatively (completion, no completion), not through numerical targets. Each of these qualitative annual goals was used as an indicator of progress toward the complete, successful remediation of the Davis-Bacon wage determination system, and the achievement of the long-term goal to issue timely and accurate Davis-Bacon wage determinations. In 2001, WHD completed and tested process improvements and commenced wage surveys in 16 States.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	ACHIEVED		

PART Performance Measurements

Program: Davis-Bacon Wage Determination Program
Agency: Department of Labor
Bureau: Employment Standards Administration, Wage and Hour Division
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
75%	0%	55%	7%	Demonstrate

Measure: "Implement scanning technology and develop knowledge management technology; and complete analysis of BLS data and decide whether a Davis-Bacon reengineering or reinvention approach will be pursued in FY 2001." (Qualitative one-year goal.)

Additional Information: Activities associated with WHD's testing of two reform tracks, one dealing with use of data from the Bureau of Labor Statistics, the other involving modernization of the existing wage survey system. The program measured success on this goal qualitatively (completion, no completion), not through numerical targets. Each of these qualitative annual goals was used as an indicator of progress toward the complete, successful remediation of the Davis-Bacon wage determination system, and the achievement of the long-term goal to issue timely and accurate Davis-Bacon wage determinations.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2000	ACHIEVED		

Measure: Payment timeliness: Percentage of intrastate UI first payments made within 14 days in states with a waiting week and 21 days if no waiting week

Additional Information: Activities associated with WHD's testing of two reform tracks, one dealing with use of data from the Bureau of Labor Statistics, the other involving modernization of the existing wage survey system. The program measured success on this goal qualitatively (completion, no completion), not through numerical targets. Each of these qualitative, annual goals was used as an indicator of progress toward the complete, successful remediation of the Davis-Bacon wage determination system, and the achievement of the long-term goal to issue timely and accurate Davis-Bacon wage determinations.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
1999	ACHIEVED		

Measure: Number of wage determination data submission forms processed per 1,000 hours.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004			
2005			
2006			

PART Performance Measurements

Program: Dislocated Worker Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	71%	56%	40%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: This program is intended to help laid-off and incumbent workers return to work quickly at wages as close as possible to those that they received prior to layoff. The mechanism is formula grants to states and substate areas.

Evidence: Workforce Investment Act of 1998 (WIA; Public Law 105-220), Sections 131-134 [codified at 29 U.S.C. 2861-2864]; and DOL's FYs 2003-2008 Strategic Plan. Strategic plans are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

1.2 Does the program address a specific interest, problem or need?

Answer: YES

Question Weight 20%

Explanation: The program is intended to help laid-off and incumbent workers return to work quickly at wages as close as possible to those that they received prior to layoff. Even during periods of economic growth, there are worker dislocations within certain communities and industries, so the need for assistance is ongoing. The program addresses this problem.

Evidence: The 2000 Displaced Worker Survey, conducted by the Bureau of Labor Statistics (BLS), found that during 1997-1999, there were 7.6 million displaced workers, of which 3.3 million had 3 or more years of tenure prior to displacement. During the same period, there were 5,675 mass layoffs (affecting 50 or more workers for 30 days or more) resulting in 1,149,267 layoffs, according to the Mass Layoffs Statistics data from BLS. In 2000, 5,620 mass layoff events resulted in 1,170,427 layoffs; in 2001, 8,352 layoff events resulted in 1,750,643 layoffs; and in 2002, 7,293 layoff events resulted in 1,545,340 layoffs.

1.3 Is the program designed to have a significant impact in addressing the interest, problem or need?

Answer: YES

Question Weight 20%

Explanation: Federal resources of approximately \$1.2 billion annually are allocated to all states by a formula that accounts for states' numbers of unemployed people and their length of unemployment, compared to other states. States allocate these funds to local workforce investment boards for services that include job search assistance, job placement, and training. Federal funding finances services for a significant portion of dislocated workers and may leverage additional funding from states and local governments and businesses.

Evidence: DOL estimates that, for Program Year (PY) 2002, which ran from July 1, 2002, through June 30, 2003, these grants financed services for 874,400 total participants, including 379,798 registrants. As noted in the evidence/data for question #1.2, BLS estimates that there were 1,750,643 layoffs in 2001 and 1,545,340 layoffs in 2002.

PART Performance Measurements

Program: Dislocated Worker Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	71%	56%	40%	

1.4 Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)? Answer: NO Question Weight20%

Explanation: The program is intended to focus on dislocated workers, a subset of all unemployed adults, by providing services--including job search assistance, job placement, and training--to help them return to work quickly at wages that are as close as possible to their previous wages. However, WIA's requirement for one-stop delivery of services to adults and youth means that it is difficult to separate this program's funding and services from those provided through the WIA Adult formula grants program, which provides services without regard to employment status (although some services are targeted based on need with priority given to low-income individuals if resources at a given time are limited). Additionally, Trade Adjustment Assistance (TAA) provides training and income support to a subset of workers who are dislocated due to increased imports or plant relocation. DOL has addressed redundancy, program structure, and the relationship among the Adult and Dislocated Worker programs in the 2004 and 2005 Budgets and the Administration's WIA reauthorization proposal. Rapid response services do constitute a unique contribution largely unduplicated.

Evidence: WIA Sections 131-134 [codified at 29 U.S.C. 2861-2864]; Trade Act of 1974, as amended; and DOL's FYs 2003-2008 Strategic Plan. Strategic plans are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

1.5 Is the program optimally designed to address the interest, problem or need? Answer: NO Question Weight20%

Explanation: The program's design does not allow it to help states and localities quickly and sufficiently address dislocated workers' needs. Also, as noted in the explanation of the answer to question #1.4, there is overlap with the WIA Adult program and TAA. The 2004 and 2005 Budgets and the Administration's WIA reauthorization proposal include substantial changes to address program design shortcomings. Some of the major problems that DOL is addressing include:(1) The formula for allotments to states may not always accurately reflect a state's current dislocated worker population. (Reauthorization is intended to address this problem with a new formula and new flexibility for states to adapt to their needs.);(2) Many states experience similar problems to DOL's in the data used to allocate formula funding to localities. (Reauthorization is intended to address this problem, too.); and(3) Participation estimates are inaccurate, excluding many participants because people are not required to register to receive basic services (In December 2003, DOL's Employment and Training Administration (ETA) issued guidance addressing these estimates and performance measurement.).

Evidence: WIA Section 132(a)(2)(B); General Accounting Office (GAO) Reports GAO-03-636, "Workforce Investment Act: Issues Related to Allocation Formulas for Youth, Adults, and Dislocated Workers," April 2003, and GAO-02-274, "Workforce Investment Act: Better Guidance and Revised Funding Formula Would Enhance Dislocated Worker Program," February 2002; ETA Training and Employment Guidance Letter (TEGL) No. 15-03: Common Measures Policy, December 10, 2003. TEGLs are accessible at <http://wdr.doleta.gov/directives/>.

PART Performance Measurements

Program: Dislocated Worker Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	71%	56%	40%	

2.1 Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight:14%

Explanation: The program is part of the Job Training Common Measures initiative. Accordingly, it has adopted four long-term goals that will better measure the impacts of the program than current measures and allow comparisons across similar programs. DOL is implementing the common measures and will establish numerical targets in 2004. The Administration's WIA reauthorization proposal identifies the common measures and applies them to a new comprehensive adult program to be created by consolidating this program with the current WIA Adult and Employment Service State grant programs.

Evidence: WIA Section 136 (29 U.S.C. 2871), including proposed amendments to the same in the Administration's WIA reauthorization proposal; DOL's FYs 2003-2008 Strategic Plan; and ETA TEGL No. 15-03: Common Measures Policy, December 10, 2003. TEGLs are accessible at <http://wdr.doleta.gov/directives/>. Strategic plans are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

2.2 Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals? Answer: YES Question Weight:14%

Explanation: The program is part of the Job Training Common Measures initiative. Accordingly, the program has adopted four annual goals that will better measure the impacts of the program than current measures and allow comparisons across similar programs. DOL is implementing the common measures and will establish numerical targets in 2004. The Administration's WIA reauthorization proposal identifies the common measures and applies them to a new comprehensive adult program to be created by consolidating this program with the current WIA Adult and Employment Service State grant programs.

Evidence: WIA Section 136 (29 U.S.C. 2871), including proposed amendments to the same in the Administration's WIA reauthorization proposal; DOL's FY 2004 Annual Performance Plan; and ETA TEGL No. 15-03: Common Measures Policy, December 10, 2003. TEGLs are accessible at <http://wdr.doleta.gov/directives/>. Performance plans are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

2.3 Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program? Answer: YES Question Weight:14%

Explanation: States are mandated to adopt specific goals established by WIA, negotiate with DOL to establish individual state performance levels, and report on their progress on achieving these levels. States comply with this requirement. The statute also provides an incentive for participation in which states that meet or exceed negotiated levels are eligible to receive incentive grants. To be eligible to receive the award, states must provide complete performance reports that meet DOL's data validation standards. DOL is establishing a more rigorous data validation process. These new validation requirements will provide an additional basis for incentives or sanctions (in addition to performance levels).

Evidence: TEGL No. 14-00, Change 1: Guidance on the WIA Management Information and Reporting System, October 1, 2001, Attachments E, F, and G; Field Memo No. 30-00 WIA Financial Reporting; June 23, 2000; TEGL No. 8-99: Negotiating Performance Goals; and Incentives and Sanctions for the Negotiation and Goal Setting Process; March 3, 2000, Sec. 4-5; TEGL No. 7-99; Core and Customer Satisfaction Performance Measures for the WIA System; March 3, 2000; TEGL No. 19-02: Sanctions Policy for Failure to Meet State Negotiated Performance Levels under Title I of the Workforce Investment Act (WIA); TEGL No. 3-03: Data Validation for Employment and Training Programs; and FYs 2003 and 2004 Annual Performance Plans. TEGLs are accessible at <http://wdr.doleta.gov/directives/>. Performance plans are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

PART Performance Measurements

Program: Dislocated Worker Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	71%	56%	40%	

2.4 Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives? Answer: YES Question Weight:14%

Explanation: DOL works with mandatory and other federal WIA partners, as well as states and localities, to implement the program through the nationwide system of One-Stop Career Centers through which localities deliver services. Key issues of collaboration include federal guidance for state planning and partners' sharing of the costs for operating the centers. Also, within DOL, this program and the similar TAA program are managed in the same national office. DOL has urged states to manage these programs similarly to improve customer service and program performance. The Trade Act of 2002 provides rapid response services under this program to firms that request TAA services for their displaced workers.

Evidence: DOL consults with federal WIA partners, including the Departments of Education, Health and Human Services, Housing and Urban Development, and Agriculture, and the Social Security Administration. It also has been working with the Department of Commerce on economic development strategies that incorporate this program. Additionally, DOL regularly meets with states. Unified Planning Guidance: Federal Register (FR) Vol. 65, No. 10, January 14, 2000 (to date, twenty-three states have submitted a Unified Plan); Cost Allocation/Resource Sharing Guidance: FR Vol. 66, #105, Thursday May 31, 2001; Toll-Free referral system. Training and Employment Information Notice (TEIN) No. 2-94; February 27, 1995: Dual Enrollment of Trade Impacted Workers in JTPA; Trade Act of 2002 (Public Law 107-210). FR notices and TEINs are accessible at <http://www.doleta.gov/usworkforce/documents/>.

2.5 Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness? Answer: NO Question Weight:14%

Explanation: Efforts to initiate an impact evaluation of the program were curtailed in 1998. No impact or outcome evaluations of this program have been completed, nor are any financed under the WIA long-term research plan. (Process evaluations of WIA implementation have been conducted.) However, DOL developed a revised evaluation plan that established a regular cycle of evaluation for all major job training and employment programs. A new multi-year impact evaluation of this program will begin after WIA reauthorization.

Evidence: Though they did not evaluate the program's impact or outcomes, DOL's Office of the Inspector General (OIG) reported on the program in June 2000 (Report No. 04-00-002-03-340, "The Dislocated Worker Program is Not Predominantly Serving Layoff Victims"), and GAO reported on it in February 2002 (GAO-02-274, cited in Section I, #5, above). The OIG's report expressed concerns about eligibility determination and documentation and fund allocation. (OIG's reports are accessible at <http://www.oig.dol.gov/public/reports/oa/main.htm>.) GAO's report expressed concerns about the formula for allocations to states.

PART Performance Measurements

Program: Dislocated Worker Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	71%	56%	40%	

2.6 **Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?** Answer: NO Question Weight:14%

Explanation: There has been little evidence that program funding and achievement of goals are related. Funding changes are roughly linked to participation levels but not linked to performance outcomes. The rough funding estimates appear to have far exceeded what has been needed in recent years due, in part, to poor reporting by states and localities and challenges in measuring participants who receive minimal services and, therefore, may not register. In preparing its 2004 budget request, DOL moved closer to providing full program costing and began to integrate performance goals with budget information. However, this program performance and cost integration does not yet permit measurement of the full costs of each program or an assessment of the impact of budget levels, as well as policy and legislative changes, on performance outcomes.

Evidence: DOL's FY 2003 and FY 2004 Budget Requests. Budget requests are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

2.7 **Has the program taken meaningful steps to address its strategic planning deficiencies?** Answer: YES Question Weight:14%

Explanation: WIA specifies the performance measures on which states will report and requires that DOL negotiate performance levels with each state. As specified in statute, these negotiations occurred at the beginning of WIA implementation and established goals for the first three years of implementation and then again in year three for the final two years of authorization. This statutory requirement hampers DOL's ability to develop long-term goals. DOL is taking two steps to address this obstacle. First, the Administration's WIA reauthorization proposal would change the state negotiation process to allow for longer-term strategic planning. Second, as part of the Job Training Common Measures initiative, DOL has adopted four long-term and annual goals for the program and will establish numerical values for those goals in 2004.

Evidence: DOL's FYs 2003-2008 Strategic Plan and FY 2004 Annual Performance Plan. Strategic and performance plans are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: NO Question Weight:11%

Explanation: DOL uses performance data to award incentive grants and identify areas needing technical assistance, which DOL provides to states that fail on one or more performance measures. However, this information is not reported uniformly to DOL in as timely a manner as would be useful for effective program management. States are supposed to report some information to DOL quarterly, but there may be a lag of several months from the end of a quarter to the time that DOL receives, validates, and publishes the information. Also, though data quality has been improving, DOL has some concerns. In 2003, DOL issued policy guidance for a data validation project that will create more precise programming specifications and standards for use in validating that grantee-reported data. ETA anticipates that states/grantees will finish validating 2002 data and begin submitting validation output reports to ETA in March 2004.

Evidence: DOL's Annual Reports on Performance and Accountability for FYs 2002 and 2003 (Outcome Goal 2.3); TEGL No. 3-03: Data Validation for Employment and Training Programs; and DOL's OIG's Report No. 06-02-006-03-390, "Workforce Investment Act Performance Outcomes Reporting Oversight," September 30, 2002. Performance reports are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>. TEGLs are accessible at <http://wdr.doleta.gov/directives/>. Information on the data validation initiative is accessible at <http://www.uses.doleta.gov/dv/>. DOL's OIG's reports are accessible at <http://www.oig.dol.gov/public/reports/oa/main.htm>.

PART Performance Measurements

Program: Dislocated Worker Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	71%	56%	40%	

3.2 Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results? Answer: YES Question Weight: 11%

Explanation: WIA awards incentive grants to states that meet or exceed negotiated levels of performance. In addition, WIA authorizes the Secretary to apply sanctions to states that fail to meet agreed upon performance levels. Performance ratings for federal program managers are tied to ETA and program performance goals and to grants management responsibilities. All ETA managers and staff are held accountable through incorporation of relevant elements and performance standards in the appraisal process. Also, ETA's Office of Financial and Administrative Management routinely provides to managers and regions reports and analysis of cost and performance results.

Evidence: WIA section 136(g); States' Annual Progress Reports on WIA program activities; and revised performance management plans for senior executives (Form DL 1-2059, Rev. 10/2001) and for supervisors and managers (Form DL 1-382, Rev. 10/2001). States' Annual Reports are accessible at <http://www.doleta.gov/usworkforce/documents/>.

3.3 Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: NO Question Weight: 11%

Explanation: Although the federal program fully obligates the new funds of approximately \$1.2 billion annually, states and localities carry over between \$0.6 and \$0.8 billion of unspent funds annually. Further, even though states and localities claim to have obligated most of these funds, the nature of the commitments is unknown, except case by case, so it is extremely difficult to say confidently how available the funds are to provide services. Tracking of spending for intended purposes is insufficient. The Administration's WIA reauthorization proposal would consolidate the Adult, Dislocated Worker, and Labor Exchange programs into a single funding stream and allow DOL to recapture unexpended funds in states that have not expended at least 70% of all funds on an annual basis. WIA currently allows recapture of unobligated funds from states that have obligated less than 80% of funds annually. The removal of any ambiguity by usage of the commonly defined and understood term 'expend' will improve the ability to track funds and ensure that they are spent in a timely manner.

Evidence: DOL's quarterly reports on states' WIA expenditures; DOL's estimates of unspent carry-in for PYs 2000-2003, as compared to expenditures and annual appropriations of \$1.2 billion (PY 2000: Carry-in \$302 million, Expenditures \$766 million; PY 2001: Carry-in \$776 million, Expenditures \$1.1 billion; PY 2002: Carry-in \$752 million, Expenditures \$1.3 billion; and PY 2003: Carry-in \$635 million, Expenditures \$1.3 billion); GAO Report GAO-03-239, "States' Spending Is on Track, but Better Guidance Would Improve Financial Reporting"; and DOL's OIG's Report No. 04-02-004-03-390 (September 20, 2002) on the State of Ohio's application of agreed-upon procedures for WIA grant obligations, expenditures, and payments. DOL's OIG's reports are accessible at <http://www.oig.dol.gov/public/reports/oa/main.htm>.

PART Performance Measurements

Program: Dislocated Worker Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	71%	56%	40%	

3.4 Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight:11%

Explanation: The program does not rely on information and tools to measure and achieve efficiencies and cost-effectiveness in state and local implementation of this and related WIA programs through One-Stop Career Centers. For example, since the inception of WIA, DOL has had difficulty producing a reliable estimate of the unit cost of serving a program participant or comparing program execution among states and localities to improve efficiency and cost effectiveness. As part of the Job Training Common Measures initiative, this program is adopting a common measure of efficiency.

Evidence: DOL's FY 2004 Budget Request and FY 2004 Annual Performance Plan. Budget requests and performance plans are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

3.5 Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels? Answer: NO Question Weight:11%

Explanation: Like the rest of DOL, ETA does not have an integrated accounting and performance management system to identify the full cost of achieving this program's performance goals and support day-to-day operations. In preparing its FY 2004 Budget request, DOL moved closer to providing full program costing and began to integrate performance goals with budget information. However, this program performance and cost integration does not yet permit measurement of the full costs of each program or an assessment of the impact of budget levels on performance outcomes.

Evidence: DOL's FYs 2003 and 2004 Budget Requests. Budget requests are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight:11%

Explanation: The program is free of material internal control weaknesses as identified by auditors. However, DOL has not completed its evaluation of the level and nature of erroneous payments in its WIA programs, including this one, and how to minimize them. This evaluation is a high priority for ETA.

Evidence: DOL's Annual Reports on Performance and Accountability for FYs 2002 and 2003, which are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight:11%

Explanation: DOL has tied its performance goals to performance ratings for managers. Also, DOL developed a strategy for program reporting that will substantially address issues of timely, accurate, and valid program information. It will address local, state, and federal levels of performance and financial reporting, and validation of data, and will improve compliance tools. These steps will help DOL to manage the program more effectively and support compliance and technical assistance efforts.

Evidence: Revised performance management plans for senior executives (Form DL 1-2059, Rev. 10/2001) and for supervisors and managers (Form DL 1-382, Rev. 10/2001); ETA program reporting strategy (information available on request)

PART Performance Measurements

Program: Dislocated Worker Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	71%	56%	40%	

3.B1 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: NO Question Weight: 11%

Explanation: DOL has improved its oversight but continues to have insufficient knowledge of grantees' activities, due in part to WIA financial requirements. Even though states and localities may claim to have obligated most funding, the extent of such commitments is unknown, except case by case. As a result, it is difficult for DOL to say confidently the amount of funds available to provide services and whether funds have been spent as intended. DOL has taken several steps to improve oversight. In 2002, the Assistant Secretary directed minimum standards and set goals for grants monitoring. DOL achieved these goals in every region, and, to date, 44 of the 52 states and territories have been monitored on site. In 2003, DOL issued an accounting procedures manual for regions and an order outlining grants administration oversight roles and responsibilities. In addition, the Administration proposed in WIA reauthorization that financial reporting and any reallocations of unspent funding be based on when funds are spent, rather than when they are obligated or committed.

Evidence: GAO Reports GAO-02-1074 and GAO-03-239; DOL's OIG's Report No. 04-02-004-03-390, as cited in the evidence/data for question #3.3; DOL's OIG's Semiannual Report to the Congress: October 1, 2001-March 31, 2002; Employment and Training Order No. 1-03; and ETA Regional Accounting Policies & Procedures Manual. DOL's OIG's reports are accessible at <http://www.oig.dol.gov/public/reports/main.htm>.

3.B2 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight: 11%

Explanation: States submit WIA performance information to DOL quarterly and annually. On a quarterly basis, DOL works with state grantees to review and analyze states' performance information and helps states to translate their performance into policy decision. On ETA's Web site, DOL provides an easy link to quarterly and annual performance results for the nation and individual states. This information includes summaries of WIA participant characteristics and services received and comparisons of states' performance. DOL will continue to enhance the ETA performance Web site over the next year. ETA will make it easier for the public to find performance information from the main Web site and to understand what ETA and its partners seek to achieve and whether those goals have been attained.

Evidence: State and national WIA annual performance results for PYs 2000 and 2001; definitions of the performance measures; and quarterly performance reports as of June 30, 2003. Performance information for the ETA programs, including this one, is accessible at <http://www.doleta.gov/usworkforce/performance/>. DOL's Annual Reports on Performance and Accountability are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

4.1 **Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?** Answer: LARGE EXTENT Question Weight: 20%

Explanation: This program has adopted four new long-term goals as part of the Job Training Common Measures initiative. DOL will establish numerical annual and long-term targets in 2004. Partial credit is based on the fact that DOL achieved its previous long-term goals.

Evidence: DOL's FYs 2003-2008 Strategic Plan; In PY 2001, which ended on June 30, 2002, DOL exceeded all three of its previous long-term goals from the FYs 1999-2004 Strategic Plan. Results reported in the Annual Report on Performance and Accountability for FY 2002 are: 79% entered employment; 87% retention; 101% earnings replacement. In PY 2002, which ended on June 30, 2003, DOL again exceeded previous long-term goals for two of three measures, failing to achieve the long-term goal for wage replacement. Strategic Plans and Annual Reports on Performance and Accountability are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

PART Performance Measurements

Program: Dislocated Worker Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	71%	56%	40%	

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: **LARGE EXTENT** Question Weight **20%**

Explanation: This program has adopted four new long-term goals as part of the Job Training Common Measures initiative. DOL will establish numerical annual and long-term targets in 2004. Partial credit is based on the fact that DOL achieved all of its three key annual goals in PYs, 1999, 2000, and 2001, even though it achieved only two of three for PY 2002. Although the federal goals were achieved, not all state and local partners achieved their goals.

Evidence: DOL's FYs 2003-2008 Strategic Plan; In PY 2001, which ended on June 30, 2002, DOL exceeded all three of its previous long-term goals from the FYs 1999-2004 Strategic Plan. Results reported in the Annual Report on Performance and Accountability for FY 2002 are: 79% entered employment; 87% retention; 101% earnings replacement. In PY 2002, which ended on June 30, 2003, DOL again exceeded previous long-term and annual goals for two of three measures, failing to achieve the annual or long-term goals for wage replacement. Strategic Plans and Annual Reports on Performance and Accountability are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

4.3 Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year? Answer: **NO** Question Weight **20%**

Explanation: The program cannot determine or exhibit that it is improving efficiencies and cost-effectiveness in states' and local implementation of this and related WIA programs through One-Stop Career Centers. However, DOL is participating in the development of one common measure of efficiency and cost-effectiveness.

Evidence: DOL has been unable to provide a reliable estimate of the unit cost of serving a dislocated worker program participant.

4.4 Does the performance of this program compare favorably to other programs with similar purpose and goals? Answer: **LARGE EXTENT** Question Weight **20%**

Explanation: This program and TAA both provide training to get the unemployed back to work and have adopted four new long-term and annual performance measures as part of the Job Training Common Measures initiative. Based on performance against previous measures and goals, WIA Dislocated Worker program outcomes for PY 2002 were better than those of TAA for FY 2003 in all three areas measured. Entered employment rate: 82% Dislocated Workers vs. 62% TAA; retention rate: 90% Dislocated Workers vs. 86% TAA; earnings replacement rate: 90% Dislocated Workers vs. 73% TAA. For the preceding year, the Dislocated Workers program exceeded TAA's performance on two of three measures (TAA's retention rate was higher.). Also, in FY 2001, the TAA cost per participant was substantially higher than that for dislocated workers: \$11,600 for TAA and \$1,800 for Dislocated Workers.

Evidence: DOL's Annual Reports on Performance and Accountability for FYs 2001 and 2002. Comparisons are difficult because services differ. Not all WIA exiters take training; some find jobs after reemployment services alone. TAA outcomes are based on training, where experienced workers may need to start over in new careers. As WIA individual outcomes data become available, DOL will be able to make these more refined comparisons using individual characteristics as well. Annual Reports on Performance and Accountability are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

PART Performance Measurements

Program: Dislocated Worker Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	71%	56%	40%	

4.5 Do independent and quality evaluations of this program indicate that the program is effective and achieving results? Answer: NO Question Weight 20%

Explanation: No impact or outcome evaluations of this program have been completed. (Process evaluations of WIA implementation have been conducted.) However, DOL developed a revised evaluation plan that established a regular cycle of rigorous evaluation for all major job training and employment programs. A new multi-year impact evaluation of this program will begin after WIA reauthorization, as part of an evaluation of a new consolidated Adult grant program.

Evidence: Though it did not evaluate the program's impact or outcomes, GAO reported on it in February 2002 (GAO-02-274). GAO's report expressed concerns about the formula for allocations to states and discussed various state strategies for program design without making any recommendations.

PART Performance Measurements

Program: Dislocated Worker Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	71%	56%	40%	

Measure: Percentage of participants employed after program exit. (This new measure will be implemented in 2005. Data shown are for similar current measure).

Additional Information: New measure: result of common measures initiative; targets to be determined in 2004. 2001 and 2002 report performance against a similar previous measure of job placement.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-term
2001	73%	79%	
2002	78%	82%	
2003			
2004	82%		
2005			

Measure: Percentage of participants who retain employment after exit. (This new measure will be implemented in 2005. Data shown are for similar current measure).

Additional Information: New measure: result of common measures initiative; targets to be determined in 2004. 2001 and 2002 report performance against a similar previous measure of employment retention.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-term
2001	83%	87%	
2002	88%	90%	
2003			
2004	91%		
2005			

PART Performance Measurements

Program: Dislocated Worker Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	71%	56%	40%	

Measure: Percentage change in participants' earnings. (This new measure will be implemented in 2005. Data shown are for similar current measure: % wage replacement).

Additional Information: New measure: result of common measures initiative; targets to be determined in 2004. 2001 and 2002 report performance against a similar previous measure of wage replacement.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-term
2001	91%	101%	
2002	98%	90%	
2003			
2004	91%		
2005			

PART Performance Measurements

Program: Employee Benefits Security Administration (EBSA)
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	67%	73%	60%	Effective

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: Protect and foster employee pension, health, and other benefit plans in the private sector through education, information, regulation, enforcement, and compliance assistance.

Evidence: Authorizing law -- Employee Retirement Income Security Act, as amended (ERISA; 24 USC 1001 et seq) Program mission statement included with GPRA materials at http://www.dol.gov/_sec/stratplan/main.htm & http://www.dol.gov/_sec/budget2003/2003app-toc.htm.

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight 20%

Explanation: Under the law, pension protection is advanced by certain uniform fiduciary duty, reporting, and disclosure requirements, without which employees probably could not efficiently obtain the safeguards and information that they need.

Evidence: Congressional findings and declaration of policy (Sec.2 of ERISA) as well as its legislative history, summarized, e.g., in Barbara J. Coleman, "Primer on ERISA," 4th ed., 1993.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight 20%

Explanation: Although other agencies help to protect pensions, no others regulate fiduciary duty and there is no overlap in enforcement, reporting, or disclosure requirements. The other federal pension-protection agencies are: 1) Pension Benefit Guaranty Corporation (which is an insurance program for defined-benefit pensions against company failures); and 2) part of the Internal Revenue Service, which enforces tax-law requirements on access to pensions and companies' funding of defined-benefit pensions. These agencies operate very differently. ERISA preempts states from regulating pensions. No other federal agency regulates company health plans, but states do regulate health insurance, not employer plans directly. Private efforts addressing pensions and health are generally limited to voluntary standards.

Evidence: Authorizing law -- Employee Retirement Income Security Act (ERISA). Program mission statements. GAO, "Answers to Key Questions About Private Pension Plans," September 2002 (includes agency roles). See GPRA materials (including Strategic Plan and Annual Performance Plan) at http://www.dol.gov/_sec/stratplan/main.htm & http://www.dol.gov/_sec/budget2003/2003app-toc.htm. Also see Sec. IV, q. 2.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?

Answer: YES

Question Weight 20%

Explanation: The statute underlying EBSA's programs produces benefits but is not designed to maximize them. While technically meeting the criteria for "yes" answer, future reviews will continue to give this question close scrutiny.

Evidence: Authorizing law -- Employee Retirement Income Security Act (ERISA). Program mission statement. Brookings Institution, "Cutting Government," 1995. Also see the explanation under Sec. II, q. 2.

PART Performance Measurements

Program: Employee Benefits Security Administration (EBSA)
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	67%	73%	60%	Effective

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%

Explanation: EBSA restored and/or protected approximately \$1.4 billion in pension and health plan assets in FY 2003 with an annual appropriation of approximately \$116 million. In addition to monetary results, EBSA facilitated resolution to hundreds of health care coverage issues which can't be measures quantitatively but are equally important to participants and beneficiaries.

Evidence: FY 2003 DOL Annual Performance and Accountability Report. FY 2005 President's Integrated Performance Budget. EBSA achieved a 69% hit ratio (i.e. closed cases with results to total closed cases) in FY 2003 with respect to civil cases. It is on course to meet or exceed that ratio in FY 2004. With respect to criminal cases, EBSA achieved 40% ratio in FY 2003 (i.e. cases referred for prosecution).

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 11%

Explanation: EBSA's mandated structure makes it difficult to measure its overall long term performance. To compensate for this, the agency has selected output measures to use as proxies for overall performance, and has developed three long-term and five annual performance measures. Program areas covered include civil, criminal, and voluntary compliance assistances cases; and programs that the Secretary has identified as priorities: Employee Contribution Project, Health Disclosure and Claims, Multiple Employer Welfare Arrangements, Orphan Plans, and Rapid ERISA Action Teams (REACT).

Evidence: See FY 2006 PART measures correspondence during the PART reconsideration.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 11%

Explanation: EBSA has established significantly ambitious targets and time frames for its three long-term measures of performance in the program areas identified above in 2.1.

Evidence: See FY 2006 PART measures correspondence during the PART reconsideration.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 11%

Explanation: In each of the eight program areas identified in 2.1 above, EBSA has annual performance measures that will permit it to demonstrate progress.

Evidence: See GPRA materials (including Strategic Plan and Annual Performance Plan) at http://www.dol.gov/_sec/stratplan/main.htm & http://www.dol.gov/_sec/budget2005/2005app-toc.htm. Also see Sec. IV, q. 2.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 11%

Explanation: EBSA adopted annual measures that reflect its national priorities and has several years worth of baseline data. They have established annual targets as a subset to their long-term civil ratio goal.

Evidence: See FY 2006 PART

PART Performance Measurements

Program: Employee Benefits Security Administration (EBSA)
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	67%	73%	60%	Effective

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight:11%

Explanation: Program partners are notably the American Savings Education Council, the International Foundation for Employee Benefit Programs, and the contractor for processing benefit plans' annual reports (i.e., the EFAST system). They commit to performance measures feeding into the annual goals. However, ERISA sets very general requirements (e.g., "prudent" investment) and the regulated entities interact rather narrowly with regulators and so cannot be considered as traditional program partners.

Evidence: Internal documents such as EFAST contract.

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: NO Question Weight:11%

Explanation: EBSA has initiated a number of evaluations, but it is too soon to tell whether they will result in program improvements or other benefits. EBSA conducted two program evaluations in its enforcement and participant assistance programs in 2003. In 2004 EBSA is conducting, with the assistance of GALLUP, further program evaluations in the Office of Participant Assistance, but they are not yet completed. Therefore, their scope and quality cannot be determined, nor is it known whether program improvements will result. EBSA is also conducting a discrete, baseline compliance study in the Employee Contributions Plan arena, and an Audit Plan Quality project (a follow-up to a 1995 baseline study). For these evaluations also, the scope and quality cannot be determined, nor is it known whether program improvements will result.

Evidence: OMB has received reports from the FY 2003 program evaluations. The Audit Plan Quality project report is due out later in the fall. The investigative efforts associated with the Employee Contribution Plan project is ongoing in FY 2004. A report will be available in FY 2005. The FY 2004 Gallup evaluation will be completed approximately in July 2004 with a formal report issued sometime soon thereafter. OMB is also in possession of EBSA's long range baseline study plan.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight:11%

Explanation: Almost none of the DOL agencies yet satisfies the standard for "yes." And there is no true cost accounting, i.e., by estimating unit costs. However, this agency has submitted an FY 2005 integrated performance budget request that accounts for expenditures at the program goal level. EBSA is also actively involved in the Department Managerial Cost Accounting Project which should facilitate associated inputs with outputs.

Evidence: FY 2005 budget submission.

PART Performance Measurements

Program: Employee Benefits Security Administration (EBSA)
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	67%	73%	60%	Effective

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:11%

Explanation: In 2004, EBSA struggled to develop meaningful long-term performance targets and annual goals. The result is a significant improvement over previous attempts.

Evidence: "Final Report: EBSA Performance Measures and Data Systems," Veridian/MRJ Technology Solutions, September 29, 2002. MPR Case Opening and Results Analysis (Mach 31, 2004). Briefing on "Strategic Planning Process." Each is summarized at left. In March 2003, subsequent to the initial PART review, EBSA met with senior OMB officials to continue the effort of reaching consensus on appropriate performance measures. In June 2004, EBSA modified its performance goals and developed a long range baseline study and program evaluation plan. The modified performance matrix will permit reporting on discrete national projects considered emerging issues. EBSA also modified its targets and has achieved green in budget and performance integration.

2.RG1 **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?** Answer: NO Question Weight:11%

Explanation: Although they are largely necessary, only rarely do the agency's rules and other regulatory actions indicate how they contribute to goal achievement. Instead, preambles emphasize only the legal authority and, generally, the need for the action and the benefits expected. However, EBSA (along with other DOL regulatory agencies will by mid-2004 review all significant regulations and plan for improvement, as consistent with the law. The planned improvements will provide compliance flexibility and maximize net benefits by eliminating or modifying identified regulations. Implementation will begin shortly thereafter.

Evidence: Rules, Interpretive Bulletins, and Class Exemptions [from legal standards & requirements], e.g., "Adoption of Voluntary Fiduciary Correction Program," [a compliance-assistance initiative], final rule, Federal Register, 3/28/02. All available at www.ebsa.dol.gov

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 9%

Explanation: Agency has initiated new information systems and procedures to collect extensive performance information from regional and field offices, such as the Enforcement Management System (EMS) and the Technical Assistance and Inquiry System (TAIS). The new system for processing plans' annual reports allows speedier use in compliance-assistance and enforcement, while that information can do the most good.

Evidence: EMS and TAIS reports (see explanation); quarterly management reviews. Development of EBSA's "orphan plan project" (for instances where responsible parties are no longer managing plan assets) was sparked by data from these monitoring systems.

PART Performance Measurements

Program: Employee Benefits Security Administration (EBSA)
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	67%	73%	60%	Effective

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight: 9%

Explanation: The Department of Labor has recently tied its performance goals to performance ratings for managers; the new appraisal system is to be cascaded through the Department.

Evidence: Revised DOL performance management plans for senior executives (Form DL1-2059, rev. 10/01) and for supervisors & managers (Form DL1-382, rev. 10/01).

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 9%

Explanation: There are no outstanding audit findings. The agency reviews obligations and outlays monthly to ensure timely obligation.

Evidence: DOL, "Annual Report on Performance & Accountability," various years. Quarterly apportionment reports indicate estimated and actual obligations.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: NO Question Weight: 9%

Explanation: Competitive procedures and a trial period were used in awarding a contract for processing the plan annual reports. That new system has enabled faster disclosure to employees and faster response to needs for agency intervention. However, there are no explicit efficiency goals and there could be more use of competitive sourcing, such as through position classification in the FAIR process.

Evidence: DOL 2003 Commercial Activities & Inherently Governmental inventories.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 9%

Explanation: EBSA routinely coordinates regulatory initiatives and interpretive issues with the IRS, PBGC, and HHS, including certain coverage and fiduciary issues. The Form 5500 database is extensively shared with numerous federal agencies such as the Bureau of Economic Analysis, the Federal Reserve Board, HHS, and Treasury. With respect to the enforcement program, EBSA, PGBC, IRS, and DOJ routinely exchange information and refer issues accordingly. The ERISA Advisory Council has played a vital role in the development of policies since 1974. EBSA is currently implementing recommendations of the Board in the areas of electronic reporting, fiduciary educations, and Orphan Plans. Finally, with respect to the quality and timely filing of the Form 5500, EBSA coordinates with a number of entities including PBGC and IRS and refers Certified Public Accountants who have performed substandard audit work to their respective licensing boards.

Evidence: An extensive series of EBSA MOUs provided during FY 2004 PART process. In addition, EBSA maintains systems of correspondence demonstrating the coordination with respect to regulatory and interpretative issues. With respect to the 5500 database: Federal Reserve Board's Flow of Funds Accounts, National Income and Product Accounts, modeling to project COBRA coverage which is shared with HHS, Treasury, CBO. ERISA Advisory Board minutes and related follow-up activities. DFVC Compliance program, IRS/DOL Joint Non-filer Initiative, DOL/IRS/PBGC Joint Voluntary Compliance Outreach Initiative, Form 5500 Redrafting Committee,.

PART Performance Measurements

Program: Employee Benefits Security Administration (EBSA)
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	67%	73%	60%	Effective

-
- 3.6 Does the program use strong financial management practices?** Answer: YES Question Weight: 9%
- Explanation: There are no material weaknesses or outstanding audit findings. Detailed, quarterly monitoring of regional offices' workload and performance. Also see explanation for sec. III, q. 1.
- Evidence: DOL IG Audit Report for FY 2001, 12/17/01.
- 3.7 Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 9%
- Explanation: Has quarterly management meetings to attend to any management deficiencies that may be identified. GAO identified opportunities for improvements in the enforcement activities. EBSA's response indicated improvements planned and already taken. Also, the Department of Labor has recently tied its performance goals to performance ratings for managers; the new appraisal system is to be cascaded through the Department.
- Evidence: GAO, "EBSA: Opportunities Exist for Improving Management of the Enforcement Program," March 2002 (summarized at left). Revised DOL performance management plans for senior executives (Form DL1-2059, rev. 10/01) and for supervisors & managers (Form DL1-382, rev. 10/01).
- 3.RG1 Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?** Answer: YES Question Weight: 9%
- Explanation: EBSA frequently issues Requests for Information with specific questions. It sometimes holds hearings, as well, where agency officials often discuss with the witnesses the issues they have raised. Preambles to final rules detail the comments and respond to them. EBSA has used negotiated rulemaking.
- Evidence: Federal Register. Hearing records.
- 3.RG2 Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R** Answer: YES Question Weight: 9%
- Explanation: The Regulatory Impact Analyses (RIAs) are thorough and often rely on published data in peer-reviewed journals. However, the RIAs themselves have not been peer-reviewed by expert organizations such as the Employee Benefit Research Institute.
- Evidence: For example, final rule relating to employers' use of e-mail for required disclosures, Federal Register, 4/9/02. Available at www.EBSA.gov.

PART Performance Measurements

Program: Employee Benefits Security Administration (EBSA)
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	67%	73%	60%	Effective

3.RG3 Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals? Answer: NO Question Weight: 9%

Explanation: There are no regular look-back studies of current rules. However, there was some streamlining in 1995 that removed 57 pages of rules and a 2002 review that did not modify any regulation. Such reviews have not emphasized consistency in accomplishing program goals. The final rule just cited DID review a pre-existing regulation, but was not explicitly related to program goals.

Evidence: EBSA continues to develop the process and criteria for the selection of regulations to be reviewed as part of their action plan to follow-up on FY 2004 PART recommendations. We anticipate that by the end of FY 2004, a system for review will be in place. During FY 2005, the procedures will be implemented to conduct reviews, as appropriate.

3.RG4 Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity? Answer: NO Question Weight: 9%

Explanation: A mixed situation that does not yet meet the standards for "yes." Despite good attempts to minimize the INCREMENTAL regulatory burdens, there is little evidence of attempts to minimize the CUMULATIVE burden. Also, thus far, aside from what is mentioned below, there has been no other conversion to electronic filing and there is no assurance of any future streamlining as part of forms conversions. In an effort to reduce burden, however, small plans are often exempted from detailed regulatory, reporting, and disclosure requirements. EBSA has made it easier for employers to make required disclosures to employees in less burdensome electronic ways. It has developed a new system for easier submission by plans of streamlined annual reports.

Evidence: See above; internal GPEA and other documents.

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: LARGE EXTENT Question Weight: 20%

Explanation: EBSA has past performance data indicating progression towards the targets for two out of its three long-term measures.

Evidence: See most recent correspondence between OMB and EBSA on PART reconsideration.

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: LARGE EXTENT Question Weight: 20%

Explanation: Annual performance goals, although not ambitious in previous years, have generally been met. Selected past goals are shown on attachment. EBSA has extensive historical data to demonstrate steady goal improvement. New targets have been established for national priorities.

Evidence: See most recent correspondence between OMB and EBSA on PART reconsideration.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: NO Question Weight: 20%

Explanation: However, EBSA has a new efficiency measure for enforcement results that will relate inputs (\$) to outcomes (cases with results).

Evidence: See OMB approval of new efficiency measure.

PART Performance Measurements

Program: Employee Benefits Security Administration (EBSA)
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	67%	73%	60%	Effective

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?

Answer: NA

Question Weight: 0%

Explanation: The missions and modes of operation of other pension agencies differ so sharply from EBSA's, that there are no similar agencies and no comparable performance measures are available. That is to say, PBGC operates a pension-insurance program; IRS primarily addresses companies' funding of pension plans; and state health departments regulate insurance carriers, not company health plans.

Evidence: Authorizing law. GPRA materials. GAO, "Answers to Key Questions About Private Pension Plans," September 2002 and Employee Benefit Research Institute, "Fundamentals of Employee Benefit Programs," 5th ed., 1997, which is continuously updated at www.ebri.org (each of which discusses operations of various agencies).

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: LARGE
EXTENT

Question Weight: 20%

Explanation: Although critical of many specifics, a recent GAO evaluation concluded that EBSA's important enforcement activities are "overall, a well-run program." Also EBSA is progressing in measuring effectiveness and plan compliance, notably with the recent Health Disclosure and Claims Issues project, which is not yet complete. Future evaluations are expected through EBSA's participation in DOL's crosscut, program-evaluation effort (see 2.6 above).

Evidence: GAO, "EBSA: Opportunities Exist for Improving Management of the Enforcement Program," GAO-02-232, March 2002. GAO, "Pension Plans: Stronger Labor ERISA Enforcement Should Better Protect Plan Participants," HEHS-94-157, August, 1994. EBSA has developed a long range plan for conducting independent evaluations as well as baseline studies in discrete program areas.

4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?

Answer: YES

Question Weight: 20%

Explanation: Good design of regulatory actions and analyses. The final rule on small-plan audits, for example, considered the costs and benefits of small-plan exemptions from various specific requirements for financial security.

Evidence: Regulatory Impact Analyses. Small-plan rule, Federal Register, 10/19/00, summarized at left. Also see explanations and examples in Sec. III.

PART Performance Measurements

Program: Employee Benefits Security Administration (EBSA)
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	67%	73%	60%	Effective

Measure: Ratio of closed civil cases with corrected violations to all civil cases closed

Additional Information: An indicator of success in protecting pension and health benefits.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	0.5	0.69	
2004	0.63	0.72	
2005	0.66		
2006	0.69		
2007	0.72		
2008	0.75		

Measure: Rapid ERISA Action Teams

Additional Information: A national priority and sub category of performance within the civil ratio measure.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004	60%		

Measure: Ratio of criminal cases referred for prosecution to total criminal cases.

Additional Information: An indicator of success in protecting pension and health benefits.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	0.25	0.4	
2004	0.352	0.38	
2005	0.377		

PART Performance Measurements

Program: Employee Benefits Security Administration (EBSA)
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	67%	73%	60%	Effective

2006	0.402
2007	0.427
2008	0.452

Measure: Achieve a customer satisfaction index of 67 by FY 2008 for participants and beneficiaries who have contacted EBSA for assistance

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2002			
2003	56	59	
2004	61	62	
2005	63		
2006	65		

Measure: Voluntary Compliance

Additional Information: The number of applications to EBSA's Voluntary Compliance programs

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004	7943		
2005	8340		
2006	8757		
2007	9195		
2008	9654		

PART Performance Measurements

Program: Employee Benefits Security Administration (EBSA)
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	67%	73%	60%	Effective

Measure: Percentage of telephone inquiries responded to within 24 hours.

Additional Information: Ensuring timely responses to participants promotes an infomed consumer who is empowered to "police" their own benefits and to plan administrators facilitates ERISA compliance.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual	(Efficiency Measure)
1999	0.99	0.9998		
2000	0.99	0.999		
2001	0.99	0.999		
2002	0.99	0.999		
2003	0.99	0.999		
2004	0.99			

Measure: Employee Contribution Project - ratio of closed cases with corrected violations to total closed cases.

Additional Information: A national priority and sub category of performance within the civil ratio measure.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004	85%		

Measure: Health Disclosure and Claims Issues - ratio of closed cases with corrected results to total closed cases.

Additional Information: A national priority and sub category of performance within the civil ratio measure.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004	75%		

PART Performance Measurements

Program: Employee Benefits Security Administration (EBSA)
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	67%	73%	60%	Effective

Measure: Multiple Employer Welfare Arrangements - ratio of closed cases with corrected results to total closed cases.

Additional Information: A national priority and sub category of performance within the civil ratio measure.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004	70%		

Measure: Orphan Plans

Additional Information: A national priority and sub category of performance within the civil ratio measure.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004	90%		

PART Performance Measurements

Program: Employment Service
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	88%	67%	45%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: The Wagner-Peyser Act of 1933, as amended by the Workforce Investment Act of 1998 (WIA), created the Employment Service (ES) to bring together individuals who are seeking employment and employers who are seeking workers. Through ES grants to States, labor exchange services are provided at no charge through a nationwide network of public One-Stop Career Centers, with specialized services for migrant and seasonal farm workers, Unemployment Insurance (UI) claimants, and veterans. In addition, the ES administers the Work Opportunity and Welfare-to-Work tax credit programs, provides foreign labor certification services to employers, administers the UI work test (the process of ensuring that UI claimants register with the ES and search for work), and provides reemployment services to UI claimants who are identified as having high probabilities of exhausting their benefits.

Evidence: (1) Authorizing law: Wagner-Peyser Act of 1933, accessible at www.doleta.gov/programs/w-pact_amended98.cfm; (2) The Workforce Investment Act of 1998, accessible at www.doleta.gov/usworkforce/wia/wialaw.pdf, amended the Wagner-Peyser Act; (3) 20 CFR 652.2-3 (Scope and purpose of the employment service system and basic labor exchange system); and (4) 20 CFR 652.210 (Wagner-Peyser Act requirements for UI work test administration and services to UI claimants).

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight 20%

Explanation: While the ES was created in the Depression, there is a continuing demand for its services. For program year (PY) 2002, over 15 million job seekers registered with the ES, and employers listed over 10 million job openings. What has changed over time is the way the labor exchange services and labor market information are delivered, with increasing reliance on computers and the Internet. ES services are provided in three ways: self-service, facilitated self-help, and staff-assisted. In each local workforce investment area, all ES services are available on-site in at least one comprehensive One-Stop Career Centers. Labor exchange services can also be accessed electronically, through Internet-based self-service tools, known as the CareerOneStop, available 24-hours a day, 7 days a week. The CareerOneStop tools include America's Job Bank, America's Career InfoNet (information on labor markets and job skills requirements), and America's Service Locator (locations of local offices).

Evidence: (5) Employment Service Program Year 2002 Data, ETA 9002 A Quarterly Report dated 12/31/03, shows that over 15 million jobseekers registered with the ES; (6) CareerOneStop (COS) e-tools web sites: CareerOneStop (COS) - www.careeronestop.org/ America's Job Bank (AJB) - www.ajb.org/ America's Career InfoNet (ACINet) - www.acinet.org/ America's Service Locator (ASL) - www.servicelocator.org/ Occupational Information Network (O*NET) - online.onetcenter.org/

PART Performance Measurements

Program: Employment Service
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	88%	67%	45%	

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: NO Question Weight 20%

Explanation: The WIA Adult and Dislocated Worker programs provide similar core services as those funded under the Wagner-Peyser Act to the unemployed, the under-employed, and the economically disadvantaged, as well as to businesses seeking qualified workers. The Administration's proposal for WIA reauthorization would eliminate duplication in the delivery of core employment and workforce information services among One-Stop program partners and provide flexibility to States in determining how delivery of such services will be administered. In addition, private entities provide some of the services that the ES has been delivering but with a fee charged either to the job seeker, to the employer, or both.

Evidence: (7) Workforce Investment Act of 1998 is accessible at www.doleta.gov/usworkforce/wia/wialaw.pdf, amended the Wagner-Peyser Act;(8) 20 CFR 652.2-3 (Scope and purpose of the employment service system and basic labor exchange system);(9) Private site job posting price lists are available at get.monster.com/ecomproduct.asp?bundleTypeID=1&ecomad=emplotin_jobs, www.careerbuilder.com/JobPoster/?sc_cmp2=JS_HP1_Nav_PostJobNow, www.hotjobs.com/htdocs/employer/index-us.html.

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight 20%

Explanation: In addition to overlap and duplication with certain WIA core services in some communities, the requirement that ES be a One-Stop partner for delivery of services imposes the rigidities of the ES grants on the One-Stop operators as do separate WIA funding streams. One-Stop operators must track and manage separate funding streams and manage employees in separate personnel systems. Additionally, the Secretary of Labor has long required ES services to be delivered by State employees ('merit staff') to ensure impartiality and statewide service delivery to all job seekers and employers. The Administration's proposal to consolidate the ES with the WIA Adult and Dislocated Worker programs is designed to expand State flexibility and assist in the further elimination of duplication of effort that exists. The expected results will be an expansion of seamless local service delivery and improved efficiency.

Evidence: (10) Wagner-Peyser Act Annual Funding Agreement Assurance 1.5 "Grantee will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4728) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 CFR 900, Supart F)."

PART Performance Measurements

Program: Employment Service
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	88%	67%	45%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight 20%

Explanation: Wagner-Peyser funded services are provided universally to the general population and are not 'targeted' to any special population. Funding is distributed to States via formula grants based on each State's share of the civilian labor force and unemployment for the current calendar year. Of the 15 million registered job seekers the ES served in PY 2002, 88% or 13 million were unemployed at the time of registration and 42% or 6.2 million were eligible UI claimants. In addition, businesses listed 10.2 million job openings with the State workforce agencies and America's Job Bank.

Evidence: (11) 20 CFR 652.207 (How does a State meet the requirement for universal access to services provided under the Wagner-Peyser Act?);(12) TEGL 23-02 titled 'FY 2003 Congressional Rescissions for WIA Adults and Dislocated Workers, Workforce Investment Act (WIA) Allotments for Program Year (PY) 2003, Wagner-Peyser Act Final Allotments for PY 2003, Reemployment Services Allotments for PY 2003, and Work Opportunity and Welfare-to-Work Tax Credit Allotments for FY 2003', is accessible at www.ows.doleta.gov/dmstree/tegl/tegl2k2/tegl_23-02.htm, includes an explanation of the ES funding formula.(13) Employment Service Program Year 2002 Data, ETA 9002 A Quarterly Report dated 12/31/03 shows the UI status of the job seekers that registered for ES services and the number of job openings.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight 13%

Explanation: The program is part of the Job Training Common Measures initiative. Accordingly, it has adopted four long-term goals that will better measure the impacts of the program than current measures and allow comparisons across similar programs. DOL is implementing the common measures and is to establish numerical targets in PY 2004. The Administration's WIA reauthorization proposal identifies the common measures and applies them to a new comprehensive adult program to be created by consolidating this program with the current WIA Adult and Dislocated Worker State grant programs. Current ES labor exchange measures include: Entered Employment Rate, Employment Retention Rate, Job Seeker Customer Satisfaction, and Employer Customer Satisfaction. These are similar to measures currently used in the WIA programs but do not include earnings gains. In addition, ES has measures designed to assess the performance of the electronic, Internet-based services, which do not require registration and consequently do not have information on labor market outcomes of those users.

Evidence: (14) Department of Labor's adoption of the Job Training Common Measures is evidenced in its FY 2000-2004 Strategic Plan, accessible at www.dol.gov/dol.aboutdol/main.htm;(15) Labor Exchange Performance Measures, 66 FR 29848-53, May 31, 2001, and Federal Register, Vol. 66, No. 109, June 6, 2001;(16) Guidance and information about the labor exchange performance measures, and performance measures reporting and data validation can be accessed at www.doleta.gov/usworkforce/documents/.

PART Performance Measurements

Program: Employment Service
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	88%	67%	45%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight:13%

Explanation: This program is part of the Job Training Common Measures Initiative. Accordingly, it has adopted four long-term annual goals that will enhance the measurement of the program's impact (e.g., wage gain) and allow for comparisons across similar programs. DOL is implementing the OMB common measures for employment and training programs in calendar year 2004. Targets and timeframes for the program's long-term measures will be negotiated during calendar year 2004.

Evidence: (17) Department of Labor's FY 2000-2004 Strategic Plan at www.dol.gov/dol.aboutdol/main.htm reflects that the agency has adopted OMB's common performance measures for employment and training programs;(18) Department of Labor's FY 2004 and FY 2005 Congressional Justifications are accessible at www.dol.gov/_sec/Budget2004/2004app-toc.htm and www.dol.gov/_sec/Budget2005/overviewpb-toc.htm, respectively. Both justifications reflect the Department's commitment to the implementation of OMB's common measures.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight:13%

Explanation: This program is part of the Job Training Common Measures initiative. Accordingly, the program has adopted new annual measures that: (1) will better indicate participants' employment and earnings outcomes, as well as program efficiency, and (2) facilitate comparisons with similar programs. DOL is implementing the common measures and will establish numerical targets in 2004. The Administration's WIA reauthorization proposal identifies the common measures and applies them to a new comprehensive adult program to be created by consolidating this program with the current WIA Adult and Dislocated Workers programs. The program is considering developing a measure to more directly capture business service outcomes. Currently, the ES labor exchange annual performance measures are: Entered Employment Rate (EER), Employment Retention Rate (ERR), Job Seeker Customer Satisfaction, and Employer Customer Satisfaction. The Internet-based CareerOneStop tools have performance measures that reflect their goals and objectives.

Evidence: (19) Department of Labor's FY 2000-2004 Strategic Plan at www.dol.gov/dol.aboutdol/main.htm reflects the agency's adoption of OMB's Job Training Common Measures;(20) Department of Labor's FY 2004 and FY 2005 Congressional Justifications are accessible at www.dol.gov/_sec/Budget2004/2004app-toc.htm and www.dol.gov/_sec/Budget2005/overviewpb-toc.htm, respectively. Both justifications reflect the Department's commitment to the implementation of OMB's Job Training Common Measures.(21)Labor Exchange Performance Measures, 66 FR 29848-53, May 31, 2001;(22) Guidance and information about the labor exchange performance measures, and performance measures reporting and data validation can be accessed at www.doleta.gov/usworkforce/documents/;(23) FY 2004 Revised and Final Annual Performance Plan is accessible at www.dol.gov/dol/aboutdol/main.htm;(24) ETA's Quarterly Report of Workforce System Results is accessible at www.dol.gov/_sec/media/reports/annual2003/.

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Program: Employment Service
Agency: Department of Labor
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Section Scores				Rating
1	2	3	4	Adequate
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2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 13%

Explanation: DOL is implementing the Job Training Common Measures and is to establish baseline data in PY 2004 and then ambitious numerical targets for the program. ES' annual measures reflect its long-term measures. The current annual measures are: Entered Employment Rate (EER), Employment Retention Rate (ERR), Job seeker Customer Satisfaction, and Employer Customer Satisfaction. In PY 2003, ES established numerical targets for its annual measures based on its experience, the results of a joint pilot with the Veterans' Employment and Training Service (VETS) using UI wage records, and state-developed baselines during PY 2002. In PY 2004, States will be setting levels of performance for the program's annual measures based on GPRA goals and actual performance data.

Evidence: (25) The results of the ES/VETS Pilot Test of Labor Exchange Performance Measures showed that Entered Employment Rate (EER) ranged between 60%-65% and that the Employment Retention Rate (ERR) ranged between 75%-80%, which are in alignment with ES GPRA goals. The states used these results to establish ES numerical targets for the annual measures.

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight: 13%

Explanation: For the ES formula grants, prior to PY 2004 and the implementation of the labor exchange performance measures, States did not negotiate outcome levels of performance for ES. But as a result of a joint Federal-State workgroup, in PY 2004, States will negotiate numerical targets for labor exchange for the first time. This process will be continued annually.

Evidence: (26) Training and Employment Guidance Letter (TEGL) 22-03, titled "Negotiating PY 2004 Expected Levels of Performance for the Labor Exchange Entered Employment Rate and Employment Retention Rate Performance Measures" (06/03/04), is accessible at wdr.doleta.gov/directives/corr_list.cfm.

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Section Scores				Rating
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2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 13%

Explanation: Numerous independent evaluations have been conducted to support ES program improvements and evaluate the effectiveness and efficiency of its services. As a synthesis of these studies, Chapter 5 in Labor Exchange Policy in the United States examined nine studies of the ES conducted over the last 20 years. All studies involved a comparison group design which permits an estimate of the incremental effect of an intervention. The methodology, called net impact estimation, compares post-program labor market outcomes of participants with a group of similar characteristics. Evaluations of ES activities have focused on three topics: job interview referrals, job search assistance, and targeted job search assistance. The review of the ES studies was prepared by a staff member of the W.E. Upjohn Institute for Employment Research, an independent research organization, and the studies reviewed had been conducted by independent researchers.

Evidence: (27) Labor Exchange Policy in the United States, W.E. Upjohn Institute for Employment Research (2004) examined the results of nine independent evaluations of ES activities. -Additional independent studies include: (28) UI Work Search Rules and Their Effect on Employment, W. E. Upjohn Institute for Employment Research (February 2004), accessible at www.workforceatm.org/sections/pdf/2004/UI_Work_Search.pdf; (29) Measuring the Effect of Public Labor Exchange (PLX) Referrals and Placements in Washington and Oregon, Westat (October 2003), accessible at workforcesecurity.doleta.gov/dmstree/op/op2k/op_06-00.pdf; (30) Evaluation of Public Labor Exchange (PLX) Services in a One-Stop Environment: New Evidence from North Carolina, Westat (June 2002); (31) The Effectiveness of the U.S. Employment Service, prepared for the Advisory Commission on Unemployment Compensation, Westat (March 1994); (32) America's Job Bank: Outcome Study, TATC (March 2002). *Additional studies evaluating the effectiveness of the ES in the past 20 years have reported low costs per customer served. These evaluations are available in hard copy by contacting the ES at 202-693-3046.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 13%

Explanation: There is little evidence that program funding and achievement of performance goals are related. The current extent of program performance and cost integration does not yet permit an assessment of the impact of budget levels, or policy or legislative changes on performance outcomes. Nonetheless, DOL's FY 2005 Performance Budget and previous budget requests have followed OMB Performance Budgeting guidelines, providing an overview of the Secretary's priorities, strategic goals, and outcome goals. This information is presented in a transparent manner and is posted on the Internet for public scrutiny and use at <http://www.doleta.gov/budget/>. DOL has also made progress in providing full program costing.

Evidence: (33) Department of Labor's FY 2004 and FY 2005 Budget Requests are accessible at http://www.dol.gov/_sec/Budget2004/2004app-toc.htm and http://www.dol.gov/_sec/Budget2005/overviewpb-toc.htm, respectively.

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2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:13%

Explanation: The major strategic planning deficiency in ES has been the lack of an approach that rewards good performance outcomes balanced by an approach that would sanction poor performers, which is embodied in WIA. The Administration's proposal for a single consolidated funding stream for the ES and WIA programs would apply the incentives and sanctions of WIA. As noted above, DOL implemented a program to measure ES outcome performance with revised reporting requirements in PY 2002. In PY 2004, for the first time, ES and States will negotiate expected levels of performance for entered employment rate (EER) and employment retention rate (ERR). These measures are similar to the WIA entered employment and retention performance indicators, but have a shorter time frame in order to measure how quickly the job seeker finds work. The measurement period for EER and ERR is strictly limited to the two quarters following the job seeker registration quarter. Job seekers entering employment after that period cannot be included in the measurement.

Evidence: (34) Department of Labor's FY 2003-2008 Strategic Plan and Department of Labor's FY 2005 Annual Performance are accessible at www.dol.gov/dol/aboutdol/main.htm, and propose a consolidated funding stream for the ES and WIA Adult/Dislocated Worker programs;(35) Department of Labor's FY 2004 and FY 2005 Budget Requests are accessible at www.dol.gov/_sec/Budget2004/2004app-toc.htm and www.dol.gov/_sec/Budget2005/overviewpb-toc.htm, respectively, and propose a consolidated funding stream for the ES and WIA Adult/Dislocated Worker programs.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight:11%

Explanation: ETA staff monitor grantee performance and financial practices through analyses of the quarterly data and regular on-site reviews. Every fiscal year Federal staff are required to review 50% of formula grantees as well as all grant activities identified as high risk. If necessary, Federal staff and grantees jointly develop corrective action plans to address program deficiencies. To assist them in grants management, Federal staff developed the Grants E-Management System (GEMS), an online internal tool that helps identify immediate and potential risks in grant activities and provides access to all Enterprise Information Management System (EIMS) components.

Evidence: (36) Performance Management Plans for Managers and Supervisors (07/03) prescribes the parameters for grant management activities--which includes the frequency of desk and on-site grant reviews;(37) Employment and Training Order No. 1-03 titled 'Improving Administration of Grants within the Employment and Training Administration' (04/03) provides Federal staff with guidance on effective grants management;(38) Labor Exchange Reporting System (LERS) and federal data systems such as the EIMS, Dashboard, and Grants E-Management System (GEMS) of the Employment and Training Administration are tools that assist Federal staff in conducting grants management activities.

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3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: NO Question Weight:11%

Explanation: There are no procedures in place to improve the efficiency or cost effectiveness of the ES formula grants, which account for the bulk of ES funding. Such procedures are left to the discretion of the grantees. In program areas where ETA does not use formula grants, it is able to take steps to improve efficiency. Per ETA's guidance, the grantee for America's Job Bank (AJB) regularly contracts with consultants to perform independent reviews and evaluations of its processes and to recommend improvements to achieve efficiencies. ETA requires the AJB grantee to renegotiate its vendor contracts on a periodic basis to ensure ensure vendor services are available at the most cost-effective rate. The most recent contract renegotiation resulted in a 20% reduction in the cost of labor rates. ETA is also working with the Chief Financial Officer on developing a cost accounting system, Cost Accounting Manager (CAM), that can provide data on resource use for cost efficiency analysis.

Evidence: (47) Phase 1: Data Center Sourcing Strategy, Executive Summary Prepared for America's Job Bank Service Center, Gartner Consulting (November 2001) is an independent review commissioned by America's Job Bank grantee;(48) Cost Accounting Manager (CAM) will enable ETA to achieve its performance goals in a more cost-effective manner through strategic deployment of staff and other resources.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight:11%

Explanation: WIA made ES a required partner in each One-Stop Career Center. Through memoranda of understanding, local workforce investment boards and States negotiate the deployment of ES staff and resources at the local level. States provide unified plans to DOL addressing their employment and training services under the ES as well as the WIA Adult and Dislocated Worker programs.Wagner-Peyser-funded services are an integral component of the 1,900 comprehensive One-Stops. For many job seekers, ES is the point of entry to the intensive services (e.g., specialized assessment of skills levels, individual counseling, case management) and training provided by WIA and other One-Stop partners. In some areas, ES augments the services provided in the comprehensive One-Stops through satellite offices.

Evidence: (49) Federal Register, Vol. 64, No. 37, 2/24/99, Planning Guidance and Instructions for Submission of the Strategic Five-Year Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act available at www.access.gpo.gov/su_docs/fedreg/a990225c.html;(50) 20 CFR 652.8 (Administrative provisions for Wagner-Peyser Act grants) requires grantees to have financial and program management systems in place;(51) Workforce Investment Act, Section 121(c) Memorandum of Understanding at www.doleta.gov/usworkforce/wia/wialaw.pdf provides guidance to One-Stop partners on allocation of resources, how to structure service delivery, etc.:(52) One-Stop Comprehensive Financial Management Technical Assistance Guide at www.doleta.gov/sga/pdf/FinalTAG_August_02.pdf; www.servicelocator.org/partners.

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3.6 Does the program use strong financial management practices?

Answer: NO

Question Weight:11%

Explanation: The ES program is free of material internal control weaknesses. However, DOL's Office of the Inspector General (OIG) as recently as January 2004 identified grant accountability, performance, and effectiveness among the most serious management challenges facing DOL. Direct Federal oversight of grants for employment and training activities is difficult because a large share of the funding is passed down through the States to sub grantees and contractors. The OIG recognized that the Employment and Training Administration (ETA) took a significant step in April 2003 when it issued an order implementing its Grant/Contract Administration Plan. Employment and Training Order No. 1-03 is designed to improve grantee accountability, compliance, and performance. In carrying out the order, ETA has issued a Regional Accounting Policies and Procedures Manual and is making improvements to post-award grant monitoring, among other things. The OIG is encouraged by ETA's early efforts, but in the meantime, OIG audits continue to highlight this area of concern.

Evidence: (53) OIG's Top Management Challenges Facing the U.S. Department of Labor report (January 2004) is accessible at www.oig.dol.gov/doltopchall.pdf;(54) Employment and Training Order No. 1-03 titled "Improving Administration of Grants within the Employment and Training Administration" (04/03).

3.7 Has the program taken meaningful steps to address its management deficiencies?

Answer: YES

Question Weight:11%

Explanation: ES has taken steps to ensure that data collection and reporting procedures are consistent with ETA's performance accountability initiatives, including: revision of reporting requirements, implementation of new data collection and reporting systems (LERS, LEARS), creation of an Internet-based grants management tool (GEMS), development of report validation software, and participation in ETA's data element validation initiative. In addition, Federal staff provide technical assistance to grantees when deficiencies are identified in any aspect of ES funds administration, reporting, performance, or financial operations. The Administration's WIA reauthorization proposal to consolidate the ES with WIA Title I adult programs would streamline administrative procedures such as data collection and reporting systems.

Evidence: (55) Guidance and information relative to the new labor exchange reporting system can be accessed at www.doleta.gov/usworkforce/documents/;(56) Guidance for the ES Report Validation System developed in partnership with Mathematica Policy Research is accessible at <http://166.97.195.30/rptvalidation.cfm>.

3.BF1 Does the program have oversight practices that provide sufficient knowledge of grantee activities?

Answer: YES

Question Weight:11%

Explanation: ES grantees submit financial data quarterly. Grantees report performance data through the data collection and reporting tools contained in ETA's Enterprise Information Management System (EIMS). Federal staff utilizes the Grants E-Management System (GEMS) as a comprehensive grant management tool. GEMS tracks and documents grant management activities, including on-site monitoring and technical assistance reviews. It also includes a risk assessment module and a case notes tool. Grantee performance and financial practices are monitored by Federal staff through data analyses and regular on-site reviews. Additionally, Federal staff participates in bi-weekly conference calls on performance management. Every fiscal year Federal staff are required to review 50% of formula grantees as well as all grant activities identified as high risk. If necessary, Federal staff and grantees jointly develop corrective action plans to address program deficiencies. Grantees, in turn, monitor sub-grantees in the accomplishment of Federal and state performance measures and fiscal responsibility.

Evidence: (57) See Evidence for 3.2

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60%	88%	67%	45%	

3.BF2 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight: 11%

Explanation: Standard performance and financial reports are collected on a quarterly and annual basis. Grantees submit performance information on a quarterly basis using a 'rolling 4 quarter' format. Grantee performance is summarized quarterly and the data are made available to the public via the Internet and through the Quarterly Report Workforce System Results, although the ability of the public to locate the report could be improved. In addition, DOL produces the ES Annual Report, which analyzes performance across employment services, including the CareerOneStop tools and labor market and workforce information. DOL Annual Reports are published and posted on the DOL website for public accessibility.

Evidence: (58) Guidance and information relative to the new labor exchange reporting system can be accessed at www.doleta.gov/usworkforce/documents/;(59) National and state data for PY 2000 and PY 2001 in the Department of Labor's Annual Performance Reports can be viewed at www.uses.doleta.gov/arp01/;(60) State-by-State ES Data are accessible at www.uses.doleta.gov/arp01/;(61) ETA's Quarterly Report of Workforce System Results is accessible at www.dol.gov/_sec/media/reports/annual2003/.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight: 33%

Explanation: The program has adopted four new long-term goals as part of the Job Training Common Measures initiative. DOL is to establish numerical annual and long-term targets in PY 2004. Partial credit is based on the fact that DOL achieved its previous long-term goals. In 2001, the ES established four labor exchange performance measures: Entered Employment Rate; Employment Retention Rate, and Job Seeker and Employer Customer Satisfaction. UI wage records and State electronic databases are the only allowable sources of outcome data. States began reporting under the new performance measures reporting system in PY 2002 (July 2002). Entered Employment and Employment Retention results reported to ETA for the second and third quarters of PY 2003 indicate that ES is meeting its goals. The Entered Employment Rate reported in the second and third quarters of PY 2003 is 61% and 62%, compared with the target of 58%. Employment Retention Rate results were first available in May 2004 for performance reported in the third quarter of PY 2003--and the result of 79% exceeds the target of 72%.

Evidence: (62) National Summary - Placement and Entered Employment Rate provides a seven year study (1995-2001) of placement and entered employment rates for the ES;(63) ETA's Quarterly Report of Workforce System Results at www.dol.gov/_sec/media/reports/annual2003/.

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60%	88%	67%	45%	

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: LARGE EXTENT Question Weight: 33%

Explanation: This program has adopted four new long-term goals as part of the Job Training Common Measures initiative. DOL is to establish numerical annual targets in PY 2004. Partial credit is based on the fact that DOL achieved many of its key annual goals in PY 2002 and prior years. The Entered Employment Rate for jobseekers registered during the first two quarters of PY 2002 (July 1, 2002 ' December 31, 2002) was 61% (vs. a target of 55%). The Employment Retention Rates for jobseekers who registered during the first quarter of PY 2002 was 79% (vs. a goal of 72%). ES also achieved its GPRA goals in 2000 and 2001 for job seekers who entered employment, although the definitions and data sources used then are not comparable to current measures. Since PY 1998, ES has used a job openings indicator for both the State workforce agencies and America's Job Bank. As of the third quarter of PY 2003, 93% (9,727,383/10,426,835) of the annual target number of job listings was achieved, indicating that the PY 2003 goals will likely be achieved.

Evidence: (64) PY 2001 Annual Report for Wagner-Peyser Act Funded Activities is accessible at www.us.es.doleta.gov/arp01/; (65) National Summary of Job Openings Received and Openings Filled (PY 1994 through PY 2002); (66) National Summary ' ETA 9002 Quarterly Reports (07/01/95 through 06/30/03).

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: NA Question Weight: 0%

Explanation: While the program received a 'NO' in Question 3.4 because DOL does not have procedures in place to increase the efficiencies and cost-effectiveness of State program operations, DOL is able to measure State efficiency and cost effectiveness. An "NA" is appropriate because evaluations have shown that ES services are very cost-effective with low unit costs. For PYs 2001 and 2002, ES costs have been under \$55 per participant, based to a large extent on a service delivery strategy that is computer-based with minimal staff assistance. This allows the ES to provide basic labor exchange services and labor market information to some 15 million job seekers.

Evidence:

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NA Question Weight: 0%

Explanation: While the ES is duplicative of some other Federal and private efforts to provide job matching and other basic reemployment services (see Question 1.3), there is no performance information available for these other programs. WIA grantees typically do not register those job seekers who participate only in the WIA core services that are most comparable to those provided by the ES, so performance outcomes for those participants are not known. Private sector operators of job banks and placement agencies treat their performance information as proprietary.

Evidence:

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4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: NO Question Weight 33%

Explanation: While several independent evaluations of the effectiveness of certain ES services have been done, the results depend on practices of local offices, which can vary substantially across States. Consequently, while labor exchange and job-finding assistance can be effective services, these conclusions cannot be extrapolated to the ES as a whole. DOL encourages States to adopt effective service strategies and cites research findings when providing policy guidance. Most of the research reports are available on ETA's web site. Among the ES studies, a preliminary 2000 report of a five-year evaluation measured the effect of job referrals and placements in Washington and Oregon; it found these services reduced the number of weeks of unemployment benefits paid and earnings gains more than covered the cost of services. The 2003 study, Evaluating the Effectiveness of Labor Exchange Services, looked at nine previous studies of the effectiveness of job interview referrals, job search assistance, and targeted job search assistance and found that such services are cost effective.

Evidence: (67) See Evidence for Question 2.6. All independent evaluations cited concluded that the ES is cost efficient and effective. Additional studies evaluating the effectiveness of the ES in the past 20 years have reported low costs per customer served. These evaluations are available in hard copy by contacting ETA at (202) 693-3046;(68) Evaluating the Effectiveness of Labor Exchange Services, W.E. Upjohn Institute for Employment Research (October 2003);(69) ETA's Quarterly Report of Workforce System Results at www.dol.gov/_sec/media/reports/annual2003/ reflects how effective the program is and achieving results;(70) Employment Services Cost Efficiency PY 1997-PY 2002 (05/07/04) provides a history of the low cost of providing services to ES customers.

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3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: NO Question Weight:11%

Explanation: Accountability for performance results by program partners (i.e., grantees) is insufficient. The ES block grants to States have little accountability for cost or performance. Unlike the WIA programs, there are no incentive grants or sanctions for States regarding negotiated levels of performance. Federal managers are held accountable. Performance ratings for national and regional office managers and supervisors are tied to the achievement of DOL and program-specific goals and outcomes. Managers' performance standards are reflected in the performance plans for non-managerial staff. Each year, DOL programs identify broad strategies and anticipated levels of performance for its programs, which are published in its Annual Performance Plan. Federal staff conduct mid-year and annual reviews of programs to gauge success in achievement of annual GPRA goals and progress on implementation of program-specific strategies.

Evidence: (39) Performance Management Plans for Managers and Supervisors (07/03);(40) Employment and Training Order No. 1-03 titled 'Improving Administration of Grants within the Employment and Training Administration' (04/03);(41) Sample Wagner-Peyser Act Annual Grant Agreement includes the performance and financial report requirements for ES grantees; sSamples are available from ETA at (202) 693-3046;(42) Sample AJB Cost Report Spreadsheet is submitted by the AJB grantee to demonstrate how resources have been obligated and expended; samples are available from ETA at (202) 693-3046.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight:11%

Explanation: All grantees obligate and spend funds for the intended purpose in a timely manner. DOL provides base grant planning targets to grantees before the beginning of each program year. Spending authority is provided immediately following OMB's apportionment of appropriations. Grantees submit quarterly financial status reports for obligations and expenditures. Expenditures are monitored by Federal staff.

Evidence: (43) TEGL 23-02 titled 'FY 2003 Congressional Rescissions for WIA Adults and Dislocated Workers, Workforce Investment Act (WIA) Allotments for Program Year (PY) 2003, Wagner-Peyser Act Final Allotments for PY 2003, Reemployment Services Allotments for PY 2003, and Work Opportunity and Welfare-to-Work Tax Credit Allotments for FY 2003', accessible at www.ows.doleta.gov/dmstree/tegl/tegl2k2/tegl_23-02.htm;(44) 20 CFR 652.8 (Administrative provisions for Wagner-Peyser Act grants) requires grantees to have financial and program management systems in place;(45) Sample Wagner-Peyser Act Annual Grant Agreement; samples are available from ETA at (202) 693-3046;(46) One-Stop Comprehensive Financial Management Technical Assistance Guide is accessible at www.doleta.gov/sga/pdf/FinalTAG_August_02.pdf.

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Section Scores				Rating
1	2	3	4	Adequate
60%	88%	67%	45%	

Measure: Percentage of participants employed after program exit (This new measure will be implemented in 2005. Data shown are for a similar current measure.)

Additional Information: Labor Exchange Measure (previous measure): Percent of job seekers who earn wages with new or different employer in 1st or 2nd quarter after registration

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-Term
2003	58%	61%	
2004	58%		
2005	61%		
2006	73%		
2007			
2008			

Measure: Percentage of participants who retain employment found after exit (This new measure will be implemented in 2005. Data shown are for a similar current measure.)

Additional Information: Labor Exchange Measure (previous measure): Percent of job seekers who earned wages in the 2nd quarter following quarter of entry into employment.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-Term
2003	72%	80%	
2004	72%		
2005	78%		
2006	83%		
2007			
2008			

PART Performance Measurements

Program: Employment Service
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	88%	67%	45%	

Measure: Earnings: Percentage change in earnings for program participants: (1) pre-enrollment to program exit; and (2) 1st quarter after exit to 3rd quarter after exit. (New measure; Targets to be determined.)

Additional Information: Common Measure: Percentage change in earnings: (i) pre-registration to post-program, and (ii) 1st quarter after exit to 3rd quarter after exit

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-Term
2004			
2005			
2006			
2007			
2008			

Measure: Annual cost per participant: Program cost divided by number of participants. New measure: 2003 and 2004 show performance prior to the proposed program consolidation.

Additional Information: Labor Exchange Measure and Common Measure

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-Term
2003	\$55		
2004	\$55		
2005	\$184		
2006	\$184		

PART Performance Measurements

Program: Federal Employees Compensation Act (FECA)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	59%	Effective

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: FECA provides workers' compensation coverage for Federal civilian employees, providing wage-replacement and medical benefits in order to "make whole" Federal civilian employees who suffer occupational injury or disease.

Evidence: Program mission statement and regulations (20 CFR Parts 10 and 25).

1.2 Does the program address a specific interest, problem or need?

Answer: YES

Question Weight 20%

Explanation: Benefits are intended to minimize the financial hardships resulting from work-related injury, disease, or death.

Evidence: In 2001, Federal employees suffered 165,746 injuries and illnesses and 169 fatalities. About 158 thousand new FECA cases were created in FY 2002.

1.3 Is the program designed to have a significant impact in addressing the interest, problem or need?

Answer: YES

Question Weight 20%

Explanation: FECA is the exclusive remedy for Federal civilian employees who suffer occupational injury or illness. In FY 2004, the program will provide an estimated \$2.5 billion in benefits.

Evidence:

1.4 Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?

Answer: YES

Question Weight 20%

Explanation: FECA is the exclusive remedy for Federal civilian employees who suffer occupational injury or illness. There is some claimant overlap with other Federal programs: VA compensation (which compensates military personnel for injuries and fatalities) and OPM retirement (which has a different mission but serves many of the same individuals). Regulations generally bar the receipt of dual benefits for the same injury/illness and mandate the reduction in benefits to offset other sources of compensation.

Evidence: Program regulations (20 CFR Parts 10 and 25).

1.5 Is the program optimally designed to address the interest, problem or need?

Answer: YES

Question Weight 20%

Explanation: Program design is rational. FECA's design as a non-adversarial system (i.e., no judicial review and limited employer ability to contest claims) limits administrative and litigation costs, which account for a substantial share of payout in some systems. Still, changes could be made to strengthen injury prevention and return-to-work incentives. To this end, the FY 2004 and 2005 Budgets proposed legislation to increase benefit fairness and work incentives and charge customer agencies the full cost of FECA administration. The DOL OIG continues to recommend legislation to allow the FECA program to do routine crosschecks with SSA and UI wage records.

Evidence: Based on OWCP's analysis of FY 2001 program costs, FECA is efficient relative to comparable State systems (i.e., State-administered systems). FECA administrative costs were about 4.6% of total program obligations in FY 2002. In contrast, administrative costs in comparable state systems were as much as 16.6%. Cost per claim filed (\$698) is also low.

PART Performance Measurements

Program: Federal Employees Compensation Act (FECA)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	59%	Effective

2.1 Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight:14%

Explanation: FECA's outcome goal is to minimize the human, social, and financial impact of work-related injuries (a goal that applies to all programs administered by the Office of Workers' Compensation Programs (OWCP)). Strategic direction in FECA is encapsulated in four performance areas: return to work, service to injured workers, fiscal integrity, and partnerships to improve administration of the FECA and assistance to injured workers. Numerous long-term outcome-oriented and measurable performance goals contribute to this. OWCP recently updated its goals, adding long-term (FY 2008) goals for vocational rehabilitation and customer service and revising its current goals pertaining to lost production days (LPDs), periodic roll management (PRM), and medical cost containment.

Evidence: Long-term goals for FY 2003-2008 are to: (1) return employees to work as early as appropriate, as indicated by an 8 percent reduction from the FY 2001 baseline in the average LPD for non-Postal cases and a 6 percent reduction from the FY 2002 baseline in average Postal Service LPD; (2) increase FECA vocational rehabilitation placements with new employers by 50 percent from the FY 2002 baseline; (3) produce \$100 million in cumulative first-year savings through PRM; (4) keep the trend in FECA medical case costs below the trend in nationwide health care costs; and (5) improve customer service performance levels by 15 percent. Department of Labor FY 2003-2008 strategic plan; DOL OIG, Audit of the Federal Employees' Compensation Act Performance Measures System (3/02).

2.2 Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals? Answer: YES Question Weight:14%

Explanation: FECA's annual performance goals are clear and aligned with OWCP's strategic goal and mission, and measure incremental progress toward the long-term goals.

Evidence: FY 2004 goals are to: (1) reduce by 2 percent the average LPD for Postal cases, and reduce by 4 percent the average LPD for non-Postal cases, (2) increase FECA vocational rehabilitation placements with new employers by 50 percent, (3) produce \$38 million in cumulative first-year savings through PRM, (4) keep the trend in FECA medical case costs below the trend in nationwide health care costs, and (5) improve FECA customer service performance levels by 3 percent. [Department of Labor FY 2003-2008 strategic plan; FY 2003 annual performance plan; DOL OIG, Audit of the Federal Employees' Compensation Act Performance Measures System (3/02).]

PART Performance Measurements

Program: Federal Employees Compensation Act (FECA)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	59%	Effective

2.3 Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program? Answer: YES Question Weight: 14%

Explanation: The attainment of FECA's performance goals depends, in part, on Federal agency performance in timely injury/illness reporting and claims filing, reducing disability days during continuation-of-pay (COP), and increasing returns to work through light-duty and other alternative job placements. OWCP lacks authority to enforce performance targets in these areas, but promotes improvements through educational efforts and top-down pressure. OWCP conducts regular technical training and conferences for agency personnel and uses technology to assist agencies. OWCP, working with OSHA, has proposed the establishment of government-wide performance goals in such areas as reducing injuries, improving timeliness of injury reporting, and reducing "lost production days"; and reports on agencies' performance against those goals on its website. OWCP and OSHA hope to launch the new initiative by FY 2004. Second opinion, telephonic call center, centralized mail intake, and centralized bill processing contracts contain performance measures.

Evidence: From FY 1997 to mid-year FY 2003, the percentage of notices of injury and illness filed in a timely manner has increased from 41% to 62%. The share of claims that are filed in a timely manner has also increased, from 32% in FY 1997 to 48% as of mid-year FY 2003. However, individual agency performance is uneven: some have improved (e.g., SSA) while others have regressed (e.g., State, Energy). In FY 2000, OSHA/OWCP began a joint initiative to improve Federal workplace safety and health, and began collecting reports of continuation-of-pay hours from the Federal agencies for use in FECA's LPD measure; the agencies are currently devising an initiative to expand upon that effort. FECA has established an Automated Query System for access to employees' claims information, and promotes the electronic filling of notices of injury.

2.4 Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives? Answer: YES Question Weight: 14%

Explanation: In FY 2000, OSHA/OWCP began a joint initiative to improve Federal workplace safety and health. In September of 2002, OWCP and OSHA held an injury/illness summit to reinvigorate this initiative and raise the level of attention paid to claims timeliness and injury and illness prevention. The Safety, Health, and Return to Employment Initiative (SHARE) is the result of these efforts announced by the President on January 9, 2004. SHARE requires executive branch agencies to set challenging performance goals pertaining to the incidence and reporting of occupational injuries and illnesses. DOL will measure, track and report annually on each agency's performance.

Evidence: The President directed executive branch agencies to collaborate with DOL in setting goals in four areas: (1) reducing workplace injury and illness rates, (2) reducing lost-time injury and illness case rates, (3) reporting injuries and illnesses in a timely manner, and (4) reducing lost days resulting from work-related injuries and illnesses.

PART Performance Measurements

Program: Federal Employees Compensation Act (FECA)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	59%	Effective

2.5 Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness? Answer: YES Question Weight:14%

Explanation: OWCP has done numerous evaluations of customer service, most recently in 2002. GAO has also done numerous evaluations of FECA. FECA has completed a survey of its early nurse intervention program. In FY03, OWCP initiated a comprehensive evaluation to examine the appropriateness of FECA's design and strategic goals, the success of various program strategies focused on disability management and payment of wage-loss compensation, and state/industry "best practices" that could be applied to FECA.

Evidence: GAO/01-67, Further Actions are Needed to Improve Claims Review (5/02);GAO/GGD/94-67, GAO/GGD-95-135, FECA: Redefining Continuation of Pay Could Result in Additional Refunds to the Government (5/95) FECA: No Evidence that Labor's Physician Selection Processes Biased Claims Decisions (2/94), GAO/GGD-92-30, FECA: Need to Increase Rehabilitation and Reemployment of Injured Workers (2/92); OIG reviews. The Urban Institute, Continuation of Pay (COP) Telephonic Case Management (TCM), Final Report.

2.6 Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known? Answer: NO Question Weight:14%

Explanation: On the discretionary side, while OWCP's performance goals are generally aligned, budget requests are not built based on what is needed to attain a specific level of performance. (Program increases, which are generally tied to specific performance goals, are an exception.) The allocation of resources to field offices is based on workload, but is a top-down (vs. bottom-up) distribution of resources. OWCP has been an active participant in DOL-wide efforts to develop better linkages between budget and performance (OWCP was used as the prototype), and continues to work with the Employment Standards Administration and the Department to develop a performance budget and a system for performance cost accounting. Impact of policy and legislative changes on mandatory (benefit) funding can be estimated using existing cost models, which OIG believes are sound.

Evidence:

2.7 Has the program taken meaningful steps to address its strategic planning deficiencies? Answer: YES Question Weight:14%

Explanation: Revised strategic and annual performance goals, including one to gauge customer satisfaction, are contained in the draft DOL FY 2003-2008 Strategic Plan. FECA is undertaking an evaluation of the effectiveness of its disability management and wage-loss compensation payment strategies and reviewing State/industry best practices. The program is also exploring the efficacy of cost-effectiveness performance goals and participating with DOL's OCFO to develop a Managerial Cost Accounting system.

Evidence: Progress against annual targets is tracked during regular OWCP quarterly management performance review and for DOL mid-year and end-of-year reviews. Progress and the appropriateness of goals and strategies are also discussed with regional program managers during regular management conferences. Goals and strategies are reevaluated during DOL's regular annual performance planning cycles.

PART Performance Measurements

Program: Federal Employees Compensation Act (FECA)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	59%	Effective

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight:14%

Explanation: OWCP develops an operational plan for the fiscal year, which contains staffing allocations and performance targets and standards (such as timeliness, lost production days, PRM savings, and debt collection). Data is collected in, and reported through, five systems. District and field office performance against the plan is measured in quarterly accountability reviews, and overall management during biennial management reviews. Problems, such as failure to meet goals, result in the development of a corrective action plan (the implementation of which is monitored). OIG uses the results of these reviews in its audit testing. OWCP has consistently used the results of GAO and OIG reports to improve the program.

Evidence: In response to a 2000 GAO report ('Goals and Monitoring are Needed to Further Improve Customer Relations'), FECA created a universal call center, customer service performance standards, communications specialists positions in the district offices. GAO closed all recommendations on 9/30/01. [FY 2002 Operational Plan, sample workload and productivity reports, sample accountability review and corrective action reports, FY 2001 Audit of the Special Benefits fund.]

3.2 Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results? Answer: YES Question Weight:14%

Explanation: DOL ties performance ratings for managers and supervisors to the achievement of Departmental and program-specific goals and outcomes; employees are aligned on a fiscal year cycle to help cascade standards to non-supervisory personnel, and a system accountability review is planned for 2004. There are timeframes defined in the regulations for Federal agencies' submission of notice of injury/illness and wage-loss. OWCP has no power to enforce these requirements, and instead promotes claims timeliness through educational efforts and top-down pressure. OWCP has also encouraged electronic filing of claims, with some success.

Evidence: Revised Performance Management Plans for Senior Executives (Form DL 1-2059, Rev. 10/2001) and for Supervisors and Managers (Form DL 1-382, Rev. 10/2001); briefings by DOL staff; and DOL goals supporting the Human Capital Initiative of the President's Management Agenda. Program performance data and Performance Agreements.

3.3 Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight:14%

Explanation: Discretionary salaries and expenses funding is obligated in a timely manner and according to plan. FECA reviews obligations and outlays monthly. On the mandatory side, the actuarial model used to project benefit outlays is generally accurate. Erroneous payments are a small and declining share of total benefit payments.

Evidence: Management system reports, periodic and year-end spending reports.

PART Performance Measurements

Program: Federal Employees Compensation Act (FECA)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	59%	Effective

3.4 Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight:14%

Explanation: While it has no cost effectiveness goals (e.g., cost per rehabilitation), FECA has numerous GPRA and management goals and measures that track productivity and efficiency. The program uses these measures to track district performance and identify areas for improvement.

Evidence: Some examples of efficiency goals FECA tracks: lost production days, claims and reporting timeliness, periodic roll management savings, and rehabilitations.

3.5 Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels? Answer: NO Question Weight:14%

Explanation: A portion of FECA administrative costs are accounted for elsewhere in DOL's budget (e.g., Solicitor's Office and the Employees' Compensation Appeals Board). The FY 2004 Budget proposed a FECA "surcharge," which would allocate FECA administrative costs to customer agencies in proportion to the share of benefits paid to their employees. (This proposal was not enacted.) Like the rest of DOL, OWCP does not have an integrated accounting and performance management system to identify the full cost of achieving this program's performance goals and support day-to-day operations.

Evidence: DOL OIG, Audit of the Federal Employees' Compensation Act Performance Measures System (3/02).

3.6 Does the program use strong financial management practices? Answer: YES Question Weight:14%

Explanation: A FY 2001 Special Benefits fund audit showed no material weaknesses. To minimize erroneous payments, FECA: samples compensation and medical payments during biennial accountability reviews and regular reviews of district office operations; reviews accounts receivable and medical bill payment reports; reviews the utilization of high-cost, high-incidence medical services for appropriateness; and conducts periodic review of long-term disability cases. The timing of OWCP's submission of Federal agencies' FECA liability data had been raised as an issue for Government-wide statements. OWCP has changed its method of estimating Federal agencies' liability, and was able to file its 2002 data in a timely manner.

Evidence: As measured by its low erroneous payment rates, FECA's error-reduction practices appear effective. In FY 2002, the estimated compensation overpayment rate was 0.57 percent, and in FY 1999 (the most recent year for which these data were audited) erroneous medical payments were less than one-tenth of a percent of total obligations.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight:14%

Explanation: In response to findings from past GAO findings concerning low FECA customer satisfaction, OWCP has provided training to its staff, improved its phone system, and conducted regular customer satisfaction surveys to measure performance at the district-office level. Five different data processing systems are in the process of being merged into one consolidated system (IFEC). This migration, which will improve efficiency and data utility, is expected to be completed this fall. DOL ties performance ratings for managers and supervisors to the achievement of Departmental and program-specific goals and outcomes; employees are aligned on a fiscal year cycle to help cascade standards to non-supervisory personnel, and a system accountability review is planned for 2004.

Evidence:

PART Performance Measurements

Program: Federal Employees Compensation Act (FECA)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	59%	Effective

4.1 Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)? Answer: LARGE EXTENT Question Weight 25%

Explanation: FECA has made substantial progress toward its goals, particularly those for reducing lost production days (LPDs) and generating savings through periodic review of long-term cases. For FY 2003-2008, FECA has modified existing goals and added performance goals, including goals to measure FECA cost containment against a more representative nationwide health cost index, show customer service improvements, and goals specific to Postal Service FECA cases. As of mid-year 2003, OWCP was on track to meet all of its goals except the Postal Service lost production days goal. A baseline for the customer service measure is being established in FY 2003.

Evidence: Goals are ambitious and depend on a number of factors over which OWCP has little control, such as agency timeliness in reporting and cooperation in identifying light-duty positions. (USPS accounts for a large share of the 2000-2002 LPD increase--during this period, USPS LPDs increased by 28%, while other agencies' LPDs increased by only 4%). Agencies' timeliness in filing claims and notices of injury has improved. From FY 1997 to mid-year FY 2003, the percentage of notices of injury and illness filed in a timely manner has increased from 41% to 62%. The share of claims that are filed in a timely manner has also increased, from 32% in FY 1997 to 48% in mid-year FY 2003.

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: LARGE EXTENT Question Weight 25%

Explanation: FECA's performance against its annual targets has generally been good (based on FY 1999-FY 2002 data). However, in FY 2002 FECA did not meet all of its goals. FECA fell short of its LPD goal and goal of reducing average medical service costs per case. In FY 2003 (based on preliminary data), FECA did not meet its lost production day targets but did meet its vocational rehabilitation and periodic roll review targets. A baseline for the customer service measure is being established in FY 2003.

Evidence: OWCP attributes the overall LPD increase to the sharp increase in Postal Service lost production days, owing to anthrax-related incidents and a reduction in the number of limited-duty positions. [Department of Labor Annual Reports, OWCP Annual Performance Plans.]

4.3 Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year? Answer: LARGE EXTENT Question Weight 25%

Explanation: FECA has generally met its productivity and efficiency measures, and its initiatives to contain medical costs, and encourage early return-to-work have produced tangible results. OWCP has contracted a number of functions, most recently its central mail and medical bill processing operations. However, it has not undergone A-76 competitions or used competition to determine the most efficient means of service delivery. The program does not have unit-cost measures.

Evidence: Since FY 1992, PRM has produced cumulative first-year savings of \$259 million (an average of \$4.5 per dollar spent) and total accrued savings of \$1.7 billion. The use of fee schedules has helped to contain medical expenditures--charges for medical services subject to these schedules declined by \$177 million (24%). FECA's rehabilitation rate has increased. From FY 1995-2001, the rate of nurse rehabilitations increased from 31% to 40%, and 14% to 16% in other cases.

PART Performance Measurements

Program: Federal Employees Compensation Act (FECA)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	59%	Effective

4.4 Does the performance of this program compare favorably to other programs with similar purpose and goals? Answer: NA Question Weight: 0%

Explanation: There are no performance comparisons on which to judge FECA's effectiveness relative to comparable Federal systems (e.g., Veterans' Compensation). No sophisticated studies have been done to compare FECA's performance relative to state workers' compensation systems, although data suggest FECA's relative efficiency. This program is not included in any "common measures" exercise. An independent evaluation, currently underway, will include a comparison of FECA's performance relative to state workers' compensation and other systems.

Evidence: Based on OWCP's own analysis of its FY 2000 program costs, FECA is efficient relative to comparable (i.e., State-administered) workers' compensation programs. FECA administrative costs were about 4% of total costs, versus up to 18% in comparable state systems. Cost per claim filed (\$525) is also relatively low. In a 1991 paper, University of Michigan researcher Theodore Antoine concluded that FECA was more efficient than Michigan's adversarial system, and produced a similar rate of approvals on traumatic injury claims (suggesting a process that was no less fair to claimants). (However, Antoine also noted the need for more sophisticated analysis before a definitive judgment could be made.)

4.5 Do independent and quality evaluations of this program indicate that the program is effective and achieving results? Answer: SMALL EXTENT Question Weight: 25%

Explanation: Past evaluations have yielded mixed results. The most recent customer satisfaction survey (2002) shows an overall satisfaction rate of 59%--higher than in FY 1996, when only 43% expressed satisfaction. GAO reports have identified problems with customer service and the speed of claims processing, but have also validated aspects of program operation (e.g., the physician selection process, which 1994 and 2004 GAO reports deemed fair and objective). A recent GAO report estimated that 25% of appealed claims decisions were reversed or remanded due to error on the part of OWCP (e.g., failure to properly evaluate the evidence). In addition to questioning this study's methodology (review of decisions rather than the full record), OWCP disagreed with GAO's implied belief that reversals and remands indicated error on OWCP's part.

Evidence: OWCP customer satisfaction surveys; GAO reviews, including: GAO/02-637, Further Actions are Needed to Improve Claims Review (5/02); GAO/GGD-95-135, FECA: Redefining Continuation of Pay Could Result in Additional Refunds to the Government, (5/95); GAO/GGD-94-67, FECA: No Evidence that Labor's Physician Selection Processes Biased Claims Decisions, (2/94); GAO/GGD-92-30, FECA: Need to Increase Rehabilitation and Reemployment of Injured Workers (2/92); DOL OIG reviews.

PART Performance Measurements

Program: Federal Employees Compensation Act (FECA)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	59%	Effective

Measure: Average lost production days (LPDs) per 100 non-Postal employees resulting from work-related injury and illness.

Additional Information: Average number of LPDs stemming from work-related disability (non-Postal employees only).

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2002	52.7	53.8	
2003	52.1	55.2	
2004	51.6		
2005	51.1		
2006	50.5		

Measure: Average lost production days (LPDs) per 100 Postal employees resulting from work-related injury and illness.

Additional Information: Average number of average number of LPDs stemming from work-related disability (Postal employees).

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	129.7	143.3	
2004	128.4		
2005	127		
2006	125.8		

Measure: Change in average medical service cost per case, compared to the annual rate of change in the national Milliman Health Cost Index (MHCI).

Additional Information: Keep the trend in inflation-adjusted average medical service cost per FECA case below the comparable measure for nationwide health care costs, as measured by the MHCI.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual (Efficiency Measure)
2002	Below MHCI	Below MHCI	

PART Performance Measurements

Program: Federal Employees Compensation Act (FECA)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	59%	Effective

2003	Below MHCI	
2004	Below MHCI	Below MHCI
2005	Below MHCI	
2006	Below MHCI	

Measure: First-year benefit savings realized as a result of periodic beneficiary roll review (in millions of dollars).

Additional Information: New first-year savings resulting from periodic roll review (in millions of dollars).

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term (Efficiency Measure)
2002	27	25.6	
2003	20	24.6	
2004	38		
2005	55		
2006	71		

Measure: Number of vocational rehabilitation placements with new employers.

Additional Information: Number of placements. (2003 and 2004 goal is for USPS employees.)

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	52	56	
2004	56		
2005	245		
2006	265		

PART Performance Measurements

Program: H-1B Labor Condition Applications Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	67%	Effective

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: The H-1B category was created by the Immigration and Nationality Act of 1990 (INA) to allow employers to hire foreign workers to fill temporary vacancies in high-skill, "specialty" occupations or for fashion models, subject to statutory and regulatory safeguards to ensure U.S. workers are not displaced and that their rights and working conditions are protected. An employer sponsoring an H-1B worker must file a Labor Condition Application (LCA) with the Department of Labor (DOL) before it can file a non-immigrant visa petition with the Department of Homeland Security (DHS) and before the worker can request a worker visa from the Department of State (DOS). For DOL to approve ("certify") the LCA, an employer must attest, among other things, that the foreign worker will be paid the required wage rate and his/her employment will not adversely affect the working conditions of U.S. workers similarly employed.

Evidence: INA, 8 USC §§1184(c)(1) (whether an alien can be admitted as a nonimmigrant under section H is to be determined by the Secretary of Homeland Security after consultation with appropriate agencies and upon petition of the importing employer; petition must be approved before a visa is granted, and must contain such information as the Secretary prescribes), 1184(i) (admission of nonimmigrants; listing requirements for "specialty occupation"), and 1184(g) (setting H-1B cap, limiting authorized admission to six years); 20 CFR Part 655 Subpart H (DOL implementing regulations); DOL Office of Inspector General (OIG) Repts. 06-03-007-03-321 9/30/2003 and 06-96-002-03-321 5/22/1996 (describing purpose of program, which does not require shortage of U.S. workers for position being filled). Until 9/30/03, companies where H-1B workers already comprised more than a certain number or percent of the workforce were required to attest that they had recruited but not found U.S. workers qualified for the position.

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight 20%

Explanation: The H-1B program provides employers a means to fill critical, difficult-to-fill vacancies in specialty areas such as information technology on a temporary basis (in this case, up to six years). Since the 1940s, the U.S. has permitted the temporary entry of foreign workers to address labor shortages in select industries. Supporters say the program helps U.S. companies remain competitive by keeping the right skills in stock. Program statistics evidence its continuing popularity among employers and the broad range of occupations visa holders come to the U.S. to fill. By February 2004, the program had already met its cap of 65,000 visas for the year. DOL certification meets the statutory requirement that DHS consult with appropriate federal agencies before permitting entry by non-immigrants and assures DHS, which by statute cannot approve an H-1B petition unless an employer has first obtained a labor certification, that the employer has agreed to take steps to protect its foreign and U.S. workers.

Evidence: 8 CFR Part 214 (DHS regulations on admission of temporary workers, including H-1B, and DHS review of employer petitions); 20 CFR §655.700 (H-1B cap); USCIS press release 2/17/2004, www.uscis.gov (cap reached). According to DOL, in fiscal year 2003, U.S. employers filed 284,799 LCAs to either initiate H-1B petitions or extend the stay of H-1B workers. General Accounting Office (GAO) Rept. GAO-03-883 9/2003 (DHS data show that, in 2002, H-1B workers were approved to fill positions in more than 100 occupations, 40% of which were in IT). In years past, the Congress has increased the H-1B visa cap in response to industry concerns that labor shortages in high-skill occupations would seriously undermine the global competitiveness of U.S. employers (to 115,000 in 1999, 2000; 195,000 in 2001, 2002, and 2003). The cap reverted to 65,000 in FY 2004.

PART Performance Measurements

Program: H-1B Labor Condition Applications Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	67%	Effective

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: YES Question Weight 20%

Explanation: The federal government has exclusive authority to regulate immigration. The INA requires that DHS consult with appropriate federal agencies before permitting the entry of non-immigrants seeking "H" visas. The Act exclusively authorizes and directs the Secretary of Labor to review employer applications for certification to employ aliens on high-skill H-1B visas. This program's activities are not duplicated in the state, local, or private sector, although portions of the H-1B labor certification process do require assistance and information from state agencies.

Evidence: U.S. Senate, Committee on the Judiciary, Executive Business Meeting 7/13/2003, Statement of Sen. Jeff Sessions (describing Congress' plenary power over immigration policy); INA, 8 USC §§1184(c)(1) (DHS makes determination, after consultation with appropriate federal agencies and upon petition of the importing employer) and 1182(n) (employer must file labor condition application stating its compliance with program requirements before an alien can be admitted on an H-1B visa; defines Secretary of Labor's authority to review applications and issue certifications).

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: NO Question Weight 20%

Explanation: Unlike the Permanent Labor Certification program, wherein DOL has independent authority to review applications, DOL's authority to certify LCAs comes by delegation, by virtue of the INA's consultation requirement for "H" visas. The statute waives a labor market test, does not require submission of supporting documentation by employers, limits DOL's authority to review or question LCAs, and prioritizes the processing efficiency of the program. Evaluators have found some or all of these conditions leave the program vulnerable to fraud or abuse. DOL should reexamine ways to strengthen or streamline the LCA process, including legislative changes to: (1) require employers filing LCAs to test the labor market; (2) raise the standard of review; (3) add an audit function or other anti-fraud protections; or (4) eliminate altogether DOL's H-1B certification role, as some have recommended. DOL should implement new government-wide IT security standards, as appropriate. [Note 1: Subsequent to the completion of this assessment, the Congress made statutory changes to address a number of these findings.]

Evidence: INA, 8 USC §§1184(c)(1), 1184(i), and 1184(g) (all establishing framework for H-1B program); §1182(n) (DOL must review LCAs "only for completeness and obvious inaccuracies" and, if none found, issue certification within seven days of date application was filed); OIG Rept. 06-03-007-03-321 9/30/2003 (H-1B is "rubber stamp" program; INA requires DOL approval if LCA complete, free of obvious errors; more efficient if employers filed directly with DHS; DOL role more meaningful if DOL had "corresponding statutory authority, not currently available, to ensure the integrity of the process, by verifying the accuracy of the information provided on LCAs"; DOL processing system "is designed to certify applications quickly rather than screen out applications that do not meet program requirements") and 06-96-002-03-321 5/22/1996 (attestation-based program does not require employers to submit supporting documents), and Semiann. Rept. to Congress for 10/1/2003 - 3/31/2004 (restating vulnerabilities, making recommendations).

PART Performance Measurements

Program: H-1B Labor Condition Applications Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	67%	Effective

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight 20%

Explanation: The H-1B LCA process (that is, the first phase of the H-1B program) is primarily employer-focused, as employers are required by regulation to file LCAs with DOL and are the immediate customers for the certification service DOL provides. The budget for DOL's Employment and Training Administration (ETA) funds activities appropriate for its customer base, the priorities (efficiency) the Congress has set, and the level of review authority the statute defines [see Note 1, above]: (1) web-based and fax filing options, which are available round the clock, and (2) an automated review process that enables DOL to issue a determination on most LCAs the day they are received. DOL has leveraged technology to dramatically reduce processing time for applications (from an average of 20 days in 2001 to less than one day) and burden to the employer, and improve the program's accessibility to users.

Evidence: INA, 8 USC §§1184(c)(1), 1184(i), and 1184(g) (all establishing the framework for the H-1B program); 20 CFR Part 655 Subpart H (DOL implementing regulations); OIG Repts. 06-03-007-03-321 9/30/2003 (description of program; applications are processed within a couple of days when filed by fax or mail, and within minutes when filed electronically; electronic filing avoids backlogs) and 06-96-002-03-321 5/22/1996 (description of program); ETA Congressional Justification submitted to the Congress with FY 2005 President's Budget.

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight 13%

Explanation: Program goals/measures tie to program mission and Department-wide strategic goals. Although both existing goals (a third measure, on efficiency, is under development) relate to outputs, output goals are appropriate to capture the most important aspects of this program; the Congress and other program stakeholders have made expeditious processing a priority for DOL's portion of the program [see Note 1, above], and the authorizing statute requires DOL to process LCAs within seven days, all of which warrants the tracking of output data and processing efficiencies. In addition, a small number of measures is appropriate for DOL's limited role in the broader H-1B program. Since the program already processes applications at such a high rate, a three- to four-year window for performance targets is acceptable; that is, even at maximum performance levels, the processing rate will not be changing significantly over the long term. In 2004, the program revised the targets for its two existing goals to reflect actual processing rates and expectations.

Evidence: One measure tracks processing rates within seven days of filing, a derivative of the INA requirement that LCAs be processed within seven days, if no anomalies are found. See 8 USC §§1182(n)(1)(G) and 1356(s) (seven day processing requirement for H-1B applications). A separate, stricter measure tracks processing rates within two days of filing. DOL is also developing a measure to track the average or unit cost of processing labor certifications ("cost of labor certification processed") in each labor certification program. DOL intends this to be a program-specific efficiency measure. In all, goals tie to the program's mission; ETA's Outcome Goal to Protect Worker Benefits; and DOL's Strategic Goal of A Competitive Workforce. Also see ETA Congressional Justification submitted with FY 2005 President's Budget (goal for FYs 2004 and 2005 is to process LCAs within seven days of the filing date; goal for FY 2003 was to process 95% of LCAs for the H-1B program; baseline is the current processing rate of 99%); and ETA Strategic Plan for FYs 1999-2004.

PART Performance Measurements

Program: H-1B Labor Condition Applications Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	67%	Effective

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight: 13%

Explanation: In fiscal year 2006, ETA's goal is to process 100% of error-free LCAs within seven days of filing, and 98% of error-free electronic applications within one day of filing. The seven day goal is designed to tie directly to the program's statutory mandate. The e-filing target is ambitious, in that it is set at the maximum rate the program can achieve, given current technology and system contingencies. Current measures incorporate program experience and recent performance levels. While as recently as 2001 the program was processing only 56% of LCAs within seven days, improvements providing for electronic and fax-in filing dramatically increased processing times; in 2003, the program processed 99% of LCAs within seven days. For each goal, targets remain the same from year to year, which the program believes is appropriate to keep standards and performance expectations high.

Evidence: ETA, Workforce System Results 10/1/2003 - 12/31/2003, [www.doleta.gov/Performance/results/ Edition_7_12_31-03.pdf](http://www.doleta.gov/Performance/results/Edition_7_12_31-03.pdf) (2003 goal was to process 95% of H-1B LCAs within seven days; actual was 99%; "goals are usually set to be 'ambitious' in the context of prior performance"; goals are nationwide goals and may not apply to individual states), and ETA Congressional Justification submitted with FY 2005 President's Budget.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 13%

Explanation: As discussed above, a small number of output goals (100% of clean applications processed within seven days, and 98% of clean electronic applications filed within one day) is appropriate for DOL's clear, limited role under the H-1B statute, and the priority the statute and the program's major stakeholders (including the Congress and employers who file individual applications) assign to the program's processing efficiency. [See Note 1, above.] In addition, ETA is developing an efficiency measure to help it track and manage labor certification costs in the long term.

Evidence: The seven-day processing goal is consistent with the minimum processing rate the statute sets for each calendar year. 8 USC §§1182(n)(1)(G) and 1356(s) (seven day processing requirement for H-1B applications). In 2003, GAO found that one of employers' primary concerns with the H-1B program as a whole (not just the labor certification portion) was the length of the review at each stage of the process. GAO Rept. GAO-03-883 9/2003. Also see ETA Congressional Justification submitted with FY 2005 President's Budget.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 13%

Explanation: As mentioned above, program measures reflect program experience and expectations that the program will continue to perform well. While the program already performs at a high level of efficiency, sustained effort goes into the improvement of H-1B processing and review. For LCAs submitted electronically via DOL's web site, a response can be expected in many cases within the same day or, in the case of a question regarding the prevailing wage source, the next working day. For LCAs submitted by facsimile, the response can be expected within two working days. DOL tracks output data, establishes baselines, and continues to look for additional efficiencies in the process.

Evidence: ETA, Workforce System Results 10/1/2003 - 12/31/2003, [www.doleta.gov/Performance/results/ Edition_7_12_31-03.pdf](http://www.doleta.gov/Performance/results/Edition_7_12_31-03.pdf) (2003 goal was to process 95% of H-1B LCAs within seven days; actual was 99%; goals are nationwide goals and may not apply to individual states), and ETA Congressional Justification submitted with FY 2005 President's Budget.

PART Performance Measurements

Program: H-1B Labor Condition Applications Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	67%	Effective

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight: 13%

Explanation: State labor agencies are federally funded to provide employers filing H-1B applications with determinations of the prevailing wage rate appropriate to the job classification that is the subject of the application. DOL's planning guidance to states and DOL regional offices includes standards for state administration of these activities, including productivity rates.

Evidence: See, for example, ETA Field Memorandum No. 9-04, Role of State Agencies for Foreign Labor Certification in FY 2004 (3/31/2004), providing States with "guidance for the funding and management of [] annual grant allocation for the Alien Labor Certification Program".

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 13%

Explanation: For years, labor certification activities have been under scrutiny by DOL's Office of Inspector General (which, in addition to its two audits of DOL's labor certification programs, investigates and prosecutes fraud in these programs on a regular basis) and the General Accounting Office. Both agencies have reviewed and continue to monitor the H-1B and other labor certification programs, which they see as seriously challenged. For example: (1) every OIG Semiannual Report to Congress since at least 1996 has either critiqued DOL's labor certification programs or recounted fraud prosecutions arising from those programs during the six months covered by the report; (2) the OIG formally reviewed DOL's labor certification programs in 2003 and, previously, in 1996; and (3) in 2003, the General Accounting Office completed a review of the broader H-1B program (primarily DOL and DHS portions) after its last review in 2000.

Evidence: See, for example, OIG, www.oig.dol.gov, Semiannual Repts. to Congress for 10/1/2003 - 3/31/2004, 4/1/2003 - 9/30/2003, 10/1/2002 - 3/31/2003, 4/1/2002 - 9/30/2002, 10/1/2001 - 3/31/2002, 4/1/2001 - 9/30/2001, 10/1/2000 - 3/31/2001, 4/1/2000 - 9/30/2000, 10/1/1999 - 3/31/2000, 4/1/1999 - 9/30/1999, 10/1/1998 - 3/31/1999, 4/1/1998 - 9/30/1998, 10/1/1997 - 3/31/1998, and 4/1/1996 - 9/30/1996; OIG, Top Mgmt. Issues at Dept. of Labor 1/2004 (also included in DOL FY 2003 Annual Report); OIG Repts. 06-03-007-03-321 9/30/2003 and 06-96-002-03-321 5/22/1996; and GAO, www.gao.gov, Repts. GAO-03-883 9/2003 and GAO/HEHS-00-157 9/2000. In addition, over the years, a large number of law review articles and academic studies have analyzed and/or critiqued the program.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 13%

Explanation: Like the rest of DOL, ETA does not have an integrated accounting and performance management system to identify the full cost of achieving this program's performance goals and support day-to-day operations.

Evidence: ETA Congressional Justification submitted with FY 2005 President's Budget; DOL Strategic Plan for FYs 2003-2008, www.dol.gov/_sec/stratplan/strat_plan_2003-2008.htm (describing DOL's budget/ performance integration efforts).

PART Performance Measurements

Program: H-1B Labor Condition Applications Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	67%	Effective

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:13%

Explanation: The Department's budget/performance integration effort includes a "full cost accounting" initiative that reaches into each DOL agency, and DOL's FY 2005 budget submission moved closer to fully integrating performance goals with budget information. The program is developing an unit cost measure (cost per labor certification in each ETA foreign labor program), to be implemented in FY 2005, to strengthen cost analysis, planning, and ultimately performance. The program also monitors output data and feedback from employers to identify program weaknesses and improve strategic planning. In 2004, the program revised targets for its performance measures to more accurately reflect current performance levels and the program's long-term vision.

Evidence: ETA Congressional Justification submitted with President's Budget for FYs 2004 and 2005; DOL Strategic Plan for FYs 2003-2008, www.dol.gov/_sec/stratplan/strat_plan_2003-2008.htm (describing DOL's budget/ performance integration efforts).

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight:14%

Explanation: ETA collects and uses information from numerous sources to evaluate and improve program management, including reports from state and regional offices, caseload data from the LCA online and fax-in application systems, feedback from employers and other stakeholders, and findings from OIG and external program evaluations. For example, under DOL's Labor Exchange Performance Measurement System, States regularly report on the progress and success of comprehensive "labor exchange services" that include job referrals to employers, and assistance to employers in the crafting and analysis of hard-to-fill job orders. States report financial data on a quarterly basis using ETA's web-based Enterprise Information Management System (EIMS). On another front, feedback from employers and others led to the development -- and to the continuing enhancement and improvement -- of the H-1B web-based and fax-in application systems.

Evidence: See, for example, ETA Field Memorandum No. 9-04, Role of State Agencies for Foreign Labor Certification in FY 2004 (3/31/2004) (planning and reporting requirements for States applying for and receiving grants to support labor certification activities); information of labor exchange programs, www.doleta.gov/programs/adult_program.cfm#le (the Workforce Investment Act of 1998 requires greater accountability for States in the delivery of employment services required by the Wagner-Peyser Act of 1933); and quarterly reports generated by ETA's web-based EIMS financial system, on which States enter data on spending that uses grant funds and is related to labor certification activities, among other categories.

PART Performance Measurements

Program: H-1B Labor Condition Applications Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	67%	Effective

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight:14%

Explanation: DOL ties processing-time requirements to performance appraisals for ETA managers and staff. In addition, State Workforce Agencies (SWAs) are funded to provide prevailing wage information to employers filing H-1B applications, and are held accountable for both the timeliness of their responses and the cost of this activity.

Evidence: DOL's revised performance management plans for senior executives (Form DL 1-2059, Rev. 10/2001) and for supervisors and managers (Form DL 1-382, Rev. 10/2001); Field Memorandum No. 9-04: 'Role of State Agencies for Foreign Labor Certification in FY 2004.' DOL annually awards grants to fund State activities related to labor certification, including the provision of prevailing wage determinations. Once the appropriation is known, ETA issues guidance to SWAs regarding their role in foreign labor certification. The SWAs, in turn, submit their annual plans to the ETA Regional Offices under the Wagner-Peyser annual funding agreement. The Regional Offices are responsible for approving the annual plans, reviewing / approving incoming quarterly expenditure reports, and reconciling State financial data at end of year.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight:14%

Explanation: Salaries and expenses funding is obligated in a timely manner, according to the ETA spending plan.

Evidence: See Field Memorandum No. 9-04: 'Role of State Agencies for Foreign Labor Certification in FY 2004' and State Annual Plans, and quarterly reports generated by ETA's web-based EIMS financial system.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight:14%

Explanation: ETA is developing an efficiency measure to help its labor certification programs evaluate costs and cost effectiveness. In recent years, the H-1B program has leveraged Information Technology to significantly increase processing rates. The program is examining additional changes to promote efficiency, including the centralization of H-1B processing activities and the conversion to 100% electronic filing.

Evidence: In addition to being mailed, LCA's may be filed electronically or by fax. See, for example, ETA's Foreign Labor Certification LCA Online System, www.lca.doleta.gov, and instructions for fax-in filing, <http://www.ows.doleta.gov/foreign/faqsanswers.asp#h1b2>. Electronic processing is highly efficient but, as mentioned in other parts of this assessment, raises questions about what technological or programmatic safeguards may be needed to meet security needs and protect against fraud.

PART Performance Measurements

Program: H-1B Labor Condition Applications Program
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1	2	3	4	Moderately
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3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 14%

Explanation: DOL collaborates with other federal agencies (e.g., DHS, DOS, and DOL's own OIG) on major policy, program, or process issues related to foreign labor certification. For example, ETA has an ongoing, structured (quarterly meetings) dialogue with DHS and DOS on ways to reduce fraud in these programs. An ETA-DHS subgroup meets monthly to confer and strategize about fraud investigations in progress. The program staff also collaborates closely with States on wage determination activities.

Evidence: See, for example, Field Memorandum No. 9-04: 'Role of State Agencies for Foreign Labor Certification in FY 2004'.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 14%

Explanation: The program follows established Department-wide and ETA practices and is free of material internal control weaknesses as identified by auditors.

Evidence: DOL FY 2003 Annual Report on Performance and Accountability, www.dol.gov/dol/aboutdol/main.htm.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 14%

Explanation: DOL has tied its performance goals to performance ratings for managers. As stated above, as a result of the web-based application option initiated in January 2002, and improvements to the fax-in application system made in 2001, ETA has improved seven-day processing from 56% of error-free applications to 99%. Since 1997, ETA has also addressed deficiencies in the quality of prevailing wage data provided to employers applying for H-1B and other labor certification programs. Today, the Bureau of Labor Statistics' (BLS) Occupational Employment Statistics wage data is used by all State and Regional Offices to make prevailing wage determinations for the program. As stated above, however, ETA must explore additional ways to strengthen protections for program users (employers, visa holders) and indirect beneficiaries (like U.S. workers). [See Note 1, above.]

Evidence: DOL's revised performance management plans for senior executives (Form DL 1-2059, Rev. 10/2001) and for supervisors and managers (Form DL 1-382, Rev. 10/2001); ETA's Foreign Labor Certification LCA Online System, www.lca.doleta.gov, and instructions for fax-in filing, <http://www.ows.doleta.gov/foreign/faqsanswers.asp#h1b2>; and General Administration Letters No. 02-98 'Prevailing Wage Policy for Nonagricultural Immigration Programs,' http://workforcsecurity.doleta.gov/dmstree/gal/gal98/gal_02-98.htm, and No. 02-99 'Availability and Use of Occupational Employment Statistics Survey Data for Alien Labor Certification Prevailing Wage Purposes,' http://workforcsecurity.doleta.gov/dmstree/gal/gal99/gal_02-99.htm. Current prevailing wage data are available on ETA's Online Wage Library at <http://www.flcdatacenter.com/owl.asp>.

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: YES Question Weight: 20%

Explanation: Previous processing goals were consistently met and/or exceeded. In 2004, the program revised its targets to more accurately reflect program experience, current performance levels, and long-term expectations. The program is currently processing 99% of the LCAs within the seven day time frame and, 98% of total applications are processed within two working days of filing. ETA's performance data shows the program has maintained a high level of efficiency since electronic processing was instituted in 2002. In addition, as stated above, ETA is exploring options for additional efficiencies and cost effectiveness, including the centralization of H-1B processing, and is developing an efficiency measure ("cost per certification processed"), both of which could strengthen long-term performance.

Evidence: Workforce System Results 10/1/2003 - 12/31/2003, www.doleta.gov/Performance/results/Edition_7_12_31-03.pdf (2003 goal was to process 95% of H-1B LCAs within seven days; actual was 99%).

PART Performance Measurements

Program: H-1B Labor Condition Applications Program
Agency: Department of Labor
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Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	67%	Effective

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: YES Question Weight 20%

Explanation: Previous processing goals were consistently met and/or exceeded. In FY 2003, ETA processed 284,799 H-1B labor condition applications. Of those, 99% were processed within the seven-day statutory deadline, and 98% of e-filed applications were processed within two days. This significantly exceeded the annual goal of 95%. In 2004, the program revised its targets to more accurately reflect program experience, current performance levels, and long-term expectations.

Evidence: Workforce System Results 10/1/2003 - 12/31/2003, [www.doleta.gov/Performance/results/ Edition_7_12_31-03.pdf](http://www.doleta.gov/Performance/results/Edition_7_12_31-03.pdf) (2003 goal was to process 95% of H-1B LCAs within seven days; actual was 99%).

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: SMALL EXTENT Question Weight 20%

Explanation: Although the program exhibits a consistently high level of efficiency, it cannot measure the cost effectiveness of its activities or track unit cost fluctuations from year to year. The program should evaluate whether it can achieve additional efficiencies by -- for example -- centralizing operations (currently under consideration), reducing the number of workers or work hours dedicated to H-1B activities, or restructuring the services provided by (or the current expectations for) contractors. It is worth noting that the program has made clear, qualitative progress in recent years leading to demonstrable efficiencies, including (as stated above): (1) web-based and fax filing options, which are available round the clock, and (2) an automated review process that enables DOL to issue a determination on most LCAs the day they are received. In addition, as part of its managerial cost accounting effort, ETA is developing a 'cost per certification processed' measure for its Foreign Labor Certification program, which includes H-1B.

Evidence: OIG Repts. 06-03-007-03-321 9/30/2003 (LCAs processed within a couple of days when filed by fax or mail, and within minutes when filed electronically; electronic filing avoids backlogs); ETA Interim Final Rule, 66 Fed.Reg. 63298 12/5/2001 (implementing electronic filing for H-1B labor condition applications); Workforce System Results 10/1/2003 - 12/31/2003, [www.doleta.gov/Performance/results/ Edition_7_12_31-03.pdf](http://www.doleta.gov/Performance/results/Edition_7_12_31-03.pdf) (2003 goal exceeded). According to ETA's website, ows.doleta.gov/foreign/times.asp: "For LCAs electronically filed on [the ETA] website, a response can be expected in minutes or, in the case of a question regarding the prevailing wage source, the next working day. [] For LCAs submitted by facsimile, the response can be expected within two workdays."

PART Performance Measurements

Program: H-1B Labor Condition Applications Program
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Type(s): Direct Federal

Section Scores				Rating
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4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?

Answer: LARGE
EXTENT

Question Weight 20%

Explanation: The H-1B LCA program compares favorably to other certification programs for temporary foreign workers, though each program serves employers' need for a different set of skills and occupations. For example, the program is more efficient than some of its counterparts, like the H-2B temporary program for nonagricultural workers. In fact, the H-1B attestation-based application model is a key component of the regulatory proposal to reengineer the Permanent Labor Certification program. Part of the intent of these reengineering efforts is to capture efficiencies seen in the H-1B certification process. However: (1) no evaluation has compared the H-1B to similar programs, per se; program reviews such as those by the DOL OIG may address several labor certification programs and the same time, but do not technically compare programs to one another, and (2) evaluations (such as those by the OIG) of individual labor certification programs conducted during the same time period have consistently found they all exhibit weaknesses that make them vulnerable to fraud and abuse.

Evidence: See 67 Fed.Reg. 30466 5/6/2002 (ETA rule proposing reforms to the Permanent Labor Certification program). See also, for example, H.R. 3604, 108th Congress (proposing to convert H-2A temporary worker program to an attestation-based model similar to H-1B, authorizing DOL review "only for completeness and obvious inaccuracies", and if none are found, requiring issuance of a certification within seven days of the date the application was filed).

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: SMALL
EXTENT

Question Weight 20%

Explanation: Recent program reviews by GAO and DOL's Office of Inspector General reiterate their previous concerns over DOL's portion of the H-1B program -- for example, that DOL may not have sufficient authority to effectively detect or deter fraud, or that its role is perfunctory at best and could or should be eliminated. These evaluations do not look strictly at the positive results the labor certification program achieves within DOL's existing authority -- results discussed above -- but also generally examine the implications that current policy and program dynamics have for the long-term performance of the broader H-1B program. There is merit in the OIG's finding, for example, that DOL's role may add little to the H-1B certification process. DOL should explore the various options listed in previous pages of this assessment (enhancement of review authority, elimination of DOL's role in certification, addition of an audit function or a stronger market test, etc.), as it considers how to improve program performance and ensure effective resource allocation in the long run. [See Note 1, above.]

Evidence: OIG, www.oig.dol.gov, Semiannual Repts. to Congress for 10/1/2003 - 3/31/2004 (restating vulnerabilities of foreign labor certification programs; making recommendations) and 4/1/2003 - 9/30/2003 (ETA role adds little value to process of protecting U.S. jobs, wages), Top Mgmt. Issues at Dept. of Labor 1/2004 (fraud in certification programs), Repts. 06-03-007-03-321 9/30/2003 and 06-96-002-03-321 5/22/1996 (citing employer noncompliance with program requirements; recommending LCA program be eliminated or, if redesigned, that DOL be authorized to charge user fee); and GAO, www.gao.gov, Repts. GAO-03-883 9/2003 (difficulties of tracking H-1B visa holders; citing program abuses and DOL's limited investigative authority, post-certification; restating 2000 finding that, due to legal limitations, DOL review is "perfunctory", "adds little assurance that labor conditions employers attest to actually exist"; recommending additional enforcement authority for DOL) and GAO/HEHS-00-157 9/2000.

PART Performance Measurements

Program: H-1B Labor Condition Applications Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	67%	Effective

Measure: Percentage of H-1B labor condition applications (LCAs) for which no prevailing wage issues are identified within seven days of filing.

Additional Information: ETA's seven-day goal derives from the statutory requirement that all H-1B LCAs be processed within seven days, if no inaccuracies are identified. ("Unless the Secretary finds that the application is incomplete or obviously inaccurate, the Secretary shall provide the certification... within 7 days of the date of the filing of the application.") Currently, targets associated with this goal remain the same from year to year, and set at the maximum number of applications, consistent with the program's high processing rate.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term and Annual
2004	95%	99%	
2005	100%		
2006	100%		

Measure: Percentage of H-1B labor condition applications (LCAs) for which no prevailing wage issues are identified within two days of filing.

Additional Information: Electronic filing, available since 2002, offers almost immediate, automated review and processing. The program's goal is to maintain its current rate of 98% of electronic applications processed within one day. However, the program's experience is that, due to inevitable system failures and setbacks, which occur periodically, a 100% processing rate (on average, when calculated over the course of one year) is not currently possible. As with the seven day goal, targets remain the same from year to year.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term and Annual
2004	98%	95%	
2005	98%		
2006	98%		

Measure: Cost per H-1B Labor Condition Application. Under development.

Additional Information: Estimates average or unit cost of processing labor condition applications in the H-1B program. Equivalent efficiency measures are being developed for other DOL labor certification programs.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004			
2005	Baseline		
2006			

PART Performance Measurements

Program: International Child Labor Program and Office of Foreign Relations

Agency: Department of Labor

Bureau: ILAB/ICLP and OFR

Type(s): Competitive Grant

Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
40%	63%	100%	33%	

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: NO Question Weight 20%

Explanation: Since 2001, ILAB has implemented a \$10 million Global HIV/AIDS initiative to prevent the spread of HIV/AIDS infection among workers. There is no data available to assess how ILAB's efforts in this area complement the billions of dollars the State Department has invested for global HIV/AIDS-related prevention, treatment, research and care activities. Combating Global AIDS is the primary focus of the State Department's Global AIDS Coordinator, including identifying the appropriate roles of other Federal agencies, such as USAID and HHS. ILAB's HIV/AIDS initiative is not linked to the Administration's 5-year funding strategy for AIDS relief. Alternative efforts to provide targeted, accountable international assistance have resulted in the creation of the Millennium Challenge Account (MCA) which is operated by the State Department. The MCA is part of the Administration's overall international development strategy. In FY 2004, \$1 billion will be devoted to countries that qualify for participation based on objective indicators.

Evidence: The Millennium Challenge Account---the Economic Rational Behind It (John B. Taylor, U.S. Under Secretary of the Treasury for International Affairs; before the House Committee on International Relations, March 6, 2003). The President's Emergency Plan for AIDS Relief: U.S. Five Year Global HIV/AIDS Strategy, February 23, 2004.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: NO Question Weight 20%

Explanation: One example of an alternative mechanism to international assistance is the MCA which was created to provide targeted, accountable international development assistance to developing countries with a focus on sustainable growth. While ILAB programs are designed primarily as grants to organizations with expertise in international labor and development issues, MCA provides an incentive for countries to demonstrate performance and achieve results. Under MCA, countries will qualify for funding based on their policy performance in the categories of ruling justly, investing in people and encouraging economic freedom. Since 1995, ILAB has invested more than \$275 million in efforts to combat child labor, primarily through grants to the International Labor Organization's International Program on the Elimination of Child Labor (ILO/IPEC). Between 2000 thru 2003, U.S. contributions to IPEC have accounted for approximately 70 percent of the total IPEC budget for technical assistance.

Evidence: The Millennium Challenge Account---A New Vision for Development. Bureau of International Organization Affairs (Fact Sheet), September, 2003. The Millennium Challenge Account---'Aid for the Enterprising'. Secretary Colin L. Powell, Washington Post (Op-Ed), June 10, 2003.

PART Performance Measurements

Program: International Child Labor Program and Office of Foreign Relations

Agency: Department of Labor

Bureau: ILAB/ICLP and OFR

Type(s): Competitive Grant

Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
40%	63%	100%	33%	

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?

Answer: YES

Question Weight:13%

Explanation: For its child labor goals, ILAB has refined its FY 2004 indicators to report on increased capacity of countries to address child labor. ILAB continues to report on the number of children removed or prevented from exploitive child labor through the provision of education and training. In addition, ILAB has submitted an efficiency measure on the cost per child removed or prevented from exploitive child labor. This measure is currently under development. ILAB will work with OMB to meet requirements regarding the inclusion of cost and units of outcome performance based on an agreed upon timeframe. During this time, ILAB will identify a data collection system and a methodology for estimating the efficiency measure. ILAB has also been establishing a system to track output-related indicators to report on progress of its newer program, the Child Labor Education Initiative, and is working to make the goals more outcome oriented in future reporting years. These will include common indicators reported across all projects that track educational enrollment, persistence, and completion.

Evidence: USDOL Report on Performance and Accountability (2003 Annual Report). Performance Indicators:(1) Number of children prevented or withdrawn from exploitive child labor and provided education or training opportunities by DOL-IPEC programs funded in prior fiscal years (Target=70,000 children), Mid-Year Status: This indicator is at the half-way mark, 39,195 children have been prevented or withdrawn from exploitive child labor. This represents approximately 55% of the total year-end target which DOL expects to meet. (2) Number and percent of individuals whose economic situation has benefited from USDOL project assistance (Targets will be set at the beginning of FY 2005).

2.4 Does the program have baselines and ambitious targets for its annual measures?

Answer: NO

Question Weight:13%

Explanation: Program goals and indicators lack specific and ambitious targets. Targets are unreliable and often revised making it difficult to comprehensively assess the outcomes attained. ILAB has indicated that setting reliable and realistic targets for the child labor program and the OFR are dependent on the availability of funding, however given that most of the grant activities have a three to four year duration period ILAB should ensure that these projects have ambitious and challenging targets. In the case of OFR, targets are less reliable and there is limited baseline data to reasonably measure any kind of trend.

Evidence: Cooperative Agreement Between DOL and the International Organization for Migration (September 30, 2003-September 30, 2007). IPEC Project Proposals for USDOL Consideration in FY 2004.Example of OFR Performance Indicator to improve living standards and conditions of work in developing and transition economies: Number and percent of workplaces exposed to USDOL project assistance that have implemented new measures to prevent workplace accidents and illnesses. (Note: ILAB has indicated that it will no longer continue to fund this project beyond 2005).Targets: 2005 (30%); 2006 (0%); 2007 (0%); 2008 (0%)

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?

Answer: YES

Question Weight:13%

Explanation: ILAB's grantees, including the ILO, are required to submit technical project reports on a semi-annual basis. These technical progress reports include data from the field to assess project performance in meeting ILABs annual and long-term goals.

Evidence: USDOL-ILO semi-annual meeting; management procedures and guidelines; ILAB-ILO project progress reports; cooperative grant agreements

PART Performance Measurements

Program: International Child Labor Program and Office of Foreign Relations
Agency: Department of Labor
Bureau: ILAB/ICLP and OFR
Type(s): Competitive Grant Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
40%	63%	100%	33%	

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight:13%

Explanation: Since 2000, the OIG has conducted audit and evaluations of ILAB's overall program effectiveness and management structure. In 2002, ILAB was assessed for its responsiveness to the recommendations put forth by prior OIG audit and evaluation reports. Due to ILAB's significant increases in funding beginning in FY 1999, one of the OIG's major concerns for this audit was ILAB's ability to demonstrate program results with the given staff and financial resources. The follow-up report concluded that ILAB's ability to improve program performance was addressed by (1) establishing and following written procedures regarding project oversight; (2) setting up managerial controls over projects; and (3) implementing improvements to project planning and project sustainability. One of ILAB's current efforts to assess its program effectiveness is through the evaluation of the ILO's International Program on the Elimination of Child Labor (ILO-IPEC). Since 1995, a majority of ILAB's technical assistance funds, based on Congressional appropriations, have gone to support ILO-IPEC. From FY 1995 to FY 2003, ILO-IPEC has received approximately \$202 million. At the request of the U.S. Government and other ILO Governing Body members, the ILO is undertaking an external, independent evaluation of the ILO-IPEC program. I

Evidence: OIG Report No. 17-00-008-01-070, Review of the Bureau of International Labor Affairs, issued March 20, 2000, and Report No. 2E-01-070-0001, Evaluation of Program Implementation of ILAB's Child Labor Projects FYs 1995-2000, issued September 28, 2000.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight:13%

Explanation: Like the rest of DOL, ILAB does not have an integrated accounting and performance management system to identify the full cost of achieving the program's performance goals.

Evidence:

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight:13%

Explanation: In 2002, the OIG's recommendations for ILAB were based on the FY 2003 budget request to revise its mission and strategic planning efforts to be in line with the resources allocated to the program. However, Congress appropriated a significant level of funding for fiscal years 2003 and 2004. In order to meet its objectives, ILAB has developed office workplans so the activities of the program are accomplished in a timely manner. ILAB holds frequent staff meetings in which management issues are identified and corrective steps developed to resolve the problems.

Evidence: Top Management Challenges at the U.S. Department of Labor (OIG Report, January 2004) Operations Manual for ILAB Staff; Management Procedures and Guidelines for Grantees.

PART Performance Measurements

Program: International Child Labor Program and Office of Foreign Relations
Agency: Department of Labor
Bureau: ILAB/ICLP and OFR
Type(s): Competitive Grant Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
40%	63%	100%	33%	

3.C02 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight: 10%

Explanation: ILAB requires that grantees report regularly on project performance. ILAB has established internal mechanisms to ensure the program's efficiency and effectiveness by: (1) establishing and following written procedures regarding project oversight; (2) setting up managerial controls over our projects; and (3) implementing improvements to project planning and project sustainability. ILAB has a strong relationship with its grantees and as a result is kept well informed of how grantees are spending federal resources. ILAB receives quarterly progress reports from all grantees. The technical report provides among other things, detailed information on the overall progress of project, performance monitoring, problems and corrective action and sub-contract information. DOL reviews the reports and follows up with grantees on a regular basis on issues raised. ILAB also receives on a regular basis financial reports from its grantees with information on actual expenditures versus the project's budget. In addition to reporting, ILAB undertakes site visits to project sites, participates in stakeholder evaluation workshops, holds annual/semi-annual meetings with grantees and communicates regularly with grantees, via phone, email, letters and videoconference. Since ILAB does not have field presence, we work closely with labor attaches/reporting offices in U.S. Embassies where DOL has funded projects.

Evidence: Operations Manuals for ILAB Staff; Management Procedures and Guidelines for Grantees; Project Progress Reports, Financial Reports, Site Visit Trip Reports/Schedules, Evaluation Reports

3.C03 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight: 10%

Explanation: Data to assess project performance is collected semi-annually. Most of the data are obtained from the implementing organizations of ILAB projects based in the recipient country. Data are collected in accordance with the Performance Monitoring Plan and Technical Progress Reports, which influence the design of future projects thereby improving project performance. The results are made public annually in the Department's Annual Performance Report, in hard copy and on DOL's website.

Evidence: OFR Status Report (September 2001--June 30, 2004). ILO/IPEC Technical Progress Report.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: SMALL EXTENT Question Weight: 20%

Explanation: While ILAB's child labor projects have shown some results at the local level, data indicates that these projects can only affect a small percentage of the over 200 million working children around the world. However, ILAB continues to make progress towards achieving its long-term goals established in its strategic plans for FY 1999-2004. In regards to OFR's goal to improve living standards, it is difficult to measure the extent to which the program has been meeting its long-term objective given limited baseline data and reliable targets.

Evidence: OIG Report No. 2E-01-070-000 Evaluation of Program Implementation ILAB's Child Labor Projects FY 1995-2000, September 28, 2000; OIG Report No. 21-03-002-01-070, Follow Up of Prior Audit and Evaluation of the Bureau of International Labor Affairs, Fiscal Years Ended September 31, 2001 and September 30, 2002. Report issued March 4, 2003.

PART Performance Measurements

Program: International Child Labor Program and Office of Foreign Relations

Agency: Department of Labor

Bureau: ILAB/ICLP and OFR

Type(s): Competitive Grant

Block/Formula Grant

Section Scores				Rating
1	2	3	4	Adequate
40%	63%	100%	33%	

4.2 Does the program (including program partners) achieve its annual performance goals?

Answer: SMALL
EXTENT

Question Weight20%

Explanation: Although there is some question on the rigor of the targets and measures, ILAB has achieved its annual performance goals for the Child Labor program. However, there is very limited data to assess OFR's goal to improve living standards.

Evidence: USDOL Report on Performance and Accountability (2003 Annual Report). Office of Foreign Relations---Historical Summary of Indicators for DOL (FY 2000-2008); ILAB/International Child Labor Program--GPRA Goals and Indicators (FY 2005-2008).

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?

Answer: SMALL
EXTENT

Question Weight20%

Explanation: ILAB is developing and plans to implement a cost-efficiency measure. ILAB's efficiency measure will aim to demonstrate cost efficiencies per child removed or prevented from exploitive child labor. The OFR will also develop and implement a cost efficiency measure. OMB will reconsider the answer to this question once ILAB has implemented the new measure and the program has demonstrated cost effectiveness.

Evidence: Child Labor Program cost-efficiency measure: Cost per child removed or prevented from exploitative child labor.

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?

Answer: SMALL
EXTENT

Question Weight20%

Explanation: While no comprehensive evaluation has been done comparing ILAB to other international assistance programs, there is minimal evidence to suggest that the funding for the child labor programs compares favorably to other programs funded by international financial agencies and nongovernmental organizations. No data to assess if the OFR programs compare favorably to other technical assistance programs.

Evidence: USAID and State Department Programs on vulnerable children, education, and poverty alleviation; Project Evaluations

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: SMALL
EXTENT

Question Weight20%

Explanation: There have been few evaluations conducted by the OIG but no comprehensive evaluation to assess the programs impact and effectiveness. However, ILAB plans to contract a third party evaluator to assess its overall technical assistance programs, and will work within OASAM's guidelines to carry out this evaluation. Such a broad, programmatic evaluation would be useful for demonstrating the overall impact of ILAB's investments to reduce exploitive child labor and improve living standards and conditions of work, and for identifying crosscutting lessons learned and best practices. More recent evidence of the programs effectiveness is limited. One of ILAB's current efforts to assess its program effectiveness is through the evaluation of the ILO's International Program on the Elimination of Child Labor (ILO-IPEC). Since 1995, a majority of ILAB's technical assistance funds, based on Congressional appropriations, have gone to support ILO-IPEC. From FY 1995 to FY 2003, ILO-IPEC has received approximately \$202 million. At the request of the U.S. Government and other ILO Governing Body members, the ILO is undertaking an external, independent evaluation of the ILO-IPEC program.

Evidence: OIG Report No. 17-00-008-01-070, Review of the Bureau of International Labor Affairs, (March 20, 2000); OIG Report No. 2E-01-070-0001, Evaluation of Program Implementation of ILAB's Child Labor Projects FYs 1995-2000, (September 28, 2000).

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

1.1 Is the program purpose clear?

Answer: YES Question Weight 20%

Explanation: The program's purpose is to assist disadvantaged youth who need and can benefit from intensive education and training services to become more employable, responsible, and productive citizens. Services are provided in group settings in residential and, to a lesser extent, nonresidential centers.

Evidence: Authorizing statute - Workforce Investment Act of 1998 (P.L. 105-220, Title 1, Subtitle C, Sec. 141); Job Corps regulations (20 CFR section 670.110).

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES Question Weight 20%

Explanation: Job Corps serves economically disadvantaged youth, aged 16-24, who must also be one or more of the following: basic skills deficient; a school dropout; homeless, a runaway, or a foster child; a parent; or an individual who requires additional education, vocational training, or intensive counseling and related assistance in order to participate successfully in regular schoolwork or to secure and hold employment. All of these factors serve as barriers to employment. For example, high school dropouts are more likely than high school completers to be unemployed, have lower average incomes, and receive public assistance. In PY 2002, three-quarters of students entering Job Corps were school dropouts; approximately one-quarter came from families on public assistance; approximately half were unemployed at the time of enrollment; 41% of entering Job Corps students had a fifth to eighth grade reading level and 16% had a zero to fourth grade reading level.

Evidence: There are 36 million youth aged 16-24 in the U.S., 5.7 million (16%) of whom live below the poverty line. Of these youth, 2.9 million (59%) are out of school and 1.3 million (22%) are high-school dropouts (Bureau of the Census, Current Population Survey, 2003 Annual Social and Economic Supplement). The unemployment rate for 16-24-year-old dropouts was 20%, versus 13% for this age group overall (Census, CPS, 3/2002, Table 5a). In 1996, dropouts aged 25-34 without a diploma or GED earned significantly lower wages than those who had completed high school (wages were 31 and 36 percent lower for males and females, respectively) (U. S. Dept. of Education, 'Annual Earnings for Young Adults, By Educational Attainment', 6/1999). Job Corps participant data can be found in Job Corps' most recent (PY 2002) Annual Report.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES Question Weight 20%

Explanation: There are other Federal, State, and local programs that provide employment, training, and educational services to disadvantaged youth, but Job Corps is unique in terms of its intensive residential model and exclusive focus on disadvantaged youth. At the Federal level, the National Civilian Conservation Corps and National Guard's Youth Challenge program are residential, but neither is exclusively focused on economically disadvantaged youth or provides the range of services offered by Job Corps. At the state and local levels, state youth corps programs are most similar to Job Corps, but few are residential.

Evidence: GAO compared Job Corps to state and local youth training programs in terms of 4 Job Corps characteristics. While youth corps programs were deemed most similar to Job Corps, only 2 (California and Seaborne Conservation Corps) included all 4 characteristics. GAO found that these 2 programs differed from Job Corps in significant ways (e.g., California Conservation Corps did not specifically focus on disadvantaged youth) (General Accounting Office, 'Job Corps: Comparison of Federal Program with State Youth Training Initiatives' (HEHS-96-92, 3/1996). A DOL-commissioned review compared Job Corps to 9 other residential educational programs, and concluded that while Job Corps shared many characteristics with other residential educational programs, it was unique in a number of ways, notably scope; exclusive focus on low-income individuals; provision of child care; primary focus on job training/readiness; and self-paced nature (Heidi Goldsmith, 'Overview of U.S. Residential Education Programs for Youth' (International Center for Residential Education, 1995).

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight: 20%

Explanation: Job Corps' results are positive, and compare favorably to other federal youth training programs. While the program is extremely expensive on a per-participant basis, owing to its primarily residential design, its benefits exceed the costs. Non-residential centers, which are less costly and have proven effective for the population they serve, could be used for a larger share of the population, although they might not be as effective for certain types of enrollees (e.g., those with unstable home lives). While no national youth training programs have matched Job Corps' effectiveness, some less costly local models (San Jose's Center for Employment and Training (CET) and its replication sites) have shown positive results (see 4.4), suggesting that there could be viable alternatives to Job Corps' high-cost residential model. In addition, the program's reach could be extended with greater employer and provider cost sharing.

Evidence: Roughly 85% of Job Corps participants are residential. A 2001 Mathematica study concluded that the program's social benefits exceeded its costs by \$17,000 per participant (a 2:1 benefit-cost ratio). See 4.4 for discussion of CET findings.

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight: 20%

Explanation: Job Corps' eligibility requirements specify the targeted population (as described in 1.2). To ensure that participants meet these requirements, the Office of Job Corps (OJC) uses a standardized eligibility determination protocol. Applicants are screened by outreach and admissions (O&A) contractors. Applicants self-certify that they meet eligibility requirements, and admissions personnel are required to request documentation (e.g., Social Security Card, proof of legal U.S. residency) if the self-certification is not credible. In addition, a sample of applicants (chosen based on Social Security Number) is required to provide documentation (e.g., birth certificate, public assistance documentation). All eligibility data elements are recorded in the Outreach/Admission Student Input System (OASIS). (For information regarding the data validation process, see 3.1.)

Evidence: The Policy and Requirements Handbook (PRH) specifies eligibility and screening factors and requirements for documentation and verification of eligibility (OJC PRH, 'Chapter 1' Outreach and Admissions,' available at <http://jweb.jobcorps.org:7108/documents/docu.htm>).

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 12%

Explanation: Job Corps is part of the Job Training Common Measures initiative. Accordingly, it has adopted four long-term performance measures that, beginning in 2004, will gauge the impacts of the program and allow comparisons with similar programs. These measures are meaningful, outcome-oriented, and tied to the program's purpose of improving the employment opportunities of disadvantaged youth and DOL's first Strategic Goal (A Prepared Workforce).

Evidence: The program's long-term outcome goal is to improve the educational achievements of Job Corps students and increase the participation of graduates in employment and education. The program has established four long-term measures, in line with the Job Training common measures for youth and lifelong learning: (1) percentage of youth entering employment, post-secondary education, occupational skills training, or the military one quarter after program exit; (2) percentage of youth earning a diploma, GED, or certificate; (3) participants' attainment of literacy and numeracy skills; and (4) efficiency in achieving outcomes. DOL Strategic Plan for FY 2003 ' FY 2008 (<http://www.dol.gov/aboutdol/main.htm>); DOL Employment and Training Administration Training and Employment Guidance Letter Number 15-03: Common Measures Policy (available at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1535), which informs states and grantees of the new common measures.)

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight:12%

Explanation: DOL's FY 2003-FY 2008 Strategic Plan included long-term measures for Job Corps, but did not establish targets for them. DOL has since proposed challenging long-term targets for these measures, as follows: by FY 2008: (1) 89% of youth will be placed in employment, post-secondary education, occupational skills training, or the military one quarter after program exit (PY 2002 performance was 87%, with a different "placement" definition); (2) 67% of youth will earn a diploma, GED, or certificate (PY 2002 performance was 64%); and (3) 51% of participants will attain literacy and numeracy skills (in PY 2002, of those with basic skills deficiencies at entry, 47% attained literacy and 45% attained numeracy).

Evidence: The common measures differ from Job Corps' current measures in their definitions and methodology. The new placement rate, for example, would be calculated for all terminees, who have a significantly lower placement rate (in PY 2002, the placement rate for all terminees was 77%, versus 87% for graduates). The literacy and numeracy goal would be measured based on increase in educational functioning levels (versus attainment of a benchmark score reflecting attainment of literacy and numeracy).

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight:12%

Explanation: As part of the Job Training Common Measures initiative, Job Corps has adopted four annual measures that correspond to the long-term measures for youth and lifelong learning described in 2.1.

Evidence: For FY 2005, the program has established four annual measures: (1) Percentage of youth entering employment, post-secondary education, occupational skills training, or the military one quarter after program exit; (2) Percentage of youth earning a diploma, GED, or certificate; (3) Participants'attainment of literacy and numeracy skills; and (4) cost per participant (U.S. Department of Labor, Strategic Plan for FY 2003 ' FY 2008 (<http://www.dol.gov/aboutdol/main.htm>); FY 2005 DOL Budget Justification of Appropriation Estimates for Committee on Appropriations, Volume 1; DOL/ETA Training and Employment Guidance Letter 15-03: Common Measures Policy (http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1535).

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight:12%

Explanation: In light of past performance levels, the targets chosen for the common measures are ambitious, and show incremental progress toward the long-term goals.

Evidence: For 2004, Job Corps' placement target is 85%--although the program has consistently met and exceeded this level, the placement measure will now include all terminees (including e 85% target. The 2004 GED/diploma/certificate target is 60%--PY 2002 performance was 64%. Lastly, the 2004 literacy/numeracy target is 45%--OJC reports that in PY 2002, of those who entered the program and were identified as basic skills deficient, 47% attained literacy and 45% attained numeracy.

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight: 12%

Explanation: Contractors' performance is measured through the five-part Outcome Measurement System (OMS), which includes: (1) the Outreach and Admissions (O&A) Report Card, which assesses the performance of O&A contractors in terms of arrival and commitment rates; (2) the Center Report Card, which gauges Centers' performance in terms of students' attainment of academic and vocational outcomes; (3) the Center Quality Report Card, which measures Centers' performance in terms of safety, capacity utilization, and quality; (4) the Career Transition Services (CTS) report card, which measures CTS contractors' performance in the placement and earnings outcomes of students; and (5) the Vocational Reporting and Improvement System, which assesses vocational programs in terms of placement rate and earnings. Contractors receive an overall score and ranking based on the extent to which they meet each of the targets. OMS targets are tied to the national measures (see 2.1 and 2.3) and established based on: (1) managers' and contractors' recommendations; (2) past results; and (3) national targets.

Evidence: The Policy and Requirements Handbook (PRH, at <http://jweb.jobcorps.org:7108/documents/docu.htm>) prescribes the OMS and annual performance expectations for all program partners. The OMS is published annually in Job Corps Policy and Requirements Handbook. Appendix 501 of the PRH specifies targets for the following components: Center Operations (Appendix 501a), O&A (Appendix 501b), CTS (Appendix 501c) and Vocational Programs (Appendix 501d). Contractors' compensation (above a base level) is tied to their attainment of performance goals. Job Corps Information Notice No. 02-29 prescribes performance ranges for payment of incentive fees under center operations contracts, and Job Corps Information Notice No. 03-09 prescribes performance ranges for incentive fees under CTS contracts.

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 12%

Explanation: Job Corps undergoes periodic independent evaluations to determine program effectiveness. In 2001, Mathematica Policy Research released findings from its comprehensive, longitudinal impact study of the effectiveness of the Job Corps program. The Mathematica study used random assignment to establish control and experimental groups, and followed both groups over a period of four years. In addition, DOL's Office of Inspector General (OIG) regularly reviews the program and is currently evaluating the accuracy and reliability of Job Corps' performance measurement and reporting system and the assessment of prospective students' special needs and unidentified disabilities. The OIG audits roughly 10-12 centers per year. The General Accounting Office (GAO) has conducted various studies on Job Corps over the past decade. In addition, in August 2003 Job Corps commissioned a study of centers' impact on local economies, the results of which are expected in late fall of 2004.

Evidence: Mathematica Policy Research, 'Does Job Corps Work? Summary of the National Job Corps Study' (June 2001) and related documents; GAO, 'Job Corps: High Costs and Mixed Results Raise Questions about Program's Effectiveness' (HEHS-95-180, June 1995), "Where Participants are Recruited, Trained, and Placed in Jobs" (HEHS-96-140), and 'Need for Better Enrollment Guidance and Improved Performance Measures' (HEHS-98-1), all available at www.gao.gov; DOL OIG, 'Adopting Best Practices Can Improve Placement Services to Students Terminating from the Job Corps Program' (Report 03-98-006-03-370, March 31, 1998), DOL/OIG, "Office of Audit: FY 2004 Workplan," available at <http://www.oig.dol.gov/public/programs/oa/workplan/workplan04.pdf>.

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight:12%

Explanation: Like the rest of DOL, the Employment Training Administration (ETA) does not have an integrated accounting and performance management system to identify the full cost of achieving performance goals. Job Corps' budget justification displays associated output and outcome measures alongside the request, but does not present resource needs in a transparent manner. Operations and Construction, Rehabilitation, and Acquisition activities are described generally, with little detail as to their components. (OJC asserts that it formulates its request using a detailed line-item budget, but these data are not provided to OMB or Congress.)

Evidence: FY 2005 Department of Labor Budget Justification of Appropriation Estimates for Committee on Appropriations, Volume 1.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:12%

Explanation: In its FY 2005 Budget, DOL moved closer to providing full program costing (e.g., showing the ETA Program Administration costs associated with Job Corps) and aligning costs with performance goals. In addition, OJC has agreed to begin providing Exhibit 300s for major capital projects (those with lifecycle costs of \$15 million or more), and is working on developing a formal capital asset plan. Job Corps has also proposed long-term targets for the common measures, and increased its 2004 and 2005 targets for the GED/diploma/certificate and literacy/numeracy measures to be more ambitious.

Evidence: FY 2005 Department of Labor Budget Justification of Appropriation Estimates for Committee on Appropriations, Volume 1.

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: NO Question Weight: 7%

Explanation: The Director of Job Corps conducts an annual review of the Construction, Rehabilitation, and Acquisition budget (\$106 million in the FY 2005 Budget) to determine how it should be allocated. The budget is developed by the Architectural and Engineering (A&E) Contractor, taking into account project costs and benefits (e.g., reduced maintenance, energy, or lease costs), needs identified by the Center and Regional staffs, program goals, and other issues (regulatory, environmental, security, safety). While OJC uses long-term planning strategies in its decisionmaking process, and reports that it considers cost, benefits, and risk, it does not do cost-benefit or risk assessments in a formal or standardized way. OJC has historically not provided Exhibit 300s in support of its capital budget request and does not have a formal capital asset plan. In addition, it is not clear that a party outside of Job Corps reviews and validates the analyses. Job Corps has agreed to submit Exhibit 300s for its major capital projects, provided draft 300s in February 2004, and will begin to submit formal 300s as part of the FY 2006 Budget process (consistent with A-11 requirements).

Evidence: DOL/OJC, PY 2003 CRA Budget; OJC Engineering Support Contractor and Program Management Contractor, "Business Practices Manual of Quality Procedures," which includes the processes used to develop the budget and manage projects; initial Job Corps Exhibit 300s.

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight: 13%

Explanation: All contractors must report in a timely fashion on their activities via a secured-access national database. In addition to payroll and student information, this database collects and produces monthly reports detailing performance (data are available on a timely basis, with a 30-day delay). Program staff use the data to develop baselines, monitor performance, and develop and implement corrective action plans. OJC validates these data in a number of ways. First, the database itself includes automatic checks that reject incomplete, undocumented, and late entries. Second, Job Corps has a Data Integrity Group, which reviews aggregate performance data and flags anomalies for national office followup. OJC uses a third-party to verify reported educational and job placements. (Invalid placements are removed from the system and contractors are subject to monetary penalties.) DOL's OIG conducts audits of performance data, and is currently evaluating the accuracy and reliability of reports on Job Corps' performance measures.

Evidence: Job Corps' national database is called the Student Pay, Allotment, and Management Information System/Center Information System. Requirements for all partner programs to use the Job Corps database are set forth in the PRH. Contractors input information daily, as actions occur. Reports are available on-line through the Job Corps Resource Library, which is available to registered Job Corps users. OJC uses these data to manage the program. For example, upon noting a growing number of "quick" placements (i.e., placements in jobs that require less intensive vocational training), OJC adjusted its performance measurement system to place more emphasis on specialized vocational training (which yields higher wages and better career opportunities).

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight: 13%

Explanation: OJC managers, contractors and agency partners are held responsible for achievement of program results, financial management and timeliness of performance (see 2.5 and 3.1). Job Corps managers' performance appraisals incorporate program goals (e.g., to increase the number of graduates receiving HS diplomas). Contractors are held accountable for past performance, which is measured via annual on-site reviews, quarterly student satisfaction surveys, monthly financial reviews, student achievement data, and monthly performance reviews using OMS data. Past performance is used in making contract award and renewal decisions, and accounts for one quarter of total points awarded in rating proposals. Job Corps has implemented performance-based service contracting for all center operations and career transition services contracts, whereby contractors receive a base fee plus incentive fees tied to their performance (assuming it is above a certain level).

Evidence: Contractors are held accountable for their past performance. Programs exhibiting unsatisfactory performance must submit a Performance Improvement Plan at the end of the program year. After a second year of unsatisfactory performance OJC notifies the center that the program is subject to termination. After reviewing any center appeal and consulting with the regional office, the decision is made to: (1) close or reduce the program, (2) extend the probationary period and develop a new Performance Improvement Plan, or (3) impose no sanctions. Roughly 10-15 contracts are terminated and recompleted each year.

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 13%

Explanation: Since FY 1999, Job Corps has obligated 99.91% of all program dollars by the end of the period of availability. The Job Corps AAPP/FOP (Advance Annual Procurement Plan ' Financial Operating Plan) is a computer-based system used by the National Office of Job Corps to control the allocation of Job Corps program funds. The system maintains information about the Job Corps contracts and inter-agency funding agreements, along with a financial operating plan that stores and reports data about specific contract or project funding approvals. In addition, contractors must submit monthly spending reports (called 2110s) via the web-based Financial Management System (FMS). Contractors must report their expenditures in each of 29 categories via FMS on a monthly basis, and explain any significant variances between their negotiated budget and actual expenditures (for each element, plus or minus 3% or \$2,500, whichever is greater). Regional managers review the monthly reports, follow up with the center when necessary, and develop action plans to address and correct the variances.

Evidence: DOL accounting system reports for Job Corps Operations for 1999 through 2002, FMS sample reports. Job Corps' Policy and Requirements Handbook describes procedures for reporting and accounting for all expenditures (PRH Chapter 5, Appendix 502 (Center Financial Reporting) and Appendix 503 (Outreach/Admissions and Career Transition Services Financial Reporting)). Monthly reports are not required from the federally operated centers.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight: 13%

Explanation: Beginning with the FY 2004 Budget and as part of the Job Training Common Measures, DOL reported standardized cost-per-participant information. The program regularly uses competition as a means of improving cost effectiveness. In accordance with WIA, almost all Job Corps contracts are awarded on a competitive basis. The exceptions are contracts awarded using a sole-source process either to 8(a) small businesses, Indian or Native American entities authorized by the statute, and Job Corps' nine National Training Providers. Job Corps uses a standardized proposal evaluation process that rates proposals based on technical merit and cost. Contracts are awarded to the contractor offering the best value to the government (past performance is also considered, as described in 3.2). Contracts for center operations and career transition services feature incentive fee provisions as part of Job Corps' performance based service contracting initiative.

Evidence: In FY 2005, the projected cost-per-participant is \$22,766 (DOL, FY 2005 Budget Justification of Appropriation Estimates for Committee on Appropriations, Vol. 1). Section 147 (a) (2) (A) of WIA specifies that, with few exceptions, Job Corps contractors must be selected on a competitive basis. Job Corps' model Request For Proposals (RFP) describes evaluation criteria for cost proposals. In addition, Job Corps uses a Procurement Panel Guide to ensure that panelists thoroughly and consistently evaluate proposals. A FY 2000 OIG audit of OJC procurement system found that procurement awards were properly managed and resulted in the impartial and competitive procurement of goods and services (DOL OIG, 'National Office Job Corps Procurements.' Letter Report No. 09-01-203-03-370).

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 13%

Explanation: Job Corps has numerous partnerships with other employment and training and youth-serving programs and employers. For example, in June 2001, DOL established a Memorandum of Understanding with the U.S. Department of Education to increase the numbers of Job Corps graduates earning high school diplomas. Under the MOU, OJC received technical assistance from ED on school accreditation, teacher professional development and online high schools. At the local level, in 2002 76 centers established partnerships with local school districts and 24 centers developed partnerships with charter schools. Job Corps has also partnered with employers to expand students' training and employment opportunities.

Evidence: Job Corps' high school diploma initiative has helped to increase the number of Job Corps students attaining high school diplomas from 3,260 in PY 2001 to 6,381 in PY 2002 (a 90% increase). A recent example of a private employer partnership is the Grafton Job Corps Center's April 2004 agreement with CVS, under which CVS will provide intensive, hands-on pharmacy technician training to Job Corps students as part of a Pharmacy Technician vocational program. WIA specifies Job Corps as a partner in the One-Stop system (section 121(b)(1)(B)) and Youth Councils (section 117(h)(2)). Chapter 1 of Job Corps' PRH requires center operators and Outreach and Admissions and Career Transition Services contractors to establish partnerships and cooperative relationships with other youth-serving entities, community organizations and employers.

3.6 Does the program use strong financial management practices? Answer: NO Question Weight: 13%

Explanation: FY 2003 DOL OIG audit included a reportable finding that OJC did not sufficiently use the property management system, and did not establish proper controls to ensure that real property was accurately reported to safeguard against loss or misuse and capital assets were accurately reported in DOL's financial statements. DOL's oversight of its allocation account with the Department of Agriculture was a problem in FY 2002, pointing to the need for better controls at USDA, closer monitoring at DOL, and a possible change in funding mechanism. In July 2002, Job Corps replaced a paper system with the automated Financial Management System (FMS), via which contractors must monthly report on their expenditures and explain any variances between their negotiated and actual budgets. Part of the financial system is the Job Corps Advance Annual Procurement Plan/Financial Operating Plan, which keeps information about contracts and inter-agency agreements; and a financial operating plan that stores and reports data about specific contract/project funding approvals.

Evidence: The FY 2003 OIG audit found that: (1) annual physical inventories were not conducted each year in order to verify the existence and condition of capitalized assets reported in the Capitalized Assets Tracking and Reporting System (CATARS), which is used to develop DOL's financial statements; (2) certain capitalized additions and dispositions were not recorded in CATARS, resulting in a \$24 million understatement of property; (3) CATARS asset descriptions were inadequate to verify the existence and condition of the asset; and (4) land reported in the general ledger did not agree with what was reported in CATARS, resulting in a \$70 million understatement in CATARS and a \$13 misstatement in the financial statements (DOL 2003 Annual Report on Performance and Accountability).

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 13%

Explanation: To address the OIG's 2003 finding regarding real property, ETA has completed a physical inventory of Job Corps property (although it has not yet been shared with OIG) and made some adjustments to CATARS to close the gap between land value reported in the General Ledger and CATARS. Job Corps annually analyzes its OMS data, and identifies new strategies, refines performance measures and goals, and identifies approaches to correct deficiencies. DOL's Office of the Assistant Secretary for Administration and Management conducts periodic Regional Office Procurement reviews to assess compliance with Federal and departmental acquisition regulations. As a result of OASAM procurement reviews, OJC has incorporated additional guidance into its Procurement Compendium and initiated Contractor Purchasing System Reviews to ensure that contractors spend Government funds appropriately.

Evidence: OJC has taken numerous steps to address a number of deficiencies identified by GAO and OIG. For example, in response to GAO concerns about the validity of reported job placements (GAO/HEHS-95-180 and GAO/HEHS-98-1), OJC in [year] put in place procedures for initial placement verification and verification of placements by a third party. In [year], OJC established new controls over student transportation procedures in response to an OIG report expressing concern about the lack of a formal system for controlling Federal funds spent for student transportation.

3.CA1 Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals? Answer: YES Question Weight: 7%

Explanation: All design and construction contracts are fixed-cost and competitively bid, with the exception of small business contracts. OJC uses an Architectural and Engineering (A&E) firm to provide expertise on acquisition, design services, and construction and meets monthly with the A&E contractor to review project status. The A&E contractor uses Microsoft Project to track each project for performance versus cost and schedule--these data are available on a real-time basis to OJC staff. A report showing the current funding projection, contractor performance, and projected timelines is reviewed for each existing CRA project funded by the National Office. The A&E contractor does periodic on-site inspections of projects and conducts periodic facility surveys. As part of this process the contractor looks at regionally funded projects (smaller or emergency projects) to ensure that the work was finished and complies with the applicable codes and quality standards. OJC staff also inspect projects, as needed. Earned value management is not used.

Evidence: Monthly Design and Construction Status Report for March 2004; 2004 sample Facility Survey Report; OIG Annual Review Findings from 2003 Audits; Sample Project Milestone chart from Microsoft Project; OIG Audit Plan for Job Corps for FY04.

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: **SMALL EXTENT** Question Weight: **19%**

Explanation: DOL's FY 1999-FY 2004 Strategic Plan established three long-term goals for Job Corps. By FY 2004, the program committed to: (1) placing 85% of graduates in jobs or education (versus a PY 1999 baseline of 88%; (2) employing Job Corps graduates at average hourly wages of \$8.50 (versus the PY 1999 baseline of \$7.49), and (3) having 70% of graduates remain in a job, advanced educational program, or the military six months after placement (versus the PY 2000 baseline of 67%--although this rate is based on a 90-day follow-up period). While the 2002 placement rate was 87%--above the long-term goal established in the 1999-2004 strategic plan, this reflects a slight decline from the 1999 actual rate of 88%. Job Corps has made progress toward its earnings increase goal. The average hourly wage of Job Corps graduates increased from \$7.49 in 1999 to \$8.03 in 2002. The program's retention rate has decreased slightly from PY 2001 to PY 2002.

Evidence: Job Corps notes that it introduced a new graduate definition in PY 2000 that included additional graduation requirements (including skill attainment associated with the Career Preparation Period, participation in community service projects, and participation in employer-based work experience), which may partially account for the dip in the placement rate from PY 1999 to PY 2002. Job Corps' program outcome results are also influenced by national and regional economic conditions. DOL FY 1999-2004 Strategic Plan; DOL 2003 Report on Performance and Accountability; PY 2002 Job Corps Annual Report; 'Employment and Training Administration, Workforce System Results as of June 30, 2003'; and Office of Job Corps, 'Trends in Job Corps Program Outcomes PY98 ' PY02' (October 2003).

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: **SMALL EXTENT** Question Weight: **19%**

Explanation: In the most recent year (PY 2002), Job Corps met one of its four annual goals. It surpassed its goal of increasing the number of students who attain high school diplomas by 20% over PY 2001, achieving a 96% increase. The program did not, however, meet its goals for placement in employment, education, or the military (87% versus the target of 90%); average hourly wage (\$8.03 versus the targeted \$8.20); or six-month job retention (63% versus the target of 65%). Centers' performance largely mirrored these trends. In PY02, centers achieved 92% of the commitment rate goal (intended to minimize the share of students who drop out of Job Corps), 85% of the GED/HSD attainment goal, 97% of the vocational completion goal, 109% of the combination GED/HSD and vocational completion goal, 91% of the former enrollee initial placement goal, 93% of the graduate initial placement goal, 98% of the graduate weekly earnings at initial placement goal, 78% of the 6-month placement goal, 79% of the 12-month placement goal, 103% of the 6-month earnings goal, and 101% of the 12-month earnings goals.

Evidence: DOL 2003 Report on Performance and Accountability; PY 2002 Office of Job Corps Annual Report, Reconciled Center Performance Reports (OMS10 and OMS10-R), Outcome and Admissions Performance Reports (OAOMS10 and OAOMS10-R), Career Transition Services Performance Reports (POMS10 and POMS10-R); DOL/ETA, "Workforce System Results as of June 30, 2003"; and Office of Job Corps, "Trends in Job Corps Program Outcomes PY98 ' PY02' (October 2003).

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: NO Question Weight: 19%

Explanation: Although the program tracks cost-per-participant, the program provides no evidence of overall improved efficiencies or cost effectiveness from year to year (e.g, in the form of cost per outcome or output). The program provides some smaller examples of savings it achieved in PY 2002.

Evidence: OJC reports that from PY 2001 to PY 2002, it reduced its workers' compensation costs by 1.3% (\$53,000); communications costs by 29.2% (\$2.5 million); student post-termination settlements by 15.8% (\$1.2 million). DOL also notes that in PY 2003, with a 4% increase in its operations budget, it achieved a 17% increase in its high school diploma attainment rate (which it argues is a sign of efficiency, although the placement and retention rates declined in PY 2001).

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: YES Question Weight: 19%

Explanation: According to comparisons conducted by Mathematica Policy Research, Inc., during the National Job Corps Study, Job Corps' results compare favorably to other federal youth training programs and demonstration initiatives. Mathematica concluded that 'Job Corps remains the only large-scale program to produce sustained and significant earnings gains for its participants.' As measured by placement rate (87% in PY 2002), Job Corps is more successful than the Youth Activities program (which had PY 2002 results of 69.5% for older youth), although it is significantly more expensive on a per-participant and per-placement basis. While no national youth training programs have matched Job Corps' effectiveness, some less costly local models (San Jose's Center for Employment and Training (CET) and its replication sites) have shown positive results.

Evidence: Mathematica Policy Research, "Summary of the National Job Corps Study" (June 2001), and related documents. Based on PY02 data, Job Corps costs more than \$22,000 per participant versus less than \$3,000 under Youth Activities, and almost \$30,000 per placement, versus under \$6,000. CET was among 13 projects funded under Jobstart, a demonstration designed to replicate Job Corps' success in serving disadvantaged high school dropouts using a less costly approach. An early 1990's study showed sustained annual earnings gains in CET--participants earned 40% more than control group counterparts at costs per enrollee of \$4,200 (DOL Office of the Chief Economist, "What's Working (and what's not)," 1/95). At 30 months, MDRC found positive effects at certain replication sites for young women, but employment-related impacts for men were negative or negligible (MDRC, "Working With Disadvantaged Youth, 30-Month Findings from the Evaluation of the CET Replication Sites," 6/03). Final results will be available in 2005.

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: YES Question Weight: 19%

Explanation: A 2001 Mathematica evaluation found that, compared to the control group, Job Corps group members: (1) experienced measurable improvements in their functional literacy; (2) experienced increased attainment of GEDs and vocational certificates, but slight reductions in the attainment of high school diplomas; (3) had greater earnings gains beginning in the third year, and in year four had average weekly earnings that were \$16 higher (owing to greater wages and hours of work); and (4) received less public benefits. Employment-related effects were similar for males and females. Mathematica also computed Job Corps' net social benefits and found the program to be cost-effective, resulting in net benefits of nearly \$17,000 per participant. Mathematica determined that the residential and non-residential components of Job Corps are effective for the youths they serve. However, Hispanic youths and 18 and 19-year olds experienced no employment or earnings gains, and those who failed to complete vocational training or earn a GED derived no benefit from Job Corps.

Evidence: Mathematica found that Job Corps had social costs of \$16,000 per participant versus benefits of approximately \$33,000 over a youth's lifetime (a finding dependent on the assumption that the program's earnings impact is sustained over the individual's working lifetime). Mathematica Policy Research, "Summary of the National Job Corps Study" (June 2001); 'Report on the Process Analysis' (February 1999), 'The Short Term Impacts of Job Corps on Participants' Employment and Related Outcomes, Final Report' (February 2000); 'Impacts of Job Corps on Participants' Literacy Skills, Final Report' (July 2000); 'Job Corps Applicants Programmatic Experiences' (September 2000); 'The Benefits and Costs of Job Corps, Executive Summary' (June 2001); 'Impacts by Center Characteristics' (June 2001); and 'Impacts of Job Corps on Participants' Employment and Related Outcomes' (June 2001).

4.CA1 Were program goals achieved within budgeted costs and established schedules? Answer: NO Question Weight: 7%

Explanation: Program managers were unable to provide specific information on the extent to which projects were completed within budgeted costs and established schedules. OJC states that the majority of projects are completed within 10% of the date and cost estimates, and has provided a sample of a report it uses to track actual costs and schedules. Comparison of initial versus latest total project costs for a sample of large projects from PY 1999-PY 2002 shows significant deviation from initial cost estimates. In all but one case, the total project cost in the most recent year was significantly more than 10% above the initial budget. Draft exhibit 300s provided in support of major capital investments did not include baseline costs/schedules, against which actual costs and schedules could be compared.

Evidence: In PY 1999, Job Corps' CRA budget showed plans to build a new gym and vocational building at the Clements Job Corps Center at a total cost of \$5 million. In PY 2000 and PY 2001, the estimated cost was \$6.6 million, and in PY 2002 was \$7 million (40% above the initial estimate). The cost of redeveloping the Potomac Job Corps Center, budgeted at \$15 million in PY00, had more than doubled (to \$31 million) in the PY02 budget (source: backup materials provided in support of CRA apportionments).

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

Measure: Percentage of participants entering employment or enrolling in post-secondary education, the military or advanced training/occupational skills training

Additional Information: Result of common measures initiative. First year of measurement against the common measures was to have been 2004, but implementation has been delayed. Performance targets will be established after ETA collects baseline data in 2005. (2002 and 2003 entries reflect the previous measure, which tracks only program graduates, versus all terminees.)

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	90%	87%	
2003	90%	90%	
2004	85%		
2005	85%		
2006	87%		
2007	87.5%		
2008	89%		

Measure: Percentage of participants who achieve literacy or numeracy gains of one or more educational functioning levels.

Additional Information: Result of common measures initiative.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004	45%		
2005	45%		
2006	47%		
2007	49%		
2008	51%		

PART Performance Measurements

Program: Job Corps
Agency: Department of Labor
Bureau: ETA
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	81%	87%	49%	Effective

Measure: Percentage of participants that earn a high school diploma, GED, or certificate.
Additional Information: Result of common measures initiative.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004	64%		
2005	64%		
2006	65%		
2007	65%		
2008	67%		

PART Performance Measurements

Program: Migrant and Seasonal Farmworkers
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
20%	71%	70%	26%	

1.1 Is the program purpose clear?

Answer: NO

Question Weight 20%

Explanation: The program is intended to help economically-disadvantaged migratory and other seasonal farmworkers, and their families, move out of the chronic seasonal unemployment and underemployment that can trap them in a cycle of poverty and lost educational opportunities. The program strives to achieve its mission by funding competitive grants to organizations to provide participants with training and other employment development. However, the Congress has authorized and directed that the program also provide supportive services such as emergency assistance and housing. In fact, annually, most of the approximately 36,000 participants receive only low-cost supportive services. Despite the importance of these supportive services--which help many participants stabilize their budget while they are unemployed--providing them through this Department of Labor (DOL) program detracts from its primary purpose to help farmworkers find more stable, year-round employment.

Evidence: Workforce Investment Act of 1998 (WIA; Public Law [P.L.] 105-220) Section 167 (<http://www.doleta.gov/usworkforce/asp/act.cfm>); and <http://wdsc.doleta.gov/msfw/html/docs/facts.cfm>

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight 20%

Explanation: The program addresses a significant problem for a large population of farmworkers: they have limited opportunities to move out of a way of life that, due to its dependence on seasonal agricultural labor, is characterized by migration and economic insecurity. According to the Occupational Outlook Handbook (OOH), in 2000, approximately 900,000 people were employed as farmworkers. However, DOL considers this figure to be low, and estimates that the population is closer to 2,700,000. The National Agricultural Workers Survey (NAWS) found that, in 1997-98: (a) An estimated 56% of all farmworkers migrated; (b) These farmworkers are typically employed in agriculture for less than half a year; and (c) They had a median family income of less than \$10,000. Further, the NAWS found, farmworkers are typically foreign-born (81%), have completed 6 years of education, and are not fluent in English (more than 90%). The program, which served more than 36,000 participants in 2002, is intended to help them find more stable employment and increase their earnings.

Evidence: WIA Section 167; "Occupational Outlook Handbook, 2002-03 Edition," DOL/Bureau of Labor Statistics <http://www.bls.gov/oco/pdf/ocos285.pdf>; estimate of DOL Office of Assistant Secretary for Policy; "Findings from the National Agricultural Workers (NAWS) Survey 1997-1998: A Demographic and Employment Profile of United States Farmworkers," Research Report No. 8, DOL, March 2000 (http://www.dol.gov/asp/programs/agworker/report_8.pdf); and <http://wdsc.doleta.gov/msfw/html/docs/facts.cfm>

PART Performance Measurements

Program: Migrant and Seasonal Farmworkers
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
20%	71%	70%	26%	

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: NO Question Weight 20%

Explanation: Although the program funds grants to help meet this population's needs, the training, employment development, and supportive services that it supports are duplicated by services of certain other programs funded by DOL and WIA partners, including other federal agencies. For training and employment services, other WIA programs--including One-Stop Career Centers, formula grants to states for adult training, and the Department of Education's (ED) Adult Education program--are available to help these workers and their families improve their employment opportunities. Many of these programs can also fund certain supportive services. In addition, other federal programs--for example, the Department of Agriculture's (USDA) Women, Infants, and Children (WIC) program--fund supportive services to eligible farmworker families. Further, there are other farmworker-specific federal programs that address non-employment needs including education, health care, and housing.

Evidence: WIA - P.L. 105-220, Sections 121, 131-134; ED's College Assistance Migrant Program (CAMP); ED's High School Equivalency Program (HEP) [authorized by the Higher Education Act of 1965, as amended Sec. 418 (34 CFR Part 206)], <http://www.ed.gov/pubs/Biennial/126.html>; the Department of Health and Human Services' (HHS) Migrant Health Program, authorized by the Public Health Service Act, Sec. 330(g) [42 CFR Part 56], <http://www.bphc.hrsa.gov>; HHS' Migrant and Seasonal Head Start program, authorized by the Head Start Act, Sec. 637(12) [45 CFR 1301 et. seq.], <http://www.acf.hhs.gov/programs/hsb/hsweb/search.jsp>; USDA's WIC program, authorized by Section 17 of the Child Nutrition Act of 1966, <http://www.fns.usda.gov/wic/>; and the Department of Housing and Urban Development's (HUD) Rural Housing and Economic Development program (RHED) authorized by the Departments of Veterans Affairs, Housing and Urban Development and Independent Agencies Appropriations Act of 1999.

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight 20%

Explanation: Two major design flaws are: (1) limited competition and (2) an earmark for housing grants. (1) The program provides funds to state service areas based on farmworker populations. DOL chooses one grantee from each area through a competition. However, in the first competition required under WIA, in 1999, many service areas had only one applicant. Additionally, DOL had discretion to continue the grants in 2001 for two years without recompeting. On this basis, DOL awarded all previous grantees a continuation grant, even though many grantees performed well below national standards and their own goals. (2) Although 95% of total program funding is for training and supportive services through a sub-program (the National Farmworker Jobs Program (NFJP)), the Congress annually earmarks the remaining 5-6% for housing grants. These grants are similar to Department of Housing and Urban Development (HUD) grants to serve this population, and the housing grantees need not even coordinate with DOL's NFJP. To address the problems, DOL's 2003 Solicitation for Grant Applications (SGA) requires that housing grant applicants demonstrate how they will target funds for temporary, emergency, and permanent housing for NFJP participants.

Evidence: WIA Final Regulations, August 11, 2000 (<http://www.doleta.gov/usworkforce/asp/act.cfm>); Federal Register Notice; Solicitation for Grant Applications (SGA) 03-108, April 14, 2003; <http://www.hud.gov/groups/farmworkers.cfm>

PART Performance Measurements

Program: Migrant and Seasonal Farmworkers
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
20%	71%	70%	26%	

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: NO Question Weight: 20%

Explanation: In general, it is effectively targeted to reach the intended beneficiaries, but not to address the program's primary purpose of improving workers' employment prospects. WIA defines, and the implementing guidance and regulations interpret, the eligibility requirements for a farmworker to participate in the NFJP. Eligibility is tied to economic disadvantage, employment in seasonal agriculture, inability to return to permanent residence within the same workday, or dependency on such a farmworker. Despite the program's purpose of helping these farmworkers find stable, year-round employment, nearly two-thirds of people who exit the program each year have received only low-cost supportive services. For Program Year (PY) 2001, the figure was 15,671--or 62%--of total exiters. These services, although they are important and inexpensive, do not significantly contribute to the primary purpose of this program.

Evidence: WIA Section 167; 112 STAT 1026 and 1027; Farmworker Bulletin 00-02, effective July 1, 2000 (at <http://wdsc.doleta.gov/msfw/html/NFJPbulletins.cfm>); WIA Farmworker Adult Program Annual report; National Roll-Up for PY 2001 at <http://wdsc.doleta.gov/msfw/html/AnnualRpts.cfm>; Federal Register Notice: SGA, April 14, 2003

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 14%

Explanation: It is part of the Job Training Common Measures initiative. Accordingly, it has adopted four long-term goals that, beginning in 2004, will better measure the impacts of the program than current measures and allow comparisons across similar programs. DOL is implementing the common measures and will establish numerical targets in 2004. The Administration's WIA reauthorization proposal identifies the common measures and applies them to all WIA programs. The proposal also ends this program, proposing instead that migrant and seasonal farmworkers would be better served through the nationwide network of more than 1,900 comprehensive and 1,600 affiliate One-Stop Career Centers with whom current program grantees are supposed to partner. As long as this program continues, it will be subject to the common measures. Currently, the program uses measures similar to the common measures.

Evidence: WIA Section 136 (29 U.S.C. 2871), including proposed amendments to same in Administration's WIA reauthorization proposal; Training and Employment Notice (TEN) No. 8-02 announcing implementation of the Job Training Common Measures was issued on March 27, 2003; ETA's 2002 Annual Performance Plan (<http://www.doleta.gov/perform/2002pln.pdf>); and "Performance Standards and Measures - National Farmworker Jobs Program," OMB Approval No. 1205-0425 (<http://wdsc.doleta.gov/msfw/PDF/PerfStandards.pdf>)

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight: 14%

Explanation: DOL is implementing the common measures and will establish ambitious numerical targets in 2004. The Administration's WIA reauthorization proposal identifies the common measures and applies them to all WIA programs. The proposal also ends this program, proposing instead that migrant and seasonal farmworkers would be better served through the nationwide network of more than 1,900 local One-Stop Career Centers with whom current program grantees are supposed to partner. As long as this program continues, it will be subject to the common measures. Currently, the program uses measures and targets similar to the common measures.

Evidence: Training and Employment Notice (TEN) No. 8-02 announcing implementation of the Job Training Common Measures was issued on March 27, 2003; ETA's 2002 Annual Performance Plan (<http://www.doleta.gov/perform/2002pln.pdf>); and "Performance Standards and Measures - National Farmworker Jobs Program," OMB Approval No. 1205-0425 (<http://wdsc.doleta.gov/msfw/PDF/PerfStandards.pdf>)

PART Performance Measurements

Program: Migrant and Seasonal Farmworkers
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
20%	71%	70%	26%	

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 14%

Explanation: It is part of the Job Training Common Measures initiative. Accordingly, it has adopted four annual goals that, beginning in 2004, will better measure the impacts of the program than current measures and allow comparisons across similar programs. DOL is implementing the common measures and will establish numerical targets in 2004. The Administration's WIA reauthorization proposal identifies the common measures and applies them to all WIA programs. The proposal also ends this program, proposing instead that migrant and seasonal farmworkers would be better served through the nationwide network of more than 1,900 comprehensive and 1,600 affiliate One-Stop Career Centers with whom current program grantees are supposed to partner. As long as this program continues, it will be subject to the common measures. Currently, the program uses measures similar to the common measures.

Evidence: WIA Section 136 (29 U.S.C. 2871), including proposed amendments to same in Administration's WIA reauthorization proposal; Training and Employment Notice (TEN) No. 8-02 announcing implementation of the Job Training Common Measures was issued on March 27, 2003; ETA's 2002 Annual Performance Plan (<http://www.doleta.gov/perform/2002pln.pdf>); and "Performance Standards and Measures - National Farmworker Jobs Program," OMB Approval No. 1205-0425 (<http://wdsc.doleta.gov/msfw/PDF/PerfStandards.pdf>)

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 14%

Explanation: DOL is implementing the common measures and will establish ambitious numerical targets in 2004. The Administration's WIA reauthorization proposal identifies the common measures and applies them to all WIA programs. The proposal also ends this program, proposing instead that migrant and seasonal farmworkers would be better served through the nationwide network of more than 1,900 local One-Stop Career Centers with whom current program grantees are supposed to partner. As long as this program continues, it will be subject to the common measures. Currently, the program uses measures and targets similar to the common measures that were adopted using a 2001 baseline.

Evidence: Training and Employment Notice (TEN) No. 8-02 announcing implementation of the Job Training Common Measures was issued on March 27, 2003; ETA's 2002 Annual Performance Plan (<http://www.doleta.gov/perform/2002pln.pdf>); and "Performance Standards and Measures - National Farmworker Jobs Program," OMB Approval No. 1205-0425 (<http://wdsc.doleta.gov/msfw/PDF/PerfStandards.pdf>)

PART Performance Measurements

Program: Migrant and Seasonal Farmworkers
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
20%	71%	70%	26%	

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NO Question Weight: 14%

Explanation: When the program was implemented under WIA beginning in 1999 (as a transition from the predecessor Job Training Partnership Act (JTPA) program), grantees were required to address performance in their applications in some manner. In addition, DOL established and published national performance measures and standards. However, the two are not directly linked, and not all grantees must meet the national standards. In 2001, DOL's decision whether to continue grants for another two years was supposed to be based on whether grantees' performance was "satisfactory." Despite these requirements, there is no close connection between individual grantees' commitments, performance, and their continuing as a grantee. So, performance accountability is weak. Program reports as recent as 2001 indicate that there are continuing grantees with performance significantly below the program's goals for national performance.

Evidence: Federal Register Notice: Solicitations for Grant Applications, May 19, 1999, and April 14, 2003; Farmworker Bulletin 01-04 on preparing NFJP Biennial Plans for Program Years 2001 and 2002 (<http://wdsc.doleta.gov/msfw/html/NFJPbulletins.cfm>); and NFJP Performance Results for Program Year 2001 (<http://wdsc.doleta.gov/msfw/PDF/PerfResults01.pdf>)

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: NO Question Weight: 14%

Explanation: No independent evaluation of this WIA program has occurred. The predecessor program under JTPA was evaluated for two years in the early 1990s, and the results were published in 1994. Current-program improvements have come about through DOL's administration of the program, including the performance goals.

Evidence: "Evaluation of the JTPA Title IV Migrant and Seasonal Farmworker Program" Research and Evaluation Report Series, Social Policy Research Associates and Berkeley Planning and Associates, 1994 (at <http://wdr.doleta.gov/opr/fulltext/document.asp?docn=6136>)

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NA Question Weight: 0%

Explanation: The Administration proposes to end this program. Instead, eligible farmworkers would receive training and employment services through the nationwide network of more than 1,900 comprehensive and 1,600 affiliate One-Stop Career Centers. They also would continue to receive supportive services through several other agencies, including ED, HUD, and HHS.

Evidence: The President's 2003, 2004, and 2005 Budgets; and the Administration's WIA reauthorization proposal

PART Performance Measurements

Program: Migrant and Seasonal Farmworkers
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
20%	71%	70%	26%	

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:14%

Explanation: As part of the Job Training Common Measures initiative, the program has adopted four long-term and annual goals and will establish numerical values for those goals in 2004. In addition, the SGA for new grants that will begin in PY 2003 (initiated on July 1, 2003) requires that applicants promote increased participation and co-enrollment of farmworkers in all the services available through the nationwide network of more than 1,900 comprehensive and 1,600 affiliate One-Stop Career Centers. Applicants also must collaborate and coordinate with these centers to deliver services. These changes address a problem with the grants to date: grantees were supposed to coordinate their services with One-Stop centers, but integration was spotty.

Evidence: Federal Register Notice; SGA 03-108, April 14, 2003; TEN No. 8-02 announcing implementation of the new Job Training Common Measures, March 27, 2003

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight:10%

Explanation: Data are collected from NFJP grantees on a quarterly basis, and the resulting analysis is used to measure performance against annual goals set for the program at the national level. The Federal Project Officers provide (either directly or through a third party arrangement) technical assistance to grantees whose performance falls short of the established goals for the particular program.

Evidence: GAO Report 01-251: "Labor Challenges; National Farmworker Jobs Program". The ETA Report 9094 [WIA Program Planning Summary Title I-D, Section 167 - National Farmworker Jobs Program (NFJP)] and ETA Report 9095 [WIA Program Status Summary Title I-D, Section 167 - National Farmworker Jobs Program (NFJP)], OMB Approval No. 1205-0425, collect quarterly information from grantees. These forms are accessible at <http://wdsc.doleta.gov/msfw/html/forms.cfm>. ETA prepares Quarterly Program Reviews, which are used in program management. The most recent Quarterly Reviews were compiled for the quarters ending December 31, 2002; March 31, 2003; and June 30, 2003. The WIA Farmworker Adult Program Annual Report and National Roll-Up for PY 2001 also provide performance information.

PART Performance Measurements

Program: Migrant and Seasonal Farmworkers
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
20%	71%	70%	26%	

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: NO Question Weight: 10%

Explanation: As discussed in the explanation for the answer to question #2.5, grantees are not required to meet specific performance targets that support the national goals, though they are generally to be accountable financially and administratively as a condition of the grant award. Performance results as recent as 2001 confirm that some grantees demonstrate persistent problems in achieving and reporting their performance toward the national goals. Despite this consistently poor performance of some grantees, there were no sanctions, and all current grantees received a two-year continuation grant in 2001. Performance ratings for federal program managers, on the other hand, are tied to ETA and program performance goals and to grants management responsibilities. All ETA managers and staff are held accountable through incorporation of relevant elements and performance standards in the appraisal process. Also, ETA's Office of Financial and Administrative Management routinely provides to managers and regions reports and analysis of cost and performance results.

Evidence: "Performance Standards and Measures - National Farmworker Jobs Program," OMB Approval No. 1205-0425 (<http://wdsc.doleta.gov/msfw/PDF/PerfStandards.pdf>); NFJP Performance Results for Program Year 2001 (<http://wdsc.doleta.gov/msfw/PDF/PerfResults01.pdf>); Draft Performance Standards: Administrator, Office of National Programs; and 20 CFR 669.230, which provides for terminating a grantee's designation to protect federal funds or when there are substantial and persistent violations of the Act or regulations, but does not provide for sanctions for significant failure to meet performance goals. Revised DOL performance management plans for senior executives (Form DL 1-2059, Rev. 10/2001) and for supervisors and managers (Form DL 1-382, Rev. 10/2001)

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 10%

Explanation: Federal funds are fully obligated annually to the NFJP grantees and the farmworker housing assistance grantees. All grants are subject to annual compliance audits under the Single Audit Act and periodic compliance audits by the Office of the Inspector General (OIG). ETA works with grantees to correct any problems identified by audits. No systemic problems have been identified through audits.

Evidence: The FY 2002 Financial Performance Report from the OIG did not identify any reportable conditions for the NFJP (http://www.dol.gov/_sec/media/reports/). OIG audits of this program are accessible at http://www.oig.dol.gov/cgi-bin/oa_rpts.cgi?s=farmworker&y=all&a=all and <http://wdsc.doleta.gov/msfw/html/ProgAudits.cfm>.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight: 10%

Explanation: As part of the Job Training Common Measures initiative, the program is adopting a common measure of efficiency. However, the program already collects data for the NFJP that are needed to calculate the cost of its services per participant.

Evidence: Annual Financial Status and Program Status Reports (at <http://wdsc.doleta.gov/msfw/html/AnnualRpts.cfm>), which show overall NFJP 2001 unit cost of about \$1,940, unit cost for intensive and training services of about \$2,180, and unit cost for related/supportive assistance of about \$340; and Federal Register Notice: SGA, April 14, 2003

PART Performance Measurements

Program: Migrant and Seasonal Farmworkers
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
20%	71%	70%	26%	

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: NO Question Weight:10%

Explanation: The NFJP is a required partner in the One-Stop Career Center system in those local areas where it is present. Although some grantees have succeeded in developing a participatory role for the NFJP in their local workforce areas and centers, in many localities and states, there is little integration of services between the local workforce investment board(s) and the state area's NFJP grantee. These failures may be the responsibility not only of NFJP grantees, but also state and/or local workforce systems. Nationally, this program does not coordinate effectively with programs of other federal agencies including ED, HUD, and HHS, that also are available to serve farmworkers and their families. To address this lack of coordination and to increase farmworkers' access to One-Stop Career Centers, the NFJP SGA for PY 2003 requires grantees to propose how they will remove barriers and disincentives to serving farmworkers, and collaborate and coordinate with One-Stop centers to improve service integration for farmworkers.

Evidence: Federal Register Notice: SGA, April 14, 2003.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight:10%

Explanation: The FY 2002 Financial Performance Report from the OIG did not identify any reportable conditions for the NFJP, and ETA and DOL programs are free of material internal control weaknesses. With respect to this program, in particular: prior to making awards, ETA reviews available records of potential grantees to assess the organization's overall responsibility to administer federal funds. In those relatively few instances in which problems are identified--for example, costs that should not have been allowed--ETA works with the grantee to rectify the situation and, as necessary, provide technical assistance. Like the rest of DOL, this program will benefit from the new departmentwide effort to institute managerial cost-accounting to allow managers to integrate financial and performance information and use it on a routine basis.

Evidence: 20 CFR 667.170; The FY 2002 Financial Performance Report from the OIG did not identify and reportable conditions for the NFJP. The report is accessible at http://www.dol.gov/_sec/media/reports/.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight:10%

Explanation: The SGA for new grants that will begin in PY 2003 (initiated on July 1, 2003) requires that applicants promote increased participation and enrollment of farmworkers in all the services available through the nationwide network of more than 1,900 comprehensive and 1,600 affiliate One-Stop Career Centers. Applicants also must collaborate and coordinate with these centers to deliver services. These changes address a problem with the grants to date: grantees were supposed to coordinate their services with One-Stop centers, but integration was spotty.

Evidence: Federal Register Notice: SGA, April 14, 2003

PART Performance Measurements

Program: Migrant and Seasonal Farmworkers
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
20%	71%	70%	26%	

3.CO1 Are grants awarded based on a clear competitive process that includes a qualified assessment of merit? Answer: NO Question Weight:10%

Explanation: Grants are awarded competitively, but the competition is severely limited due to an inadequate applicant pool and little emphasis on performance accountability. First, there is an allotment of funds to 47 state service areas and Puerto Rico based on farmworker populations. Then, DOL chooses one grantee, through competition, from each area. WIA requires that an NFJP competition be conducted every two years, but authorizes DOL to waive this requirement for an additional two years if grantees are performing satisfactorily and upon receipt of an acceptable plan for the succeeding two years. Also, organizations must undergo a financial responsibility test before any award is made. Despite this competitive framework, for the first competition in 1999, many areas had only one applicant. Further, "satisfactory" performance is determined administratively, with no clear definition linked to achievement of performance goals tied to national standards. As a result, in 2001, all previous grantees received a waiver and two-year continuation grant, even though many of them performed well below national standards and goals.

Evidence: WIA Section 167; Federal Register Notice: SGA, April 14, 2003; and Farmworker Bulletin 01-04, which addresses requirements for preparing the NFJP Biennial Plans

3.CO2 Does the program have oversight practices that provide sufficient knowledge of grantee activities? Answer: YES Question Weight:10%

Explanation: The NFJP program provides services through state service area grantees but is nationally administered. The program's project officers communicate with the 53 grantees using the telephone, e-mail, and letters. This approach, and the relatively small size of the program, allows them to provide oversight and technical assistance on a routine basis. The results of monitoring visits (whether onsite or through a desk review) are documented via reports that are sent to the grantee and become part of the grant files. Fiscal reviews are also being conducted for selected grantees. Additional information is collected through the grantees' quarterly reports.

Evidence: Monitoring visit reports for Mississippi and Idaho; and a fiscal review report for CHDC by Planmatics, Inc. These reports can be obtained by contacting ETA.

3.CO3 Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner? Answer: YES Question Weight:10%

Explanation: The program collects information on a quarterly basis; results are collected and analyzed by ETA's Performance and Results Office for distribution as a Quarterly Program Review. In addition, the annual performance data are collected and analyzed, and results are posted in the ETA/MSFW website on an annual basis.

Evidence: Annual Reports (at <http://wdsc.doleta.gov/msfw/html/AnnualRpts.cfm>); National Rollup for PY 2001 (at <http://wdsc.doleta.gov/msfw/PDF/PerfResults01.pdf>); and ETA Quarterly Program Reviews (accessible at <http://www.doleta.gov/usworkforce/performance/>).

PART Performance Measurements

Program: Migrant and Seasonal Farmworkers
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
20%	71%	70%	26%	

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: **SMALL EXTENT** Question Weight **20%**

Explanation: It has adopted four new long-term goals as part of the Job Training Common Measures initiative. DOL will establish numerical annual and long-term targets in 2004. Partial credit is based on the fact that DOL achieved two of three annual goals for its previous measures in PY 2001, supporting achievement of long-term goals. Consistent with the program's primary purpose, current measures relate only to employment and training services provided through NFJP, which account for more than 80% of NFJP spending. However, these measures affect only 38% of total program exiters. The program does not measure its related assistance services, which account for only 9% of spending, but are the only services that 62% of program exiters receive. There also are no measures for the earmarked housing assistance grants.

Evidence: Annual Reports (at <http://wdsc.doleta.gov/msfw/html/AnnualRpts.cfm>); National Rollup for PY 2001 (at <http://wdsc.doleta.gov/msfw/PDF/PerfResults01.pdf>); and ETA Quarterly Program Reviews (accessible at <http://www.doleta.gov/usworkforce/performance/>).

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: **SMALL EXTENT** Question Weight **20%**

Explanation: It has adopted four new annual goals as part of the Job Training Common Measures initiative. DOL will establish numerical annual and long-term targets in 2004. Partial credit is based on the fact that DOL achieved two of three annual goals for its previous measures in PY 2001. However, many grantees' performance fell significantly below the national goals. Consistent with the program's primary purpose, current measures relate only to employment and training services provided through NFJP, which account for more than 80% of NFJP spending. However, these measures affect only 38% of total program exiters. The program does not measure its related assistance services, which account for only 9% of spending, but are the only services that 62% of program exiters receive. There also are no measures for the earmarked housing assistance grants.

Evidence: Annual Reports (at <http://wdsc.doleta.gov/msfw/html/AnnualRpts.cfm>); National Rollup for PY 2001 (at <http://wdsc.doleta.gov/msfw/PDF/PerfResults01.pdf>); and ETA Quarterly Program Reviews (accessible at <http://www.doleta.gov/usworkforce/performance/>).

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: **SMALL EXTENT** Question Weight **20%**

Explanation: The program's spending is consistent with the authorization and appropriations. However, there is little or no interaction with other WIA programs and federal agencies that could better provide supportive services, thereby freeing up NFJP funds for an even greater focus on providing training and employment development services. As part of the Job Training Common Measures initiative, the program is adopting a common measure of efficiency intended to strengthen its effectiveness. Despite this measure, the program will still be required to spend 5-6% on housing assistance grants due to the congressional earmark, which detracts from the primary purpose of the program.

Evidence: Annual Reports (at <http://wdsc.doleta.gov/msfw/html/AnnualRpts.cfm>); National Rollup for PY 2001 (at <http://wdsc.doleta.gov/msfw/PDF/PerfResults01.pdf>); and ETA Quarterly Program Reviews (accessible at <http://www.doleta.gov/usworkforce/performance/>).

PART Performance Measurements

Program: Migrant and Seasonal Farmworkers
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
20%	71%	70%	26%	

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?

Answer: SMALL
EXTENT

Question Weight 20%

Explanation: For training and employment services, this program may be compared to the WIA Adults program. Although that program does not focus on migrant and seasonal farmworkers or face the particular challenges that their employment entails, it does serve disadvantaged people. In PY 2001, the WIA Adults program served an estimated 388,800 participants. For PY 2001, on comparable measures, the WIA Adults program's employment rate was 76%, while the NFJP rate was 74%; but the WIA Adults retention rate was 81%, while the NFJP rate was 64%. However, the average earnings gain over six months was \$3,312 for WIA Adults, while the NFJP average gain was \$3,750. The WIA Adults unit cost is a few hundred dollars more than the unit cost for this program's intensive and training services (\$2,180). For supported or "related assistance" services and housing, it is difficult to compare this program with others because it does not have performance measures in place to do so.

Evidence: For this program, National Rollup for PY 2001 (at <http://wdsc.doleta.gov/msfw/PDF/PerfResults01.pdf>); for WIA Adults program, PY 2001 WIA Annual Reports, National Summary (at http://www.doleta.gov/usworkforce/documents/AnnualReports/annual_report_2001.asp)

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: NO

Question Weight 20%

Explanation: No independent evaluation of this WIA program has occurred. The predecessor program under JTPA was evaluated for two years in the early 1990s, and the results were published in 1994. That evaluation indicated that the program was substantially meeting its goals at that time and recommended additional capacity building and program integration to more effectively deliver services. However, that evaluation did not comment on the program's impact.

Evidence: "Evaluation of the JTPA Title IV Migrant and Seasonal Farmworker Program" Research and Evaluation Report Series, Social Policy Research Associates and Berkeley Planning and Associates, 1994 (at <http://wdr.doleta.gov/opr/fulltext/document.asp?docn=6136>)

PART Performance Measurements

Program: Migrant and Seasonal Farmworkers
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
20%	71%	70%	26%	

Measure: Percentage of participants employed after program exit. (This new measure will be implemented in 2005. Data shown are for similar current measure).
Additional Information: New measure: result of common measures initiative; targets to be determined in 2004. 2002 reports performance against a similar previous measure of job placement.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-term
2001	62	74	
2002	63	87	

Measure: Percentage of participants who retain employment after program exit. (This new measure will be implemented in 2005. Data shown are for similar current measure).
Additional Information: New measure: result of common measures initiative; targets to be determined in 2004. 2001 and 2002 report performance against a similar previous measure of employment retention.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-term
2001	70	64	
2002	75	64	

Measure: Percentage change in participants' earnings. (This new measure will be implemented in 2005. Data shown are for current measure average earnings change).
Additional Information: New measure: result of common measures initiative; targets to be determined in 2004. 2001 and 2002 report performance against a similar previous measure of average earnings change.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-term
2001	\$2,600	\$3,750	
2002	\$2,728	\$4,324	

PART Performance Measurements

Program: Mine Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	73%	40%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: The mission of the Mine Safety and Health Administration (MSHA) is clear - to protect the safety and health of the Nation's miners as outlined in the Federal Mine Safety & Health Act of 1977 (Mine Act)

Evidence: Mine Act (Pub. L. 95-164, <http://www.msha.gov/REGS/ACT/ACTTC.HTM>); MSHA FY 2003 Performance Plan (<http://www.msha.gov/MSHAINFO/PerfPlan/Plan2003.pdf>).

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight 20%

Explanation: Since the Mine Act was passed 25 years ago, "...mine fatalities have dropped by two-thirds, serious injuries have been halved and cases of black lung disease have fallen to a fraction of what they used to be." However, in FY 2002, there were 71 fatal accidents. The fatality rate for the mining industry in FY 2002 was higher than any other major industry classification in the U.S. There were also 3.15 non-fatal injuries per 200,000 hours worked in FY 2002.

Evidence: MSHA Strategic Plan FY03-08 (<http://www.msha.gov/MSHAINFO/STRAPLAN/STRAPLAN.PDF>); National Census of Fatal Occupational Injuries in 2002 (<http://www.bls.gov/iif/oshcfoi1.htm>).

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight 20%

Explanation: MSHA's program does not duplicate efforts of other Federal and State programs. There are several State inspection programs; however, they have different standards and are not tied to the Federal program. MSHA works cooperatively with other federal agencies with safety mandates. For example: MSHA uses the National Institute for Occupational Safety and Health's (NIOSH) expertise in enforcement and standards development. The Occupational Safety and Health Administration (OSHA) performs asbestos analysis for MSHA.

Evidence: MSHA-NIOSH Memoranda of Understanding; MSHA-OSHA Memoranda of Understanding

PART Performance Measurements

Program: Mine Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	73%	40%	

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight 20%

Explanation: The Mine Act limits MSHA's ability to allocate resources by requiring that the Agency conduct 4 inspections of underground mines annually and 2 inspections of surface mines annually. Although MSHA has been effective in reducing the number of mining related fatalities and injuries through its mandatory inspection programs, further reductions may not occur without altering MSHA's ability to target high risk mines, which would entail changes to the Mine Act or additional budgetary resources. MSHA needs to have increased flexibility to target mines with high numbers of safety violations and to provide more compliance assistance to mines. DOL's "Freedom to Manage" submission in FY2001 proposed that the Administration modify the Mine Act's inspection quotas in order to allow MSHA increased flexibility to 1) assign inspectors where they are needed most, and 2) conduct non-penalty compliance assistance. Certain provisions of the Mine Act, however, allow inspections to be successful, especially the ability to conduct inspections without a warrant or advanced notice. MSHA believes that the Mine Act and Supreme Court decisions (including the "Cotton Dust" case, American Textile Manufacturers Institute v. Donovan (452 US 490, 1981) bar them from conducting cost/benefit analyses. This limits their ability to decisions that maximize net benefits. Working with these restrictions, MSHA has developed special inspection and compliance assistance approaches to target high risk mines and mining conditions. The Agency also may develop more focused approaches to its general inspection program to supplement its mandated inspections.

Evidence: Mine Act (Pub. L. 95-164, <http://www.msha.gov/REGS/ACT/ACTTC.HTM>); Compliance Assistance Webpage (<http://www.msha.gov/complianceassistance.htm>).

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: NO Question Weight 20%

Explanation: MSHA's ability to prioritize and target its resources to reach intended beneficiaries is limited by the Mine Act's requirement that MSHA conduct 4 inspections/year at underground mines and 2/year at surface mines. MSHA cannot select mines for mandated inspections based on the mines' accident histories or safety records. Although a large proportion of MSHA's resources are needed to meet the Mine Act's mandates, MSHA has recently sought public comment on how to best maximize the effectiveness of available resources to protect miners while focusing inspection resources. MSHA has used its available resources to address emerging safety and health issues. For example, in response to data that indicated that small mines have significantly higher fatality rates, MSHA recently created a Small Mine Office that provides compliance assistance specifically to small mines. In addition, MSHA established the Tri-State initiative, Safe Work Initiatives, and other safety campaigns in response to specific safety and health concerns. Although MSHA has taken steps to maximize the use of available resources toward emerging health and safety issues, the agency's ability to target high risk mines will improve only with significant modifications to the Mine Act or additional budgetary resources.

Evidence: DOL Annual Report FY 2002, pp.90-92 (http://www.dol.gov/_sec/media/reports/annual2002/); Mine Safety & Health Administration Small Mine Office.

PART Performance Measurements

Program: Mine Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	73%	40%	

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight:11%

Explanation: MSHA has specific long-term performance measures tied to DOL's strategic goals and MSHA's purpose. In FY '03, the Agency refined its measure for reducing fatalities. Two of their measures are outcome while the others are output. The output measures allow MSHA to evaluate whether they are having a positive impact on factors that contribute to illnesses that have long latency periods. (Black Lung Disease and Silicosis). Sound baseline data has been developed for each measure. MSHA has begun exploring possible efficiency measures.

Evidence: MSHA Strategic Plan FY03-08 (<http://www.msha.gov/MSHAINFO/STRAPLAN/STRAPLAN.PDF>); DOL Annual Report 2002, pp.88-95 (http://www.dol.gov/_sec/media/reports/annual2002/).

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight:11%

Explanation: MSHA has two primary targets: Reduce Mine Fatalities and Injuries and Reduce Miners' Exposure to Health Hazards. Within these two targets are five specific, ambitious sub-targets. These targets are tied to the Department's strategic goal of Fostering Quality Workplaces that are Safe, Healthy and Fair. MSHA recently revised the targets to make them more meaningful to the desired outcome - preventing mining related fatalities, injuries and illnesses.

Evidence: MSHA Performance Plans (<http://www.msha.gov/MSHAINFO/PerfPlan/Plan2003.pdf>), DOL Strategic Plan draft (http://www.dol.gov/_sec/stratplan-draft/stratplan2003-draft.htm), DOL Annual Report FY 2002 (http://www.dol.gov/_sec/media/reports/annual2002/).

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight:11%

Explanation: MSHA has interim annual performance measures that are the same as their long-term performance measures. The measures determine progress toward reaching the long-term targets.

Evidence: MSHA Performance Plans (<http://www.msha.gov/MSHAINFO/PerfPlan/Plan2003.pdf>), DOL Annual Report 2002 (http://www.dol.gov/_sec/media/reports/annual2002/).

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight:11%

Explanation: MSHA has annual performance targets that are specific and quantifiable and have baseline data. In FY '03, the Agency refined the measure for reducing fatalities.

Evidence: MSHA Performance Plans (<http://www.msha.gov/MSHAINFO/PerfPlan/Plan2003.pdf>), DOL Annual Report 2002 (http://www.dol.gov/_sec/media/reports/annual2002/).

PART Performance Measurements

Program: Mine Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	73%	40%	

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight: 11%

Explanation: MSHA has many active partnerships with industry, labor, and the States. For example, MSHA issues grants to organizations to provide training for the mining industry. The purpose of the training grants is outlined in the award documents. A letter sent to potential grantees outlines MSHA's goals specifically. MSHA requires applicants to identify costs and benefits and provide quantitative projections of the accomplishments to be achieved. Applications are evaluated in part on the grantee's presentation of the program's effectiveness and efficiency and how the grantee targets small mines. Other MSHA partners also support the Agency's goals. MSHA recently established a partnership with several state agencies. That partnership sets specific goals that match MSHA's goals.

Evidence: Letter to Potential Grantee, Grant Guidance, Guidelines for Conducting Program Personnel Interviews, Tri-State Initiative; Georgia Dept. of Technical and Adult Education Mine Safety and Health Training Program Narrative includes: "The purpose of the Georgia Mine Safety and Health Training Program is to assist the mining industry with its training and retraining of miners to prevent fatalities and to prevent or reduce the frequency and severity of injuries in the Georgia Mining Industry." This grant application uses measures that very closely mirror MSHA's measures on (injury) incidence rates.

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 11%

Explanation: MSHA has been evaluated by GAO and DOL's OIG. GAO and OIG reports contain recommendations on how MSHA can improve performance. MSHA has responded to all review findings and implemented recommendations. The Agency uses the planning process as one way of implementing evaluation recommendations. MSHA has contracted for an outside evaluation of the Agency's inspection process. This evaluation is currently in process and will be finished by July 30, 2003.

Evidence: DOL Annual Report FY 2002 (http://www.dol.gov/_sec/media/reports/annual2002/), Evaluation of the Department of Labor's Fleet Management Program (OIG Report No. 2E-07-711-0001, March 2002); Study of Metal/Nonmetal Mining Enforcement and Compliance Assistance Activities, 1983-2000 (OIG Report No. 2E-06-620-0003, Sept. 2001); Evaluation of MSHA's Handling of Inspections at the W.R. Grace & Company Mine in Libby, Montana (OIG Report No. 2E-06-620-0002, March 2001); Evaluation of Hazard Complaint Handling in MSHA's Office of Metal/Nonmetal Mine Safety and Health (OIG Report No. 2E-06-620-0001, March 2001); Review of Mine Safety and Health Administration's Technical Expertise in Approving and Certifying Mining Equipment (OIG Report No. 2E-06-001-0005, Sept. 1999); Mine Safety and Health Administration: Implementation of the Inflation Adjustment Act (GAO-03-2884, Nov. 2002); Implementation of Selected Agencies' Civil Penalty Relief Policies for Small Entities (GAO-01-280, Feb. 2001) Information Security: Software Change Controls at the Dept. of Labor (GAO/AIMD-00-192R, June 2000)

PART Performance Measurements

Program: Mine Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	73%	40%	

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight:11%

Explanation: MSHA, as well as all of DOL, is "... not in compliance with the requirements for managerial cost accounting. ..DOL does not use managerial cost information for purposes of performance measurement, planning, budgeting or forecasting...costs are not captured and reported at the level required and there is not in place an integrated system that can be used by managers to manage DOL programs on a day-to-day basis..." MSHA has made progress in this area. The Agency's FY 2004 budget request aligned performance goals with budget requests. MSHA has been recognized with the Secretary's Honor Award for Performance Based Budget.

Evidence: DOL Annual Report FY 2002 (http://www.dol.gov/_sec/media/reports/annual2002/).

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:11%

Explanation: MSHA includes stakeholders and field staff in the strategic planning process. MSHA has used stakeholder input to develop enforcement and compliance assistance strategies. When a Sept. 2001 OIG audit found that MSHA's outcome performance goals did not require significant reductions in injuries and fatalities, the Agency responded by establishing new goals that are specific, challenging and focus on reducing fatalities and nonfatal injuries.

Evidence: Records of stakeholder meetings; MSHA Strategic Plan draft (http://www.dol.gov/_sec/stratplan-draft/stratplan2003-draft.htm); The Mine Safety and Health Administration in The Twenty-first Century; Study of Metal/Nonmetal Mining Enforcement and Compliance Assistance Activities, 1983-2000 (OIG Report No. 2E-06-620-0003, Sept. 2001)

2.RG1 **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?** Answer: YES Question Weight:11%

Explanation: MSHA has addressed updating regulations through its Improving and Eliminating Regulations Initiative. MSHA has reviewed its existing regulations to identify opportunities to replace outdated or unnecessarily burdensome regulations with less costly and/or more protective requirements. For examples, MSHA had reviewed regulations on high-voltage longwall, belt entry, independent laboratories, seat belts, sanitary toilets and battery plug locks. MSHA also plans to hire a contractor to review regulations and devise a method for prioritizing regulations for lookback reviews. Preambles of MSHA rules cite the specific section of the Mine Act that authorizes the Agency's action and how the rule contributes to achieving the goals of the Mine Act.

Evidence: Improving and Eliminating Regulations, 30 CFR 1 to 199; Statement of Work-Develop Methodology and Strategies to Evaluate Effectiveness of MSHA's Regulations

PART Performance Measurements

Program: Mine Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	73%	40%	

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight: 9%

Explanation: Mine operators report accidents, injuries and illnesses when they occur. These reports are submitted to MSHA within 10 days of the occurrence. Fatalities are reported immediately. Work hours and production data is reported quarterly. MSHA uses its management information system to record and analyze this data and to measure its performance against annual and long-term targets. Reports on this data provide management with information they use to monitor and adjust program operations. For example: In response to underground mine fires associated with belt conveyors, MSHA initiated a program to conduct inspections focusing on conveyor belts. This program resulted in the correction of safety violations.

Evidence: MSHA Forms 7000-1 and 7000-2; Mine Accident, Injury, Illness, Employment Production System; Coal and Metal and Nonmetal Mine Safety Health Management Information System.

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight: 9%

Explanation: DOL ties performance ratings for managers and supervisors to the achievement of Departmental and program-specific goals and outcomes; employees are aligned on a fiscal year cycle to help cascade standards to non-supervisory personnel, and a system accountability review is planned for 2004. State grant recipients must achieve annual program goals. MSHA monitors state programs with on-site reviews that evaluate the grantee's performance against the goals of the grant. The Agency conducts 8-10 on-site reviews each year. During these reviews, MSHA talks to miners to obtain feedback on the training being provided by the grantee. Recommendations are made, and MSHA follows up with the grantee, either by telephone or in person, to check on the progress of implementing recommendations. Grantees submit Technical Progress Reports at Mid-Year and at Year-End. These reports show the number and category of miners who have been trained as well as other accomplishments.

Evidence: Revised Performance Management Plans for Senior Executives (Form DL 1-2059, Rev. 10/2001) and for Supervisors and Managers (Form DL 1-382, Rev. 10/2001); briefings by DOL staff; and DOL goals supporting the Human Capital Initiative of the President's Management Agenda; State Grant Financial Status Reports; State Grant Recipient Program Reviews; Mid-Year and End-Year Technical Progress Reviews

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 9%

Explanation: MSHA consistently obligates within 1/10 of 1 % of its available funding. MSHA uses DOL accounting reports to produce monthly financial reviews. Agency managers use these reviews to monitor spending. Grantees submit financial status reports to MSHA for review.

Evidence: OIG audit; DOL Annual Financial Statement; U.S. Treasurer's Report

PART Performance Measurements

Program: Mine Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	73%	40%	

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: NO Question Weight: 9%

Explanation: MSHA does not yet have operational efficiency or cost-effectiveness measures and targets. They have established internal goals to promote efficiency and effectiveness in the areas of competitive sourcing and workers compensation costs.

Evidence: FY 2003 MSHA Performance Plan (<http://www.msha.gov/MSHAINFO/PerfPlan/Plan2003.pdf>).

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 9%

Explanation: MSHA collaborates with other federal agencies, with state agencies and with private organizations. MSHA has: implemented MOU's with OSHA and with NIOSH, established cooperative agreements with states; and developed an innovative partnership with an industry association. MSHA has also collaborated with related programs in other countries. MSHA is frequently asked to assist other countries with mine safety programs. For example: A partnership between MSHA and the Ukraine is credited with reducing "mortal traumatism" in Ukrainian mines by 10% during the last year.

Evidence: OSHA and NIOSH MOUs; Alliance Agreement with National Stone, Sand and Gravel Association (NSSGA): Purpose to promote safe and healthful working conditions for stone, sand and gravel workers by embracing mine safety and health performance goals with objective metrics, providing NSSGA members with information, education and training and technical assistance to help them prevent injuries and illnesses and expanding outreach and communications on mine safety and health matters. Agreement signed 2/11/03; DOL Strategic Plan; Letter from The State Committee of Ukraine for Supervising Over Protection of Labor (February 12, 2003)

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 9%

Explanation: MSHA's financial practices are in conformance with accounting practices and comply with Federal financial management systems.

Evidence: DOL OIG audit; Financial Statement July 2002

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 9%

Explanation: MSHA has a system in place to identify and correct management deficiencies. All levels of the organization are subject to accountability review using an Accountability Program Handbook. The Handbook outlines a review process that assesses if offices are complying with the Agency's policies and procedures. Managers respond to deficiencies with written plans to implement corrective action. Spot reviews are used to assure that corrective actions have been completed. MSHA also uses internal reviews to assess its performance and make adjustments after mining accidents. For example: As a result of a recent internal review, MSHA strengthened its accountability process and improved training for inspectors. MSHA has implemented OIG and GAO recommendations. MSHA has begun considering potential efficiency measures.

Evidence: MSHA Accountability Program Handbook; Internal Review of MSHA's Actions At the Big Branch Refuse Impoundment Martin County Coal Corporation, Inez, Martin County, Kentucky (January 21, 2003); Internal Review of MSHA's Actions at the No. 5 Mine Jim Walter Resources, Inc. Brookwood, Tuscaloosa County, Alabama (January 23, 2003)

PART Performance Measurements

Program: Mine Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	73%	40%	

- 3.RG1** **Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?** Answer: YES Question Weight: 9%
- Explanation: MSHA actively solicits the opinions of affected parties on all significant regulations. The agency analyzes the input and incorporates suggestions or explains why suggestions were not incorporated.
- Evidence: Requests for comments; Preambles of Final Rules; Regulatory Impact Analyses
- 3.RG2** **Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R** Answer: NO Question Weight: 9%
- Explanation: MSHA prepares Regulatory Impact Analyses (RIAs) for all rulemaking activities. The RIAs describe the need for the rulemaking, itemize costs, and discuss benefits. The RIAs do not include cost-benefit or cost-effectiveness analysis, do not present detailed analysis of alternative regulatory approaches and thus do not comport with OMB guidelines. MSHA believes that a Supreme Court decision on OSHA health standards bars them from doing cost-benefit analysis. The Court decision does not prohibit cost-effectiveness analysis or analysis of regulatory alternatives. The quality of MSHA regulations, and the public's ability to assess regulatory proposals, could be improved by using these analytic tools to inform rulemaking decisions.
- Evidence: Mine Act; American Textile Manufacturers Institute v. Donovan (452 US 490, 1981); EO 12866; Economic Analysis of Federal Regulations Under EO 12866, January 11, 1996; OMB Memo 00-08-Guidelines to Standardize Measures of Costs and Benefits and the Format of Accounting Statements
- 3.RG3** **Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?** Answer: YES Question Weight: 9%
- Explanation: The Mine Act prohibits MSHA from taking any regulatory action that reduces protection to miners. MSHA looks for opportunities within this statutory framework to reduce regulatory burden without reducing miner protections. MSHA routinely reviews petitions for modification of mandatory safety standards to identify standards that need to be updated. Senior MSHA management reviews the Agency's regulatory agenda semi-annually to identify and address regulatory gaps or problems. MSHA has also requested Departmental funding to develop a formal review process as well as strategies to evaluate the effectiveness of all regulations related to mine worker safety and health.
- Evidence: Statement of Work-Develop Methodology and Strategies to Evaluate Effectiveness of MSHA's Regulations
- 3.RG4** **Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?** Answer: NO Question Weight: 9%
- Explanation: The Mine Act requires MSHA regulations to maximize miner protections, not net benefits. MSHA does, within this statutory framework, seek to minimize compliance burden and allow alternative methods of compliance. For example, MSHA has allowed mines to file compliance information electronically. However, there is no evidence that MSHA regulatory activities maximize net benefits. MSHA evaluates the costs and benefits of each regulation separately, RIAs do not assess how each additional regulation adds to the cumulative effect of regulatory requirements on the mining industry.
- Evidence: Regulatory Impact Analyses

PART Performance Measurements

Program: Mine Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	73%	40%	

- 4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: YES Question Weight 20%
- Explanation:** MSHA has made progress in reducing fatality and injury rates. The all-injury rate incidence rate of 4.27 was an all time low, which represents a further continuation of yearly reductions in the all-injury rate since FY 1999. Reduce fatal injury incidence rate to .0184; Reduce all-injury incidence rate to 2.54. Reduce percentage of coal dust samples exceeding standards to 11.12; Reduce percentage of silica samples exceeding standards to 6.18; Reduce noise exposures above the citation level to 4.56.
- Evidence:** DOL Annual Report FY 2003 (http://www.dol.gov/_sec/media/reports/annual2003/); MSHA PART 50 database; MSHA FY 2003 Performance Plan (<http://www.msha.gov/MSHAINFO/PerfPlan/Plan2003.pdf>); DOL Annual Report FY 2002 (http://www.dol.gov/_sec/media/reports/annual2002/). Fatal Injury Incidence Rate: FY '00 = .028, FY '02 = .024, All-injury Rate: FY '00 (baseline year) = 5.07, FY '02 = 4.57 Coal Dust Samples Exceeding Standards: FY '02 (baseline year) = 15%, Silica Exposures Exceeding Standards: FY '02 (baseline year) = 9%. Noise Exposures Above the Citation Level: FY '00-'01 (baseline years) = 9.3%, FY '02 = 5.8%.
- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight 20%
- Explanation:** MSHA's goals are very ambitious. REDUCING FATALITIES: FY '03-Measure for reducing fatalities refined. MSHA did not meet fatal and all-injury incidence rates in FY 2003. However, 2003 rates for both measures were lowest recorded in MSHA's history. FY '02-Did not meet the previous target of reducing fatalities by 15%; however, fatalities were reduced by 5.3%, and actual number of fatalities was the lowest number ever recorded. FY '01-Exceeded target of reducing fatalities to below the average of the previous five years. REDUCING INJURIES: FY '03 - On target to meet goal of a 9.3% reduction in the all injury incidence rate. FY '02 - Did not meet goal of reducing nonfatal injury incidence rate by 17%; however, the rate was reduced by 8.9%. FY '01-Exceeded target of reducing the non-fatal injury rate to below the average for the previous five years. REDUCING COAL DUST, SILICA AND NOISE EXPOSURES: FY '03-On target to meet goals. FY '02 -Did not meet coal dust goal, but met silica and noise goals. FY '01 -Met goals for coal and silica. Reducing noise exposures was a new goal in FY 02.
- Evidence:** DOL Annual Report FY 2003 (http://www.dol.gov/_sec/media/reports/annual2003/); MSHA PART 50 database; DOL Annual Report FY 2002 (http://www.dol.gov/_sec/media/reports/annual2002/); DOL Annual Report FY 2001; MSHA 2003 Performance Plan <http://www.msha.gov/MSHAINFO/PerfPlan/Plan2003.pdf>.
- 4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NO Question Weight 20%
- Explanation:** MSHA does not currently have cost-effectiveness or efficiency measures or targets. They have taken steps to improve efficiency by re-directing management FTE to front line offices, consolidating or closing field offices and restructuring divisions. The Safety Divisions in Coal and Metal/Nonmetal Divisions have been re-structured to improve efficiency and effectiveness.
- Evidence:** DOL Annual Report FY 2002 (http://www.dol.gov/_sec/media/reports/annual2002/); MSHA 2003 Performance Plan (<http://www.msha.gov/MSHAINFO/PerfPlan/Plan2003.pdf>); Compliance Assistance Plan

PART Performance Measurements

Program: Mine Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	73%	40%	

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NA Question Weight: 0%

Explanation: MSHA and OSHA have similar missions and goals; however, their differing statutory frameworks and jurisdictions do not allow for comparisons of their performance. For example: MSHA's jurisdiction is limited to one industry, and the statute mandates the number of inspections MSHA conducts per mine. OSHA has jurisdiction over a larger population, and the statute allows for the Agency to select where inspections are conducted. State mine inspection programs also operate under different statutory frameworks and jurisdictions and have different goals and measures. There is some data available from other countries with mine inspection programs. For example: For every million tons of coal produced, China had 182 times as many reported mining fatalities as the U.S. However, information on the elements of mine safety programs in other countries is not currently available. Therefore, making a comparison of the performance of these programs is not possible.

Evidence: San Diego Union Tribune (June 20, 2000)

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: SMALL EXTENT Question Weight: 20%

Explanation: No comprehensive evaluation has been conducted regarding the impact and effectiveness of all MSHA programs. A limited independent evaluation is currently in process but has not been completed. MSHA has been the subject of several OIG and GAO reports and also conducts its own internal reviews. One OIG Report stated that MSHA has been successful in improving the safety and health of miners. The report also concluded that improvements were needed in the characteristics of MSHA's enforcement and compliance assistance activities. The OIG noted in the FY 2002 DOL Annual Report that the effectiveness of Mine Safety and Health Programs is one of ten management challenges facing the Department in FY 2003. However, the OIG also noted in this same report that MSHA has taken significant steps toward addressing the recommendations that led to this assessment. MSHA has implemented the recommendations of the OIG and GAO reports as well as its own internal reviews.

Evidence: OIG Report No. 2E-06-620-0003 dated 9/26/01-Study of Metal/Nonmetal Mining Enforcement and Compliance Assistance Activities, 1983-2000; OIG Report No. 2E-07-711-0001 dated 3/4/02-Evaluation of the Dept. of Labor's Fleet Management Program; OIG Report No. 2E-06-620-0001 dated 3/29/01-Evaluation of Hazard Complaint Handling in MSHA's Office of Metal and Nonmetal Mine Safety and Health; OIG Report 2E-06-620-0002 dated 3/22/01-Evaluation of MSHA's Handling of Inspections at the W.R. Grace & Company Mine in Libby, Montana; GAO Report GAO-03-288R dated 11/27/02-MSHA Penalty Adjustments; GAO Report GAO-01-280 dated February 2001-Regulatory Reform Implementation of Selected Agencies' Civil Penalty Relief Policies for Small Entities. DOL Annual Report FY 2002

4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits? Answer: NO Question Weight: 20%

Explanation: MSHA does not have data on the societal costs and benefits of its regulations. MSHA also does not analyze the societal costs of regulations, such as whether the compliance costs of regulatory provisions are likely to be passed on to consumers. MSHA has requested Departmental funding to conduct a program evaluation and develop strategies to evaluate the effectiveness of all its regulations related to mine worker safety and health.

Evidence: Regulatory Impact Analyses

PART Performance Measurements

Program: Mine Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	73%	40%	

Measure: Fatal injury incidence rate. Baseline is FY 2003 rate of .0219 fatalities per per 200,000 hours worked by mine employees.

Additional Information: This measure tracks MSHA's annual performance in reducing the fatal injury incidence rate (per 200,000 hours worked by mine employees) by a total of 15% from the baseline to FY 2008.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	0.0200	0.0219	
2004	0.0212		
2005	0.0205		
2006	0.0199		
2007	0.0192		
2008	0.0186		

Measure: All-injury incidence rate. Baseline is FY 2000 rate of 5.07 all-injuries per 200,000 hours worked by mine employees.

Additional Information: This measure tracks MSHA's annual performance in reducing the all-injury incidence rate (per 200,000 hours worked by mine employees) by a total of 50% from the baseline to FY 2008.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	3.79	4.27	
2004	3.85		
2005	3.47		
2006	3.13		

PART Performance Measurements

Program: Mine Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	73%	40%	

Measure: Reduce respirable coal dust samples exceeding applicable standards by 5% for designated occupations.

Additional Information: This measure tracks MSHA's annual performance in reducing the percentage of respirable coal dust samples exceeding the applicable standards. Samples taken by mine inspectors.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	14.2%	11.7%	
2004	11.2%		

Measure: Silica dust samples exceeding applicable standards by 5% for designated high risk occupations. Baseline = 9% of samples out of compliance in FY 2002. Future goals are being revised based on exceeding FY 2003 target.

Additional Information: This measure tracks MSHA's annual performance in reducing the percentage of silica dust samples exceeding the applicable standards. Samples taken by mine inspectors.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	8.6%	6.50%	
2004	6.18%		

Measure: Noise exposures above the citation level by 5% for designated high risk occupations. Baseline = 9.3% of samples out of compliance for FY 2000 - FY 2001. Future goals are being revised based on exceeding FY 2003 target.

Additional Information: This measure tracks MSHA's annual performance in reducing the percentage of noise exposures in all mines. Samples taken by mine inspectors.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	9.30%	4.80%	
2004	4.56%		

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: The purpose of the Native American Programs (from here, to be referred to as "the program") authorized by the Workforce Investment Act (WIA) is "to support employment and training activities for Indian, Alaska Native, and Native Hawaiian individuals in order--(A) to develop more fully the academic, occupational, and literacy skills of such individuals; (B) to make such individuals more competitive in the workforce; and (C) to promote the economic and social development of Indian, Alaska Native, and Native Hawaiian communities in accordance with the goals and values of such communities."

Evidence: Section 166 of WIA, which can be found at <http://www.doleta.gov/dinap/pdf/166.pdf>

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight 20%

Explanation: The program addresses the poverty and unemployment of American Indians, Alaska Natives, and Native Hawaiians--who number approximately XX million--by awarding competitive grants to finance job training, employment assistance, vocational education, and related services to eligible Indians and Native Americans. In 2002, 18,959 adults and 9,024 youth participated in the program. The unemployment rate and poverty level for Indians and Native Americans are both about twice as high as for the U.S. population generally. Further, the education level for Indians and Native Americans is significantly lower than the general population.

Evidence: Section 166 of WIA: <http://www.doleta.gov/dinap/cfml/1wiasec166.cfm>; [Insert source of participant statistics.] According to the 2000 Census, the average unemployment rate for Indians and Native Americans was 12.4%, compared to 5.8% for the general population; 24.8% of American Indians and Alaska Natives lived below the poverty level, compared to 12.4% of the general population; the percentage of American Indians and Alaskan Natives ages 16 to 19 that had not received a high school diploma was 16.1%, compared to 9.8% for the general population; and 24.4% of the general population age 25 and over had a bachelor's or higher degree, compared to only 11.5% for Native American and Alaskan Natives. (2000 census data on Native Americans: <http://www.census.gov/census2000/pubs/phc-5.html>) BLS data: Employment status of the civilian noninstitutional population by sex and race, February 2004

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: NO Question Weight 20%

Explanation: There are several other Federal programs that finance and/or provide employment, job training, and related assistance to Indians and Native Americans. For example, WIA Adult Employment and Training Activities, which also is administered by the Department of Labor (DOL), serves about 3,000 Indians and Native Americans annually. Several other programs that finance job training and employment assistance for Indians and Native Americans are authorized separately and administered by other Federal agencies, including DOI and the Departments of Health and Human Services (HHS), Education (ED), and Agriculture (USDA). Though there is redundancy and duplication among the populations served and the services that they finance, there are some differences. Some of the other programs serve only a subset of this program's target population. Some of the other programs are available only to economically-disadvantaged people and subsidize employment, unlike this DOL program.

Evidence: CFR 668.100, Subpart A and WIA sec. 166(a)(1); Public Law 102-477; Public Law 105-220; Public Law 93-638, the Indian Self-Determination and Education Assistance Act Ad Hoc Analysis for All Population from the Federal Research and Evaluation Database (FRED). FRED web site can be found at <http://www.fred-info.org/Executive Order No. 13270>; <http://www.whitehouse.gov/news/releases/2003/09/20030917-10.html> DOL: WIA Adult Employment and Training Activities DOI: Tribal Work Experience (under BIA's Office of Tribal Services as part of the General Assistance program); Indian Employment Assistance Program (under the Division of Workforce Development in the Office of Self-Governance and Self-Determination); BIA's Higher Education Program; BIA's Adult Basic Education Program; and BIA's Johnson-O'Malley Program; Example of difference: The BIA-administered Tribal Work Experience Program (TWE) is limited to Federally-recognized tribes and Alaska Native entities. Therefore, unlike this DOL program, TWE does not also serve INAs residing outside the service delivery areas (off-reservation), State-recognized tribes, or Native Hawaiians. HHS: Tribal Temporary Assistance for Needy Families (Tribal TANF) and Native Employment Works; Example of difference: Tribal TANF serves only the disadvantaged and may subsidize employment. ED: Native American Vocational and Technical Education Program; Adult Indian Vocational Rehabilitation Services; and Tribally Controlled Post-Secondary Vocational and Technical Institutions USDA: Food Stamps Employment and Training (FSET)

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: NO Question Weight 20%

Explanation: Some major flaws extend from the program's regulations, which were designed in part to conform with Public Law 93-638, the Indian Self-Determination and Education Assistance Act. The authorization and regulations provide significant flexibility to allow the grantees, especially the Federally-recognized tribes and Alaska Native entities, to adapt their individual programs to meet the needs of their community in accordance with its goals and values, and consistent with the principles of Indian self-determination. These purposes are important in meeting Indians' and Native Americans' needs and reflecting their relationship to the Federal government. However, the program design includes some flaws due to interpretation of the guiding policy: (1) the limited nature of competition for grants (see 3.CO1), (2) the patchwork of grantee performance data (see 2.5) resulting from a "menu" approach to measurement, (3) the lack of strong accountability for achieving performance results (see 3.2), and (4) the limited relationship between grant amounts and past performance.

Evidence: P.L. 93-638, the Indian Self-Determination and Education Assistance Act CFR 668.100, Subpart A and WIA sect. 166(a)(1) Workforce Systems Quarterly Results <http://www.doleta.gov/performance/results/Reports.cfm?#etaqr> Indian and Native American National Summary and Time Trends, December 2003; See also the explanations for the answers to questions 2.5, 3.2, and 3.CO1.

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%

Explanation: The adult portion of the program, which accounts for about 80% of its appropriations, awards competitive grants through a formula that determines amounts based on levels of Indians' and Native Americans' poverty and unemployment in statutorily designated areas. These areas include not only reservations, but also off-reservation areas--sometimes called "urban" centers--that may be served by a private non-profit Native-American-controlled organization. The youth program, which accounts for about 20% of appropriations, awards competitive grants using a formula based on the number of Indian and Native American youth in those areas. With respect to the target population, grantees provide training and services based on specific eligibility requirements detailed in the program's regulations. To be eligible, an individual must be Indian or Native American and also be Unemployed, Underemployed, or low income or a recipient of a bona fide layoff notice.

Evidence: The WIA regulations at 20 CFR 668.296(b) state "(1) One-quarter of the funds available will be allocated on the basis of the number of unemployed Native American persons in the grantees designated INA service area(s) compared to all such persons in all such areas in the United States. '(2) Three-quarters of the funds available will be allocated on the basis of the number of Native American persons in poverty the grantees designated INA service area(s) compared to all such persons in all such areas in the United States'. A copy of the regulations can be found at: <http://www.doleta.gov/regs/statutes/finalrule.pdf>. § 668.300 of the Federal Register, published on August 11, 2000 20 CFR 668.440(a) Urban Indian centers: <http://www.internal.doleta.gov/onp/index.htm#Indian>; Approximately 48.4% of the program's participants are long-term unemployed, while another 32.1% are public assistance recipients (e.g., participants in HHS' Tribal TANF, BIA's General Assistance [GA], or USDA's FSET).

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 13%

Explanation: As part of the Job Training Common Measures initiative, the program has adopted new long-term measures that (1) will better indicate participants' employment and earnings outcomes, as well as program efficiency, than its current measures (see below) and (2) facilitate comparisons with similar programs. DOL is implementing the common measures and will establish numerical targets in 2004. In 2003, DOL's Assistant Secretary for Employment and Training transmitted to grantees and other workforce investment professionals the guidance to implement the common measures. ETA's Division of Indian and Native American Programs (DINAP) followed that guidance with a bulletin to all of this program's grantees.

Evidence: DOL/ETA Training and Employment Guidance Letter (TEGL) 15-03: http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1535 DINAP Bulletin 03-02: <http://www.doleta.gov/dinap/bulletins/03-02.cfm> ETA FY 2005 Budget Justification, Volume 1, pp. 107-111; Adjustment Model: PY 2002 WIA Performance Standards Worksheet for Indian and Native American Grantees; Workforce Systems Quarterly Results: <http://www.doleta.gov/Performance/results/Reports.cfm?#etaqr>; ; Currently, the adult portion of the program uses two long-term performance measures: 1) Entered Employment Rate (EER) and 2) Positive Termination Rate (PTR). The EER is similar to one of the new common measures, but the PTR is not and does not directly measure outcomes. Instead, the PTR demonstrates the percentage of participants who successfully complete planned program activities that are believed may increase the individual's employability. The PTR methodology excludes from 'success' only those participants who fail to complete planned program activities, e.g., dropouts.

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight: 13%

Explanation: The program is implementing the Job Training Common Measures and will establish baseline data and then ambitious numerical targets in 2004. In addition to establishing ambitious targets and timeframes for the long-term measures at the Federal level, the program will use these data to establish ambitious yet achievable goals for grantees.

Evidence: ETA's Workforce Investment Development Plan, Statement of WorkETA FY 2005 Budget Justification Adjustment Model: PY 2002 WIA Performance Standards Worksheet for Indian and Native American Grantees

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 13%

Explanation: As part of the Job Training Common Measures initiative, the program has adopted new annual measures that (1) will better indicate participants' employment and earnings outcomes, as well as program efficiency, and (2) facilitate comparisons with similar programs. DOL is implementing the common measures and will establish numerical targets in 2004.

Evidence: TEGL 15-03: http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1535 DINAP Bulletin 03-02: <http://www.doleta.gov/dinap/bulletins/03-02.cfm> ETA FY 2005 Budget Justification, Volume 1, pp. 107-111; Adjustment Model: PY 2002 WIA Performance Standards Worksheet for Indian and Native American Grantees; Workforce Systems Quarterly Results: <http://www.doleta.gov/Performance/results/Reports.cfm?#etaqr>; PY 2003 goals are listed in the Workforce System Results for quarter ending December 31, 2003; Currently, the adult portion of the program uses two annual performance measures: 1) EER and 2) PTR (see 2.1). As discussed in 2.1, PTR does little to demonstrate directly the annual progress toward achieving the program's long-term goals.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 13%

Explanation: The program is implementing the Job Training Common Measures and will establish baseline data and then ambitious numerical targets in 2004. In addition to establishing baselines and ambitious targets for the annual measures at the Federal level, the program will use these data to establish ambitious yet achievable goals for grantees.

Evidence: ETA FY 2004 and FY 2005 Budget Justifications; Adjustment Model: PY 2002 WIA Performance Standards Worksheet for Indian and Native American Grantees; Summary of Individual Grantee Performance, PY 2002; PY 2002 Workforce Systems Quarterly Results: <http://www.doleta.gov/Performance/results/Reports.cfm?#etaqr>; For the current measures for both the adult and youth portions of the program, targets are based on results achieved during 2000, which serve as the baseline. Although targets for some grantees have increased over the period 2000-2004, the program's targets have not increased because there are some grantees that are not meeting their targets, and as a result, the program has not been able to achieve its annual goals. The program uses an adjustment model developed by Social Policy Research Associates to account for economic factors in the grantee's local area as well as the characteristics of the participants the grantee serves.

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NO Question Weight:13%

Explanation: Each grantee is responsible to serve the particular community that it has applied to serve. However, grantees are not required to adopt the program's current Federal measures (EER and PTR for the adults program; see 2.1 and 2.3) or commit to helping achieve the program's annual or long-term goals. So, the grantee's relationship to achieving the goals is not clear. Instead, grantees choose three measures from a group of thirteen that includes, but does not require, EER and PTR. The measures were approved by the Native American Employment and Training Council authorized under WIA. This approach to performance measurement and accountability'although intended to address the needs and characteristics of particular participants and communities'has resulted in a patchwork of measurement among the grantees and some detachment from achievement of the Federal/program goals. In adopting the common measures, the program intends to simplify and improve not only its measurement of the overall program's performance, but also that of individual grantees.

Evidence: DINAP Bulletin 99-07: Two-year Planning Guidance: <http://www.doleta.gov/dinap/bulletins/99-07.cfm>; Each grantee is to be accountable for achieving targets that it established through the following process: Each biennial plan mandates that the grantee adopt three performance goals and measures from among thirteen measures in three categories ('employment, training, and community'). Each grantee chooses one measure in each of the three categories, subject to a requirement that one of the chosen measures applies to at least 25 percent of the grantees' participants and each of the other two measures applies to at least 10 percent of the participants. Grantees set targets working with DINAP, which uses the adjustment methodology. Grantees may request changing a measure [or target] before the [start of the second year]. Achievement of two of the three annual goals is considered successful. The Federal targets and performance are based on data from all grantees even though not all grantees choose the EER and PTR for themselves. [List the thirteen measures in three categories and statistics on the percentage of grantees using each of the measures, highlighting the percentage who choose the EER and PTR measures.]

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: NO Question Weight:13%

Explanation: The most recent evaluation of this program was conducted under contract and issued in January 1999. That study evaluated the predecessor program that was authorized under the Job Training Partnership Act (JTPA), including the Summer Youth program. The study used surveys and site visits to gather information. Although it was useful to DOL in determining the strategies for implementing the subsequent (and current) WIA program, it did not include a rigorous evaluation of the JTPA program's effectiveness or attempt to quantify its impact on the target population. The current program is scheduled for an evaluation of its effectiveness [and impact on participants] in 2006 by an independent contractor.

Evidence: "An Evaluation of the JTPA Section 401 Indian and Native American Program, U.S. Department of Labor, Employment and Training Administration, Series 99-A, 1999"

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight: 13%

Explanation: Budget requests are not tied explicitly to achievement of the program's goals, but that is expected to improve after implementation of the new common measures (see 2.1 and 2.3). However, resource needs are presented in a clear and transparent manner in the annual budget justification. WIA authorizes annual program resources of at least \$55 million for the adult portion of the program. For the youth program, the annual allocation is 1.5% of the total appropriation for WIA Youth Activities, the program that provides formula funding to States and localities for youth job training and employment assistance. The 2005 Budget request supports ETA's strategy to create a "demand-driven" workforce investment system by responding to businesses' needs and encouraging grantees to merge workforce development activities with community economic development. The program also is participating in a DOL-wide initiative to develop a cost accounting system that will make it easier and faster to determine the amount of time, money, and human resources spent on program management.

Evidence: ETA FY 2005 Budget Justification WIA section 174(a)(2)(A) and WIA section 127(b)(1)(C)(i)(I)

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 13%

Explanation: Within the last year, ETA has taken steps to integrate service delivery among its programs, including this one, by beginning to implement the new common measures for Federal job training and employment programs (see 2.1 and 2.3). For this program, the common measures will improve information on participants' outcomes after they exit the program and grantees' performance on outcomes of great importance for participants: whether they find a job; whether they keep a job; and how much they earn in the job. The measures will help the program identify areas of strength and weakness in its policy, strategy, and management.

Evidence: DINAP Bulletin 00-18: <http://www.doleta.gov/dinap/bulletins/00-18.cfm> TEGl 15-03: http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1535 DINAP Bulletin 03-02: <http://www.doleta.gov/dinap/bulletins/03-02.cfm>; [The following probably belongs later in the assessment: In addition, in 1995, the program was structured in three multi-regions of the East, Midwest and West with two Federal Project Officers (FPOs) serving each multi-region. FPOs working with the West Region are outstationed in the Seattle Regional Office and one FPO is working with the Midwest Region in the Dallas Regional Office. The East FPO is located in the National Office in Washington, DC. This structure allows for increased access to grantees and facilitates communication between the communities and regional offices via One-Stop Career Centers. Training and technical assistance (TAT) is organized both regionally through regional conferences, peer-to-peer onsite, and on a national level through the national conferences. FPOs provide one-on-one TAT sessions and workshops at the conferences.]

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight:10%

Explanation: DINAP collects performance information semi-annually [but will move to quarterly collection as it implements the common measures] and expenditure information for all active grantee subaccounts quarterly. Performance goals and data affect decisions regarding designation and/or defunding decisions, including emergency terminations. When performance warrants, grantees are requested to provide corrective action plans and/or are provided options to change their individual performance measures for planning purposes based on unique circumstances or conditions within the community/reservations that may affect their ability to meet a measure. Severe remedies are used in exceptional circumstances, for major findings of fraud, abuse, or gross mismanagement. Federal Project Officers use quarterly financial reports and semi-annual program reports in their risk assessment rating of grants. DINAP uses a database to monitor grantee performance and, currently, a contractor to generate annual performance reports. ETA has developed the Grants Electronic Management System (GEMS) which will also be used by the DINAP office to manage grantee performance.

Evidence: FY 2004/ PY 2003 ETA Goals and Indicators for Office of National Programs Indian and Native American National Summary and Time Trends, December 2003 Program Year 2002 Performance Measures: Indian and Native American Programs Risk Analysis Report as of May 15, 2003 [Insert references to examples of management action, if possible.]

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: NO Question Weight:10%

Explanation: Accountability for performance results among grantees is insufficient. All grantees are assessed annually on their performance against targets approved in their plan and grant. To be "successful," a grantee needs to achieve the target for two of the three measures that it chose. Grantees who exhibit 'substantial and persistent' failure to meet targets are asked to provide corrective action plans and provided with counseling and technical assistance. However, termination or noncontinuation of a grant based solely or primarily on performance has rarely occurred. The Grant Officer also may terminate a grantee's designation for cause if there is substantial or persistent violation of the statutory or regulatory requirements, or if the grantee could not demonstrate that it had program management personnel necessary to effectively deliver program services. Three grantees were terminated in the most recent designation process for the reasons indicated above. ETA managers and staff are accountable through incorporation of relevant elements and performance standards in the appraisal process.

Evidence: WIA regulations pursuant to 20 CFR 668.290 (b) WIA regulations at § 668.720 DINAP Bulletin 99-07: Two-year Planning Guidance: <http://www.doleta.gov/dinap/bulletins/99-07.cfm> Persistent poor performers may not receive a continuation grant at the two-year mark, but in the first continuation grant mark for the WIA program in 2002, only [#] grantees did not receive a continuation, despite the fact that [#] grantees failed to achieve at least two of the three performance targets in the preceding year. A few grantees have had their grants terminated for failures including, but not limited to, failure to achieve adequate performance. In [year/years], however, only [one] grantee was terminated in large part because of performance results.

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 10%

Explanation: This program runs on a "Program Year" (PY) that, for the adult portion, begins nine months after the beginning of the fiscal year (FY). So, PY 2004 begins on July 1, 2004, and provides funding from the FY 2004 appropriations. Funds are obligated to grantees soon afterward. Funds for the youth portion are available April 1, but the program issues those funds the middle of May. By law, funds awarded to Federally-recognized tribes may be transferred to BIA for inclusion in a demonstration account that allows tribes to pool certain related resources from DOI, HHS, and DOL. These '477' grants or contracts--so called because the demonstration is authorized under Public Law 102-477--are usually transferred approximately the same time that the non-477 grantees receive their funds. The grantees' accounts are regularly reviewed for drawdown consistency, comparability with financial expenditures reports, and allowable program purposes through project officers' desk reviews, risk analysis, on-site reviews, single audits, or in some instances by audits conducted by the Inspector General (IG).

Evidence: Illustrative examples of award document signed on first day of program year, action taken to correct single audit findings, letters to grantees informing of reporting status (reference) National Summary of Expenditures- Financial Status Report, ETA 9080 (reference) DINAP Planning Instructions Memorandum for PY 2002-2003 (reference); [Insert here or under financial mgt.: All grantees that receive combined grant funding of \$300,000 or more are subject to the Single Audit Act as required by OMB A-133. There have been no systematic problems identified through audits that indicate that program funds are not being spent for the intended purpose. The DINAP office continues to make concerted efforts to ensure that federal funds are expended in a timely manner. Since the enactment of JTPA, DINAP has included a provision in the regulations that allows the program to recapture funds in excess of 20%. In fact, the DINAP office enforced this regulation in PY 1998 by de-obligating funds in excess of 20% from several grantees. The 20% excess funds provision was also included in the WIA regulations at § 668.296 (d) which states, " Funds may also be reallocated if a grantee has carry-in in the excess of 20 percent of the total funds available to it.'. To help grantees monitor expenditures, a 'Financial Status Report' is sent out to grantees each quarter that provides a summary of the grantees expenditures for each sub account.]

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight: 10%

Explanation: DOL may reserve for technical and training assistance (TAT) up to one percent of the adult program's appropriation. DINAP conducted an internal cost analysis study that assessed the costs of competing TAT contracts among Indian-controlled contractors versus a 'TAT grant' to a non-profit Indian organization. It showed the potential for significant savings, and the program chose the less expensive option. In addition, although grantees are no longer held to any cost-per-participant planning level, as under the predecessor JTPA program, project officers work with grantees to help ensure that each service plan contains reasonable efficiency level(s) given the individual circumstances faced by each grantee. The program will continue use of an efficiency measure of cost per participant as part of the new common measures. DINAP also invested in IT improvements that virtually eliminated the time project officers spent correcting and filing hard copy program and financial reports. DINAP is also currently participating in the implementation of ETA's new data validation system.

Evidence: Average Cost Per Participant ('Efficiency') listed by Grantee, PY 2002 Grantees report to the Indian and Native American Program via the Internet: http://www.eta-reports.doleta.gov/CFDOCS/grantee_prod/reporting/index.cfm Native American Workforce Investment Act (NAWIA) software; TAT example: Our previous contract experience with both ACKCO, Inc., and Falmouth Institute indicated that approximately \$.32 of every available TAT dollar was going towards contractor's fees, either through indirect costs, direct salaries, or profit margin. A TAT grant is now awarded to the California Indian Manpower Consortium (CIMC). Under the CIMC 'TAT grant', only \$.17 of every dollar goes to pay grantee salaries and expenses, including indirect costs. The other \$.83 goes into providing direct support and/or services in support of approved TAT objectives, including the multi-regional and national conferences, peer-to-peer TA, Advisory Council and work groups meetings, TAT support for the 477 program, and the Tribal Colleges initiative.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 10%

Explanation: Despite the significant amount of redundancy and duplication among this program and others (see 1.3), the program collaborates and coordinates fairly effectively with other DOL and Federal programs. For example, WIA requires that this program's grantees be a partner in the WIA One-Stop Career Center system. Most grantees in urban areas, in particular, have meaningful working relationships with their local One-Stops. However, coordination with the One-Stops is a greater challenge for tribal grantees that are located in remote and isolated reservation communities. Therefore, grantees also are encouraged to link with other Federal, State, and local programs. For grantees on reservations, collaboration and coordination is often achieved through a tribal administration office that serves much like the WIA One-Stop Career Centers for WIA programs. Finally, the "477" demonstration authority can enhance coordination because it allows grantees to combine funds from different Federal programs and 'consolidate' their employment and training services under one comprehensive program.

Evidence: Additional information on P.L. 102-477: <http://www.doleta.gov/dinap/cfml/477glnc1.cfm> DINAP Bulletin 99-07: Two-year Planning Guidance: <http://www.doleta.gov/dinap/bulletins/99-07.cfm> Examples of Memorandum of Understanding between Workforce Investment Boards and Native American grantees (reference); WIA One-Stop Career Center MOUs: Grantees are to negotiate Memoranda of Understanding (MOU's) with their Local Workforce Investment Boards (LWIB's). In [Year], the first year of WIA implementation, X% of grantees signed such MOUs. Coordination by tribes of multiple Federal programs: During on-site visits, this program's grantees are required to demonstrate linkages with employment, training, welfare, social service, education, vocation, correctional, general assistance and other related services at all levels. Tribal grantees also coordinate with other Federal employment and training programs such as the Tribal Work Experience Program (TWEPE) within the BIA, the Native American Vocational Education program within the Department of Education, and various other tribal employment and training programs.

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

3.6 Does the program use strong financial management practices? Answer: YES Question Weight:10%

Explanation: DINAP periodically reviews quarterly Grantee Financial Status Reports (ETA-9080) against the grantees' fund drawdowns to ensure that the grantee (1) is not drawing down too much, resulting in excess cash on hand; but (2) is drawing down sufficient funds to cover reported expenditures. DINAP also tracks grantees' single audit compliance through the Census Web site and issues conditional designations and/or conditional funding when warranted. With more than 300 individual grants to administer and manage, the program's six Federal project officers use technology, peer-to-peer reviews, the regional and national forums and DOL sponsored contract support such as financial management seminars to conduct oversight. DINAP also reviews financial management through independent audits and IG audits. DINAP worked with the Office of Technology (OT) to develop customized financial management reports that are used to analyze the grantees' financial performance based on quarterly financial reports. Under the "477" demonstration, BIA is responsible for grantee accountability, including financial.

Evidence: Grantee Financial Status Reports (ETA 9080); Tracking through census web site: <http://harvester.census.gov/sac/>; OIG reports: http://www.oig.dol.gov/cgi-bin/oa_rpts.cgi?s=DINAP&y=all&a=03; Each year DINAP provides the Office of the IG (OIG) with a list of grantees it determines to be at high risk for program deficiencies. In [Year], the OIG conducted four audits of the program. Although the OIG questioned some allowable costs, the 'final' disallowed costs were nominal. Copies of these reports can be found at http://www.oig.dol.gov/cgi-bin/oa_rpts.cgi?s=DINAP&y=all&a=03; DINAP and OT developed reports to identify grantees who have financial issues such as excess cash on hand, excessive amounts of unexpended funds, administrative costs that exceed the allowable limit, and unexpended funds in past subaccounts. DINAP FPO's must review each quarterly financial report before the report can be certified in the EIMS system and accepted by the ETA. DINAP managers monitor the certification status of quarterly financial reports to ensure that FPO's review and certify reports in a timely manner.; BIA provides DINAP with some of the information that it tracks.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight:10%

Explanation: DINAP staff regularly review program practices and procedures, such as the designation and planning and funding processes. DINAP uses a Microsoft shared database that allows financial and programmatic tracking of all grants and provides for data downloads through DOL's Enterprise Information Management System (EIMS), Grants Tracking System (GTS), and current Core Accounting System (DOLAR\$) and HHS's Payment Management System. DINAP's internal database was implemented two years ago and provides for customized reports containing aggregate data. It allows easy access to information needed to manage the large number of grants. Such IT improvements as Web-based reporting, grantee reporting software and the creation of a DINAP database allow increased oversight. Finally, DINAP is working with ETA's Performance and Results Office (PRO) to implement data validation and a new 'Standard Individualized Record' (SIR) reporting system that will standardize definitions for all the ETA programs to facilitate the integration of service delivery and break down barriers among ETA programs.

Evidence: DINAP database; [Insert data validation and SIR references.]

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

3.CO1 **Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?** Answer: NO Question Weight:10%

Explanation: The framework for awarding grants provides for a limited type of competition. The competition for grants is limited due to guiding Federal policy, program authorization, and regulations related to this program and Indians and Native Americans. As a result, there is effectively no competition for service on reservations, and the amount of each grant is determined by a formula taking into account poverty and unemployment levels in the geographic area being served. There are usually two to three new awardees per award cycle. A Federally-recognized tribe serving its own reservation has the highest priority of designation for those areas over which it exercises sovereignty. Tribal grantees account for 117 of the total 186 grantees, or 63%. However, in those instances where a tribe wishes to serve off-reservation areas, competition is possible with another tribe, private non-profit Indian-controlled organization, or a consortium thereof in a 'full competition' year. For the latest grant cycle, there were 11 competitions. In 2000, there were 28 competitions.

Evidence: SGA announced December 31, 2003: <http://www.doleta.gov/DINAP/pdf/SGA.pdf> 20 CFR 668.210WIA Section 166(c)(2) calls for a 'full and open' competition once every four years. Competition may be held on the 'off two years' for those areas served by an entity that does not perform satisfactorily enough to receive a waiver of competition. Federally recognized tribes, Alaska Native controlled organizations, Native Hawaiian controlled entities, Native American controlled organizations serving Indians or a consortium of eligible entities may apply for funds. The ETA requests applications from eligible entities through a Solicitation for Grant Application (SGA) published in the Federal Register. The competitive selection procedures require that the Grant Officer convene a panel to rate competing entities.

3.CO2 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight:10%

Explanation: [Insert summary from responses to 3.3, 3.6, and 3.7. Attempt not to duplicate information, though questions and answers are similar.]

Evidence: Grantee Financial Status Reports (ETA 9080); Tracking through census web site: <http://harvester.census.gov/sac/>; DINAP and OT developed reports to identify grantees who have financial issues such as excess cash on hand, excessive amounts of unexpended funds, administrative costs that exceed the allowable limit, and unexpended funds in past subaccounts. DINAP FPO's must review each quarterly financial report before the report can be certified in the EIMS system and accepted by the ETA.

3.CO3 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight:10%

Explanation: The program collects performance data on grantees quarterly and semi-annually and reports grantee performance information annually. (It reports program-level performance data quarterly and annually.) Performance information is made available to the public in a transparent and meaningful manner, including posting it on the ETA Website. DINAP collects performance data through the EIMS that is downloaded in DINAP's reporting database designed to receive such information on a quarterly and semi-annual basis. The DINAP Bulletins, which relay program specific information, policies, and procedures, also relay performance data. The program collects and analyzes information on a quarterly basis and results are published by the ETA's PRO for distribution.

Evidence: Annual grantee and program performance results: http://www.doleta.gov/performance/results/native_americans_performance.cfm; ETA's quarterly performance results, including for this program: <http://www.doleta.gov/performance/results/Reports.cfm?#etaqr>; DINAP data and bulletins: <http://www.doleta.gov/dinap/>

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: NO Question Weight 20%

Explanation: The program has adopted new long-term goals as part of the Job Training Common Measures initiative (see 2.1 and "Measures" sheet). DOL will establish numerical annual and long-term targets in 2004. The program could receive partial credit here if its progress over time on its current measures were adequate to support long-term improvement. However, the program failed to achieve either of the current measures (EER and PTR) for the adult program (the most significant portion of funding'about 80%--and participants'about 68%) in the two most-recent program years for which full-year data are available. The program did achieve one of its 2001 targets and both of its 2002 targets for the youth program, which accounts for 20 percent of appropriations and 32 percent of participants.

Evidence: PY 2002 GPRA performance results for the Native American: http://www.doleta.gov/performance/results/Edition_6_9-30-03.pdf; ETA established the following long-term goals (by 2004) for the adult program: 1) 56% of participants will be employed and; 2) 86% of participants will have a "positive termination" at program exit. The annual targets for 2001 and 2002 were the same as the long-term goals, and the results were 53% and 82% for 2001, and 52% and 83% for 2002, respectively. ETA also established the following long-term goals for the youth program: 1) 61% of participants would attain at least two goals relating to basic skills, work readiness, skill attainment, entered employment, or skill training and 2) 66% of participants would attain a high school diploma, GED, or an improvement of basic skills by at least two grade levels. The results for the youth program were 62% and 63% for 2001 and 69% and 83% for 2002, respectively.

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight 20%

Explanation: The program has adopted new measures and goals as part of the Job Training Common Measures initiative (see 2.3 and "Measures" sheet). DOL will establish annual and long-term numerical targets in 2004. However, the program can receive partial credit here based on results against its current annual performance goals. As indicated in 4.1, the program failed to achieve either of its goals for adults in 2001 and 2002. The program achieved one of two annual goals for youth in 2001 and both of the goals for youth in 2002. As indicated in 4.1, resources for youth services account for about 20% of the program's appropriations.

Evidence: PY 2002 GPRA performance results for the Native American: http://www.doleta.gov/performance/results/Edition_6_9-30-03.pdf

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight 20%

Explanation: The program's average cost per participant decreased from \$3,089 in 2000 to \$2,592 in 2001 and \$2,489 in 2002. For 2002, the cost per participant for the adult portion of the program was \$2,507 and the cost per participant for the youth program was \$1,401. Important program management changes that contributed to increased efficiency include the following: In 2001, DINAP and the Native American Employment and Training Council developed an automated management information system (Native American Workforce Investment Act or "NAWIA" software) for grantees. The software increased efficiency in participant tracking and reporting, which allowed front line staff to spend more time assisting participants and less time completing participant information.

Evidence: WIA Section 166 Time Trends Indian and Native American National Summary and Time Trends, December 2003 Native American Workforce Investment Act (NAWIA) software; The total cost per participant measure for both portions of the program is now calculated by dividing total annual appropriations (minus the funds transferred to BIA for the '477 grantees') by the total number of participants in each program. Unlike earlier efficiency measures for the program, Federal administrative costs are included, and the actual amount(s) expended are not taken into account. Therefore, it is a measure of program efficiency at the Federal level rather than an expression of grantees' efficiency alone. By comparison, the WIA Adult Employment and Training Activities formula grant program had a cost per participant in 2002 that was approximately \$1,900.

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NO Question Weight 20%

Explanation: In comparing this program's performance with the results for Indian and Native American participants in the WIA Adult Employment and Training Activities formula grants program, the WIA Adult program compares more favorably. There were almost 3,000 Indian and Native American participants who exited the WIA Adult program in 2002, compared to almost 19,000 participants in this program. For the only measure that the program share currently, the Entered Employment Rate, the results for 2002 were as follows: WIA Adult 69%; this program 52%. Indian and Native American participants in the two programs share other similarities: The percentage of this program's participants who are dropouts was about the same as the percentage in the WIA Adult program. However, participants differ in some ways, including that the WIA Adult participants self-identify as Indian and Native American, while this program's participants must meet statutory eligibility criteria. Also, the percentage of public assistance recipients that exited this program (32.1%) was twice as high in the WIA Adult program (15.6%).

Evidence: National Summary Report - WIA PY 2001 Exited Indian and Native American National Summary and Time Trends, December 2003 Evaluation of JTPA, Section 401 INA Program, 1999 PY 2002 performance results (quarter ending June 30, 2003) in the Workforce System Results Quarterly Review: http://www.doleta.gov/performance/results/Edition_5_6-30-03.pdf ETA FY 2005 Congressional Justification; Information from other, non-DOL programs that are similar is unavailable at this time and will be added and evaluated as it becomes available.

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: SMALL
EXTENT

Question Weight 20%

Explanation: As indicated in response to question 2.6, an evaluation of the predecessor program under JTPA was completed in 1999. This WIA program is scheduled for an evaluation to be conducted in 2006 by an independent contractor. The study conducted in 1999 evaluated the JTPA section 401 program, including the Summer Youth program under JTPA title II-B. This study was useful in determining the directions taken by the subsequent WIA program. It examined services and strategies that grantees use to deliver them. However, it was based on surveys and site visits and addressed the effectiveness of the program and its achievement of results only very broadly, with little support beyond examples based on information from site visits to some of the grantees.

Evidence: Evaluation of JTPA, Section 401 INA Program, 1999

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

Measure: Percentage of participants employed after program exit (This new measure will be implemented in 2005. Data shown are for a similar current measure.)

Additional Information: Percentage of program participants employed in 1st quarter after program exit

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-term
2001	56	53	
2002	56	52	
2003	54	53	
2004	54		
2005	55		
2006			

Measure: Percentage of participants who retain employment after exit (This new measure will be implemented in 2005.)

Additional Information: Percentage of program participants employed in 1st quarter after program exit who remained employed in the 2nd and 3rd quarters after exit

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-term
2001			
2002			
2003			
2004			
2005			
2006			

PART Performance Measurements

Program: Native American Programs - Workforce Investment Act
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
60%	63%	80%	33%	

Measure: Percentage change in participants' earnings (This new measure will be implemented in 2005.)

Additional Information: Percentage change in earnings for program participants: (1) pre-enrollment to program exit; and (2) 1st quarter after exit to 3rd quarter after exit

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-term
2001			
2002			
2003			
2004			
2005			
2006			

Measure: Cost per participant (This new measure will be implemented in 2005. Data shown are for a similar current measure.)

Additional Information: Program appropriations divided by the number of participants

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-term
2001			
2002		\$2,474	
2003		\$2,518	
2004	\$2,245		
2005	\$2,245		
2006			

PART Performance Measurements

Program: Occupational Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	54%	47%	

1.1 Is the program purpose clear?

Answer: YES Question Weight 20%

Explanation: The authorizing statute defines OSHA's purpose: to assure, so far as possible, every working man and woman safe and healthful working conditions.
Evidence: The Occupational Safety and Health Act (29 U.S.C. 651 et seq.).

1.2 Does the program address a specific interest, problem or need?

Answer: YES Question Weight 20%

Explanation: OSHA's mission is to reduce the number of occupational injuries, illnesses, and fatalities. Despite an overall decline, workplace injuries and illnesses persist. In 2000, there were 5.7 million non-fatal occupational injuries and illnesses (6.1 cases per 100 workers), and 5,915 occupational fatalities.
Evidence: 2000 Bureau of Labor Statistics Survey of Occupational Injuries and Illnesses and Census of Fatal Occupational Injuries.

1.3 Is the program designed to have a significant impact in addressing the interest, problem or need?

Answer: YES Question Weight 20%

Explanation: The overall number of injuries, illnesses, and fatalities have declined. While there is not agreement on the extent to which these improvements are attributable to OSHA (vs. state workers' compensation and wage premiums), studies have shown establishment-level safety improvements after OSHA inspections. Because OSHA's capacity for direct intervention is limited--it has the resources to inspect each workplace only once every 167 years--OSHA leverages its resources through voluntary industry partnerships, compliance assistance, and delegation to States. OSHA has delegated workplace safety responsibilities to about half of the States under OSHA-approved plans (for which OSHA provides 50% funding).
Evidence: Research by Gray and Scholtz (1993 and 1996) on manufacturing establishments inspected by OSHA showed a statistically significant effect--establishments experienced a 15-22% decline in injuries 3 years after being inspected by OSHA. (Sampled firms tended to be larger than average, limiting the ability to generalize these results.)

1.4 Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?

Answer: YES Question Weight 20%

Explanation: OSHA's role overlaps with, but does not duplicate, the work of States and numerous other Federal agencies (e.g., the Mine Safety and Health Administration (MSHA), Department of Transportation, and the Environmental Protection Agency). The Act bars OSHA enforcement in areas regulated by other Federal agencies or State-plan States.
Evidence:

PART Performance Measurements

Program: Occupational Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	54%	47%	

- 1.5 Is the program optimally designed to address the interest, problem or need?** Answer: YES Question Weight: 20%
- Explanation: There is no conclusive evidence that an alternative program approach would be preferable. OSHA uses multiple approaches to improve workplace safety, including enforcement, outreach, and standard-setting. The agency uses compliance assistance to reach significantly more employers than it can through enforcement (reaching each workplace every 167 years). OSHA recently proposed a national office reorganization to improve efficiency.
- Evidence: Effectiveness of enforcement actions has been studied (see above); relative effectiveness of non-enforcement approaches has not been studied as extensively. DOL-sponsored study on the State Consultation program found some evidence that client workplaces experienced above-average reductions in their injury and illness rates (although confounding factors made it difficult to establish a strong causal relationship).
- 2.1 Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 12%
- Explanation: For FY05, OSHA has two strategic goals that reflect OSHA's mission and are tied to DOL's strategic and outcome goals: Reduce the rate of OSHA inspected fatalities by a total of 15% from FY 2003 to FY 2008 and Reduce the total rate of days away from work cases by 20% from FY 2003 to FY 2008.
- Evidence: FY 2003 OSHA Annual Performance Plan.
- 2.2 Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?** Answer: YES Question Weight: 12%
- Explanation: OSHA's goals are generally discrete, measurable, meaningful, and clear. OSHA's annual performance goals for FY 2005 are to reduce the rate of OSHA inspected fatalities by a total of 6% a year from baseline and to reduce the total rate of days away from work cases by 8% a year from baseline.
- Evidence: FY 2003 OSHA Annual Performance Plan.
- 2.3 Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?** Answer: YES Question Weight: 12%
- Explanation: State partners have been involved in the development of OSHA's revised strategic plan. In addition, States develop their own strategic plans, which must tie to OSHA's first Strategic Goal (to reduce workplace injuries and illnesses) and have specific performance targets. States then communicate quarterly and report annually on outputs and outcomes. OSHA measures each State's progress toward meeting its individually established goals and institutes corrective action plans as necessary. Lastly, OSHA works with the regulated community to establish voluntary partnerships; employers who meet certain criteria are exempted from routine inspections.
- Evidence: OSHA Directive STP 2-0.22B.

PART Performance Measurements

Program: Occupational Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	54%	47%	

2.4 Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives? Answer: YES Question Weight: 12%

Explanation: OSHA has memoranda of understanding (MOU) with numerous agencies with common interests and/or jurisdictional overlap (e.g., MSHA, EPA, and NIOSH), which seek to coordinate research and enforcement efforts.

Evidence: OSHA meets monthly with NIOSH, EPA, and MSHA to share information on toxic-chemical-related research and planned rulemaking. Another example: following a multiple-fatality grain elevator explosion in 1998, OSHA established an agreement with the Department of Agriculture's Farm Service Agency whereby FSA must immediately notify OSHA of any dust accumulation findings (thus alerting OSHA to potential hazards). OSHA has a Federal worker safety initiative with OWCP; since 1999, Federal worker safety has improved--excluding incidents related to 9/11, the injury and illness rate has declined by 2.5%, and fatalities by 51% (the magnitude of OSHA's effect is unknown).

2.5 Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness? Answer: YES Question Weight: 12%

Explanation: Recent OSHA-sponsored studies include evaluations of OSHA's progress in meeting its GPRA goal of reducing injuries and illnesses in targeted workplaces, the State Consultation program, and OSHA's customer satisfaction. For FY03, DOL's evaluation plan shows numerous OSHA evaluations under consideration (e.g., partnership effectiveness, effect of targeted vs. comprehensive inspections). For FY 2003, OSHA plans to evaluate the: (1) impact of National Emphasis Programs and Local Emphasis Programs; (2) effectiveness of the Site Specific Targeting Program; (3) "Safety Pays" Program; and (4) OSHA website.

Evidence: Wayne Gray, An Estimate of OSHA's Progress from FY 1995 to FY 2000 in Attaining its Performance Goals of Reducing Injuries and Illnesses in 100,000 Workplaces, (6/01); John Mendeloff and Wayne Gray, Evaluation of the OSHA Consultation Program (7/02); The Gallup Organization, OSHA 2000-2001 Customer Satisfaction Surveys (9/01).

2.6 Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known? Answer: NO Question Weight: 12%

Explanation: Like the rest of DOL, OSHA does not have an integrated accounting and performance management system to identify the full cost of achieving this program's performance goals and support day-to-day operations. In addition, the agency's budget planning has not historically been tied to strategic planning. Data availability is a barrier to timely performance assessment, as some of the measures rely on Bureau of Labor Statistics data, which are high quality but entail a time lag.

Evidence: FY 2003 OSHA Annual Performance Plan, DOL Annual Report for FY 2001.

2.7 Has the program taken meaningful steps to address its strategic planning deficiencies? Answer: YES Question Weight: 12%

Explanation: OSHA has participated in DOL-wide efforts to develop a performance-based budget. In addition, OSHA is working on a major revision of its strategic and annual performance plans. Preliminary data suggests that the revised plan is an improvement, in that it is more outcome-oriented and will be a more meaningful part of program and agency management. OSHA will have this plan completed by the end of FY 2003.

Evidence:

PART Performance Measurements

Program: Occupational Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	54%	47%	

2.REG1 **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?** Answer: NO Question Weight: 12%

Explanation: Many OSHA regulations (e.g., OSHA's permissible exposure limits, which were promulgated in the 1970s) are in need of updating/streamlining. OSHA's current Standards Improvement Project, which entails the review of rules to update and simplify requirements, is a step in the right direction but should go further. In April 2002 OSHA asked numerous consensus standard organizations for their priorities for updating OSHA standards based on their requirements. OSHA is reviewing the feedback it received to determine appropriate next steps. OSHA's regulations show a fairly clear relationship to OSHA's strategic goals.

Evidence: OSHA Standards Improvement Project Phase I, 62 FR 40141; Longshoring Standard Improvement Project, 63 FR 33450; OSHA Standards Improvement Project Phase II is scheduled to be published in October 2002.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 7%

Explanation: OSHA managers use data from the Integrated Management Information System (IMIS) to identify trends and monitor workload, and use employer-reported data to target inspections. States feed data into IMIS, and report to OSHA annually on attainment of their goals.

Evidence: In March 1999, OSHA responded to increasing construction deaths in FL by developing an enforcement and outreach program. The number of fatalities has decreased since then. OSHA also develops "special emphasis programs" (SEPs) to respond to emerging needs. For example, OSHA's Southeast regional office has initiated a SEP to prevent construction-industry falls, which accounted for a large share of that area's fatalities last year.

3.2 **Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?** Answer: YES Question Weight: 7%

Explanation: SES managers' performance appraisals are tied to OSHA's performance goals. States communicate quarterly and report annually on performance. OSHA expects "reasonable progress" toward meeting goals and develops corrective action plans where problems exist. OSHA is revising the formula for allocating OSHA Consultation funds to consider past performance.

Evidence: FY 2003 OSHA Annual Performance Plan; DOL Performance Management Plan for Senior Executives (Form D.L. 1-2059, revised 10/2001).

3.3 **Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 7%

Explanation: For the past 7 years, OSHA has obligated 99.9% of its budget authority. The agency reviews obligations and outlays monthly. A recent GAO report noted problems with the monitoring of State Consultation funds and disconnect between funding/activity levels, which OSHA says it has addressed through reinforcing monitoring guidelines.

Evidence: GAO-02-60, "Workplace Safety and Health: OSHA Should Strengthen the Management of its Consultation Program" (October 2001).

PART Performance Measurements

Program: Occupational Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	54%	47%	

3.4 Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: NO Question Weight: 7%

Explanation: OSHA has some efficiency measures, and tracks the number and type of inspections. The program has no cost-effectiveness measures. While OSHA contracts out certain functions, to date it has not been thorough in identifying opportunities for competition--OSHA identifies none of its 2,316 FTE as commercial/subject to competition on the 2002 inventory . (OSHA says that it is reviewing its inventory in order to identify functions that might be appropriate for competition.)

Evidence: DOL 2001 Commercial Activities and Inherently Governmental inventories.

3.5 Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels? Answer: NO Question Weight: 7%

Explanation: Like the rest of DOL, OSHA does not have an integrated accounting and performance management system to identify the full cost of achieving this program's performance goals and support day-to-day operations. In addition, certain indirect costs (e.g., Solicitor) are budgeted centrally in DOL. Data availability is a barrier to timely performance assessment, as some of the measures rely on Bureau of Labor Statistics data, which are high quality but entail a time lag.

Evidence:

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 7%

Explanation: In FY02, OSHA's financial processes had no significant internal control weaknesses. FY03 performance goal is to maintain this.

Evidence: DOL/OIG data, FY 2003 OSHA Annual Performance Plan.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 7%

Explanation: OSHA recently reorganized its organizations structure to streamline standard development and strengthen the role of evaluation and performance measurement. OSHA is in the process of revising its funding formula for the Consultation program in response to GAO recommendations. DOL has recently tied its performance goals to performance ratings for managers; this new appraisal system is to be cascaded through the Department.

Evidence: OSHA website (www.osha.gov). DOL Performance Management Plan for Senior Executives (Form D.L. 1-2059, revised 10/2001).

PART Performance Measurements

Program: Occupational Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	54%	47%	

3.REG1 **Did the program seek and take into account the views of affected parties including state, local and tribal governments and small businesses, in drafting significant regulations?** Answer: YES Question Weight: 7%

Explanation: OSHA is subject to the Small Business Regulatory Enforcement Act (SBREFA) of 1996, which for rules expected to have a significant effect on small businesses requires coordination with the Small Business Administration (SBA), the convening of a panel to consider and comment on the rule's impact on small businesses, and an analysis of the rule's expected impact on small business. OSHA also conducts hearings to solicit public input, particularly on major rules.

Evidence: OSHA website (www.osha.gov/dcsp/smallbusiness/sbrefa.html).

3.REG2 **Did the program prepare, where appropriate, a Regulatory Impact Analysis that comports with OMB's economic analysis guidelines and have these RIA analyses and supporting science and economic data been subjected to external peer review by qualified specialists?** Answer: NO Question Weight: 7%

Explanation: In the past, OSHA has estimated costs and benefits separately, but has not done cost-benefit comparisons or monetized human life. OMB guidelines recommend comparison of costs to benefits, but OSHA has argued that past Supreme Court decisions have prevented them from doing cost-benefit analysis and basing standards on such comparisons. In July 2003, however, OSHA committed to identifying the monetary costs, benefits, and net benefits for all of OSHA's economically significant proposed and final regulations, and including a summary of this information as part of its Regulatory Impact Analyses (RIA). Such analyses would significantly improve the quality of OSHA's regulations, even if the standard's prescribed approaches were not chosen on the basis of net benefits. Peer review has not been a regular part of OSHA's regulatory development process. OSHA has argued that its public forums and Administrative Procedures Act processes provide an equivalent level of external review. However, new government-wide guidelines will be published this fall that will require peer review of all scientific and technical data supporting 'significant regulatory information.' OMB's draft bulletin on peer review standards is available on the OMB Website. The answer to this question will be re-evaluated next year. The answer could be changed to a 'yes' if OSHA provides evidence that they have 1) identified the monetary costs, benefits, and net benefits in any new, economically significant proposed and final regulations, and included a summary of this information in their RIA analyses; and 2) instituted a peer review process for scientific and technical data supporting 'significant regulatory information' that conforms to the new guidelines.

Evidence: Section 6(b) (5) of the Occupational Safety and Health Act requires health standards to ensure--to the extent feasible--that no employee "will suffer material impairment" even with "regular exposure to the hazard . . . for the period of his working life." In the 1981 "Cotton Dust" decision [*American Textile Manufacturers Institute v. Donovan*, 452 US 491], the Supreme Court stated that Congress in the Act had defined the intended relationship between costs and benefits, placing worker health above all else, and that any standard based on a different balancing of costs and benefits would contradict Congress' mandate. The agency, however, has committed to identifying net benefits in its proposed and final regulations, and to include this information in its Regulatory Impact Analyses (memorandum of July 15, 2003 from Assistant Secretary John L. Henshaw to Steve Witt, Directorate of Standards and Guidance; Bruce Swanson, Directorate of Construction; and Bob Burt, Office of Regulatory Analysis-DEA).

PART Performance Measurements

Program: Occupational Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	54%	47%	

3.REG3 Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals? Answer: YES Question Weight: 7%

Explanation: Consistent with the Regulatory Flexibility Act and E.O. 12866, OSHA conducts annual "lookback studies" of two regulations to ensure that they are effective, up-to-date, streamlined, and non-duplicative. OSHA formally solicits public comment as part of this process. In addition, OSHA has initiated a Standards Improvement Project to improve/update existing rules.

Evidence: In FY 2003, OSHA will finalize the lookback reviews of the ethylene oxide and grain handling facilities standards, and initiate reviews of the presence-sensing device initiation provisions of the mechanical power press standard and the excavation standard.

3.REG4 In developing new regulations, are incremental societal costs and benefits compared? Answer: NO Question Weight: 7%

Explanation: In the past, OSHA has considered the costs and benefits of the proposed policy and alternatives, but has not done cost-benefit comparisons. In July 2003, however, OSHA adopted a new policy of publishing the monetary costs, benefits, and net benefits for all of their economically significant proposed and final regulations, and including a summary of this information as part of its Regulatory Impact Analyses. The answer to this question will be re-evaluated next year and will be changed to a 'yes' if OSHA provides evidence that the new policy has been implemented.

Evidence: See Q9 above.

3.REG5 Did the regulatory changes to the program maximize net benefits? Answer: NO Question Weight: 7%

Explanation: Notwithstanding the Act and past Court decisions, OSHA standards could be designed to provide the same benefits in a less burdensome way. In addition, a number of OSHA's regulations (e.g., Permissible Exposure Limits) are outdated and in need of revision. OSHA's Standards Improvement project, aimed at addressing inconsistency and unnecessary requirements, is an encouraging sign of progress toward reducing the cost of its regulations.

Evidence: OSHA's Process Safety Management standard is one example of a burdensome standard, imposing 79 million annual burden hours. Another example is the lead in construction standard. Rather than requiring employers to act when a hazard is revealed, the standard requires employers to presume that workers performing certain tasks are overexposed (and establish the requisite written plan and protective measures) until air sampling demonstrates otherwise.

3.REG6 Does the program impose the least burden, to the extent practicable, on regulated entities, taking into account the costs of cumulative final regulations? Answer: NO Question Weight: 7%

Explanation: Paperwork burden hours have decreased 12% over the past 4 years, and paperwork costs have declined (although this is primarily due to one-time requirements whose burden is eliminated after the first year of a standard's effective date). While OSHA has increased opportunities for electronic submission of certifications and taken steps to eliminate certain unnecessary requirements in standards, numerous standards and requirements (e.g., PSM, Hazard Communication, written certifications, hazard control hierarchy) are overly process-oriented and burdensome and should be revisited. The use of alternative compliance methods should be increased.

Evidence: OSHA estimates submitted to OMB pursuant to the Paperwork Reduction Act, available in the OMB/OIRA public docket.

PART Performance Measurements

Program: Occupational Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	54%	47%	

-
- 4.1 Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?** Answer: YES Question Weight 20%
- Explanation: BY FY 2002, OSHA met or exceeded its long-term goals. OSHA reduced three of the most significant types of workplace injuries, and significantly reduced injuries and illnesses in five high-risk industries. In the past 7 years, an estimated total of 110,000 workplaces have experienced at least a 20% reduction in their injury and illness rates following an OSHA intervention. OSHA revised its long term goals in FY03.
- Evidence: DOL FY 2002 Annual Report on Performance and Accountability.
- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight 20%
- Explanation: OSHA continues to make reasonable progress in meeting its annual performance goals. Federal goals not met in FY01 were achieved in FY02. Numerous external factors affect OSHA's ability to measure its goals and the agency recognizes that current measures do not satisfactorily measure progress on some goals. The agency is exploring alternative sources of data to measure its progress. OSHA revised its annual goals in FY03.
- Evidence: DOL FY 2002 Annual Report on Performance and Accountability.
- 4.3 Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?** Answer: NO Question Weight 20%
- Explanation: There is no evidence of efficiency improvements from year-to-year. OSHA has not adequately used competitive sourcing as a means of improving efficiency. To date, DOL has not identified any of its FTE as eligible to be competed (based on its determination that the functions were either inherently governmental or core capabilities).
- Evidence: DOL FY 2002 Commercial Activities and Inherently Governmental Inventories
- 4.4 Does the performance of this program compare favorably to other programs with similar purpose and goals?** Answer: NA Question Weight: 0%
- Explanation: OSHA is not part of the common measures exercise. There are no similar Federal programs with the same mission as OSHA. MSHA and EPA operate under different statutory frameworks and have different jurisdictions. There are no data available comparing OSHA with State, local or private sector programs that may have similar goals.
- Evidence:

PART Performance Measurements

Program: Occupational Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	54%	47%	

4.5 Do independent and quality evaluations of this program indicate that the program is effective and achieving results?

Answer: SMALL
EXTENT

Question Weight 20%

Explanation: Research is mixed, but there are studies showing that inspections (particularly penalty inspections) have a positive effect at the establishment level. Others show no statistically significant effect. Data of the effects of non-inspection interventions on workplace safety, effects on non-manufacturing workplaces, and OSHA's broader effect, is more limited. Recent customer satisfaction results (Gallup, 9/01) show improvement over previous ACSI findings of low customer satisfaction. The rate of respondents reporting that they were satisfied with OSHA ranged from 51% (workers whose complaint had been addressed through phone/fax) to 96% (participants in the State Consultation Program).

Evidence: Research by Gray and Scholtz (1993 and 1996) showed inspections as having a statistically significant effect--establishments experienced a 15-23% decline in injuries 3 years after being inspected and fined. (Non-penalty inspections showed little to no change.) An evaluation of the OSHA State Consultation program by John Mendeloff and Wayne Gray (July 2002) found some evidence that workplaces experienced above-average injury and illness rate reductions following a consultation visit. Smith (1979) found some impact on inspected manufacturing firms, but statistical significance was mixed.

4.REG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?

Answer: SMALL
EXTENT

Question Weight 20%

Explanation: RIAs and lookback studies showed net benefits for OSHA's regulations. However, in some cases the accuracy of these estimates was disputed by outside parties. Notwithstanding the Act and past Court decisions, numerous OSHA standards could be designed to provide the same benefits in a less burdensome way.

Evidence: Based on the Act and Supreme Court interpretations of it, OSHA chooses regulatory approaches based on their absolute, versus net, benefits.

PART Performance Measurements

Program: Occupational Safety and Health Administration
Agency: Department of Labor
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	54%	47%	

Measure: Work-related fatality rate. Baseline is FY2000 - FY2002 rate of 1.62 fatalities per 100,000 workers.

Additional Information: This measure tracks OSHA's long-term performance in reducing the rate of OSHA inspected fatalities per 100,000 workers by a total of 15% from the baseline to FY 2008. The rate is calculated as a 3-year moving average in order to reduce fluctuations.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	1.59	1.61	
2004	1.57		
2005	1.52		
2006	1.47		
2007	1.43		

Measure: Days away from work case rate. Baseline is CY 2002 rate of 1.6 days away from work cases per 100 workers.

Additional Information: This measure tracks OSHA's long-term performance in reducing by 20% from the baseline to FY 2008 the rate of days away from work cases per 100 workers.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	1.6		
2004	1.5		
2005	1.5		
2006	1.4		
2007	1.3		

PART Performance Measurements

Program: Office of Federal Contract Compliance Programs (OFCCP)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	56%	82%	47%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: The Office of Federal Contract Compliance Programs (OFCCP) enforces the employment non-discrimination and affirmative action requirements imposed on federal contractors by Executive Order 11246 (race, color, gender, religion, national origin) and federal statute (disability, veterans). These requirements are based on the principle that federal dollars may not be used to perpetuate discrimination. Contractors and subcontractors with a federal contract of \$50,000 or more and 50 or more employees develop written plans to eliminate barriers to equal opportunity in their workplaces. To determine compliance, OFCCP audits a percentage of contractors each year and attempts to resolve violations first through conciliation agreements with each contractor. OFCCP also promotes voluntary compliance through technical assistance to covered employers and extensive, effective partnering with stakeholder organizations.

Evidence: Executive Order (EO) 11246, as amended, www.archives.gov/federal_register/codification/executive_order/11246.html; Rehab. Act of 1973 (P.L. 93-112), §503; Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA, P.L. 93-508), affirmative action provisions; OFCCP regulations appearing in 41 CFR Part 60, www.dol.gov/esa/regs/cfr/main.htm; OFCCP website, www.dol.gov/esa/ofccp/; Department of Labor (DOL), 2003 Annual Report on Performance and Accountability (PAR), www.dol.gov/_sec/media/reports/annual2003/complete_doc.pdf (laws OFCCP administers govern "nearly all Federal contracts, and are an integral part of the Federal procurement process," "are based on the... principle that employment opportunities generated by Federal dollars should be available to all Americans on an equitable and fair basis"); and the OFCCP Congressional Justification submitted each February with the President's Budget.

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight 20%

Explanation: The federal government has a strong, continuing interest in ensuring that businesses with which it partners are in compliance with federal law, including those laws governing employment rights and standards. The executive order and statutes governing OFCCP reflect a determination by the legislative and executive branches that it is desirable for federal contractors to take deliberate action to diversify their workplaces. Since the universe of federal contractors continually changes, compliance levels in one year are not strong predictors of compliance levels in future years and, hence, there is a need for year-to-year, centralized compliance oversight and assistance. In some cases, OFCCP's presence alone may deter discriminatory practices.

Evidence: OFCCP website, www.dol.gov/esa/media/reports/ofccp/sfaqspay.htm (describing continuing need for DOL role in monitoring and ensuring compliance with these laws); and "Update on OFCCP's Enforcement Strategy," Statement by William Doyle, OFCCP Deputy Director, at National Industry Liaison Group Conference 8/11/2003 (between 1998 and 2001, OFCCP found discrimination in 6-8% of compliance reviews; 15% of those cases involved "systemic" discrimination, which OFCCP defines as affecting a class of 10 or more workers).

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight 20%

Explanation: The focus on affirmative action by federal contractors is not repeated in the state, local, or private sectors. The remedies the program offers are systemic (designed to cure high-level discriminatory policies that affect groups of workers within an establishment) and forward-looking (the changes made to a hiring, promotion, or other employment practice benefit both current and future employees). Memoranda of Understanding (MOUs) with other DOL and federal agencies enhance collaboration while minimizing duplication.

Evidence: EO 11246, as amended, requires federal agencies to include non-discrimination and affirmative action provisions in each of their contracts, and places administrative and enforcement authority exclusively in DOL.

PART Performance Measurements

Program: Office of Federal Contract Compliance Programs (OFCCP)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	56%	82%	47%	

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight 20%

Explanation: Here, a regulatory mechanism is the most appropriate means to achieve the contract compliance oversight and complaint investigation and resolution activities mandated by EO 11246. As designed, the program collects, synthesizes, and analyzes data from and about federal contractors to identify employment patterns or practices that have an adverse impact on protected classes of employees. Program activities to prevent and/or correct these practices include targeted, tiered audits (resources allocated to each case are proportionate to level of violation or nature of findings); compliance assistance as both a corrective (during reviews) and preventive measure; and financial agreements with individual employers. Program regulations require certain government contractors to develop workforce analyses and employment plans to assist them in self-monitoring.

Evidence: EO 11246, as amended; OFCCP regulations appearing in 41 CFR Part 60; OFCCP website, www.dol.gov/esa/ofccp/

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight 20%

Explanation: The program investigates and remedies systemic discrimination in workplaces under its jurisdiction. Consistent with the executive order that frames the program, and the statutory provisions OFCCP enforces, program resources support compliance reviews; compliance assistance to contractors in the context of reviews, in furtherance of partnerships with industry, and in response to requests from individual employers; and enforcement activities, as needed. Under an MOU with the Equal Employment Opportunity Commission (EEOC), OFCCP refers individual complaints of discrimination to EEOC.

Evidence: EO 11246, as amended; 41 CFR Part 60; Memo. of Underst. with EEOC, www.dol.gov/esa/regs/fedreg/notices/99009066.pdf; DOL 2003 PAR; Doyle Stmt. 8/11/2003 (focusing enforcement resources on systemic discrimination furthers OFCCP's objectives to: focus on worst offenders; encourage employer self-auditing, leverage program resources to protect maximum number of workers; and complement compliance assistance efforts); WESTAT, Eval. of Office of Fed. Contr. Compl. Prog.: Final Report 12/2003 ("OFCCP generally targets its reviews in order to focus its resources on those establishments thought most likely, on the basis of observed employment patterns, to discriminate against minorities and women"); and Assessing the Rel. Betw. Empl. Diversity Behavior, Contr. Status and Industry Group 10/7/2003 (OFCCP internal analysis of EEO-1 data from 1993 - 2001 comparing diversity levels of federal contractors to those of noncontractors found that "contractor status is related to increased proportions of [certain minority groups] in several industry groups").

PART Performance Measurements

Program: Office of Federal Contract Compliance Programs (OFCCP)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	56%	82%	47%	

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 11%

Explanation: OFCCP's strategic goal is tied to authorities the program enforces and is achieved through two long-term performance measures with numerical targets. The two long-term outcome measures are: (1) the rate of reduction in discrimination levels among federal contractors (measured by findings of discrimination made in compliance reviews); and (2) the rate of increased contractor compliance with other equal employment workplace standards (measured by the rate of technical violations). These long-term performance measures are divided into interim (annual) targets. Each year, for each measure, performance against the numerical target is tracked by compiling information from various data sources. The program goals tie to the Employment Standards Administration's (ESA) strategic and outcome goals and to DOL's strategic and outcome goals. The targets are currently under review.

Evidence: DOL Strategic Plan for FYs 2003-2008, www.dol.gov/_sec/stratplan/strat_plan_2003-2008.htm; ESA Strategic Plan for FYs 1999-2004, http://www.dol.gov/esa/aboutesa/str-plan/SP99_04final.PDF; and OFCCP Congressional Justification submitted with FY 2005 President's Budget. OFCCP strategic goal: Federal contractors achieve equal opportunity workplaces. Long-term performance indicators: (1) Reduce incidence of discrimination among federal contractors by 2% (from 9% to 7%); (2) Increase compliance among federal contractors with other equal opportunity workplace standards by 6% (from 59% to 65%). ESA strategic goal: Create better workplaces by increasing employer / employee commitment to equal employment opportunity. Outcome goal: Federal contractors achieve equal opportunity workplaces. DOL strategic goal: Foster quality workplaces that are safe, healthy, fair. Outcome goal: Foster equal opportunity workplaces.

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight: 11%

Explanation: OFCCP exceeded its performance goals for FY 2003. There is some question as to whether current performance targets are sufficiently ambitious. The program is reviewing its targets.

Evidence: DOL Strategic Plan for FYs 2003-2008; and OFCCP Congressional Justification submitted with FY 2005 President's Budget. Annual goals: (1) Reduce incidence of discrimination among federal contractors to 9% in FY 2003 and FY 2004, and 8% in FY 2005 (over 2001 baseline of 12.5%). In 2003, actual level of discrimination findings was 1.2%, or 7.8% better than the target for the year. (2) Increase compliance with other equal opportunity workplace standards to 59% in FY 2003, 61% in FY 2004, and 62% in FY 2005 (over 2001 baseline of 57%). In 2003, actual level of compliance was 72.4%, or 13.4% better than the target. The program plans an external study that could lead to refinements in its indicators or targets.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 11%

Explanation: Performance measures in use since FY 2003 are clearer and more focused than previous goals, and now include an efficiency measure. To gain a more accurate sense of short-term performance levels, each quarter the national office also monitors and addresses regional office productivity deviations of 10% from the OFCCP national average in a wide range of operational categories (including time for completion of each type of evaluation, complaint investigations, compliance assistance, and monitoring of conciliation agreements).

Evidence: DOL Strategic Plan for FYs 2003-2008; and OFCCP Congressional Justification submitted with FY 2005 President's Budget. Annual goals: (1) Reduce incidence of discrimination among federal contractors; (2) Increase compliance with other equal opportunity workplace standards. The efficiency measure will track "FTE per system case resolved." The OFCCP staff has briefed OMB on program operations, including quarterly reviews and other quality controls currently in place.

PART Performance Measurements

Program: Office of Federal Contract Compliance Programs (OFCCP)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	56%	82%	47%	

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight:11%

Explanation: OFCCP exceeded its performance goals for FY 2003. There is some question as to whether current performance targets are sufficiently ambitious. The program is reviewing its targets.

Evidence: DOL Strategic Plan for FYs 2003-2008, and OFCCP Congressional Justification submitted with FY 2005 President's Budget. As stated above, the program plans an external study that could lead to refinements in its indicators or targets.

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight:11%

Explanation: Regulations focus on self-analysis and goal-setting by employers. Upon request (based on audits, and subsequent conciliation agreements), contractors commit to and report on compliance, good faith efforts to achieve compliance, and results. OFCCP then uses this information to better manage the program (e.g., select companies for further review and follow-up) and track its own performance (e.g., numbers brought into compliance).

Evidence: 41 CFR Part 60; OFCCP Compliance Manual, www.dol.gov/esa/regs/compliance/ofccp/how2/ofcphow2.htm; OFCCP Congressional Justification submitted with FY 2005 President's Budget (data from OFCCP's EEO-1 file, its Case Management System, and compliance evaluation results are the sources underlying the performance indicators); General Accounting Office (GAO) Rept. HEHS-95-177 9/1995, www.gao.gov/archive/1995/he95177.pdf (description of program); DOL Office of Inspector General (OIG), Rept. 05-02-004-04-410 3/29/2002, www.oig.dol.gov; and OIG, OFCCP's Method of Selecting Construction Contractors for Compliance Reviews (3/2002) (not available on line).

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight:11%

Explanation: OFCCP completed an external evaluation of program effectiveness and an in-house impact study, and has contracted an outside firm to evaluate and maximize the predictive value of the data it collects and reduce information collection burdens on contractors. These evaluations follow others completed over the years by GAO, the DOL OIG, and other organizations. Those evaluations were numerous and often consistent in their description of major program weaknesses, but in recent years became more issue-specific and did not always address questions raised by earlier reviews. By contrast, the 2003 evaluation, separate impact analysis, and data work in progress, all cover a number of program areas, assess impact as well as process (data collection strategies and mechanisms), and take into account context and current program priorities. The evaluations and analyses combine with and reinforce findings of the 2004 and 2005 OFCCP PART assessments to provide a more recent and reliable baseline from which to measure process improvements and future program performance.

Evidence: WESTAT evaluation 12/2003; OFCCP employer diversity study 10/7/2003; reports by DOL OIG, www.oig.dol.gov, on veterans' empl. rights (No. 05-02-004-04-410 3/2002), selection of construction contractors for review (3/2002), information systems (No.23-01-008-04-001 9/2001; No.09-00-005-04-001 9/2000), scheduling of supply/service contractors for review (No.2E-04-410-0001 3/2000), collection of data on federal contractors (4/1997), and performance measures (9/2004, 9/2003); GAO Rept. HEHS-95-177 9/1995, www.gao.gov (selection of contractors for review); Aff. Action: Report to the Pres. 7/1995, describing OFCCP effects and performance, <http://clinton2.nara.gov/WH/EOP/OP/html/aa/aa-index.html>; US Comm'n on Civ. Rights, Ten-Year Check-Up: Have Fed. Agencies Responded to Civ. Rts. Recs.? 9/2002, www.usccr.gov/; Leonard report for Glass Ceiling Comm'n 4/1994, www.ilr.cornell.edu/library/e_archive/gov_reports/glassceiling.

PART Performance Measurements

Program: Office of Federal Contract Compliance Programs (OFCCP)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	56%	82%	47%	

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight:11%

Explanation: Like the rest of DOL, OFCCP does not have an integrated accounting and performance management system to identify the full cost of achieving this program's performance goals and support day-to-day operations.

Evidence: OFCCP Congressional Justification submitted with FY 2005 President's Budget; DOL Strategic Plan for FYs 2003-2008, www.dol.gov/_sec/stratplan/strat_plan_2003-2008.htm (describing DOL's budget/performance integration efforts).

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:11%

Explanation: The Department's budget/performance integration effort includes a "full cost accounting" initiative that reaches into each DOL agency, and DOL's FY 2005 budget submission moved closer to fully integrating performance goals with budget information. At the program level, OFCCP has developed an efficiency measure, to be implemented in FY 2005, to enhance long-term planning and cost analysis. One major area of concern, however, is that annual and long-term goals still do not have stable, ambitious targets. OFCCP is working with an outside consultant to determine whether to refine its indicators and targets.

Evidence: OFCCP Congressional Justification submitted with FY 2005 President's Budget; DOL Strategic Plan for FYs 2003-2008, www.dol.gov/_sec/stratplan/strat_plan_2003-2008.htm (describing DOL's budget/performance integration efforts). The new efficiency measure, "FTE per systemic case resolved," is designed to capture efficiency across program activities.

2.RG1 **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?** Answer: NO Question Weight:11%

Explanation: One major regulation sets requirements for non-discrimination and Affirmative Action Plans and codifies an Equal Opportunity (EO) Survey. This regulation, particularly the EO Survey, has been strongly criticized as burdensome and not providing information useful to OFCCP in demonstrating discriminatory practices. This regulation is currently under review.

Evidence: 41 CFR Parts 60-1, 60-2.

PART Performance Measurements

Program: Office of Federal Contract Compliance Programs (OFCCP)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	56%	82%	47%	

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight: 9%

Explanation: OFCCP collects and analyzes information on performance of contractors and regional offices (ROs); has completed an external evaluation whose findings will inform decisions about program design and execution; and has developed an efficiency measure. Safeguards already in place to evaluate, improve effectiveness include: (1) National office uses quarterly reviews to monitor, address productivity deviations in ROs; conducts frequent "spot checks" on data and "quality" audits (of RO decisions at various stages of each case) on 10% of cases closed each year; audits every new activity (e.g., compliance checks); designs additional, ad hoc audits around feedback from Industry Liaison Groups, other constituencies. (2) National office has strengthened oversight of ROs through system of "directives" for all major changes; holds weekly conference calls with ROs on issues of case resolution, program administration, employee morale. (3) Conciliation agreements reached in ROs are examined by DOL Solicitor for legal validity prior to approval.

Evidence: DOL 2003 PAR (data from OFCCP's EEO-1 file, its Case Management System, and compliance evaluation results are the sources underlying the performance indicators). The OFCCP staff has briefed OMB on program operations, including data collection and analysis and quality controls currently in place. Relevant OFCCP directives are now being posted on the OFCCP website, www.dol.gov/esa/regs/compliance/ofccp/directives/dirindex.htm. A new efficiency measure ("FTE per systemic case resolved", which is designed to capture efficiency across program activities) will be implemented in FY 2005.

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight: 9%

Explanation: DOL ties performance ratings for managers and supervisors to the achievement of Departmental and program-specific goals and outcomes; employee evaluations are aligned on a fiscal year cycle to help cascade standards to non-supervisory personnel. A percentage of federal contractors is reviewed every year for compliance with laws enforced by OFCCP; contractors found out of compliance report on, and are held accountable for, agreed upon levels of progress, which feed into OFCCP's own performance measures.

Evidence: Revised Performance Management Plans for Senior Executives (Form DL 1-2059, Rev. 10/2001) and for Supervisors and Managers (Form DL 1-382, Rev. 10/2001); DOL 2003 PAR (data from OFCCP's EEO-1 file, its Case Management System, and compliance evaluation results are the sources underlying the performance indicators); and GAO, DOL Contract Compliance Reviews Could Better Target Fed. Contractors (9/1995; www.gao.gov/archive/1995/he95177.pdf) (description of program).

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 9%

Explanation: OFCCP closely monitors DOL and ESA financial management systems that support the program's day-to-day operations. On a monthly basis, OFCCP reviews expenditures and prepares spending forecasts for its executive staff and the ESA Assistant Secretary. Reviews of cost documents, including requisitions and purchase orders, are ongoing.

Evidence: Estimated and actual obligations reported by quarters in OMB apportionments and DOL reports to the Treasury Department.

PART Performance Measurements

Program: Office of Federal Contract Compliance Programs (OFCCP)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	56%	82%	47%	

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight: 9%

Explanation: OFCCP has numerous quality controls in place -- including quarterly reviews by the national office to enforce efficiency standards in operational categories -- as well as an Active Case Management (ACM) system. The ACM model supports decision-making that is integrated (national office, to regional office, to district and area directors), that takes place in real time, and that leads to more effective and efficient resource allocation. As part of Department-wide FY 2005 budget integration efforts, OFCCP has developed, and is implementing, an outcome-based measure that ambitiously seeks to capture cross-functional efficiency within the program by examining resources devoted to systemic discrimination cases with positive outcomes (systemic cases are the primary focus of the program). In addition, OFCCP's 2004 inventory of job functions designates field compliance officer functions as commercial, opening the door to additional analysis, cost comparisons, and potential savings. These strategies and procedures help OFCCP to measure, and manage against, efficiencies created by management practices from year to year.

Evidence: DOL 2003 PAR (attributing substantial increase in contractor compliance, from 2002 to 2003, in part to use of active case management system, which DOL states has increased the number of establishments reviewed while reducing [lengthy and] burdensome on-site evaluations); DOL 2004 Commercial Activities and Inherently Governmental (FAIR Act) Inventories; Bureau of National Affairs, Daily Labor Report (DLR) No.155, p.C-1 8/12/2003 (active case management system "requires managers to work more closely with compliance officers throughout the continued course of an investigation and to employ more flexibility in devoting greater resources where warranted by an investigation"). OFCCP's efficiency measure tracks the number of FTE dedicated to each systemic case that is "resolved" (defined as settlement reached or enforcement action initiated). Doyle Statement 8/11/2003 (management strategies).

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 9%

Explanation: OFCCP regularly collaborates with a diverse group of stakeholders and related programs, including a number of other DOL and federal agencies, and state agencies, with which OFCCP has MOUs. For example, OFCCP regional offices have MOUs under which state rehabilitation agencies agree to refer workers with disabilities to federal contractors for potential employment. OFCCP also has MOUs with the organizations or agencies listed in the column to the right.

Evidence: Memoranda of Understanding with other DOL (Veterans' Employment and Training Service, Wage & Hour Division, Women's Bureau, Bureau of Apprenticeship and Training) and federal agencies (EEOC, DOJ/Immigration and Naturalization Service, DOJ/Office of Special Counsel, DOT, GSA, and SBA), state agencies, other organizations (AFL-CIO National Council of Field Labor Locals, AFGE Local 12, National Council of Negro Women); and DOL Strategic Plan for FYs 2003-2008, www.dol.gov/_sec/stratplan/strat_plan_2003-2008.htm (noting important role of active, ongoing consultation with stakeholders; DOL agencies "develop and enhance partnerships with public and private entities" as one strategy for accomplishing the goal of "fostering equal opportunity workplaces").

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 9%

Explanation: There have been no material control weaknesses reported by auditors. OFCCP closely monitors DOL and ESA financial management systems that support the program's day-to-day operations. On a monthly basis, OFCCP reviews expenditures and prepares spending forecasts for its executive staff and the ESA Assistant Secretary. Reviews of cost documents, including requisitions and purchase orders, are ongoing.

Evidence: Estimated and actual obligations reported by quarters in OMB apportionments and DOL reports to the Treasury Department.

PART Performance Measurements

Program: Office of Federal Contract Compliance Programs (OFCCP)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	56%	82%	47%	

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 9%

Explanation: DOL ties performance ratings for managers and supervisors to the achievement of Departmental and program-specific goals and outcomes; has numerous quality controls in place to gauge and improve efficiency and cost-effectiveness; uses an Active Case Management model to facilitate real-time decision-making and inform resource allocation; is coordinating more closely with the DOL Solicitor's Office; and is upgrading staff investigative skills through training. One important cautionary note: Unresolved questions regarding the program's collection and management of data from and about federal contractors -- including its accuracy, usefulness (predictive value), and/or production burden -- continue to be a concern. Data that is not needed when requested, is inaccurate, or has low predictive value leads to inefficient use of program and contractor resources. OFCCP is working closely with outside experts to settle these questions and improve data collection and analysis.

Evidence: Revised Performance Management Plans for Senior Executives (Form DL 1-2059, Rev. 10/2001) and for Supervisors and Managers (Form DL 1-382, Rev. 10/2001); Doyle Stmt. 8/11/2003 (management strategies; work with outside experts to evaluate predictive power of Equal Opportunity Survey); DOL 2003 PAR (OFCCP has commissioned empirical study "to evaluate the effectiveness of the Equal Opportunity Survey as an instrument for identifying contractors engaged in systemic discrimination", that is, whether OFCCP can use data from the survey "to target contractor establishments where the likelihood of systemic discrimination is the highest"; OFCCP will "develop and validate a model to identify those workplaces in which systemic discrimination exists").

3.RG1 **Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?** Answer: YES Question Weight: 9%

Explanation: The agency regularly collaborates on process and regulatory improvements with a diverse group of stakeholders, including Industry Liaison Groups, which provide contractor input; veterans' groups; and women's and civil rights groups. Major regulations and information collection requests have analyzed and responded to comments received.

Evidence: ESA Strategic Plan for FYs 1999-2004, describing consultation with stakeholders (www.dol.gov/esa/aboutesa/str-plan/SP99_04final.PDF).

3.RG2 **Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R** Answer: YES Question Weight: 9%

Explanation: A review of OFCCP regulations found no cases in which OFCCP rulemaking failed to meet the requirements; regulations issued over the past year required no Regulatory Impact Analyses.

Evidence: OFCCP regulations issued in 2003 did not require regulatory impact analyses: Affirmative Action and Nondiscrimination Obligations of Government Contractors, Executive Order 11246, as Amended; Exemption for Religious Entities, a rule effective on October 30, 2003, did not require a regulatory analysis because it is estimated that the rule will not have a significant economic impact. In addition, the rule does not include federal mandates that may result in increased expenditures by state, local, or tribal governments, or the private sector.

PART Performance Measurements

Program: Office of Federal Contract Compliance Programs (OFCCP)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	56%	82%	47%	

3.RG3 **Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?** Answer: NO Question Weight: 9%

Explanation: Although OFCCP reviews its regulatory agenda on a quarterly basis, it conducts no look-back studies and does not systematically review existing regulations. It does not have a regulatory review plan in place. However, the program has taken important steps to quantify and reduce the burden of key regulations. For example, OFCCP: (1) has performed burden-hour reduction studies for both its "supply and service" (non-construction) and construction compliance evaluation activities and regulations; (2) is evaluating ways to reduce the burden of its EO Survey; (3) revised rules implementing EO 11246 in 2000 and 2003, and is currently revising rules implementing VEVRAA and Section 503 of the Rehabilitation Act; (4) has worked with other federal agencies to issue guidance on employer recordkeeping obligations in the context of the Internet and related technologies; and (5) in conjunction with this guidance, has proposed regulations governing recordkeeping by federal contractors for job applicants who use the Internet. OFCCP expects to issue a final rule in Fall 2004.

Evidence: See discussion elsewhere in this document on OFCCP's work with outside researchers to evaluate and improve its data collection policies, practices and instruments, including the EO Survey; 69 Fed.Reg. 10152 3/4/2004, Adoption of Additional Questions and Answers To Clarify and Provide a Common Interpretation of the Uniform Guidelines on Employee Selection Procedures as They Relate to the Internet and Related Technologies (OFCCP collaborated with EEOC, DOJ, and the Office of Personnel Management to issue interagency guidance to employers on how to identify "applicants" for employment in the context of the Internet and similar technologies -- for example, when resumes or job-related inquiries arrive through the employer's e-mail or its website; federal law requires employers to maintain vital statistics on all applicants for employment); 69 Fed. Reg. 16446 3/29/2004 (OFCCP proposed rule governing recordkeeping requirements for federal contractors, consistent with new interagency guidance). Results of the burden-hour studies will be published in the First Quarter of FY 2005.

3.RG4 **Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?** Answer: NO Question Weight: 9%

Explanation: The program could be doing more to maximize net benefits by completing its review of and modifications to the Equal Opportunity Survey.

Evidence:

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: SMALL EXTENT Question Weight: 20%

Explanation: The program significantly exceeded its targets, clearly demonstrating progress toward long-term goals. However, there is some question as to whether the annual and long-term performance targets originally established for FYs 2003 and beyond are sufficiently ambitious. The program is reviewing its targets.

Evidence: See DOL, ESA, and OFCCP goals listed in Section II, above.

PART Performance Measurements

Program: Office of Federal Contract Compliance Programs (OFCCP)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	56%	82%	47%	

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: **SMALL EXTENT** Question Weight: 20%

Explanation: Recent performance data point both to case-by-case successes and annual progress toward long-term objectives. For example, in FY 2003, OFCCP exceeded its annual targets in both performance goals. In FY 2002, OFCCP fully achieved its nine major indicators, six measuring improvements in the industries with the greatest likelihood of equal employment opportunity problems, and three measuring improvement by contractors and subcontractors previously contacted by the agency. However, there is some question as to whether the annual and long-term performance targets established for 2003 and beyond are sufficiently ambitious. The program is reviewing its targets.

Evidence: See DOL, ESA, and OFCCP goals listed in Section II, above.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: **LARGE EXTENT** Question Weight: 20%

Explanation: As described above, quarterly reviews by the national office enforce efficiency standards in operational categories (productivity deviations of more than 10% from the norm are investigated and corrected as appropriate); OFCCP audits 10% of cases closed each year, conducts frequent "spot checks" on data, and designs additional audits around feedback from industry groups and other stakeholders, all to analyze and manage returns on investment; and a new Active Case Management system supports decision-making that is integrated, takes place in real time, and leads to more effective and efficient resource allocation. In addition, since the previous PART assessment, OFCCP has designated field compliance officer functions as commercial, opening the door to additional analysis, cost comparisons, and potential savings. However, a 2003 external evaluation found that cost effectiveness could be improved, in that OFCCP could potentially be finding more discrimination with the same number of compliance reviews. We have no data yet from the program's new efficiency measure.

Evidence: DOL 2004 Commercial Activities and Inherently Governmental (FAIR Act) Inventories; WESTAT evaluation 12/2003 (on selection, found "OFCCP effectively selected establishments for review", though "targeting could have been better [and m]ore discrimination might have been found with the same number of reviews"; recommended improvements to targeting strategies, and certain data collection and contractor selection practices).

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: **NA** Question Weight: 0%

Explanation: The program is not participating in the "common measures" exercise. At first blush, other federal programs designed to reduce employment discrimination -- such as the Equal Employment Opportunity Commission or the Department of Justice's Employment Litigation Section -- could be deemed comparable. However, OFCCP's performance relative to these other programs is not currently known. Further, before an analysis is initiated, OMB and DOL must discuss and agree on which programs lend themselves to an appropriate comparison.

Evidence:

PART Performance Measurements

Program: Office of Federal Contract Compliance Programs (OFCCP)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	56%	82%	47%	

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: LARGE
EXTENT

Question Weight 20%

Explanation: An external evaluation completed in December 2003 found that: (1) OFCCP effectively targets establishments for review; and (2) its targeted review process is "highly effective" in identifying and removing unlawful barriers to employment growth for members of protected groups; but (3) cost effectiveness could be improved, in that OFCCP could potentially be finding more discrimination with the same number of compliance reviews. Of note: DOL is funding an independent evaluation of OFCCP in 2004 to develop an improved targeting system and more meaningful performance measures. Separately, OFCCP is working with a research firm to evaluate the usefulness of data being collected and identify more predictive, reliable data. The results of this data evaluation should be available in 2004, and will be incorporated into the next PART assessment.

Evidence: WESTAT evaluation 12/2003 (found review process "highly effective" and "OFCCP effectively selected establishments for review", though "targeting could have been better [and m]ore discrimination might have been found with the same number of reviews"; recommended improvements to data collection and contractor selection practices); OFCCP employer diversity study 10/7/2003 (analysis of employer data submitted to federal government 1993-2001 compared diversity levels of federal contractors against those of noncontractors as proxy for direct measure of program impact and effectiveness; found "contractor status is related to increased proportions of [certain minority groups] in several industry groups"). In 2005, OFCCP will dedicate funding to the design, development, and testing of a new OFCCP Information System whose objectives include enhanced automated contractor evaluations and investigations, including more accurate determinations of OFCCP jurisdiction; standardized statistical tools; and centralized information collection and management within OFCCP's Managerial Cost Accounting function.

4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?

Answer: SMALL
EXTENT

Question Weight 20%

Explanation: The program could be doing more to maximize net benefits by completing its review of and modifications to the Equal Opportunity Survey. As mentioned above, an empirical study of the survey is underway.

Evidence: 41 CFR Parts 60-1, 60-2, www.dol.gov/esa/reg/cfr/main.htm; Doyle Statement 8/11/2003 (describing work with outside firm on Equal Opportunity Survey); DOL 2003 PAR (describing empirical study to evaluate Equal Opportunity Survey and develop an effective, predictive model for selecting contractors for review).

PART Performance Measurements

Program: Office of Federal Contract Compliance Programs (OFCCP)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	56%	82%	47%	

Measure: Reduce incidence of discrimination among federal contractors (as measured by percentage of findings of discrimination in OFCCP compliance reviews).
 Targets being revised.

Additional Information: Initial targets are being reevaluated.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004	9.0%	1.0%	
2005	7.0%		
2006	6.0%		
2007			

Measure: Increase compliance among federal contractors with other equal opportunity workplace standards (as measured by percentage of findings of technical compliance in OFCCP reviews). Targets being revised.

Additional Information: Initial targets are being reevaluated.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004	61%		
2005	62%		
2006	64%		
2007			

Measure: Reducing the incidence of discrimination among federal contractors (new goal in FY 2003).

Additional Information: Targets under review.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004			

PART Performance Measurements

Program: Office of Federal Contract Compliance Programs (OFCCP)
Agency: Department of Labor
Bureau: Employment Standards Administration
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	56%	82%	47%	

2005
2006
2007

Measure: Increasing compliance among federal contractors with other aspects of equal opportunity workplace standards (new goal in FY 2003).

Additional Information: Targets under review.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004			
2005			
2006			
2007			

Measure: FTE per systemic case resolved (new measure). Under development.

Additional Information: Average level of resources, measured by FTE (which can be reconfigured to calculate costs), dedicated to cases in which there are certain positive outcomes. Includes cases where settlement has been reached, or where settlement could not be achieved but there is a sufficiently strong case to pursue litigation.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2004			
2005	Baseline		
2006			
2007			

PART Performance Measurements

Program: Pension Benefit Guaranty Corporation
Agency: Department of Labor
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	86%	75%	Effective

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: The purpose of the Corporation is set forth in statute: 1) to encourage the continuation and maintenance of voluntary private pension plans for the benefit of their participants; 2) to provide for the timely and uninterrupted payment of pension benefits to participants and beneficiaries under plans to which the title applies; and 3) to maintain premiums at the lowest level consistent with carrying out its obligations under this title.

Evidence: 1.1 Authorizing Law'Employee Retirement Income Security Act of 1974, as amended (29 USC, 1301 et seq.). FY 2004-2008 Strategic Plan (http://www.pbgc.gov/about/StrategicPlan_FY04-8.htm)

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight 20%

Explanation: PBGC ensures participants will receive benefits from defined benefit pension plans, subject to certain statutory and regulatory limits, when companies terminate underfunded plans. PBGC trustee 155 plans with \$6.5 billion in claims (what PBGC expects to pay participants in excess of what plan assets can support) in FY 2003 and carried more than \$5 billion in probable net claims on its books at the end of FY 2003.

Evidence: Legislative History of the Employee Retirement Income Security Act of 1974 (Committee Print compiled by the Subcommittee on Labor of the Senate Committee on Labor and Public Welfare) (1976). PBGC Annual Reports. Pension Insurance Data Book 2003. PBGC's Guarantee Limits: An Analysis of Benefits Received by Participants in Selected PBGC-Trusteed Plans, published in PBGC's Pension Insurance Data Book 1999. 'Highlights' page (page 2) of its 2003 Annual Report (<http://www.pbgc.gov/publications/annrpt/2003txt/2003highlights.htm>).

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight 20%

Explanation: PBGC's programs are not duplicative. Instead of paying benefits itself, PBGC could purchase annuities from private sector insurance companies once benefit amounts and forms are known with certainty. This might shift investment and mortality risk to the private sector. However, cost savings are unlikely and PBGC might remain liable if the annuity provider became insolvent (i.e., it might end up insuring the insurer). A 1991 NAPA study found that privatization of the function is not a practical alternative, because lack of profitability prevents the creation of a private sector market for insuring defined pension benefit plans.

Evidence: Legislative History of the Employee Retirement Income Security Act of 1974 (Committee Print compiled by the Subcommittee on Labor of the Senate Committee on Labor and Public Welfare) (1976). PBGC Annual Report 2003.

PART Performance Measurements

Program: Pension Benefit Guaranty Corporation
Agency: Department of Labor
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	86%	75%	Effective

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: NO Question Weight 20%

Explanation: The statute under which PBGC operates prevents it from following many insurance industry best practices. Its premium structure does not adequately reflect the risks and exposure individual plans pose for PBGC and is not flexible enough to address PBGC's changing revenue needs. Funding rules, intended to control these risks and exposures, are inadequate despite several attempts to strengthen them. As a result, certain industries have taken disproportionate advantage of the insurance program. The benefit determination process is long and complex and a concern for some participants who want to know quickly how PBGC trusteeship will affect them. Legislative changes would be needed to fix many of these problems.

Evidence: See Secretary Chao's message in PBGC's 2003 Annual Report: (<http://www.pbgc.gov/publications/annrpt/2003txt/2003chairman.htm>). See also the report of the Executive Director in that same 2003 Annual Report: (<http://www.pbgc.gov/publications/annrpt/2003txt/2003execdirector.htm>). Testimony by the Executive Director on October 14, 2003, before the Special Committee on Aging: (http://www.pbgc.gov/news/speeches/testimony_101403.htm). OMB Statement of Administration Policy (<http://www.whitehouse.gov/omb/legislative/sap/108-2/hr3108sap-s.pdf>).

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight 20%

Explanation: Appropriate internal controls assure that benefits are paid only to those who are entitled to them.

Evidence: Draft KPMG Internal Controls Assessment (Section C - Benefit Determinations), dated July 1, 2004 from KPMG to David Harvey (PBGC). Also see Highlights section of PBGC's 2003 Annual Report: (<http://www.pbgc.gov/publications/annrpt/2003txt/2003highlights.htm>). PBGC's Guarantee Limits: An Analysis of Benefits Received by Participants in Selected PBGC-Trusteed Plans, published in PBGC's Pension Insurance Data Book 1999, (<http://www.pbgc.gov/publications/databook/databook99.pdf>). FY 2004-2008 Strategic Plan.

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight 13%

Explanation: PBGC's mission is to encourage the continuation and maintenance of defined benefit plans, to provide for the timely and uninterrupted payment of pension benefits to participants and beneficiaries, and to maintain premiums at the lowest level. PBGC has two overarching program goals to address its mission: 1) encourage a stable, adequately funded system of private pension plans; and 2) provide responsive, timely and accurate services to participants in trusteed plans. From these goals, PBGC has developed eight performance measures of outcomes that tie to the mission.

Evidence: (1) ERISA Sec. 4002; (2) FY 2004-2008 Strategic Plan (on the web at http://www.pbgc.gov/about/StrategicPlan_FY04-08.htm); (3) 2005-6 Goal, Indicator, Initiative Matrix [11Mar04]

PART Performance Measurements

Program: Pension Benefit Guaranty Corporation
Agency: Department of Labor
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	86%	75%	Effective

- 2.2 Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight: 13%
- Explanation: PBGC does not have ambitious targets for the first of the two goals identified in 2.1 above "(encourage a stable, adequately funded system...)". Possible ambitious targets relating to this important goal might include "reducing the risk of plan failures through corrective or pre-emptive action before a plan becomes insolvent," and (b) "identifying developing unfunded liabilities earlier." For its second goal ("provide responsive, timely and accurate services"), PBGC does have ambitious targets and time-frames: customer-satisfaction measures (ACSI scores of 77 for practitioners and 80 for participants by 2008).
- Evidence: See II.2.1, plus American Customer Satisfaction Index, (ACSI) 2003; 2005-6 Goal, Indicator, Initiative Matrix [11Mar04]; FY 2004 Executive Information Reports.
- 2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 13%
- Explanation: The program has specific annual performance targets for each of its eight long-term outcome goals. For example, Customer Satisfaction indices are defined as annual targets and as long term outcomes, and similarly for costs. In addition, the program also tracks leading indicators of its annual measures.
- Evidence: See II.2.1, plus American Customer Satisfaction Index, (ACSI) 2003; 2005-6 Goal, Indicator, Initiative Matrix [11Mar04]; FY 2004 Executive Information Reports.
- 2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 13%
- Explanation: PBGC has ambitious targets for its annual measures and has established baselines. For example, PBGC has targets for five different groups of customers that cover all communication channels. In each of the five categories, the current Customer Satisfaction Index score is at or above the average score for all government agencies dealing with a similar customer base. Despite the high current scores, PBGC's targets require future improvements.
- Evidence: See II.1 plus American Customer Satisfaction Index, (ACSI) 2003; 2005-2006 Goal, Indicator, Initiative Matrix [11Mar04]; FY 2004 Executive Information Reports.
- 2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight: 13%
- Explanation: PBGC obtains the commitment of its contractors providing direct support (e.g., FBA, auditor and actuarial) and those providing indirect support (e.g., information systems) to its annual or long-term goals. Additionally, PBGC communicates with its contractors in virtually the same extent that it does with its employees.
- Evidence: FBA workplans; PBGC Town Hall Meetings, Web site, E-Mail notices [All relating to disseminating information about goals and strategic planning for the corporation.]

PART Performance Measurements

Program: Pension Benefit Guaranty Corporation
Agency: Department of Labor
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	86%	75%	Effective

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 13%

Explanation: Evaluations on both a regular and as-needed basis have been performed and continue to be performed by independent and objective entities. One of the activities performed by the OIG in developing its annual audit plan is soliciting input from the Board of Directors and senior managers to identify the challenges facing PBGC. Currently, PBGC is undertaking an effort to improve its internal controls program, including development of a risk assessment process so that it may be able to self-identify what changes are needed to its internal controls based on changes to PBGC's internal and external environments.

Evidence: Audited Financial Statement; Audited Annual Report; GAO reports; NAPA Study; President's Management Agenda Report Card. The Office of Inspector General Final Evaluation Report, "Evaluation of the Field Benefits Administration Concept" (initiated at the request of the COO and Chief Management Officer), "Review of PBGC's Premium Accounting Process", and "Network Penetrating Testing". Also see the OIG Semiannual Report to the Congress (<http://oig.pbgc.gov/>). 2004 Internal Control Review Project.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: YES Question Weight: 13%

Explanation: PBGC submitted a Performance Budget for FY 2005 that fully aligned performance goals with its new budget structure, and that presented the PBGC's resource needs in a complete and transparent manner which OMB approved and incorporated into the President's Budget. The new structure provides better alignment of budget activities with PBGC's major lines of business, strategic goals, and enterprise architecture, as well as improved oversight from OMB and Congress.

Evidence: FY 2005 Performance Budget

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight: 13%

Explanation: PBGC has made significant strides in improving its strategic planning by clarifying its goals, focusing on outcomes and measures, and prioritizing initiatives on the basis of alignment to those goals and measures. PBGC has also aligned its strategic plan with its information technology (enterprise architecture) plan, its human-capital plan, its budget process, and is developing a communications plan that ties all of these facets together in a cohesive whole.

Evidence: Compare, Strategic Plans from previous years to FY 2004-2008 Strategic Plan (on the web at www.pbgc.gov).

PART Performance Measurements

Program: Pension Benefit Guaranty Corporation
Agency: Department of Labor
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	86%	75%	Effective

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: NO Question Weight:14%

Explanation: PBGC collects information on some terminating and bankrupt plans, and monitors publicly available information such as news sources about transactions, Dunn&Bradstreet bankruptcy reports, changes in Bloomberg's and Moody's credit ratings for plan sponsors that issue bonds, and "reportable events" (self-reported by plans). But PBGC's information on many plans is two years old, and in general the agency does not appear to have reliable, timely information on unhealthy plans that have not yet caught the attention of the public. Therefore, PBGC does not have information that permits it to timely and credibly monitor the stability and adequate funding of the private pension plan system.

Evidence: Monthly Executive Information Reports; Monthly Financial Reports; Annual ACSI Reports; Monthly Status Reports of IT Projects; Cycle of Service Surveys; OIG audit process (<http://oig.pbgc.gov>)

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight:14%

Explanation: Senior level managers' performance standards (including the implementing performance agreements) directly link to short- and long-term goals in PBGC's strategic plan and measure their performance in meeting those goals, fully taking into account cost and schedule considerations. Performance standards for supervisors and mid-level managers require them to "develop work plans that are realistic and responsive to PBGC/unit goals" to achieve a "fully effective" rating. Managers conduct quarterly reviews with employees to discuss goals and accomplishments. Decisions on contract renewals weigh data that analyze the extent to which the contractor met cost, schedule, and performance results on previous PBGC contracts. Improvements in project management where boards/committees provide oversight to major initiatives enable better monitoring of cost and progress status.

Evidence: Senior Level and Supervisor/Manager Performance Standards; Monthly Status Reports of IT Projects; System Life Cycle Management (SLCM); Contract Audits, both pre- and post-award (see PBGC's intranet: http://intranet/finbudpur/contract_audits/types_of_contract_audits.cfm). IOD's workplans (see IOD's standard desktop icons On-Line Manuals;TP35 and for contractor reviews TP41).

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight:14%

Explanation: PBGC is a self-financing federal corporation. Financial systems and management oversight ensure timely and appropriate obligation of corporate funds. Both the Budget Department and Financial Operations Department generate reports and conduct reviews to help managers monitor obligations. The Budget and Planning Integration Team (BPIT) of senior managers reviews budget execution throughout the year to ensure obligations address corporate performance goals and operational priorities. DOL and OMB provide oversight through monitoring of execution per Circular A-34.

Evidence: SF-133 reports

PART Performance Measurements

Program: Pension Benefit Guaranty Corporation
Agency: Department of Labor
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	86%	75%	Effective

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight:14%

Explanation: In FY 2004, PBGC established cost efficiency goals and began measuring against them. For the 2006 budget formulation cycle, PBGC continued using a business case process wherein project leaders present justifications that include return-on-investment analyses and performance measures. The outcome of this process is funding decisions based on meaningful and timely information. This is followed with monthly reviews of major IT projects by the Operations Integration Board and quarterly and annual reviews by the Information Technology Investment Review Committee.

Evidence: Strategic Plan for 2004-2008; Annual outcome measures; sample business cases for IT and business initiatives; Portfolio management

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight:14%

Explanation: Collaborative programs include Form 5500 pension plan data sharing with other DOL programs; debt collection through the Treasury Department; safeguarding tax return information from the IRS; memorandum of understanding with SSA to share salary and death information to expedite determining and paying pension benefits; assisting certain participants to acquire health insurance premiums. PBGC collaborates with Treasury, DOL and Commerce on regulations and legislation.

Evidence: Agreements with IRS, SSA and DOL; Health Coverage Tax Credit program

3.6 Does the program use strong financial management practices? Answer: YES Question Weight:14%

Explanation: PBGC has received an unqualified (clean) opinion on its financial statements and no instances of noncompliance with laws and regulations were found for 11 straight years. It has met accelerated reporting deadlines and will continue to meet internal and external reporting requirements.

Evidence: PBGC 2003 Annual Report; 2003 Clean Audit Opinion by the Office of the Inspector General

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight:14%

Explanation: The program takes steps to address management deficiencies it identifies and those identified by parties external to the organization, most notably, the reduction in benefit processing timeframes and improvements in customer service. PBGC developed an approach to better communicate audit resolution requirements and clarify expectations. In 2002, when the Administration first used scorecards for the President's Management Agenda, PBGC was one of the few agencies that met all core criteria ("green") in four of five categories, had no "red" conditions, and had one "yellow" condition for the human capital initiative. PBGC has since developed a Human Capital Plan and is taking meaningful steps to address human resource issues.

Evidence: PBGC Annual Reports; NAPA Study; Workforce Planning Study and Implementation Plan; PMA Report to OMB October 2002; Baldrige Assessment: Status of Opportunities for Improvement 9/30/03; OIG Report on Internal Control 2002, 200-7/23138-2, FOD-268

PART Performance Measurements

Program: Pension Benefit Guaranty Corporation
Agency: Department of Labor
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	86%	75%	Effective

3.BF1 Does the program have oversight practices that provide sufficient knowledge of grantee activities? Answer: YES Question Weight: 0%

Explanation: PBGC staff maintains an ongoing dialogue with its practitioner, employer, and participant customers through its customer service call centers, focus groups, conference speeches, meetings with practitioners representing small and large businesses, and general inquiry program for legal questions. These contacts ensure that PBGC is aware of its customers' concerns so that it can make appropriate changes in its rules and policies. For example, in response to practitioner concerns about the timing of PBGC premium filings, the PBGC issued a significant regulation to conform its deadline to the deadline for the Form 5500. As another example, the PBGC worked closely with representatives of practitioners, employers, and participants in amending its reportable events regulation through negotiated rulemaking, resulting in a significant regulation and a Hammer Award from the National Performance Review. The PBGC also makes effective use of the 'notice-and-comment' rulemaking process in soliciting and giving full consideration to public comments in its preparation of significant regs.

Evidence: Final rule on PBGC benefit payments, FR, 4/8/02; final rule extending premium deadline, FR, 12/14/98; proposed and final rules on recoupment of benefit overpayments, FR, 12/18/97 and 5/29/98; proposed and final rules on reportable events, FR, 7/24/96 and 12/2/96.

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: SMALL EXTENT Question Weight: 25%

Explanation: PBGC has set targets and measured progress in achieving customer service goals since 1995. In 2001, PBGC began using the American Customer Satisfaction Index to measure results and to compare itself with other federal and private-sector entities. According to this index, it has steadily made progress in meeting its customers' needs. Efficiency goals are established through 2006. But it cannot be said that the PBGC has made progress in achieving its long term goal of promoting adequate funding for insured plans. The private defined benefit pension system has become seriously underfunded during the past two years. While the PBGC is not directly responsible for this deterioration in funding, balancing the above factors leads to the "small extent" answer to this question.

Evidence: ACSI reports 2001-2003; PBGC Annual Report 2003; Strategic Goal Matrix; Cost efficiency calculation; 4010 Summary. PBGC 2003 Annual Report pages 1, 5-7, and 10 (<http://www.pbgc.gov/publications/annrpt/03annrpt.pdf>); Kandarian speeches 3/11/03 (http://www.pbgc.gov/news/speeches/testimony_031103.htm), 4/30/03, 9/4/03, 9/15/03, 10/14/03; GAO testimony 9/4/03 (GAO-03-873T); Peter Fisher testimony 4/30/03 (JS-337), 7/15/03 (JS-556), and 9/15/03 (JS-732); and statements by the Chairmen of the House Committee on Education and the Workforce and the Senate Finance Committee to hold hearings on pension reform (<http://edworkforce.house.gov/press/press108/second/02feb/pensionhr022504.htm>).

PART Performance Measurements

Program: Pension Benefit Guaranty Corporation
Agency: Department of Labor
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	86%	75%	Effective

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: LARGE EXTENT Question Weight 25%

Explanation: In addition to the explanation in 4.1, PBGC has consistently achieved its annual performance goals in the customer service arena. In fact, PBGC achieved a score of 84 in 2003 for retirees, the second highest in the federal government. The PBGC-Participants score of 77 was 7 points higher than the 2003 national federal government ACSI score of 70. The score is comparable to private sector life insurance companies (score of 79) also measured in the ACSI. We also scored favorably (69) in programs similar to ours (involving revenue collection). This was achieved at a time when PBGC assumed responsibility for an additional 200,000 participants in 152 plans, the most ever in one year. PBGC consistently supports pension funding reforms.

Evidence: See evidence in 4.1. PBGC 2003 Annual Report; Annual GPRA Report (<http://www.pbgc.gov/publications/annrpt/2003txt/2003performancerpt.htm>). ACSI Report 2003 (<http://www.theacsi.org/government/govt-03.html>). "Measuring Public Satisfaction with Government Agencies; Several Federal Offices Are Trying Harder, Survey Shows." Ann Hull. The Washington Post. Washington, D.C.: December 15, 2003. pg. A.29. Strategic Plan 2004-2008 (http://www.pbgc.gov/about/StrategicPlan_FY04-08.htm). "Subcommittee Hears Options for Long-Term, Comprehensive Reforms to Strengthen Defined Benefit System, Worker Retirement Security," John Boehner, Chairman, Committee on Education and the Workforce, April 29, 2004 (<http://edworkforce.house.gov/press/press108/second/04April/pensions042904.htm>).

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight 25%

Explanation: For 10 years PBGC has set annual initiatives targeted to improve process efficiencies. These efforts have led to a dramatic reduction in the time it takes to determine the amount of participants' benefits. Annual production of benefit determinations increased from about 20,000 to at least 60,000 per year from 1995 on, reaching 75,000 in 2001, 82,000 in 2002 and 92,000 in 2003. This increased production lowered the average age of the determinations issued from 8 years in the early 1990s to 2.2 years in 2003. PBGC has reengineered its process for participant appeals of benefit determinations, reducing the cycle time from 2-3 years down to 6 months, on average, and eliminating a backlog of over 3,000 appeals. The cost efficiency measure results indicate that although the workload has increased dramatically, the cost per participant in terminated plans has dropped by 25% since 2000.

Evidence: PBGC Annual Report 2003; FY 2005 Performance Budget and Reapportionment Requests; Cost efficiency calculation 2004

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NA Question Weight: 0%

Explanation: At first blush, PBGC might seem comparable to private insurance companies, to programs that pay retirement benefits (such as VA and OPM), and to programs that collect funds (such as IRS). However, the appropriateness of these comparisons is open to serious question. PBGC does not control its exposure through underwriting the way private insurance companies do; its beneficiaries, and the benefits it provides, are different than VA's and OPM's; and the PBGC's rationale and financial basis for collecting funds is significantly different than IRS's.

Evidence: American Customer Satisfaction Index results 2001-2003 (<http://www.theacsi.org/government/govt-03.html>).

PART Performance Measurements

Program: Pension Benefit Guaranty Corporation
Agency: Department of Labor
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	86%	75%	Effective

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: YES Question Weight 25%

Explanation: Independent audits by PriceWaterhouseCoopers have resulted in unqualified opinions on PBGC's statements of financial condition for 11 years. GAO reports substantiate results. In 1999, the National Association for Public Administration recommended that PBGC integrate human resources planning with strategic planning. A Human Capital Plan has been integrated with the corporate strategic plan. A recent evaluation of the field benefit administration operation attests to the effectiveness of this program.

Evidence: OIG 2003 reports; PBGC 2003 Annual Report; NAPA study; Human Capital Plan; 2004 Field Benefit Administration Evaluation

PART Performance Measurements

Program: Pension Benefit Guaranty Corporation
Agency: Department of Labor
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	86%	75%	Effective

Measure: The average funded ratio for total filings at the end of the calendar year

Additional Information: ERISA requires plan sponsors to submit 4010 filings when plans are underfunded by \$50 million or minimum funding waivers of \$ 1million have been granted. PBGC computes the average funded ratio for total filings at the end of the calendar year, and reports actual versus target results.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2001		80%	
2002		65%	
2003		70%	

Measure: ACSI for Practitioners, an index to measure customer satisfaction in PBGC (0-100 scale).

Additional Information: A measure of customer satisfaction

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2002	Baseline	69	
2003	70	69	
2004	71	69	
2005	72		
2006	74		
2007	76		
2008	78		

PART Performance Measurements

Program: Pension Benefit Guaranty Corporation
Agency: Department of Labor
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	86%	75%	Effective

Measure: ACSI for Practitioner Web-site Visitors, a measure of customer satisfaction with pbgc.gov.

Additional Information: A measure of customer satisfaction with pbgc.gov

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	Baseline	73	
2004	73		
2005	74		
2006	75		
2007	77		
2008	78		

Measure: Administrative cost per participant in covered plans

Additional Information: Total budget for pension insurance over total number of participants in PBGC covered plans

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004		\$0.57	
2005	\$.039		
2006	\$.039		

Measure: ACSI for Retirees

Additional Information: A measure of customer satisfaction with services provided by PBGC

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	Baseline	84	
2004	84		

PART Performance Measurements

Program: Pension Benefit Guaranty Corporation
Agency: Department of Labor
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	86%	75%	Effective

2005	84
2006	84
2007	84
2008	85

Measure: ACSI for Participants (retirees and beneficiaries calling PBGC's customer contact center), an index of customer satisfaction in PBGC (0-100 scale).
Additional Information: A measure of satisfaction for customers who call our Customer Contact Center

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2001	Baseline	73	
2002		74	
2003	74	77	
2004	77	78	
2005	78		
2006	80		
2007	80		
2008	80		

Measure: ACSI for Participant Web-site Visitors
Additional Information: A measure of satisfaction for customers who use pbgc.gov

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2003	Baseline	61	

PART Performance Measurements

Program: Pension Benefit Guaranty Corporation
Agency: Department of Labor
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	86%	75%	Effective

2004	61
2005	63
2006	67
2007	69
2008	71

Measure: Cost per Participant in Trusteed Plans

Additional Information: Budget for plan termination over the total number of single-employer participants receiving or due to receive benefits

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004	Baseline	\$287	
2005	\$278		
2006	\$278		

PART Performance Measurements

Program: Permanent Labor Certification Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	42%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: Employers who wish to hire foreign workers for permanent positions in the U.S. must obtain a "certification" from the Department of Labor (DOL). The program serves a protective function; immigration law requires that, before certain aliens are allowed to immigrate to the U.S. for employment, DOL "certify" to the Departments of Homeland Security (DHS) and State (DOS) that no qualified U.S. workers are available and that hiring the foreign worker will not adversely affect U.S. wages or working conditions. An employer's application to DOL must establish that the employer has unsuccessfully recruited U.S. workers (availability prong) and, if permitted to hire the worker who is the subject of the application, will comply with program requirements with respect to wages and working conditions (worker protection prong). The certification allows the employer, as the alien's sponsor, to petition DHS for an immigrant visa. DHS approval authorizes DOS to assign the worker a visa number, which the worker can use to gain Legal Permanent Residency (the much sought-after "green card").

Evidence: Immigration and Nationality Act (INA) §212(a)(5)(A), 8 USC §1182(a)(5)(A) (requirements for labor certification and qualification for certain aliens); 20 CFR Part 656 (labor certification requirements for permanent employment of aliens); DOL Office of Inspector General (OIG) Rept. 06-03-007-03-321 9/30/2003 (program is intended to ensure that employment of foreign worker on a permanent basis will not adversely affect wages and working conditions of U.S. workers similarly employed; "DOL must certify to [DHS] that no qualified workers are available and willing to accept the job at the prevailing wage for that occupation in the area of intended employment"); and <http://uscis.gov> (description of immigration petition and visa process).

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight 20%

Explanation: The program helps employers meet their need for skilled labor while seeking to prevent potential displacement of U.S. workers and the dilution of U.S. wages and worker protections. Employers who have specialized needs or are in industries experiencing labor shortages have the option to hire a foreign worker if they test the labor market and abide by certain wage and fair labor standards. The popularity of the program is evident in the large number of applications, which employers can file under either a lengthy "traditional" process (three years or more to obtain labor certification) or an expedited Reduction-in-Recruitment or "RIR" process (less than one year for certification). Employers file their applications with State Workforce Agencies (SWAs), which conduct a detailed review and supervise recruitment for U.S. workers. Regional offices for DOL's Employment and Training Administration (ETA) conduct an independent review of State-approved applications.

Evidence: INA §212(a)(5)(A), 8 USC §1182(a)(5)(A); 20 CFR Part 656; and www.oig.dol.gov, OIG Rept. 06-03-007-03-321 9/30/2003 (describing purpose of program, separate application processes). In FY 2003, SWAs received over 97,500 "traditional" applications for permanent employment, and approximately 75% of applications for permanent labor certification processed in DOL regional offices were submitted through the RIR process. After an extension in 2001 of a filing deadline for a separate immigration program (under INA §245(i)) that authorized employment-based immigration by individuals not usually eligible, DOL's permanent labor certification program received 235,000 applications more than its annual average, significantly contributing to its backlog.

PART Performance Measurements

Program: Permanent Labor Certification Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	42%	

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: YES Question Weight 20%

Explanation: The federal government has exclusive authority to regulate immigration. Federal statute exclusively authorizes and requires the Secretary of Labor to make a determination about the (un)availability and protection of U.S. workers before an alien can be approved for admission as an immigrant based on permanent employment. This program's activities are not duplicated in the state, local, or private sector, although portions of the program do require assistance and information from state agencies and although, as a matter of program design (that is, within the program), there is some duplication of review functions by federal and state administrators.

Evidence: See, for example, U.S. Senate, Committee on the Judiciary, Executive Business Meeting 7/13/2003, Statement of Sen. Jeff Sessions (describing Congress' plenary power over immigration policy); INA §212(a)(5)(A), 8 USC §1182(a)(5)(A) (requirements for labor certification and qualification for certain aliens); and 20 CFR Part 656 (labor certification requirements for permanent employment of aliens).

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: NO Question Weight 20%

Explanation: It is appropriate for this program's services to be provided by federal agencies, with assistance from state offices or outside contractors. However, the current process is paper-intensive, duplicative in places, and inefficient, all of which compounds the program's backlog burden and vulnerability to fraud and abuse. In addition, there are no "remoteness" checks on the employer's labor market test; it could be years between the recruitment efforts described in an application to DOL and the time a labor certification issues or the alien adjusts to permanent resident status (certification may take three years or more, immigration petitions and visas additional years), undermining confidence that U.S. workers are not available. Further, the certification itself lacks critical safeguards. After DOL approval: (1) there are no time constraints for submitting a petition to DHS, (2) the employer can substitute one alien for another, and (3) certifications are valid indefinitely, all of which fuels a profitable underground market for them. DOL has proposed reforms.

Evidence: PricewaterhouseCoopers, Permanent Labor Certif. Process Mgmt. Review 1/2002 (PWC study), www.doleta.gov/sga/rfp/PWCfinalReport.cfm (describing labor-intensive, primarily paper-based process, and making recommendations); OIG Rpts. 06-03-007-03-321 9/30/2003 (citing numerous program weaknesses, including fraud, abuse, or failure to comply by employers, workers, or agents of either party, making labor certification programs one of DOL IG's "top ten concerns") and 06-96-002-03-321 5/22/1996 (labor market test poorly designed, provides little protection for U.S. workers; most aliens already in the country and working for the same employer), and Semiann. Rept. to Congress for 10/1/2003 - 3/31/2004 (integrity of labor certification programs remains major management challenge for DOL; recommended documenting that position really exists, limiting validity period of certifications, enhancing DOL authority, prohibiting substitution of employees on approved certifications, and prosecuting sale of certifications); 67 Fed.Reg. 30466 5/6/2002 (rule proposing program reforms).

PART Performance Measurements

Program: Permanent Labor Certification Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	42%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%

Explanation: As required by statute, the permanent labor certification program is employer-focused, with the employer's application serving as: (1) the vehicle through which DOL receives the requisite information about the need for a foreign worker and the employer's efforts to test the labor market, and (2) the basis upon which the agency determines whether to issue a certification. Although the program benefits many foreign workers seeking to gain permanent entry into the U.S., the certification process is driven by employers, who are the immediate customers for the service.

Evidence: INA §212(a)(5)(A), 8 USC §1182(a)(5)(A) (requirements for labor certification and qualification for certain aliens), and 20 CFR Part 656 (labor certification requirements for permanent employment of aliens).

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 13%

Explanation: Program goals center around expeditious, cost-effective review of applications. Multi-year goals address processing times and backlog reduction, which are stakeholder priorities. In addition, ETA is developing an efficiency measure to help it determine, and manage against, the cost of certifications in each of its foreign labor programs. The program plans to eliminate its 315,000 case backlog within two years, an ambitious target that may be aided by centralization of processing activities and employer decisions to convert backlogged applications to a new, streamlined system. The goal to reduce processing time to six months for 90% of applications, though ambitious relative to current 32-month processing, may not be either sufficiently tailored or ambitious for the new automated review process, if program reforms go as planned, and processing rates are as high as envisioned. However, the aggressiveness of this target cannot be judged until execution of and experience with the new system. Program goals and targets should be reassessed, and revised or supplemented as needed, once program reforms take effect.

Evidence: ETA Congressional Justification submitted with the President's Budget for FY 2005: (1) Reduce average processing time such that 90% of new applications are processed within six months of filing (target ambitious relative to current processing time of 32 months; target remains same in future years; contingent on implementation of reforms). (2) In 2004, reduce backlog of permanent applications by 36.5% from 270,000, and in 2005, by 42% from 171,450 (revised goal: elimination of backlog by end of 2006). (3) Goal for 2003 was to "assist employers in meeting their workforce needs by providing them with expeditious determinations on their applications to hire foreign workers under the [permanent, H-1B, and H-2B programs]". (4) Goal for 2001 and 2002 had been to "promptly review employer applications for foreign labor certification". Goals tie to program's mission and DOL's Strategic Goal 4, A Competitive Workforce. Numerical targets for processing will almost certainly need adjustment upon implementation of the new, automated system and centralized processing.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 13%

Explanation: The program's goal to eliminate its backlog within two years is ambitious. The goal to reduce processing time to six months for 90% of applications may not be either sufficiently tailored or ambitious for the new automated review process. However, as stated above, the aggressiveness of this target cannot truly be judged until execution of and experience with the new system.

Evidence: ETA, Congressional Justification submitted with the President's Budget for FYs 2005 (listing goals for FY 2004 and 2005) and 2004 (goals for FYs 2001, 2002, and 2003).

PART Performance Measurements

Program: Permanent Labor Certification Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	42%	

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight:13%

Explanation: The emphasis on processing times and backlog reduction of the long-term goals is mirrored in the program's annual goals (currently the same long-term measures, but with interim/annual targets). ETA's "per certification" measure will track efficiencies on both an annual and long-term basis. However, program goals and targets should be reassessed once program reforms take effect, to ensure they are well-targeted and ambitious relative to new or modernized program activities.

Evidence: ETA, Congressional Justification submitted with the President's Budget for FYs 2005 (listing goals for FY 2004 and 2005) and 2004 (goals for FYs 2001, 2002, and 2003).

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight:13%

Explanation: Program goals lack specific, ambitious annual targets. For example, the published backlog reduction targets would not result in elimination of the backlog in two years, as the program currently plans. And the goal to reduce processing time to six months for 90% of applications (currently 32 months) may not be either sufficiently tailored or ambitious for the new automated review process, if processing rates hold true to plan. Annual goals must be updated to reflect the program's best and latest information on, and current expectations for, processing and backlog reduction.

Evidence: ETA, Congressional Justification submitted with the President's Budget for FYs 2005 and 2004: (1) Reduce average processing time such that 90% of new applications are processed within six months of filing. (2) In 2004, reduce backlog of permanent applications by 36.5% from 270,000, and in 2005, by 42% from 171,450 (revised goal: elimination of backlog by end of 2006).

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight:13%

Explanation: SWAs are federally funded to administer various labor certification program activities. DOL oversight is based on written, centrally prepared guidance issued to both states and DOL regional offices, which monitor administration of the program. Regional offices establish and oversee priorities for states under their jurisdiction, and frequently engage with state offices on issues of practice and policy. Grants to states are: (1) contingent upon submission of state program plans; (2) subject to regular reporting by states; and (3) based on an allocation formula that incorporates productivity measures. State data is collected, analyzed, used to manage the program, and tracked against broader backlog reduction objectives. Please note: The redesigned permanent program, as proposed by DOL, would significantly reduce the role of the States -- SWAs would simply issue prevailing wage determinations to accompany employers' applications to DOL -- largely obviating the need for state accountability measures in this particular program.

Evidence: ETA Field Memorandum No. 9-04, Role of State Agencies for Foreign Labor Certification in FY 2004 (3/31/2004), providing States with "guidance for the funding and management of [] annual grant allocation for the Alien Labor Certification Program". Some states use performance measures related to labor certification as part of their own strategic planning or program management initiatives. See, for example, State of New Mexico, Governor's Office of Workforce Programs, Employment and Training Program Survey, <http://gowp.state.nm.us/pdf/aliensurv.pdf> (mission includes activities to "provide assistance to the US Department of Labor for alien labor certification"; two program goals are to "process temporary and permanent labor certifications" and "provide prevailing wage information").

PART Performance Measurements

Program: Permanent Labor Certification Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	42%	

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight:13%

Explanation: In 2003, the DOL Inspector General completed an audit of the Department's labor certification programs, including the permanent program. In 2002, PricewaterhouseCoopers concluded a process evaluation for the permanent program whose recommendations DOL has gone on review and, where appropriate, implement. The Department has proposed reforms to the program in response to these and previous evaluations with consistent findings.

Evidence: PWC study 1/2002, www.doleta.gov/sga/rfp/PWCfinalReport.cfm; OIG, www.oig.dol.gov, Semiann. Repts. to Congress for 10/1/2003 - 3/31/2004 and 4/1/2003 - 9/30/2003; OIG, Top Mgmt. Issues at the Dept. of Labor 1/2004; OIG Rpts. 06-03-007-03-321 9/30/2003 and 06-96-002-03-321 5/22/1996.

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight:13%

Explanation: Like the rest of DOL, ETA does not have an integrated accounting and performance management system to identify the full cost of achieving this program's performance goals and support day-to-day operations.

Evidence: ETA Congressional Justification submitted with FY 2005 President's Budget; DOL Strategic Plan for FYs 2003-2008, www.dol.gov/_sec/stratplan/strat_plan_2003-2008.htm (describing DOL's budget/performance integration efforts).

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight:13%

Explanation: The Department's budget/performance integration effort includes a "full cost accounting" initiative that reaches into each DOL agency, and DOL's FY 2005 budget submission moved closer to fully integrating performance goals with budget information. ETA is working to develop and refine a limited number of well-targeted, ambitious annual and long-term goals appropriate for the redesigned program it has proposed. The permanent labor certification program has developed an efficiency measure (cost of processing labor certifications in each labor certification program), to be implemented in FY 2005, to strengthen cost analysis and inform long-term planning.

Evidence: ETA, Congressional Justification submitted with the President's Budget for FY 2005 (listing goals for FY 2004 and 2005). Proposed goals tie to the program's mission and DOL's Strategic Goal 4, A Competitive Workforce.

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight:14%

Explanation: ETA collects and uses information from numerous sources to evaluate and improve program management, including reports from state and regional offices, caseload data from its internal tracking system, feedback from employers and other stakeholders, and findings from OIG and external program evaluations. One significant example: ETA has redesigned the program in response to longstanding concerns raised by experts and stakeholders, and is developing new goals for the redesigned program.

Evidence: See, for example, ETA Field Memorandum No. 9-04, Role of State Agencies for Foreign Labor Certification in FY 2004 (3/31/2004) (reporting requirements for state agencies receiving DOL grants that support labor certification and other employment services).

PART Performance Measurements

Program: Permanent Labor Certification Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	42%	

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results? Answer: YES Question Weight:14%

Explanation: Funding to states is tied to productivity rates, and state partners are held accountable for planning and results. DOL ties performance ratings for managers and supervisors to the achievement of Departmental and program-specific goals and outcomes; employee evaluations are aligned on a fiscal year cycle to help cascade standards to non-supervisory personnel. One concern of note: In part due to planning and implementation of major reforms, the program currently lacks a set of specific numerical targets against which to assess managerial and staff performance on an annual basis. Once a new system is in place, prompt attention to the development of appropriate goals and numerical targets will strengthen accountability.

Evidence: DOL's Revised Performance Management Plans for Senior Executives (Form DL 1-2059, Rev. 10/2001) and for Supervisors and Managers (Form DL 1-382, Rev. 10/2001); ETA Field Memorandum No. 9-04, Role of State Agencies for Foreign Labor Certification in FY 2004 (3/31/2004)

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight:14%

Explanation: Salaries and expenses funding is obligated in a timely manner, according to the ETA spending plan. State activities for the permanent program are funded on an annual basis. The formula allocation is based on weighted factors, the grants are awarded in accordance with ETA policy and procedures, and each year ETA issues guidance to the States regarding their role in foreign labor certification. The States, in turn, submit individual annual plans to ETA regional offices under the Wagner-Peyser annual funding agreement. Regional offices review and, as appropriate, approve the plans and state quarterly expenditure reports.

Evidence: ETA Field Memorandum No. 9-04, Role of State Agencies for Foreign Labor Certification in FY 2004 (3/31/2004); state annual plans; budget and accounting report, Status of Fund -- Alien Labor Certificaton (amounts obligated to each SWA in FY 2004); Form ETA-9037, State Alien Labor Certification Activity Report (state processing data reported semi-annually); quarterly reports from the EIMS financial system.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight:14%

Explanation: The framework for backlog reduction (adjudication of old cases) and streamlined processing (more efficient, effective review of new cases) is substantially complete, with backlog elimination centers scheduled to open in late Summer 2004 and a new, automated review system going into effect in Fall 2004. Procedures are also in place to eventually unify all labor certification processing activities, which will leverage economies of scale (processing under one roof), technology, and staff resources. A new efficiency goal to be implemented in 2005, and specific numerical targets for performance goals (under development), will help ETA to better measure and improve efficiencies.

Evidence: 67 Fed.Reg. 30466 5/6/2002 (rule proposing program reforms); 69 Fed.Reg. 43716 7/21/2004 (interim final rule authorizing transfer of backlogged cases from states to backlog processing centers or regional offices for processing). The proposed efficiency measure would track the average cost of processing labor certifications for each of DOL's labor certification programs.

PART Performance Measurements

Program: Permanent Labor Certification Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	42%	

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight:14%

Explanation: ETA staff administering the permanent program coordinate and collaborate effectively: (1) internally, with ETA staff responsible for processing applications for temporary certification programs; (2) with state agencies reviewing applications and supervising employer recruitment at the local level; (3) with other DOL offices (like the Wage and Hour Division, the Office of the Solicitor, and the Office of Inspector General) as needed to combat fraud or meet other program objectives; and (4) with DHS and DOS, the other federal agencies administering later phases of this worker visa program. For example, ETA meets quarterly with CIS and DOS to discuss ways to reduce fraud in the foreign labor certification programs. In addition, ETA and CIS have formed a subgroup that meets monthly to share information on employers that are currently being investigated for fraud.

Evidence: See, e.g., Field Memorandum No. 9-04: 'Role of State Agencies for Foreign Labor Certification in FY 2004'; MOU between ETA and CIS, 5/3/1995, regarding the substitution of alien beneficiaries on approved Permanent Labor Certifications.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight:14%

Explanation: The program follows established DOL/ETA practices and is free of material internal control weaknesses as identified by auditors. State grants are audited as part of the uniform audit procedures, internal state auditing. ETA Regional Office staff regularly monitor spending.

Evidence: DOL's Annual Reports on Performance and Accountability for FY2003, www.dol.gov/dol/aboutdol/main.htm.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight:14%

Explanation: DOL has proposed program reforms, under the auspices of a new Program Electronic Review Management (PERM) system, that would: (1) speed up the process by allowing employers to attest to their recruitment efforts and other compliance and keep records in-house, instead of undergoing supervised recruitment and submitting detailed documentation; (2) eliminate paperwork by requiring electronic filing of applications; (3) significantly reduce the role of SWAs, which would be limited to issuing prevailing wage determinations for applications, thus eliminating duplicative review; and (4) institute automated security screens, and random and select audits, to protect against fraud. ETA expects to significantly improve the average time it takes to process an application and dramatically improve the program's overall efficiency, preventing future backlogs. In addition, ETA will centralize processing of old cases to eliminate the current backlog. The program is also working closely with OIG and other program stakeholders to improve broader anti-fraud strategies and mechanisms.

Evidence: 67 Fed.Reg. 30466 5/6/2002 (rule proposing program reforms).

PART Performance Measurements

Program: Permanent Labor Certification Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	42%	

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: **SMALL EXTENT** Question Weight: **25%**

Explanation: Since 2002, the program has achieved a number of milestones critical to its long-term health. The program has demonstrated progress through successful completion of qualitative, mission-critical goals, including: (1) the effective planning and/or completion of rulemaking, staff reallocations, and technological improvements underlying major program reforms; (2) the piloting of a new program model; and (3) the initiation of centralized backlog reduction efforts that will eliminate old cases now crowding state and DOL regional offices and free up program resources going forward. However, backlog elimination and efficient case processing are still only goals; the elimination of backlogged cases and the efficient, effective processing of new cases both hinge on successful implementation of program changes still in the planning stages or just recently put in place. The next PART assessment will focus more closely on the extent to which these more quantitative goals have been achieved.

Evidence: ETA Congressional Justification submitted with the President's Budget for FYs 2005 (listing goals for FY 2004 and 2005) and 2004 (goals for FYs 2001, 2002, and 2003).

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: **SMALL EXTENT** Question Weight: **25%**

Explanation: The program has achieved a number of in-year objectives critical to reform of the program. However, the program's quantitative goals currently lack appropriate, ambitious numerical targets against which to measure year-to-year progress.

Evidence: ETA Congressional Justification submitted with the President's Budget for FYs 2005 (listing goals for FY 2004 and 2005) and 2004 (goals for FYs 2001, 2002, and 2003).

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: **LARGE EXTENT** Question Weight: **25%**

Explanation: In FY 2003, DOL regional offices processed 7% more permanent program applications than they received, despite sharing staff across labor certification programs and processing a large number of applications for the temporary programs, which have priority. Separately, a 2003 pilot for the proposed streamlined process reduced the time it takes to process applications from an average of 618 days to 205 days and provided the platform for a more effective, resource-efficient program model. Of note: The program will not implement its efficiency measure until FY 2005.

Evidence: In FY 2003, regional offices received 87,006 permanent program applications and processed 93,195. Also see DOL/ETA Simulation Project Final Report 12/2003, Technology & Management Services, Inc. (TMS)(results of streamlining project pilot).

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: **NA** Question Weight: **0%**

Explanation: The permanent program appears to be most comparable to the H-2B program; their processes are very similar, although the H-2B program helps employers hire foreign workers on a temporary basis. However, because DOL is in the process of overhauling both programs, a comparison here would not be meaningful or appropriate.

Evidence:

PART Performance Measurements

Program: Permanent Labor Certification Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	42%	

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: SMALL
EXTENT

Question Weight 25%

Explanation: Ongoing stakeholder concerns and findings from program evaluations or OIG audits conducted in years past raise serious questions about the design, management, and accountability of the current program. DOL has proposed redesigns that begin to address the many valid points raised by program customers and reviewers. In addition, the program must continue to work closely with the OIG and other program stakeholders to collectively identify and address program weakness -- in particular, the serious fraud and abuse that continue to undermine this program.

Evidence: PWC study 1/2002; OIG, Semiann. Repts. to Congress for 10/1/2003 - 3/31/2004 (restating vulnerabilities of certification programs; making recommendations) and 4/1/2003 - 9/30/2003 (concern that redesigned system will reduce manual screening and reduce controls over application information, leading to increased fraud); OIG, Top Mgmt. Issues at the Dept. of Labor 1/2004 (citing extensive fraud in labor certification programs); OIG Rpts. 06-03-007-03-321 9/30/2003 (employers often do not comply with program criteria, may tailor job requirements to alien qualifications, or create nonexistent jobs to help gain immigrant status for friends or family; U.S. workers seldom hired; most aliens already occupying post or in the country and working for same employer; labor market test does not reflect availability of U.S. workers at time alien adjusts to permanent resident status) and 06-96-002-03-321 5/22/1996 (labor market test poorly designed, provides little protection for U.S. workers). Also see 67 Fed.Reg. 30466 5/6/2002 (rule proposing program reforms).

PART Performance Measurements

Program: Permanent Labor Certification Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	42%	

Measure: Percentage of backlogged applications for the Permanent Labor Certification program that are resolved each year (measured against backlog remaining each year).

Additional Information: The goal of eliminating the backlog by the end of FY 2006 is a result of an external evaluation conducted in 2002. Lengthy processing times are a major concern for program stakeholders. Though the goal is ambitious, there is a disconnect with the published targets, which cover only the state-level backlog of 270,000 cases (not the additional cases pending at the federal level) and would not accomplish the goal within two years.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004			
2005	20%		
2006	100%		
2007			

Measure: Percentage of employer applications for labor certification under the streamlined system that are resolved within six months of filing. (Measure to be reframed.)

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004			
2005	Baseline		
2006	TBD		
2007			

Measure: Average cost to process a new application under the new, streamlined program model. Under development.

Additional Information: ETA is developing a methodology for calculating the average cost of processing applications filed in each of its labor certification programs.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Long-term
2004			

PART Performance Measurements

Program: Permanent Labor Certification Program
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	42%	

2005

2006

2007

PART Performance Measurements

Program: Trade Adjustment Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
60%	86%	71%	20%	

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: The Trade Adjustment Assistance (TAA) program was established to address the special adjustment problems of workers dislocated as a result of Federal actions to reduce barriers to foreign imports.

Evidence: Trade Expansion Act of 1962 (PL 87-794); Trade Reform Act of 1974 (PL 93-618); Omnibus Trade and Competitiveness Act of 1988 (PL 100-418); NAFTA Worker Security Act (in North American Free Trade Agreement Implementation Act, PL 103-182); Trade Adjustment Assistance Reform Act of 2002 (PL 107-210).

1.2 Does the program address a specific interest, problem or need?

Answer: YES

Question Weight 20%

Explanation: The problem is workers laid off due to imports who may need assistance in finding a new job. TAA is traditionally linked to congressional approval of trade negotiating authority for the President. Workers certified eligible by DOL's Employment and Training Administration (ETA) may receive training, income support (at the weekly Unemployment Insurance (UI) level) while in training, and allowances for out-of-area job search and relocation. Changes enacted in August 2002 added a health insurance tax credit for TAA participants and a wage insurance demonstration for older workers. That demonstration will partially make up any earnings losses that may result from taking a new job.

Evidence: For the past four decades, policy officials have recognized that trade and a more global economy in general may lead to job losses in some firms and that workers may need assistance to ease the transition to new employment. For a recent example, see the Economic Report of the President, Transmitted to the Congress February 2002, United States Government Printing Office, Chapter 7, pages 272-274. This report is available at <http://w3.access.gpo.gov/eop/index.html>.

1.3 Is the program designed to have a significant impact in addressing the interest, problem or need?

Answer: YES

Question Weight 20%

Explanation: The program is designed to cover all trade-impacted workers using a DOL certification process and entitlement funding. The 2002 Trade Act authorizes a new wage insurance demonstration that is intended to mitigate earnings losses of older workers who choose a new job in lieu of training.

Evidence: 19 USC Section 2273 requires the Secretary to issue a certification of eligibility to apply for assistance for workers in any group which meets the group eligibility requirements as outlined in Section 2272. Section 2291 also requires the Secretary to make payments to adversely affected workers covered by a certification. DOL certified over 286,460 workers in FY 2002 and provided training and income support to 41,060 workers who requested it in order to find new jobs.

PART Performance Measurements

Program: Trade Adjustment Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
60%	86%	71%	20%	

1.4 **Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?** Answer: NO Question Weight 20%

Explanation: TAA provides training to a subset of all dislocated workers, many of whom are already eligible for services through the dislocated worker program authorized under the Workforce Investment Act (WIA). TAA is designed to help workers with trade-related job losses by providing a more generous package of services not otherwise available to dislocated workers. TAA supplements the core and intensive services available under WIA with extended income support for those in longer term training.

Evidence: TAA training expenditures (now capped at \$220 M per year) are in addition to \$1.46 B in Federal grants to States for dislocated workers (Program Year 2003). WIA formula grant funds and National Emergency Grants (NEGs) supplement TAA training funds when the TAA expenditure cap is reached.

1.5 **Is the program optimally designed to address the interest, problem or need?** Answer: NO Question Weight 20%

Explanation: TAA provides a narrow set of expensive benefits (training, income support, wage insurance, and a health insurance tax credit) and relies on other programs to provide the less expensive job search assistance and other reemployment services that evaluations have shown to be effective. Reemployment services are available from other DOL programs (WIA and the Employment Service). Audits by DOL's Office of the Inspector General point out the possibility that long-term TAA training may attract workers because of the available income support, not because it leads to successful labor market outcomes.

Evidence: Audit of Department of Labor Grants to Assist Trade-Affected Dislocated Workers in El Paso, Texas, Office of Inspector General, Report No. 06-02-003-03-340, November 19, 2001. For evidence on effectiveness of reemployment services, see New Jersey Unemployment Insurance Reemployment Demonstration Project, Unemployment Insurance Occasional Paper 89-3, U.S. Department of Labor, Employment and Training Administration; Targeting Employment Services, Randall W. Eberts, Christopher J. O'Leary, Stephen A. Wandner, editors, W.E. Upjohn Institute for Employment Research, Kalamazoo, MI: 2002.

2.1 **Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight 14%

Explanation: TAA is part of the Job Training Common Measures initiative. Accordingly, the program has adopted 4 specific long-term goals that will better measure the impacts of the program and allow comparisons across similar programs. DOL is implementing the common measures format and will establish numerical targets over the next year. The Administration's WIA reauthorization proposal identifies the common measures and applies them to TAA.

Evidence: DOL's FY 2003-2008 Strategic Plan (under development) and FY 2004 Annual Performance Plan. Strategic and performance plans are posted at <http://www.dol.gov/dol/aboutdol/main.htm>.

PART Performance Measurements

Program: Trade Adjustment Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
60%	86%	71%	20%	

2.2 Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals? Answer: YES Question Weight:14%

Explanation: TAA is part of the Job Training Common Measures initiative. Accordingly, the program has adopted 4 specific long-term goals that will better measure the impacts of the program and allow comparisons across similar programs. DOL is implementing the common measures format and will establish numerical targets over the next year. The Administration's WIA reauthorization proposal identifies the common measures and applies them to TAA.

Evidence: DOL FY 2004 Annual Performance Plan. Performance plans are accessible at <http://www.dol.gov//dol/aboutdol/main.htm>.

2.3 Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program? Answer: YES Question Weight:14%

Explanation: DOL requires States to communicate national program goals to all local areas (effective for FY 2002). DOL has merged goals for TAA and the WIA Dislocated Worker program to make them the same in FY 2002. The new Governor-Secretary agreements contain assurances and requirements to strengthen State commitment to TAA program goals.

Evidence: Section 239 of the Trade Act of 1974, as amended, authorizes the Secretary of Labor to enter into an agreement with any State to provide payments and services under the Act. Training and Employment Guidance Letter (TEGL) No. 14-01, March 19, 2002, covers implementation of OIG recommendations for improving the TAA and NAFTA-TAA programs and providing dual enrollment in the TAA and WIA dislocated worker programs.

2.4 Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives? Answer: YES Question Weight:14%

Explanation: At the DOL national office, the same deputy assistant secretary oversees both the TAA and WIA dislocated worker programs. DOL has urged States to integrate/coordinate these programs to overcome past problems at State/local levels. TAA is a mandatory partner in the One-Stop Career Centers established under WIA. The 2002 TAA legislation links State rapid response services under WIA to firms that request TAA certification.

Evidence: Workforce Investment Act of 1998 (PL 105-220), Section 121, includes worker assistance activities carried out under the Trade Act of 1974 as a required partner in the One-Stop delivery system. TEGL No. 14-01, September 18, 2000, addresses steps to integrate Trade Act services with WIA services. OIG audit, Report No. 04-01-009-03-330, found that inter-program coordination was effective.

PART Performance Measurements

Program: Trade Adjustment Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
60%	86%	71%	20%	

2.5 **Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?** Answer: YES Question Weight:14%

Explanation: ETA has issued an RFP to obtain a comprehensive independent evaluation of the Trade Program. The evaluation will include a process analysis at the state and local levels and a non-experimental impact study. The evaluation will be conducted over a 5-year period. The last comprehensive ETA-funded comparison of TAA participants with other dislocated workers was completed in 1993. The last national evaluations were done in 2000 (GAO) and 2001 (OIG), both with FY 1999 data. OIG and GAO studies are done on an ad hoc basis.

Evidence: International Trade and Worker Dislocation: Evaluation of the Trade Adjustment Assistance Program, Walter Corson et al., Mathematica Policy Research, April 1993. Trade Adjustment Assistance: Trends, Outcomes, and Management Issues in Dislocated Worker Programs, GAO-01-59, October 2000. Improving Trade Act Programs, DOL Office of Audit Report No. 04-01-009-03-330, issued September 26, 2001.

2.6 **Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?** Answer: NO Question Weight:14%

Explanation: TAA is an entitlement program, and resource levels requested depend on the number of eligibles expected to be served. Legislation typically affects program costs -- through changes in numbers eligible for benefits or type of benefits -- not labor market outcomes of beneficiaries. The TAA budget is not linked to performance outcomes in terms of its performance goals for entered employment rates, retention rates, wage replacement rates, or earnings gains.

Evidence: In the FY 2004 budget submission, DOL moved closer to providing full program costing and began to integrate performance goals with budget information. This program performance and cost integration does not yet permit assessment of the impact of budget levels on performance outcomes.

2.7 **Has the program taken meaningful steps to address its strategic planning deficiencies?** Answer: YES Question Weight:14%

Explanation: DOL plans to address State accountability issues in revised regulations implementing the 2002 Trade Act. The regulations will incorporate provisions that reinforce strategic planning, expedite the petition process within the 40-day legislated mandate, emphasize the delivery of Rapid Response assistance and use of the One-Stop Career system for assessment and career counseling. The overall focus will be on rapid reemployment. In addition, the new Governor-Secretary agreements incorporate provisions to reinforce strategic planning, identification of program shortfalls, and requirements to implement corrective action plans in response to identified deficiencies. DOL is also adopting the Job Training Common Measures for TAA. As part of its FY 2004 budget submission, DOL has taken a proactive approach to implementing the common measures by establishing annual and long-term targets. A comprehensive management plan has been formulated and implemented to address strategic deficiencies.

Evidence: DOL's FY 2003-2008 Strategic Plan and FY 2004 Annual Performance Plan. Strategic and performance plans are posted at <http://www.dol.gov/dol/aboutdol/main.htm>. With the passage of new legislation, the TAA program will develop stronger procedures for monitoring State performance. See TEGP No. 11-02, Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade Act of 2002, October 10, 2002, for initial guidance to States. ETA will emphasize frequent regional monitoring, rigorous program reviews, and the timely submission of required reports. The revised Governor-Secretary Agreement will include language related to ETA's strategic plan and the requirements for corrective action. ETA has adopted the new Job Training and Employment Common Measures for TAA and will work to convey these measures to the States through directives and regional conferences. Training and Employment Notice No. 8-02 announcing implementation of the new Job Training Common Measures was issued on March 27, 2003.

PART Performance Measurements

Program: Trade Adjustment Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
60%	86%	71%	20%	

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? Answer: YES Question Weight:14%

Explanation: DOL has made progress is using performance information to manage the TAA program -- performance outcome data have been collected only since FY 1999. DOL has overcome initial State reporting problems and all States now provide quarterly performance information on a timely basis through the Trade Assistance Performance Report. In addition, ongoing grants monitoring and oversight efforts led by ETA Regional Offices focus on ETA employment and training programs, including the Trade program. Reports of these reviews are prepared by the regions which outline major findings and identify program performance deficiencies and request corrective action strategies addressing those deficiencies.

Evidence: TAA performance information is provided in the ETA Annual Performance Plan for the Committee on Appropriations, available at <http://www.doleta.gov/perform/2003pln.asp>. No OIG audit of the revised program reporting (since FY 2001) has been done. Use of wage records instead of individual follow-up has increased reporting success. In CY 2003, DOL expects to implement a data validation process for reports from the States. Information on the DOL's data validation initiative for ETA programs is accessible at <http://www.us.es.doleta.gov/dv/>. Training and Employment Notice No. 14-02 on the data validation initiative was issued on May 28, 2003.

3.2 Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results? Answer: YES Question Weight:14%

Explanation: All ETA managers are held accountable through incorporation of relevant elements and performance standards in the appraisal process. These standards cascade down throughout the entire organization. In addition, the Office of Financial and Administrative Management in ETA routinely provides an analysis and the actual reports in most instances related to cost and performance results. These data are distributed to all program managers, the regions and discussed by the regions with the States. DOL may provide for sanctions in the grant agreement. Performance results are used retrospectively to address past failures.

Evidence: Revised DOL performance management plans for senior executives (Form DL 1-2059, Rev. 10/2001) and for supervisors and managers (Form DL 1-382, Rev. 10/2001).

3.3 Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight:14%

Explanation: Income support funds are drawn down by States as needed to pay benefits. DOL manages capped training funds by funding States based on estimated training needs. Shortfalls in TAA training funds are made up by WIA National Emergency Grant awards or use of State WIA formula funds.

Evidence: Expenditure reports for TAA are part of larger State reporting systems and are covered under the Single Audit Act. As of June 2003, the OIG and other auditors have not recently identified any misexpenditures for unintended purposes.

PART Performance Measurements

Program: Trade Adjustment Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
60%	86%	71%	20%	

3.4 Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight:14%

Explanation: Federal staff determine whether imports contributed to job loss and fund States to act as DOL agents in paying income support and approving/funding training. DOL uses competitive sourcing for some Federal administrative activities such as petition review and audit close-out. Average processing time for petition review averaged between 55 and 60 days; however, workload increases in FY 2002 lengthened average processing times to 90 to 100 days. Since April 2003, the average processing time for TAA petitions has been reduced to 41 days. States rely on third parties to deliver training, including on-the-job training by employers. As part of the Job Training Common Measures initiative, the program is adopting a cost-effectiveness measure.

Evidence: ETA has initiated a comprehensive reengineering of the Trade program building upon the work of two outside contractors --- Planmatics and PricewaterhouseCoopers. A reengineered approach for processing petitions is expected to be available over the next few months. The staff capacity of the Trade program has been enhanced by the addition of 10 contractor personnel to aid in the petition review process. ETA plans to increase the number of contractor personnel to meet the anticipated increase in workload generated as a result of the Trade Act of 2002 as well as to aid in reducing backlog.

3.5 Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels? Answer: NO Question Weight:14%

Explanation: Like the rest of DOL, ETA does not have an integrated accounting and performance management system to identify the full cost of achieving this program's performance goals and support day-to-day operations. TAA program costs are now spread across three separate Federal appropriation accounts. In its FY 2004 budget submission, ETA has moved closer to achieving full program costing. However, this program performance and cost integration does not yet permit measurement of the full costs of each program or an assessment of the impact of budget levels on performance outcomes.

Evidence: DOL's FY 2003 and FY 2004 Budget Request. Budget Requests are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

3.6 Does the program use strong financial management practices? Answer: NO Question Weight:14%

Explanation: While no material internal control weaknesses have been reported by the auditors and ETA receives quarterly cost reports from the States, DOL has recently learned of serious financial management problems in some states involving TAA training. Two states have obligated more money for training than DOL had provided, with the misbelief that training is an entitlement and that DOL would eventually provide the necessary funds through National Emergency Grants (NEGs). However, TAA training funds are capped; it is not an open-ended entitlement. DOL is working to strengthen its oversight procedures to avoid this problem in the future.

Evidence: DOL's FY 2002 Annual Report on Performance and Accountability, which is accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

PART Performance Measurements

Program: Trade Adjustment Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
60%	86%	71%	20%	

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 14%

Explanation: ETA has conducted two outside process studies of the Trade program and will use these studies to implement a phased reengineering of its processes. ETA's Assistant Secretary is working to improve performance accountability of Federal managers, management of grantees, data validation, and program reporting.

Evidence: DOL has recently tied its performance goals to performance ratings for managers. The new appraisal system has been cascaded through the Department for two years. Revised DOL performance management plans for senior executives (Form DL 1-2059, Rev. 10/2001) and for supervisors and managers (Form DL 1-382, Rev. 10/2001).

4.1 **Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?** Answer: SMALL EXTENT Question Weight: 20%

Explanation: TAA has adopted 3 new long-term goals as part of the Job Training Common Measures exercise. DOL is working with States to establish annual and long-term targets in the common measures format. The "small extent" assessment is based on the fact that DOL had made progress in achieving its previous long-term goals and exceeded 1 of 3 long-term outcome goals.

Evidence: FY 2001 was the baseline for the previous measures, which were revised to conform with those of WIA and align more closely with the dislocated worker program goals. In FY 2002, DOL exceeded one of three performance goals (listed below) from the FYs 1999-2004 Strategic Plan. In DOL's FY 2002 Annual Performance Report, TAA reported 66% entered employment rate; 89% retention rate; 80% earnings replacement rate. These performance shortfalls may be due in part to the slow down in the economy. Additionally, as of November 2002, 23 states did not participate in the Wage Record Interchange System (WRIS). Furthermore, TAA was not included as a participating program in WRIS until June 2002. Therefore, states did not capture positive outcomes for TAA participants who became employed in another state. Use of WRIS for the TAA program in FY 2002 would likely have improved the performance. The Annual Report for FY 2002 is posted at <http://www.dol.gov/dol/aboutdol/main.htm>.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight: 20%

Explanation: TAA has adopted 3 new annual goals as part of the Job Training Common Measures exercise. As part of its FY 04 budget submission, DOL established numerical annual for the common measures. The assessment of "Small extent" is based on the fact that DOL has made progress in achieving its previous annual goals, which are similar to the new common measures, and met 1 of the 3 performance goals set for FY 2002.

Evidence: DOL's FY 2003-2008 Strategic Plan; Annual Reports on Performance and Accountability for FYs 2001, 2002, and 2003; and FY 2004 Annual Performance Plan. Strategic and performance plans and Annual Reports are accessible at <http://www.dol.gov/dol/aboutdol/main.htm>.

PART Performance Measurements

Program: Trade Adjustment Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
60%	86%	71%	20%	

4.3 Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year? Answer: NO Question Weight 20%

Explanation: TAA is an entitlement; costs depend on number of eligibles and take-up rate. In general, funds affect scale of program, not outcomes from training in terms of entered employment rates, retention, or earnings gains. DOL is participating in the development of a common measure of efficiency and cost-effectiveness for job training programs. DOL has also issued guidance to the states informing them that outcomes will be considered as a factor in future TAA fund allocations, which should encourage states to improve efficiencies by increasing the quantity and quality of their outcomes.

Evidence: DOL reviews training costs and cost-effectiveness as part of its approval of State requests for training funds to serve TAA-certified workers (TAA is not a formula grant). Training and Employment Guidance Letter 6-03, dated October 1, 2003.

4.4 Does the performance of this program compare favorably to other programs with similar purpose and goals? Answer: SMALL EXTENT Question Weight 20%

Explanation: TAA and the WIA Dislocated Worker program both provide training to get the unemployed back to work. TAA outcomes for FY 2002 are not as good as those of WIA Dislocated Worker program for PY 2001 in two of the three areas measures; TAA has higher retention rates. Entered employment rate 66% TAA vs. 79.2 % WIA; retention rate 89% TAA vs. 86.6% WIA; earnings replacement rate 80% TAA vs. 101% WIA. In FY 2001, the TAA cost per participant is substantially higher than that for dislocated workers: \$11,600 for TAA and \$1,800 for WIA dislocated workers. ETA is exploring the feasibility of having an independent contractor conduct a quick turn-around study to address the performance levels of the TAA program and make a more direct comparison between TAA and WIA Dislocated Worker performance.

Evidence: Comparisons are difficult because services differ. Not all WIA exiters took training; some found jobs after reemployment services. TAA outcomes are based on training, where experienced workers may need to start over in new careers. As WIA individual outcomes data become available, DOL will be able to make these more refined comparisons using individual characteristics as well.

4.5 Do independent and quality evaluations of this program indicate that the program is effective and achieving results? Answer: NO Question Weight 20%

Explanation: GAO and DOL OIG studies have questioned whether the program is serving workers well and getting them back into suitable employment. However, as noted earlier, DOL has continued to emphasize State accountability for performance which should improve outcomes, and DOL has issued an RFP to obtain a comprehensive evaluation of the TAA program.

Evidence: GAO's study reported that for the 10,036 participants who terminated the program in FY 99, States submitted employment status for 5,969. Of those, 75% obtained jobs and only 56% obtained jobs earning at least 80% of their pre-separation wage. The OIG audit of 16 States in FY 99 data showed 72% of participants found jobs but only 34% of jobs provided wage replacement of at least 80%. Trade Adjustment Assistance: Trends, Outcomes, and Management Issues in Dislocated Worker Programs, GAO-01-59, October 2000. Improving Trade Act Programs, DOL Office of Audit Report No. 04-01-009-03-330, issued September 26, 2001.

PART Performance Measurements

Program: Trade Adjustment Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
60%	86%	71%	20%	

Measure: Percentage of participants employed after program exit. (This new measure will be implemented in 2005. Data shown are for similar current measure).

Additional Information: New measure: result of common measures initiative; targets to be determined. 2002 and 2003 report performance against a similar previous measure of job placement.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-term
2002	78%	66%	
2003	78%	62%	
2004	78%	63%	
2005	78%	63%	
2006			

Measure: Percentage of participants who retain employment after exit. (This new measure will be implemented in 2005. Data shown are for similar current measure).

Additional Information: New measure: result of common measures initiative; targets to be determined. 2002 and 2003 report performance against a similar previous measure of employment retention.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-term
2002	90%	80%	
2003	90%	86%	
2004	88%	89%	
2005	90%		
2006	90%		

PART Performance Measurements

Program: Trade Adjustment Assistance
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Ineffective
60%	86%	71%	20%	

Measure: Percentage change in participants' earnings. (This new measure will be implemented in 2005. Data shown are for similar current measure: % wage replacement).

Additional Information: New measure: result of common measures initiative; targets to be determined. 2002 and 2003 report performance against a similar previous measure of wage replacement.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual and Long-term
2002	90%	89%	
2003	90%	73%	
2004			
2005			
2006			

PART Performance Measurements

Program: Unemployment Insurance Administration State Grants
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	58%	Effective

1.1 Is the program purpose clear?

Answer: YES

Question Weight 20%

Explanation: This grant program is intended to fund state costs of "proper and efficient" administration of the Unemployment Insurance (UI) benefit program.

Evidence: Sec. 302(a) of the Social Security Act (SSA) provides that the Secretary of Labor will certify payments for the 'proper and efficient' administration of states' UI laws that the Secretary has approved under the Federal Unemployment Tax Act (FUTA).

1.2 Does the program address a specific and existing problem, interest or need?

Answer: YES

Question Weight 20%

Explanation: The UI administrative grants program addresses the need for funds to administer state UI programs. The UI program is a Federal-state partnership with shared responsibilities. Federal law created a strong incentive for states to establish and finance UI benefit programs by the fact that employers receive a partial offset to the Federal Unemployment Tax Act (FUTA) tax if their states have established UI programs financed through state UI taxes. In return, the law requires the Federal government to fund state administrative expenses using FUTA revenues.

Evidence: Sec. 303(a), SSA, and Sec. 3304(a), FUTA, list the conditions for certifying state UI laws for administrative grants and for employers to receive credit against the FUTA tax.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

Answer: YES

Question Weight 20%

Explanation: There is no other program responsible for funding the administrative costs of the UI system. Federal law allows states to use their UI tax revenues only to pay benefits, not administrative expenses. The Secretary of Labor is required to fund state UI program administration as long as state laws and administrative practices conform to Federal requirements.

Evidence: Sec. 303(a)(4), SSA, and Sec. 3304(a)(4), FUTA. Congress appropriates funds for UI administration from Federal taxes collected under Sec. 3301, FUTA.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?

Answer: NO

Question Weight 20%

Explanation: The Administration believes that giving states control over their UI administrative funding would increase state flexibility and strengthen the UI program and has proposed legislation to do this. The states -- not DOL -- control the complexity of their UI programs and their administrative procedures and practices. DOL's grants take the level of unemployment, the number of employers subject to state UI taxes, and certain other cost factors into account, but DOL cannot easily assess or control the underlying efficiency of state UI operations.

Evidence: The President's Budget for FYs 2003 and 2004 included legislative proposals to reform the administrative funding structure of the UI system. It proposed to significantly reduce the Federal unemployment tax and give states the responsibility for funding their own UI administrative costs.

PART Performance Measurements

Program: Unemployment Insurance Administration State Grants
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	58%	Effective

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight: 20%

Explanation: Allocation of funds among states by DOL is based on workload projections (e.g., unemployment claims and employer tax accounts) and state-specific cost factors. This effectively targets funds to each state in proportion to the number of beneficiaries and employers it serves and the cost of doing business in the state.

Evidence: Sec. 303(a), SSA, requires that the state have procedures that are "reasonably calculated" to assure that UI payments are made "when due" in order to receive administrative grants from the Federal government. DOL's allocation procedures assure that states with higher workloads get more administrative funds. See ET Handbook 410, Resource Justification Model <http://atlas.doleta.gov/rjm>.

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight: 12%

Explanation: For 2002, DOL redefined its strategic goals for the UI program and now uses four outcome-focused goals that collectively cover the performance of the UI system: 'Make timely and accurate benefit payments to unemployed workers, facilitate the reemployment of Unemployment Insurance claimants, and set up unemployment insurance tax accounts promptly for new employers.' DOL is also working to develop a meaningful efficiency measure for the UI program. Efficiency measures based on cost per unit output, e.g., cost of processing an initial claim, can be misleading because of economies of scale and fluctuating workload levels over the business cycle.

Evidence: DOL's current long-term performance measures are clear and meaningfully related to the program's mission. DOL is also exploring alternative efficiency measures, including time per claimant served. According to one unit cost efficiency measure, initial claims cost \$17.08 on average to process in FY 2001 and \$15.33 in FY 2002. Higher workloads in FY 2002 coupled with modest staff increases drove the per unit cost down, but per unit cost will likely increase during the economic recovery. Strategic Plan Fiscal Years 1999-2004, available at http://www.dol.gov/_sec/stratplan/main.htm. US Department of Labor FY 2004 Annual Performance Plan, page 33, and the Department's FY 2004 Budget at http://www.dol.gov/_sec/Budget2004.

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight: 12%

Explanation: In its new FY 2003-2008 strategic plan, DOL has set ambitious targets for its long-term goals to: (1) pay benefits timely; (2) pay benefits accurately; (3) facilitate UI claimant reemployment; and (4) establish tax accounts promptly. Measures and targets for (1) and (4) were set immediately based on the existing performance management system. The measure for (2) was selected in FY 2003 after consulting with the UI system, and a goal was set. Measure (3) was defined in FY 2003 and 6 states will pilot test the measure after which a baseline and target will be set.

Evidence: Goals for 2008: Payment Timeliness: 91.0% of all intrastate first payments will be made within 14/21 days: Payment Accuracy: Establish for recovery at least 60.5% of the amount of estimated overpayments that states can detect and recover. Facilitate Reemployment: A target will be set against baseline data collected in FY 2003 for the entered employment rate of UI claimants. Establish Tax Account Promptly: 83.0% of determinations about the UI tax liability of new employers will be made within 90 days of the end of the first quarter they become liable.

PART Performance Measurements

Program: Unemployment Insurance Administration State Grants
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	58%	Effective

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 12%

Explanation: DOL's strategic plan and long-term measures are based in part on a long-standing system of annual performance measures plus measures that capture other important outcomes. DOL's annual performance measures are the same as its long-term measures. The annual goals are generally set to reflect progress toward the long-term goal. However, specific annual goals are adjusted to reflect projected unemployment rates, which affect state workloads and their ability to meet timeliness targets.

Evidence: Strategic Plan Fiscal Years 1999-2004, available at http://www.dol.gov/_sec/stratplan/main.htm. US Department of Labor FY 2004 Annual Performance Plan, page 33, and the Department's FY 2004 Budget at http://www.dol.gov/_sec/Budget2004.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 12%

Explanation: Ambitious targets for first payment timeliness, overpayment detection, and establishment of new employer tax accounts have been established for FYs 2004-2008. Annual targets are based on a regression methodology that relates these future levels to the projected unemployment rate. An FY 2004 target for the reemployment measure will be developed based on system experience in FY 2003.

Evidence: Strategic Plan Fiscal Years 1999-2004, available at http://www.dol.gov/_sec/stratplan/main.htm. US Department of Labor FY 2004 Annual Performance Plan, page 33, and the Department's FY 2004 Budget at http://www.dol.gov/_sec/Budget2004.

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight: 12%

Explanation: Each state annually submits a State Quality Service Plan (SQSP) that is both a performance management document and a budget document. As part of the SQSP, states provide assurances they will conform and comply with Federal requirements and that they will administer a quality program as measured by DOL. States that fail to meet specific levels of performance must include corrective action plans in the SQSP. In addition, state agencies face pressure from their state officials and the public if they fail to make timely benefit payments or have high levels of erroneous payments.

Evidence: UI Program Letter 32-02, "Call Memo for the Fiscal Year (FY) 2003 Unemployment Insurance (UI) State Quality Service Plan" and ET Handbook No. 336, 17th Edition Unemployment Insurance State Quality Service Plan (SQSP) Planning and Reporting Guidelines at <http://atlas.doleta.gov/dmstree>

PART Performance Measurements

Program: Unemployment Insurance Administration State Grants
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	58%	Effective

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight:12%

Explanation: The UI program is frequently studied by DOL's Office of the Inspector General (OIG) and the General Accounting Office (GAO). In addition, DOL's Employment and Training Administration regularly contracts with outside researchers to look at various aspects of program performance -- administrative features as well as the social safety net aspects of the program -- and the reports are subsequently made available on DOL's website. One recent evaluation focused on the impact of filing initial claims through the telephone instead of in person. Another looked at the impact on UI reciprocity rates and benefit durations from state eligibility practices concerning reasons for job loss and work search.

Evidence: See "The Latest Seminannual Report to the Congress" and "Top Management Issues at the U.S. Department of Labor" at www.oig.dol.gov and GAO Report Unemployment Insurance Increased Focus on Program Integrity Could Reduce Billions in Overpayments GAO 02-697. DOL-commissioned studies: A Study of Unemployment Insurance Recipients and Exhaustees: Findings from a National Survey, 1990 http://atlas.doleta.gov/dmstree/op/op90/op_03-90.pdf; Evaluation of the Impact of Telephone Initial Claims Filing <http://wdr.doleta.gov/owsdrr/00-3/>; http://www.ows.doleta.gov/dmstree/op/op2k/op_05-01.pdf; Unemployment Insurance in the One-Stop System, http://www.ows.doleta.gov/dmstree/op/op2k/op_01-00.pdf; Unemployment Insurance Non-Monetary Policies and Practices: How Do They Affect Participation? A Study of 8 States, <http://wdr.doleta.gov/owsdrr/ETA-occasional.asp>

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget? Answer: NO Question Weight:12%

Explanation: While DOL has a number of strong links between resources and performance, it still falls short in the final steps of linking dollars to the quality of performance, such as benefit timeliness. The request is based on workload projections under the Administration's economic assumptions, but it is not sufficiently refined to project the quality differences, e.g., in more timely or more accurate benefit payments, based on different funding levels. However, DOL has analyzed the link between resources and a state's ability to detect and establish overpayments for recovery. The analysis indicated that by increasing current overpayment detection and recovery efforts, states could recover over \$4 for every additional \$1 expended. DOL has been gathering states' cost data under the Resource Justification Model and let a contract for a study to test the linkages between resources and performance in administration of the UI program. DOL's FY 2004 performance budget for UI administrative grants shows the full costs of UI administration.

Evidence: See DOL's 2004 Budget at http://www.dol.gov/_sec/budget2004 and ET Handbook 410 at <http://atlas.doleta.gov/rjm>. The analysis of the effect of increasing resources for overpayments is Cost-Benefit Analysis of Expanding Benefit Payment Control Activities <http://www.ows.doleta.gov/unemploy/integrity.asp>

PART Performance Measurements

Program: Unemployment Insurance Administration State Grants
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	58%	Effective

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:12%

Explanation: Deficiencies in strategic planning are identified through performance analyses, OIG audits, and GAO audits. In order to reduce UI overpayments, DOL developed a work plan that was included in the President's Management Agenda. As part of this work plan, DOL developed a new accuracy measure to assess how well states identify and recover overpayments and has included this measure in its strategic plan. DOL is also looking at ways to get UI beneficiaries back to work faster and has developed a new strategic plan measure related to the reemployment of UI claimants. By analyzing state entered-employment rates, DOL expects to identify states that are facilitating reemployment and to gain insight from them into the combination of reemployment services and UI eligibility requirements and their enforcement that results in the quickest return to suitable work for UI claimants.

Evidence: The new UI performance measures are discussed in UIPL 27-02, Government Performance and Results Act of 1993 (GPRA) Fiscal Year (FY) 2002 Unemployment Insurance (UI) Program Goals and UIPL 15-03, Government Performance and Results Act Fiscal Year (FY) 2003 Unemployment Insurance (UI) Program Goals. Information about DOL's score card for the President's Management Agenda can be found at http://www.dol.gov/dol/pma/pma_results.htm#financial. The score card is available at <http://www.results.gov/agenda/scorecard.html>

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight:12%

Explanation: States report performance data monthly or quarterly through standard required reports. DOL reviews these data and issues quarterly and annual performance reports. States are required to submit to DOL corrective action plans for unacceptable performance as part of their annual SQSP submission. A data validation system has been developed and is scheduled for implementation in 2003.

Evidence: In response to information about continuing problems of high benefit overpayment rates in many states, DOL developed a work plan for reducing overpayments. It conducted several analyses of the causes of overpayments and cost-effective actions states can take to reduce them. DOL also developed a measure of payment accuracy that measures the prevention and detection of overpayments. See UIPL 23-03 Unemployment Insurance (UI) Benefit Payment Accuracy and Integrity; UIPL 33-02 Development of an Unemployment Insurance (UI) Payment Accuracy/Integrity Measure. UI Program Letters are available at <http://wdr.doleta.gov/directives/>.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight:12%

Explanation: The UI management structure and approach include a number of elements that support achievement of program results. At the Federal level, DOL has tied its performance goals to performance ratings for managers, providing an incentive for taking personal responsibility for program performance. State performance is monitored by the Department. States that fail to meet acceptable levels of performance must include corrective action plans as part of their annual SQSP. State performance results are published annually, creating an informal competition and incentive to improve performance. Many states also have Advisory Councils that hold state program managers accountable for all aspects of the UI program including performance and operational costs.

Evidence: UI Program Letter 32-02, 'Call Memo for the Fiscal Year (FY) 2003 Unemployment Insurance (UI) State Quality Service Plan' and ET Handbook No. 336 17th Edition 'Unemployment Insurance State Quality Service Plan (SQSP) Planning and Reporting Guidelines. See 'Handbooks' at <http://atlas.doleta.gov/dmstree>.

PART Performance Measurements

Program: Unemployment Insurance Administration State Grants
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	58%	Effective

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight:12%

Explanation: UI program funds are obligated consistently within required time limits. The Department provides base grant planning targets to states before the beginning of each fiscal year and allocates additional funds on a quarterly basis according to variations in workload levels. Spending authority is provided immediately following OMB's apportionment of appropriations. States obligate most funds by the end of the first quarter of the year following the appropriation year. Funds used for automation may be carried forward for up to 3 years. States are subject to the Single Audit Act and audits by the OIG. The OIG has audited states in several areas of UI program activity in recent years (remote claims grants, Y2K grants, information systems security, and states indirect cost charging) and found no significant material weaknesses. Funds are spent for their intended purposes.

Evidence: States submit quarterly financial status reports (SF269) for obligations and expenditures. In addition, states annually submit detailed cost data for actual spending that can be compared to how funds were allocated for various purposes. Dates by when funds must be obligated are issued each year in the annual SQSP call memo. Examples of OIG Reports: Year 2000 Grant Expenditures: 04-00-003-03-315 North Carolina; 04-01-001-03-315 New Mexico; 04-01-004-03-315 Nevada; 04-01-005-03-315 Pennsylvania; 04-01-006-03-315 Ohio; 04-01-008-03-315 California; 04-01-010-03-315 Montana; 04-02-003-03-315 New York Indirect Costs Charged to Department of Labor Grants: 03-01-006-03-315 Maryland; 03-02-001-03-315 Massachusetts; 03-02-002-03-315 New Jersey; 03-03-001-03-315 Wisconsin

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight:12%

Explanation: The UI program makes funds available to states on a competitive basis for certain purposes, including IT improvement projects such as those that enable UI beneficiaries and employers to access the UI system through the Internet or by telephone. DOL funds projects that will produce tangible gains in efficiency and customer service. In addition, DOL disseminates information and provides forums for state staff to share improvements in efficiency through technology. DOL also creates incentives for states to become more efficient because it takes processing times into account when it allocates available administrative funds. Using data from each state about the time (minutes per unit) it requires to process various workload items, e.g., claims, tax audits, DOL penalizes less efficient states by reducing their time factors relatively more than for more efficient states in order to allocate available resources. This approach has put pressure on states to reduce the time taken to process workloads so that their funding more closely correlates with their operational needs.

Evidence: Over the years, funds have been made available to states through competitive grants for projects that would improve productivity and efficiency. Recently, 'Remote Systems Grants' have allowed states to implement telephone and internet claims which have increased productivity and efficiency. As part of the evaluation process for a remote system grant DOL has required states to demonstrate a high return on investment both in terms of customer service and dollars saved subsequent to implementation. States also submit Supplemental Budget Request for IT projects which is a competitive process. Field Memorandum No. 11-02 and similar annual memos describe the process of ratcheting down the times/costs for less efficient states.

PART Performance Measurements

Program: Unemployment Insurance Administration State Grants
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	58%	Effective

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: NA Question Weight: 0%

Explanation: There is no other program responsible for funding the administrative costs of the UI system. States are prohibited from diverting their UI taxes away from benefit payments. In order to help UI claimants return to work, the UI program is a mandatory partner in the One-Stop Career Center system, which provides reemployment assistance and other services to UI claimants and other jobseekers.

Evidence: Federal law allows states to use their UI tax revenues only to pay benefits, not administrative expenses. See Sec. 303(a)(4), SSA, and Sec. 3304(a)(4), FUTA. Congress appropriates funds for UI administration from Federal taxes collected under Sec. 3301, FUTA. For list of mandatory partners in the One-Stop Career Centers, see Sec. 121, Workforce Investment Act, PL 105-220.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 12%

Explanation: The financial statements for the unemployment trust fund (UTF) are audited each year by the OIG. As part of the process, the auditors report on any material internal control weaknesses. The auditors have issued an unqualified opinion for the last six years and there are no material internal control weaknesses. Also, states report UTF financial information on a monthly basis. As noted in the auditors' reports, this information is timely and accurate. To support some of the day-to-day oversight of state banking practices and monitor trust fund balances, DOL has access to and uses the Bureau of Public Debt's UTF management information system. States have systems to detect, establish and recover UI benefit overpayments. In addition, DOL requires states to have a Benefit Accuracy Measurement program, using statistical samples intended to identify causes of overpayment and assist in correcting them.

Evidence: See OIG Top Management Issues for FY 2002; President's Management Agenda Scorecard; and DOL Annual Report on Performance and Accountability for Fiscal Year 2002, page 122.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 12%

Explanation: While the OIG did not characterize UI overpayments as a material internal control weakness, it did identify UI overpayments as a management deficiency and a current year reportable condition in the OIG's FY 2001 Annual Report. In response, DOL developed a work plan to minimize overpayments, which was included in DOL's part of the President's Management Agenda. Implementation of work plan items is nearing completion. In its FY 2002 report, the OIG noted that it generally concurred with the corrective actions described by management but that certain measures needed to be finalized. The revised corrective action plan will be reviewed during the OIG's FY 2003 audit work.

Evidence: Information about DOL's score card for the President's Management Agenda can be found at http://www.dol.gov/dol/pma/pma_results.htm#financial. The score card is available at <http://www.results.gov/agenda/scorecard.html>. OIG findings are reported in Annual Report on Performance and Accountability for Fiscal Year 2002, page 145, and Annual Report on Performance and Accountability for Fiscal Year 2001, pages 156-157.

PART Performance Measurements

Program: Unemployment Insurance Administration State Grants
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	58%	Effective

3.BF1 Does the program have oversight practices that provide sufficient knowledge of grantee activities? Answer: YES Question Weight: 12%

Explanation: State partners report program data through standard federally required reports. DOL issues quarterly and annual performance reports based on these data. In addition, Federal staff conduct on-site quality reviews of specific state activities such as UI benefit eligibility determinations, tax operations and Benefit Accuracy Measure review. DOL has developed a data validation system scheduled for implementation in 2003.

Evidence: See ET Handbook No. 336, Unemployment Insurance State Quality Service Plan (SQSP) Planning and Reporting Guidelines, available at http://wdr.doleta.gov/directives/attach/ETHand336-17th_chp1.pdf.

3.BF2 Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner? Answer: YES Question Weight: 12%

Explanation: Various workload and performance data are collected at various time increments: monthly, quarterly and annually. Data are made available to the public on state performance for the most important measures monthly. Other performance data are available quarterly and/or annually.

Evidence: The following performance reports are available at <http://ows.doleta.gov/unemploy/performance.asp> Government Performance Results Act; Tier One Performance Measures Reports; UI PERFORMS Annual Report; State Performance Ranking

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: SMALL EXTENT Question Weight: 25%

Explanation: The Department redefined its GPRA goals for UI in FY 2002, establishing 4 measures and associated goals: (1) pay benefits timely; (2) pay benefits accurately; (3) facilitate UI claimant reemployment; and (4) establish tax accounts promptly. All 4 measures relate to key elements of the UI mission. Measures and targets for (1) and (4) were set immediately based on the existing performance management system. The measure for (2) was selected in FY 2003 after consulting with the UI system, and a goal set. Measure (3) was defined in FY 2003 and 6 states will pilot test the measure after which a baseline and target will be set. The score is based on the program's ability to meet the target for measure (4).

Evidence: UI program long-term measures and goals were redefined in FY 2003; see UI Program Letter 15-03, Government Performance and Results Act (GPRA) Fiscal Year (FY) 2003 Unemployment Insurance (UI) Program Goals. Targets for measure (4) were exceeded and so its targets for FY 2004 and beyond were revised upward using a regression methodology that tied future target levels to the Administration's budget assumptions for the total unemployment rate. Initial targets for (1) have been missed due to unexpectedly high UI workloads, and its targets for FY 2004 and beyond have been revised downward using a regression methodology that ties future levels to Administration assumptions about the unemployment rate. Milestones for implementing measures (2) and (3) were attained, but no experience exists for judging accomplishment of the 59% target for measure (2).

PART Performance Measurements

Program: Unemployment Insurance Administration State Grants
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	58%	Effective

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight 25%

Explanation: Two of DOL's revised measures had performance goals for FY 2002: Make timely benefit payments to unemployed workers and establish employer tax accounts promptly. The program fell short of meeting the criteria for making timely benefit payments and exceeded the expected performance level for establishing employer tax accounts promptly. Based on the earlier measures and goals in DOL's Annual Report for FY 2001, the goal for first payment timeliness was met in 2000 but not in 2001, and the goal for quality of benefits eligibility determinations was not met in 2000 or 2001.

Evidence: The Department made progress in making its performance goals for FY 2002: Establish new employer tax accounts within 90 days of liability: 81.7% against a goal of 80%; Make timely benefit payments to unemployed workers: 88.7% against a goal of 91%. In part, the ability of the UI system to meet the timely benefit payment goal was heavily influenced by the overwhelming workload: regular claims increased by 12% and implementation of Temporary Extended Unemployment Compensation increased workloads by another 40%.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight 25%

Explanation: Past investments in efficiency-promoting technologies have changed the UI claims-taking process from a labor-intensive in-person process to a technology-based process handled over the telephone or Internet. To illustrate, the cost per million weeks of benefit paid (Average Weekly Insured Unemployment or AWIU) for comparable points in the UI cycle was \$834 million in FY 1994 vs. \$736 million in FY 2002, a cost reduction of 12%. (Year-to-year cost comparisons can be misleading because workload fluctuations associated with the business cycle change the composition of fixed and variable costs.)

Evidence: The UI program has consistently made funds available to states through competitive grants for projects that would improve productivity and efficiency. 'Automation Grants' enabled states to acquire and upgrade computer systems. 'Remote Systems Grants' have allowed states to implement telephone and internet claims filing. In Field Memorandum No. 6-03 on grants to develop remote systems, DOL requires states to demonstrate 'a high return on investment both in terms of customer service and dollars saved subsequent to implementation.'

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NA Question Weight: 0%

Explanation: There are no other Federal or state programs responsible for providing temporary income support to laid-off workers who are capable of working. Under the legal structure of the UI program, DOL is solely responsible for funding the administrative costs of the UI system.

Evidence: Federal law allows states to use their UI tax revenues only to pay benefits, not administrative expenses. See Sec. 303(a)(4), SSA, and Sec. 3304(a)(4), FUTA. Congress appropriates funds for UI administration from Federal taxes collected under Sec. 3301, FUTA.

PART Performance Measurements

Program: Unemployment Insurance Administration State Grants
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	58%	Effective

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: LARGE
EXTENT

Question Weight 25%

Explanation: The studies identified earlier in Question 2.6, as well as other studies of the UI system, have not identified major defects in the system. However, they have identified a number of areas in which improvements are needed. For example, DOL and states routinely assess the benefit overpayment rate using a statistical sample, but the overpayment rate had remained relatively stable instead of dropping over time. As a consequence, the OIG and GAO encouraged a concerted effort to reduce overpayments and to increase recoveries. DOL has placed increased emphasis on helping states address this problem and has established a new outcome measure that takes into account the ability to detect overpayments on a cost-effective basis and which types of overpayments can be recovered under state laws.

Evidence: See 'the latest Semiannual Report to the Congress' and 'Top Management Issues at the U.S. Department of Labor ' at www.oig.dol.gov and GAO Report Unemployment Insurance Increased Focus on Program Integrity Could Reduce Billions in Overpayments GAO-02-697.

PART Performance Measurements

Program: Unemployment Insurance Administration State Grants
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	58%	Effective

Measure: Payment timeliness: Percentage of intrastate UI first payments made within 14 days in states with a waiting week and 21 days if no waiting week

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001	89.1%	90.3%	
2002	91.0%	88.7%	
2003	91.0%	89.0%	
2004	89.2%		
2005	89.9%		
2006			

Measure: Establish tax accounts promptly: Percentage of determinations about UI tax liability of new employers made within 90 days of the end of the first quarter they became liable.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2001		79.1%	
2002	80.0%	81.7%	
2003	80.0%	83.7%	
2004	82.2%		
2005	82.4%		
2006			

PART Performance Measurements

Program: Unemployment Insurance Administration State Grants
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	58%	Effective

Measure: Establish overpayments: Dollar amount established for recovery as a percentage of estimated overpayments that states can detect and recover under state law.

Additional Information:

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	59.0%	56.1%	
2004	59.0%	57.9%	
2005	57.5%		
2006			

Measure: Facilitate reemployment of UI claimants: Percentage of UI claimants who received a first payment in a given quarter who entered employment within the subsequent two quarters

Additional Information: This is a new measure.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
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Measure: Time per claimant served

Additional Information: Under development

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual (Efficiency Measure)
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PART Performance Measurements

Program: Youth Activities
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	56%	40%	

1.1 Is the program purpose clear?

Answer: YES Question Weight 20%

Explanation: Supports formula-funded grants to States to fund education and training for disadvantaged youth aged 14-21. Provides a variety of services for improving educational and employment outcomes for youth.

Evidence: Sec. 129 of the Workforce Investment Act (29 U.S.C. 2854/Public Law 105-220). "Prepared Workforce" Goal 1.2A in DOL's FYs 2003-2008 Strategic Plan. Strategic plans are accessible at <http://www.dol.gov/aboutdol/main.htm>.

1.2 Does the program address a specific interest, problem or need?

Answer: YES Question Weight 20%

Explanation: There are 35 million youth aged 16-24 in the US. 4 million of those are high school dropouts, 6.8 million are high school graduates with no college education. The unemployment rate for dropouts aged 16-24 is 24%, the rate for high school graduates without college is 15%. The unemployment rate for African American youth who are dropouts is 43%. Youth Activities is aimed at improving the educational and employment outcomes of these youth.

Evidence: DOL Report on Youth Workforce Development: What We've Learned, 2002.

1.3 Is the program designed to have a significant impact in addressing the interest, problem or need?

Answer: NO Question Weight 20%

Explanation: Population served by program is a very small portion of those eligible to receive services. There are 10.6 million youth age 16-24 who are high school dropouts (4 million) or have completed high school but have no college education (6.8 million). Youth Activities serves fewer than 500,000 youth.

Evidence: DOL FY 2004 Congressional Justification. DOL Report on Youth Workforce Development: What We've Learned, 2002.

1.4 Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?

Answer: NO Question Weight 20%

Explanation: Youth Activities provides education and training to at-risk youth. There are a number of Federal programs that provide similar education and training services including Job Corps, Youth Opportunity Grants, Department of Education's Vocational Education, TRIO and Gear Up programs and HUD's Youthbuild. These programs all have similar goals and objectives. However, the Administration's WIA reauthorization proposal includes a substantial change in the population to be served, proposing to serve primarily out-of-school youth--a large and underserved population facing multiple barriers to success in the workforce. In addition, DOL is an active participant in the White House Task Force for Disadvantaged Youth, which is examining--and looking at ways to address--the duplication of services.

Evidence:

1.5 Is the program optimally designed to address the interest, problem or need?

Answer: NO Question Weight 20%

Explanation: Currently, funds for the WIA youth program are spread too thinly nationwide due to the statutory formula and broad population to be served. The Administration's WIA reauthorization proposal includes substantial changes to the program, including a shift from formula resources to an increased emphasis on resources targeted to problem areas and an increased focus on out-of-school youth.

Evidence: General Accounting Office, "Workforce Investment Act: Issues Related to Allocation Formulas for Youth, Adults, and Dislocated Workers" (April 2003).

PART Performance Measurements

Program: Youth Activities
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	56%	40%	

2.1 Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program? Answer: YES Question Weight:14%

Explanation: Youth Activities is part of the Job Training Common Measures exercise. Accordingly, the program has adopted four specific long-term goals that will better measure the impacts of the program and allow comparisons across similar programs. WIA requires that DOL negotiate performance levels with each State. The numerical annual targets set by DOL in the FY04 submission will be used as the basis for those negotiations and the basis for setting long-term targets. OMB, DOL and other partner agencies are currently working together to finalize the methodology for applying the common measures to the WIA youth program and guidance on the common measures will be issued within the next few months.

Evidence: Section 136 of the Workforce Investment Act (29 U.S.C. 2871) (P.L. 105-220). DOL's FYs 2003-2008 Strategic Plan. Strategic plans are accessible at <http://www.dol.gov/aboutdol/main.htm>.

2.2 Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals? Answer: YES Question Weight:14%

Explanation: Youth Activities is part of the Job Training Common Measures exercise. Accordingly, the program has adopted four specific annual goals that will better measure the impacts of the program and allow comparisons across similar programs. DOL has begun to implement the common measures format, establishing numerical annual targets for some of the common measures in its FY 2004 Budget. WIA requires that DOL negotiate performance levels with each State. The numerical targets set by DOL in the FY04 submission will be used as the basis for those negotiations.

Evidence: DOL FY04 Annual Performance Plan. Performance plans are accessible at <http://www.dol.gov/aboutdol/main.htm>.

2.3 Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program? Answer: YES Question Weight:14%

Explanation: States are mandated to adopt specific goals established in statute, negotiate with DOL to establish individual State performance levels and report on their progress on achieving these levels. States comply with this requirement. The statute also provides an incentive for participation in which States that meet or exceed negotiated levels are eligible to receive incentive grants. To be eligible to receive the award States must provide complete performance reports that meet DOL's data validation standards. In the future, DOL expects to establish a more rigorous data validation process. These new validation requirements will provide an additional basis for incentives or sanctions (in addition to performance levels).

Evidence: Sections 136 and 503 of the Workforce Investment Act (29 U.S.C. 2871 and 29 U.S.C 9273) (P.L. 105-220). Training and Employment Guidance Letter (TEGL) 14-00, Change 1: Guidance on the WIA Management Information and Reporting System, October 1, 2001, Attachments E, F, and G; Field Memo No. 30-00 WIA Financial Reporting; June 23, 2000; TEGL 8-99: Negotiating Performance Goals; and Incentives and Sanctions for the Negotiation and Goal Setting Process; March 3, 2000, Sec. 4-5; TEGL 7-99; Core and Customer Satisfaction Performance Measures for the WIA System; March 3, 2000; FYs 2003 and 2004 Annual Performance Plans. TEGLs are accessible at <http://www.doleta.gov/usworkforce/documents/>, and performance plans are accessible at <http://www.dol.gov/aboutdol/main.htm>.

PART Performance Measurements

Program: Youth Activities
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	56%	40%	

2.4 Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives? Answer: NO Question Weight:14%

Explanation: Historically there has been a significant disconnect between the youth job training and education communities -- at the Federal, State and local level. WIA established local Youth Councils with responsibility for steering local WIA youth policy. Educational entities are not a mandated partner on these boards and anecdotal information indicates that, by and large, they are not participating. OMB's recent job training common measures exercise is one of many attempts to bring DOL and ED programs together.

Evidence: Section 117(h) of the Workforce Investment Act (29 U.S.C. 2832/Public Law 105-220).

2.5 Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness? Answer: NO Question Weight:14%

Explanation: No impact or outcome evaluations of the WIA program have been conducted nor are any financed under the WIA long-term research plan. An impact analysis was conducted of the predecessor program in 1992. Process evaluations have been conducted of the WIA implementation. DOL revised its evaluation plan, which will establish a regular cycle of evaluation for all major job training and employment programs. The evaluation of Youth Activities will begin in FY 2006.

Evidence: DOL FY 2004 Budget request.

2.6 Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known? Answer: NO Question Weight:14%

Explanation: Funding changes are roughly linked to participation numbers but not to performance outcomes. DOL can produce only very rough estimates of the amounts of funding needed to maintain participation levels from prior years. Even in that regard, it appears that estimates have far exceeded what is needed due, in part, to the poor reporting by States and localities. In preparing its FY 2004 budget submission, DOL moved closer to providing full program costing and began to integrate performance goals with budget information. However, this program performance and cost integration does not yet permit measurement of the full costs of each program or an assessment of the impact of budget levels on performance outcomes.

Evidence: DOL's FY 2003 and FY 2004 Budget Requests. Budget requests are accessible at <http://www.dol.gov/aboutdol/main.htm>.

PART Performance Measurements

Program: Youth Activities
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	56%	40%	

2.7 **Has the program taken meaningful steps to address its strategic planning deficiencies?** Answer: YES Question Weight:14%

Explanation: WIA specifies the performance measures on which States will report and requires that DOL negotiate performance levels with each State. As specified in statute, these negotiations occurred at the beginning of WIA implementation and established goals for the first 3 years of implementation and then again in year three for the final two years of authorization. This statutory requirement hampers DOL's ability to develop long-term goals. DOL is taking two steps to address this obstacle. First, the WIA reauthorization proposal includes changes to the State negotiation process that, among other things, will allow for longer-term strategic planning. Second, as part of the Job Training Common Measures exercise, DOL has adopted 4 long-term and annual goals for Youth Activities and established numerical values for those goals wherever possible. WIA requires that DOL negotiate performance levels with each State.

Evidence: DOL's FY 2003-2008 Strategic Plan and FY 2004 Annual Performance Plan. Strategic and performance plans are posted at <http://www.dol.gov/aboutdol/main.htm>.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: NO Question Weight:11%

Explanation: DOL uses performance data to award incentive grants and identify areas needing technical assistance, which DOL provides to States that fail on one or more performance measures. However, this information is not reported uniformly to DOL in as timely a manner as would be useful for effective program management. For example, in the FY 2002 Annual Performance Report, the data for the younger youth goal (14-18 yr olds) were incomplete. Only 42 of the 53 States and jurisdictions reported final data and 7 of those submitted data that are questionable. States are supposed to report some information to DOL quarterly, but there may be a delay of several months from the end of a quarter to the time that DOL receives, compiles, validates, and publishes the information. In 2003, DOL issued policy guidance for a data validation project that will create more precise programming specifications and standards for use in validating grantee-reported data. ETA anticipates that states/grantees will finish validating 2002 data and begin reporting to ETA in March 2004.

Evidence: DOL's Annual Report on Performance and Accountability for FY 2002, which is accessible at http://www.dol.gov/_sec/media/reports/annual2002/; and DOL's IG's Report No. 06-02-006-03-390, "Workforce Investment Act Performance Outcomes Reporting Oversight," September 30, 2002. DOL's IG's reports are accessible at <http://www.oig.dol.gov/public/reports/oa/main.htm>. TEG 3-03: Data Validation Policy for Employment and Training Programs. Information on the DOL's data validation initiative for ETA programs is accessible at <http://www.uses.doleta.gov/dv/>.

PART Performance Measurements

Program: Youth Activities
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	56%	40%	

3.2 Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results? Answer: YES Question Weight: 11%

Explanation: WIA awards incentive grants to States that meet or exceed negotiated levels of performance. In addition, the statute authorizes the Secretary to apply sanctions to States that fail to meet agreed-upon performance levels. For PY 2001, four States received monetary sanctions for failing to meet performance levels for two consecutive years. It should be noted that in the past, a weaker sanction authority under the predecessor program was not utilized. DOL ties performance ratings for managers and supervisors to the achievement of Departmental and program-specific goals and outcomes; employees are aligned on a fiscal year cycle to help cascade standards to non-supervisory personnel, and a system accountability review is planned for 2004.

Evidence: Sections 503 and 136 (g) of the Workforce Investment Act (29 U.S.C. 9273 and 2871, P.L. 105-220). DOL's revised performance management plans for senior executives (Form DL 1-2059, Rev. 10/2001) and for supervisors and managers (Form DL 1-382, Rev. 10/2001). States' Annual Reports are accessible at <http://www.doleta.gov/usworkforce/documents/>. TEGL 19-02 regarding Sanctions Policy for Failure to Meet State Negotiated Performance Levels under Title I of the Workforce Investment Act (WIA) was issued on February 10, 2003.

3.3 Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: NO Question Weight: 11%

Explanation: Although the Federal program fully obligates the funds of approximately \$1.1 billion annually, States and localities carry over approximately \$0.5 billion of unspent funds annually. Further, even though States and localities claim to have committed most of these funds, the nature of the commitments is unknown, except case by case, so it is difficult to say confidently how available the funds are to provide services. Tracking of spending for intended purposes is insufficient. The WIA reauthorization proposal would allow DOL to recapture unexpended funds in each program in states and local areas in excess of 30% of the total funds available during a program year. WIA currently allows recapture of funds not obligated by a State or local area which exceed 20% of total funds allotted for the previous year. The removal of any ambiguity by usage of the commonly defined and understood term 'expend' will improve the ability to track funds and ensure that they are spent in a timely manner.

Evidence: Current estimates of unspent carry-in for Program Years 2000-2003, as compared to expenditures (and annual appropriations of \$1.1 B): PY 2000: Carry-in \$220 M, Expenditures \$792 M; PY 2001: Carry-in \$438 M, Expenditures \$1.1 B; PY 2002: Carry-in \$479 M, Expenditures \$1.2 B; PY 2003: Carry-in \$479 M, Expenditures \$1.1 B, Carry-out \$346 M (Please note: these figures are estimates.) GAO Report GAO-02-1074, "Workforce Investment Act: Interim Report on Status of Spending and States' Available Funds," September 2002; and DOL's IG's Report No. 04-02-004-03-390 (September 20, 2002) on the State of Ohio's application of agreed-upon procedures for WIA grant obligations, expenditures, and payments. DOL's IG reports are accessible at <http://www.oig.dol.gov/public/reports/oa/main.htm>.

PART Performance Measurements

Program: Youth Activities
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	56%	40%	

3.4 Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution? Answer: YES Question Weight:11%

Explanation: As part of its FY04 submission, DOL submitted unit cost data requested as part of an efficiency measure agreed to as one of the interagency Job Training Common Measures. Over the next year, OMB and the agencies involved in the Job Training Common Measures will work together to craft a methodology for utilizing this data to assess cost effectiveness and efficiency.

Evidence: DOL's FY 2004 Budget Request and FY 2004 Annual Performance Plan. Budget requests and performance plans are accessible at <http://www.dol.gov/aboutdol/main.htm>.

3.5 Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels? Answer: NO Question Weight:11%

Explanation: Like the rest of DOL, ETA does not have an integrated accounting and performance management system to identify the full cost of achieving this program's performance goals and support day-to-day operations. In preparing its FY 2004 budget submission, DOL moved closer to providing full program costing and began to integrate performance goals with budget information. However, this program performance and cost integration does not yet permit measurement of the full costs of each program or an assessment of the impact of budget levels on performance outcomes.

Evidence: DOL's FY 2003 and FY 2004 Budget Requests. Budget requests are accessible at <http://www.dol.gov/aboutdol/main.htm>.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight:11%

Explanation: The program is free of material internal control weaknesses as identified by auditors. However, DOL has not completed its evaluation of the level and nature of erroneous payments in its WIA programs, including this one, and how to minimize them. This evaluation is a high priority for ETA and is expected to be presented to OMB soon.

Evidence: DOL's FY 2002 and 2003 Annual Reports on Performance and Accountability, which are accessible at <http://www.dol.gov/aboutdol/main.htm>.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight:11%

Explanation: DOL has tied its performance goals to performance ratings for managers; new appraisal system is to be cascaded through the Department. DOL's Assistant Secretary for Employment and Training is working to improve performance accountability of Federal managers, management of grantees and sub-recipients, and erroneous payments. DOL is developing a strategy for program reporting that will substantially address issues of timely, accurate and valid program information. It will address local, state and federal levels on performance and financial reporting, validation of data and improved compliance tools. This will help DOL to manage the program more effectively and support compliance and technical assistance efforts.

Evidence: DOL's revised performance management plans for senior executives (Form DL 1-2059, Rev. 10/2001) and for supervisors and managers (Form DL 1-382, Rev. 10/2001).

PART Performance Measurements

Program: Youth Activities
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	56%	40%	

3.B1 Does the program have oversight practices that provide sufficient knowledge of grantee activities? Answer: NO Question Weight: 11%

Explanation: DOL has improved its oversight but continues to have insufficient knowledge of grantees' activities, due in part to WIA financial requirements. Even though states and localities may claim to have obligated most funding, the extent of such commitments is unknown, except case by case. As a result, it is difficult for DOL to say confidently the amount of funds that are available to provide services and whether funds have been spent as intended. DOL has taken several steps to improve oversight. In 2002, the Assistant Secretary directed minimum standards and set goals for grants monitoring. DOL achieved these goals in every region, and, to date, 44 of the 52 states and territories have been monitored on site. In 2003, DOL issued an accounting procedures manual for regions and an order outlining grants administration oversight roles and responsibilities. In addition, the Administration has proposed in WIA reauthorization that financial reporting and any reallocations of unspent funding be based on when funds are spent, rather than when they are obligated or committed.

Evidence: Employment and Training Order (No 1-03, April 2003); ETA Regional Accounting Procedures and Policies Manual; ETA Regional Accounting Policies and Procedures Manual; Change 1 to TEGL 16-99, which provides clarifications to the Workforce Investment Act (WIA) financial reporting instructions issued in TEGL No. 16-99, is accessible at http://wdr.doleta.gov/directives/corr_doc.asp?DOCN=1433

3.B2 Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner? Answer: YES Question Weight: 11%

Explanation: States submit WIA performance information to DOL quarterly and annually. On a quarterly basis, DOL works with state grantees to review and analyze states' performance information and helps states translate their performance into policy decisions. On ETA's Web site, DOL provides an easy link to quarterly and annual performance results for the nation and individual states. This information includes summaries of WIA participant characteristics and services received and comparisons of states' performance. DOL will continue to enhance the ETA performance web site over the next year. ETA will make it easier for the public to find performance information from the main web site and to understand what ETA and its partners seek to achieve and whether those goals have been attained.

Evidence: Performance information for ETA programs, including Youth Activities, is accessible at <http://www.doleta.gov/usworkforce/performance/>. State and national WIA annual results for PY 2000 and 2001, definitions of the performance measures, the most recent quarterly review of results reported for the quarter ending June 30, 2003, and other performance information are posted at <http://www.doleta.gov/usworkforce/performance/Reports.cfm>. The DOL FY 2002 and FY 2003 Annual Performance and Accountability Reports are posted at <http://www.dol.gov/dol/aboutdol/main.htm>.

4.1 Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)? Answer: LARGE EXTENT Question Weight: 20%

Explanation: Youth Activities has adopted four new long-term goals as part of the Job Training Common Measures exercise. DOL is working with States to establish annual and long-term targets in the common measures format. Partial credit is based on the fact that DOL has made progress toward achieving its old long-term goals.

Evidence: DOL's FY 2003-2008 Strategic Plan is accessible at http://www.dol.gov/_sec/stratplan/main.htm. The FY 2002 and FY 2003 Annual Reports are posted at <http://www.dol.gov/dol/aboutdol/main.htm>. National Summary of PY 2001 WIA Annual Performance Data posted at http://www.doleta.gov/usworkforce/documents/AnnualReports/annual_report_2001.cfm, and PY 2002 data are posted at http://www.doleta.gov/usworkforce/performance/Edition_5_6-30-03.pdf

PART Performance Measurements

Program: Youth Activities
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	56%	40%	

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: LARGE EXTENT Question Weight 20%

Explanation: Youth Activities has adopted four new annual goals as part of the Job Training Common Measures exercise. As part of the FY04 budget, DOL established numerical annual targets for most of the common measures based on similar/proxy data they had been collecting under their old goals. As DOL is required, by statute, to negotiate performance goals with each State, these common measures targets will be used as the basis for State negotiations. One of the new goals (literacy/numeracy) is a completely new goal -- DOL does not currently collect any similar data. Accordingly, DOL was unable to develop a long-term numerical target for this goal. In addition to credit toward achieving their new goals, partial credit is based on the fact that DOL has also made progress in achieving its old annual goals.

Evidence: DOL's FYs 2003-2008 Strategic Plan; Annual Reports on Performance and Accountability for FYs 2000, 2001, 2002, and 2003; and FY 2004 Annual Performance Plan. Strategic and performance plans and annual reports are accessible at <http://www.dol.gov/aboutdol/main.htm>.

4.3 Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year? Answer: NO Question Weight 20%

Explanation: Unit costs have remained roughly the same for the WIA and the predecessor program.

Evidence:

4.4 Does the performance of this program compare favorably to other programs with similar purpose and goals? Answer: LARGE EXTENT Question Weight 20%

Explanation: While the placement rate of this program (66% for younger youth and 78% for older youth in 2001) is below that of Job Corps (89.9% in 2001), the relative cost of these programs means that the average cost per placement for Youth Activities is below \$6,000 while the average cost for Job Corps, a residential program, is over \$21,000.

Evidence: Note: the placement rate described in this question measures retention in the first quarter after exit (versus in the third quarter as currently reported by Youth Activities) in order to allow for comparison between the two programs.

4.5 Do independent and quality evaluations of this program indicate that the program is effective and achieving results? Answer: NO Question Weight 20%

Explanation: No impact or outcome evaluations of the WIA program have been conducted nor are any financed under the WIA long-term research plan. Last impact evaluation (conducted in 1992) did not have favorable results. However, DOL is developing a revised evaluation plan that will establish a regular cycle of evaluation for all major job training and employment programs. The evaluation of Youth Activities will begin in FY 2006.

Evidence:

PART Performance Measurements

Program: Youth Activities
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	57%	56%	40%	

Measure: Percentage of participants entering employment or enrolling in post-secondary education, the military or advanced training/occupational skills training in the first quarter after exit.

Additional Information: New measure: result of common measures initiative. First year of measurement against the common measures will be 2004. 2002 reports performance against a similar previous placement measure for youth aged 14-18.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002	51%	55%	
2003			
2004	68%		
2005	69%		
2006			

Measure: Percentage of participants that earn a diploma, GED, or certificate.

Additional Information: New measure: result of common measures initiative. 2004 is the first year of measurement using the common measures.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2003	52%	63%	
2004	40%		
2005	53%		
2006			

Measure: Literacy and numeracy gains: percentage of participants who increase one or more educational functioning levels.

Additional Information: New measure: result of common measures initiative. 2004 is the first year of measurement using the common measures. DOL does not currently collect comparable information.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	Measure Term: Annual
2002			

PART Performance Measurements

Program: Youth Activities
Agency: Department of Labor
Bureau: Employment and Training Administration
Type(s): Block/Formula Grant

Section Scores				Rating
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40%	57%	56%	40%	

2004

2005

2006