U.S. Department of Labor

SUMMARY OF PERFORMANCE AND FINANCIAL INFORMATION

FISCAL YEAR 2011

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Secretary's Message

February 15, 2012

I am pleased to submit the Department of Labor's (DOL) Fiscal Year (FY) 2011 *Summary of Performance and Financial Information*, which presents highlights of information previously published in the FY 2011 Agency Financial Report (AFR) and the FY 2011 Annual Performance Report (APR).[1] The complete FY 2011 AFR and FY 2011 APR can be found at: http://www.dol.gov/dol/aboutdol/main.htm.

Even in challenging economic times, the Department is constantly evolving to help meet the needs of the American people, all while working toward my vision of *good jobs for everyone*. DOL remains committed to supporting the workforce's needs, whether someone is looking for a job, has a job, or has retired. Through the Department's many programs and services, more than 17,000 DOL employees nationwide are hard at work getting America back to work. We are doing this through several major initiatives, which include the following:

Getting America Back to Work

The Department is committed to promoting employment opportunities and training in vulnerable communities, supporting the employment needs of our veterans, fostering innovative new ways to deliver services at lower costs, and preparing the workforce for new employment opportunities in the "green" economy. You see this commitment at the Electrical Joint Apprenticeship Training Center in San Jose, California, where trainees learn to install and maintain advanced lighting control systems and obtain certification, or at the 100 hiring fairs held throughout the country during FY 2011 as part of the Hiring our Heroes initiative. Furthermore, the Department launched mynextmove.org, a Web site designed to help job seekers identify career paths. DOL also continues to promote its YouthBuild program, ensuring younger workers can gain hands-on job experience while completing their education. Other initiatives include focusing on the expansion of employer-linked training, on-the-job training implementation grants, and apprenticeship expansion.

Keeping Workers Safe

We are strengthening our enforcement programs to ensure that wages and worker rights are protected and that safe working conditions exist for the entire workforce. We are giving our inspectors the tools they need to ensure that workers are safe when providing for their families. As an example, the Department proposed a rule requiring that continuous mining machines used in underground coal mines be equipped with proximity detection systems. When installed on mining machinery, proximity detection can detect the presence of personnel or other machinery within a certain distance. These systems can be programmed to send warning signals and stop machine movement when certain areas are breached, thus protecting worker lives. Additionally, we have made significant enhancements to our online enforcement database to improve the public's access to and understanding of our enforcement activities. We also developed a heat safety mobile application that allows workers and supervisors to monitor the heat index for their work

[1] This report, as well as the *FY 2011 AFR* and the *FY 2011 APR* can be found on the Internet at http://www.dol.gov/dol/aboutdol/main.htm. This report contains information on Fiscal Year (FY) 2011 and Program Year (PY) 2010 performance.

site. Based on the heat index, the application displays the level of risk to outdoor workers and provides reminders about the protective measures that should be taken to protect them from heat-related illness.

Helping Workers Provide for Their Families and Keep What They Earn

We continue to work to ensure that employees receive the wages and benefits they earn, both while employed and after retirement. We have expanded our regional Wage and Hour Division presence to improve communication with stakeholders and to help coordinate with community-based resources to support enforcement initiatives. Health and pension benefits need to be protected, and we are working to reduce inequities in the workforce that result from discrimination. DOL will defend employee rights under the law, and the Department wants companies that play by the rules to know that we will take action against those that use illegal tactics to gain an unfair competitive advantage. One area that demonstrates DOL's commitment is protecting migrant workers. In September, along with the ambassadors from the Dominican Republic, Costa Rica, and El Salvador, I signed declarations that will help protect the labor rights of workers from those countries while they are employed in the United States. These countries joined representatives from Mexico, Nicaragua, and Guatemala, who previously signed agreements with the Department.

Ensuring Program Effectiveness, Improving Efficiency, and Increasing Transparency

We are striving to provide additional outputs with fewer tax dollars to ensure that the public is receiving value for the services we are delivering. To do that, we are conducting comprehensive evaluations of our major programs to build our knowledge of which strategies and approaches work and to ensure that resources are invested in high-impact areas. We are reducing travel costs, incorporating renewable energy to reduce real property costs, and developing electronic data collection systems to reduce the need for paper forms. I invite you to explore our Open.Gov page on the DOL Web site. Here you will find the latest data sets, links to ways you can connect with Department staff, and information about how you can provide input that will make our Web site, and our work, even better and more engaging.

Management Assurances

To lead in information technology and transparency, we implemented a new core financial management system in January 2010. This state-of-the-art financial management system allows the Department to leverage technology to support financial analysis and real-time decision-making. Ultimately, the new system allows us to provide higher quality service, control and reduce costs, and improve efficiency and effectiveness. As I reported last year, the transition to the new system was challenging; however, we ultimately received an unqualified audit opinion on the FY 2010 financial statements in May 2011.

Having just completed our first full fiscal year with the new system, I can proudly report that we have again received an unqualified opinion on our financial statements for the fiscal year ending September 30, 2011. I am also pleased to provide an unqualified statement of assurance regarding the Department's internal controls, as required by the Federal Managers' Financial Integrity Act (FMFIA) of 1982 and Office of Management and Budget Circular No. A-123, Management's Responsibility for Internal Control. We are confident that the financial and summary performance data included in this *Summary Report* are complete and reliable in accordance with federal requirements.

Moving forward, the Department is committed to working on weaknesses in internal controls concerning financial reporting noted by the Inspector General and the auditors. Further information on this, as well as the results of management's assessment of internal controls and compliance of financial management systems, pursuant to FMFIA and the Federal Financial Management Improvement Act of 1996 (FFMIA), are discussed in the *Management's Discussion and Analysis* section of the *Agency Financial Report.*

Conclusion

Through our commitment to transparency and openness, the Department wants to show what we are doing to get America working. Therefore, it is my pleasure to submit the DOL's *Summary of Financial and Performance Information* for Fiscal Year 2011 to Congress and the American people. It is important to remember that this report only provides a snapshot in time. At the end of this report, there is a list of links that will allow you to stay up-to-date with the Department's latest news. I invite you to engage with us in real-time by following us on Twitter, Facebook, and YouTube for the newest information. With all the exciting work we are doing, I look forward to the coming year and engaging stakeholders through our effort to advance the Department of Labor's mission. Now, let's get America back to work!

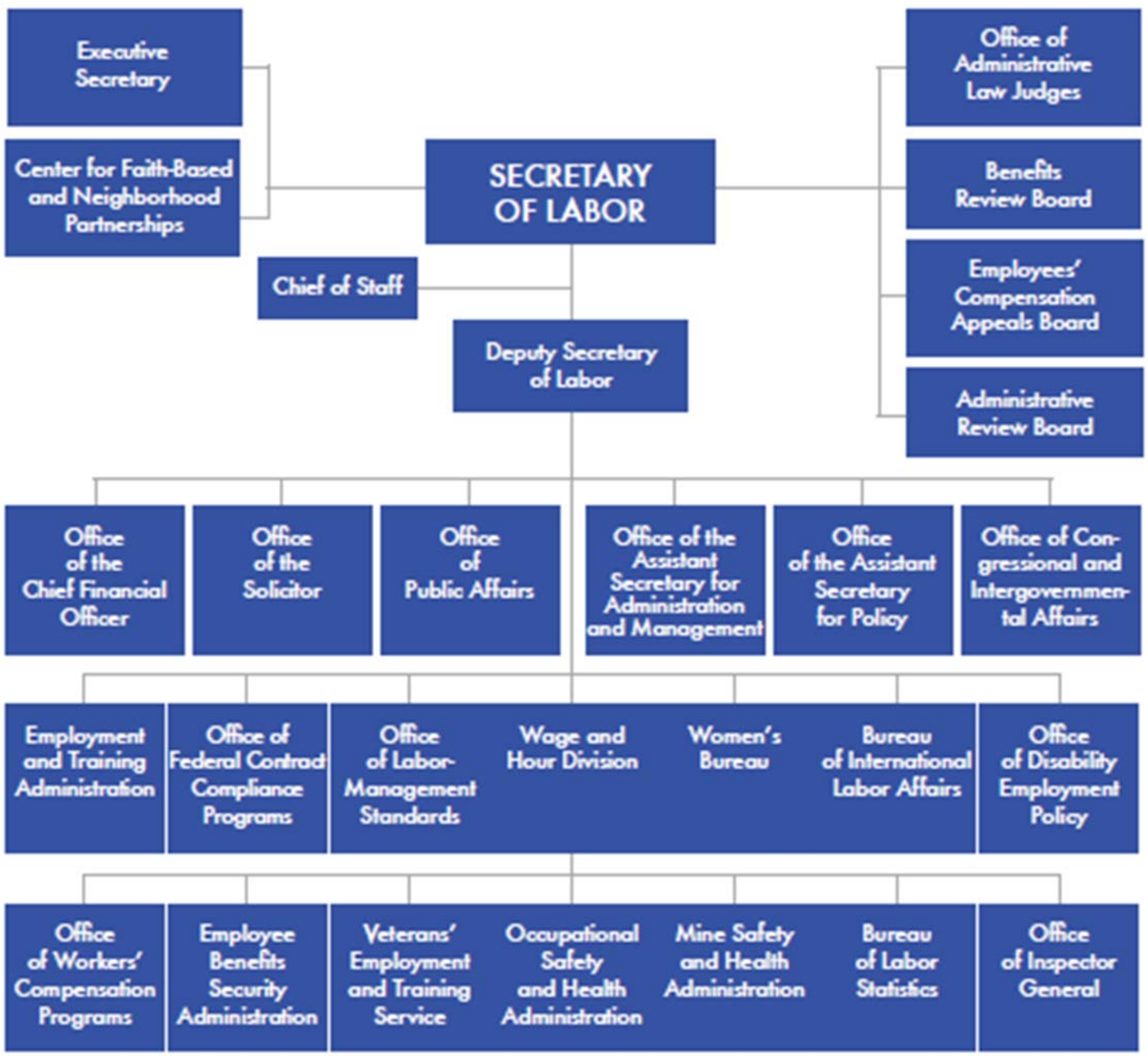
Hilda L. Solis

HILDA L. SOLIS
U.S. Secretary of Labor

Department of Labor Mission, Organization, and Goal Structure

The Department of Labor fosters and promotes the welfare of job seekers, wage earners, and retirees of the U.S. by improving their working conditions, advancing their opportunities for profitable employment, protecting their retirement and health care benefits, helping employers find workers, strengthening collective bargaining, and tracking changes in employment, prices and other national economic measures.

The Department accomplishes this mission through component agencies and offices that administer various statutes and programs. These programs are carried out through a network of regional offices and smaller field, district, and area offices, as well as through grantees and contractors. The largest program agencies, each headed by an Assistant Secretary, Commissioner, or Director, are the Employment and Training Administration, Occupational Safety and Health Administration, Mine Safety and Health Administration, Veterans' Employment and Training Service, Employee Benefits Security Administration, and Bureau of Labor Statistics. The Secretary of Labor is the Chair of the Board of Directors of Pension Benefit Guaranty Corporation.[2]



[2]PBGC – a Federal corporation created by the Employee Retirement Income Security Act (ERISA) of 1974 – is not included in the DOL organization chart. PBGC is included in this report because PBGC is included in the Department's performance budget. PBGC publishes an Annual Performance Report that can be found at http://www.pbgc.gov/about/budget-performance-and-planning.html.

The Department's goal structure has four levels:

- **Strategic Goals**
  Five broad outcome goals that support the Department's mission and vision of *good jobs for everyone*.
- **Outcome Goals**
  Fourteen outcome goals that articulate more specific objectives associated with one or more programs and DOL agencies.
- **Performance Goals**
  Agency-specific performance goals that express contributions to the Departmental objectives by its programs. This report includes 10 key performance goals of the 23 performance goals included in the FY 2011 APR.
- **Performance Measures**
  Progress in achieving the performance goals is measured by one or more quantifiable performance measures. This summary includes 36 key measures of the 111 measures in the FY 2011 APR.

The strategic goal framework signals the Secretary's commitment to leading a stronger, more effective Department of Labor. An important innovation of the new goal structure is the Department's commitment to measuring the effect of its agencies' activities on the day-to-day lives of working families – their wages, working hours, benefits, work-life balance, workplace safety and health, and equal employment opportunity, among other issues. This focus on workers and their families is reflected in the table below, which organizes DOL program agencies into five categories.

Employment and Training
Employment and Training Administration (ETA) Veterans' Employment and Training Service (VETS)
Worker Protection
Office of Federal Contract Compliance Programs (OFCCP) Occupational Safety and Health Administration (OSHA) Wage and Hour Division (WHD) Employee Benefits Security Administration (EBSA) Mine Safety and Health Administration (MSHA) Office of Labor-Management Standards (OLMS)
Policy
Women's Bureau (WB) Office of Disability Employment Policy (ODEP) Bureau of International Labor Affairs (ILAB)
Benefits
Office of Workers' Compensation Programs (OWCP) Federal-State Unemployment Insurance (UI) System (administered by ETA)
Statistics
Bureau of Labor Statistics (BLS)

In addition to these agencies and programs, the Department's mission is also supported by administrative, policy, legal, public affairs, and congressional liaison offices.

Program Performance Overview

Strategic Goal 1: Prepare workers for good jobs and ensure fair compensation

Six outcome goals support Strategic Goal 1:

- 1.1 Increase workers' incomes and narrow wage and income inequality;
- 1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high growth and emerging industry sectors like "green" jobs;
- 1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs;
- 1.4 Help middle-class families remain in the middle class;
- 1.5 Secure wages and overtime; and
- 1.6 Foster acceptable working conditions and respect for workers' rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.

The Employment and Training Administration (ETA) and the Veterans' Employment and Training Service (VETS) oversee programs that prepare workers for good jobs at good wages. VETS also protects veterans' reemployment rights. The Office of Federal Contract Compliance Programs (OFCCP) ensures workers are recruited, hired, trained, promoted, terminated, and compensated in a non-discriminatory manner by federal contractors. OFCCP helps workers in the federal contractor sector by strengthening affirmative action and by combating discrimination on the basis of race, color, religion, sex, national origin, disability, or status as a covered veteran. The Wage and Hour Division (WHD) protects workers' hard-earned wages. WHD concentrates its compliance programs on ensuring fair compensation for the most vulnerable workers – agricultural and young workers, workers in fissured industries[3], and individuals with disabilities – while continuing to protect the rights of all those who seek WHD's assistance. The Bureau of International Labor Affairs (ILAB) works to improve worker rights and livelihoods for vulnerable populations of workers internationally. The Women's Bureau (WB) is the only federal office that exclusively serves and promotes the interests of women in the workforce by conducting research, projects, outreach, and evaluations on issues of importance to working women. The Office of Disability Employment Policy (ODEP) maintains the Department's focus on the significant barriers to employment faced by individuals with disabilities and provides national leadership by developing and influencing disability employment-related policies and practices to increase the employment of people with disabilities.

Results for key agency performance goals and measures that support Strategic Goal 1 are provided in tabular form (see below). Following each table is a brief narrative that explains significant successes, challenges, and trends.

[3] Fissured industries are those that have redefined employment relationships through subcontracting; third-party management; franchising; independent contracting; and other contractual forms which make the worker-employer relationship tenuous and less transparent.

Performance Goal ETA 1.1 – Increase the average earnings of individuals served through the Workforce Investment Act (WIA), Registered Apprenticeship, Community Service Employment for Older Americans (CSEOA), Job Corps, and Trade Adjustment Assistance (TAA) Programs.						
*Target reached (Y), improved (I), or not reached (N)		FY/PY 2007	FY/PY 2008	FY/PY 2009	**FY/PY 2010**	**FY/PY 2011**
Six Month Average Earnings (WIA-Adult)	Target	$12,045	$12,862	$13,741	**$12,721**	$12,865
	Result	$13,575	$14,649	$13,712	**$13,801**	—
	*	Y	Y	N	**Y**	—
Six Month Average Earnings (WIA-Dislocated Worker)	Target	$14,410	$14,888	$15,542	**$15,238**	$15,418
	Result	$15,188	$16,167	$16,804	**$17,550**	—
	*	Y	Y	Y	**Y**	—
Six Month Average Earnings (WIA-Indian and Native American Program)	Target	baseline	$9,157	$9,174	**$9,261**	$9,363
	Result	$9,665	$9,780	$9,853	**$10,175**	—
	*	—	Y	Y	**Y**	—
Six Month Average Earnings (Apprenticeship)	Target	—	—	baseline	$19,324	**$19,077**
	Result	—	—	$20,566	$20,335	**$22,210**
	*	—	—	—	Y	**Y**
Average wage of placed graduates (Job Corps)	Target	—	—	$9.02	**$9.10**	$9.25
	Result	—	—	$9.22	**$9.40**	—
	*	—	—	Y	**Y**	—
Six Month Average Earnings (TAA)	Target	baseline	$14,050	$13,386	$13,314	**$13,074**
	Result	$13,914	$14,281	$15,087	$14,214	**$18,184**
	*	—	Y	Y	Y	**Y**

ETA reached six of the six indicators for which it had targets. Among the three employment measures utilized by ETA, the performance under six-months average earnings has been the least impacted by the economic downturn.

The workforce system continues to face significant challenges in helping workers get good jobs, earn good wages, and retain their jobs in this environment. As the economy recovers and job growth returns, the reintegration of millions of unemployed and underemployed workers into jobs that pay family-sustaining wages is essential for spreading the benefits of the recovery more broadly. ETA programs support training in emerging industry sectors (including green jobs) to help workers become more competitive and equip them with the credentials and skills needed to compete in the global labor market. In FY 2011, ETA provided technical assistance to the workforce system to improve credential attainment for its customers. In FY 2012, ETA will continue to emphasize credential attainment to increase individual earning potential.

At the beginning of FY 2011, the TAA Program operated under the requirements of the Trade Act of 1974 (the Trade Act), as amended by the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA) (2009 Program). The TGAAA provided that its amendments to the TAA Program would expire on December 31, 2010, and the program would revert to its more restrictive level of benefits, services, and eligibility authorized by the Trade Act as amended by the TAA Reform Act of 2002 (2002 Program). However, on December 29, 2010, the Omnibus Trade Act of 2010 extended the expiration date of the 2009 Program to February 12, 2011. After February 12, the states continued to provide benefits and services to workers covered under the 2009 Program, and following guidance issued by the Department, began to operate the 2002 Program for workers covered under certifications issued after the expiration of the 2009 Program. During FY 2011, the Office of Trade Adjustment Assistance focused on providing guidance and technical assistance to the states to ensure that trade-affected workers had access to the benefits and services available to them under the various TAA Programs.

Performance Goal ETA 1.2 – Increasing skill attainment, certification and work preparedness of individuals served through a range of programs to prepare them to compete in a knowledge-based economy featuring emerging industries such as green jobs.						
*Target reached (Y), improved (I), or not reached (N)		**FY/PY 2007**	**FY/PY 2008**	**FY/PY 2009**	**FY/PY 2010**	**FY/PY 2011**
Percent of participants entering employment or enrolling in post-secondary education, the military or advanced training/ occupational skills training in the first quarter after exit (WIA-Youth)	Target	61%	59.4%	58.0%	**53.1%**	53.3%
	Result	62%	60.6%	53.7%	**59%**	—
	*	Y	Y	N	**Y**	—
Percent of participants who earn a diploma, GED, or certificate by the end of the third quarter after exit (WIA-Youth)	Target	45%	50.9%	47.9%	**55.4%**	54.7%
	Result	57%	53.9%	52.9%	**59.5%**	—
	*	Y	Y	Y	**Y**	—
Percent of Job Corps participants entering employment or enrolling in post-secondary education and/or advanced training/ occupational skills training in the first quarter after exit (Job Corps)	Target	82%	74%	75.0%	**65.3%**	66.3%
	Result	73%	66%	65.8%	**73.4%**	—
	*	N	N	N	**Y**	
Percent of participants who earn a diploma, GED, or certificate by the end of the third quarter after exit (Job Corps)	Target	64%	54%	55.0%	**56%**	57%
	Result	53%	55%	60.6%	**64.4%**	—
	*	N	Y	Y	**Y**	—
Percent of participants who earn a diploma, GED, or certificate by the end of the third quarter after exit (YouthBuild)	Target	—	—	baseline	**60.7%**	60%
	Result	—	41%	58%	**62.16%**	—
	*	—	—	—	**Y**	—

Through investments in youth education and training programs under the WIA Youth formula program, Job Corps, and YouthBuild grants, the Department worked to ensure that workers get the skills and knowledge needed to prepare them to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like "green" jobs. The Job Corps, WIA Youth, and YouthBuild programs exceeded their degree or certificate attainment targets. The Job Corps and WIA Youth programs also exceeded their targets for placement in employment, education, or training. The unprecedented high unemployment rates and low employment rates for youth likely contributed to DOL's lower results on the placement measure. The placement result mirrors both trends in the national economy. The FY 2010-2012 targets are based on a methodology developed by DOL for setting national performance targets using regression analysis. This econometric model uses program results from the prior year, current labor market conditions and individual characteristics to correct for the effects of the business cycle and labor market conditions on the outcomes of employment and training programs, producing targets that objectively reflect the impact of the economic environment on program performance.

The first full cycle of the 2007 YouthBuild grantees was completed in PY 2009 and the YouthBuild program was able to achieve its goal of establishing a baseline for the degree or certificate measure. To continue the upward trend for this measure, the Department provided a "coach" (a youth development content expert) to each of over 200 YouthBuild grantees to provide grantees with phone and on-site coaching services and other targeted technical assistance. This intensive TA approach assisted the grantees to exceed the PY 2010 target for degree/certificate attainment by 1.5 percentage points. It is expected that the ongoing use of these TA coaches will continue to result in the meeting and exceeding of performance targets.

Job Corps achieved each of its three performance targets for PY 2010.

Performance Goal VETS 1.3 – Improve veterans' access to training and employment opportunities.						
*Target reached (Y), improved (I), or not reached (N)		FY/PY 2007	FY/PY 2008	FY/PY 2009	**FY/PY 2010**	FY/PY 2011
Percent of disabled veteran participants employed in the first quarter after exit	Target	56.0%	58.5%	51.4%	**41.7%**	44.2%
	Result	58.4%	55.8%	43.9%	**43.1%**	—
	*	Y	N	N	**Y**	—
Percent of disabled veteran participants employed in the first quarter after exit still employed in the second and third quarters after exit	Target	79.0%	81.0%	76.9%	**70.8%**	78.3%
	Result	81.1%	79.7%	75.8%	**77.2%**	—
	*	Y	N	N	**Y**	—
Average earnings of disabled veteran participants in the second and third quarters after exit	Target	—	$15,500	$14,743	**$16,969**	$17,096
	Result	—	$16,873	$16,449	**$17,357**	—
	*	—	Y	Y	**Y**	—

Under the Department's Performance Goal 1.3, VETS assesses the employment outcomes for disabled veterans, who are served by the One-Stop Career Center staff. Those outcomes are the entered employment rate, the employment retention rate and the average earnings. For PY 2010, the entered employment rate for disabled veterans slightly declined from the prior year by less than 1.9 percent, but exceeded its annual target by over 3.3 percent. Both employment retention rate and the average earnings for disabled veterans not only performed better than the prior years and exceeded the annual targets by 9.0 percent and 2.2 percent respectively.

In order to provide better employment services to disabled veterans and to improve a quality of service delivery, VETS has encouraged front-line service delivery staff to respond in two principal ways to assist disabled veterans. First, VETS refocused the responsibilities of Disabled Veterans Outreach Program (DVOP) specialists and Local Veterans Employment Representative (LVER) staff who serve disabled veterans. This included a greater emphasis on the delivery of intensive services, including counseling and career planning, comprehensive assessments, and development of individual employment plans. This is intended to help disabled veteran jobseekers to be better prepared to compete for the scarce job openings in the current labor market. Secondly, DVOP specialists coordinate closely with their counterparts from the Department of Veterans Affairs (VA) who refer participants from VA's Vocational Rehabilitation and Employment (VR&E) Program to DVOP Specialists. LVER staff members are encouraged to place greater emphasis on employer outreach, which is intended to expand the number of job openings available with employers who are favorably inclined toward veterans and disabled veterans.

Performance Goal ETA 1.4 – Ensure that those workers adversely affected by foreign and domestic economic conditions can remain in the middle class.						
*Target reached (Y), improved (I), or not reached (N)		FY/PY 2007	FY/PY 2008	FY/PY 2009	**FY/PY 2010**	**FY/PY 2011**
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit (WIA-Dislocated Worker)	Target	89%	84.7%	84.0%	**78.0%**	78%
	Result	87%	86.0%	79.7%	**81.9%**	—
	*	N	Y	N	**Y**	—
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit (National Emergency Grants)	Target	—	—	baseline	**76.8%**	77.1%
	Result	—	—	78.5%	**85.5%**	—
	*	—	—	—	**Y**	—
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit (TAA)	Target	85%	91%	87.5%	83.3%	**82.9%**
	Result	88%	90%	88.0%	86.2%	**89.9%**
	*	Y	I	Y	Y	**Y**

It is the Department's goal to help keep middle-class families in the middle-class. Over 80 percent of participants exiting the workforce system were still employed nine months after completing program services and gaining employment through the WIA Dislocated Worker program, the National Emergency Grant Program (NEG), and TAA. All three of the aforementioned programs attained their respective targets in PY 2010.

In FY 2011, during the past year, the Department developed and disseminated career and workforce information to the workforce development system, partner agencies and the public through national electronic tools. ETA believes that improved workforce information and job assessment tools are critical in creating a match between jobseekers and those employers willing to hire. ETA developed and disseminated O*NET occupational competency profiles, coordinated workforce information grants to states, and provided technical assistance on the analysis and strategic use of labor market information. To improve the Department's ability to provide information to the public, ETA launched the Veterans ReEmployment, the My Next Move and My Next Move for Veterans portals.

The Veterans ReEmployment portal is designed to assist veterans with employment, training, career planning, financial and emotional help after military service. The site links veterans to local resources and provides a military-to-civilian job search based on military job title or occupation code.

My Next Move gives individuals three main ways to explore careers, including an online O*NET interest assessment, and provides an easy-to-read, one-page profile of each occupation highlighting important knowledge; skills and abilities; technologies used; simplified salary and outlook information; and links to find specific training and employment opportunities.

My Next Move for Veterans is designed for U.S. veterans who are current job seekers and includes online profiles for over 900 different careers. Veterans can find careers through keyword search; by browsing industries that employ different types of workers; or by discovering civilian careers that are similar to their job in the military.

As referenced during Performance Goal 1.1, during FY 2011, ETA's Office of Trade Adjustment Assistance focused on implementing the changes to the Trade Act, providing guidance and technical assistance to the states to ensure that trade-affected workers had access to the benefits and services available to them under the various TAA Programs, and maintaining progress in petition processing despite legislative changes, which required investigations under different laws and eligibility criteria.

Strategic Goal 2: Ensure workplaces are safe and healthy

One outcome goal supports Strategic Goal 2:

Outcome Goal 2.1: Secure safe and healthy workplaces, particularly in high-risk industries.

The DOL agencies working toward *safe and healthy* workplaces are MSHA, the OSHA, and WHD. The workplace safety and health missions of MSHA and OSHA fit well into this goal. WHD's role is to enforce key safety and health provisions in certain statutes. For example, the Fair Labor Standards Act ensures the safe employment of young workers, encourages their educational endeavors, and provides a path to future employment. The Migrant and Seasonal Agricultural Worker Protection Act and the Immigration and Nationality Act's (INA) H-2A Programs, and the Occupational Safety and Health (OSH) Act's field sanitation provisions protect: agricultural workers by providing standards regulating the safe transportation of migrant and seasonal workers; farm workers by ensuring safe and healthy housing; and field workers by establishing standards for drinking water, toilets, and hand-washing. Enforcement of the worker protection provisions of the H-2A program assures working conditions that protect the wages as well as the safety and health of vulnerable workers, and ensure that the local labor force is not displaced by lower paid foreign or migrant labor.

Results for key agency performance goals and measures that support Strategic Goal 2 are provided in tabular form (see below). Following each table is a brief narrative that explains significant successes, challenges, and trends.

Performance Goal OSHA 2.1 – Improve workplace safety and health through the enforcement of occupational safety and health regulations and standards.						
*Target reached (Y), improved (I), or not reached (N)		FY 2007	FY 2008	FY 2009	FY 2010	**FY 2011**
Decrease the construction fatality rate, by focusing on the four leading causes of fatalities (falls, struck-by, caught in/between, and electrocution)	Target	—	—	—	—	**8.80**
	Result	—	—	—	7.90	**8.50**
	*	—	—	—	—	**Y**
Decrease the general industry fatality rate, by focusing on the four leading causes of fatalities (falls, struck-by, caught in/between, and electrocution)	Target	—	—	—	—	**1.00**
	Result	—	—	—	1.00	**1.00**
	*	—	—	—	—	**Y**
Federal Agency *total case rate* for injuries and illnesses	Target	3.70	3.66	3.49	3.10	**3.09**
	Result	3.32	3.37	3.22	3.08	**2.78**
	*	Y	Y	Y	Y	**Y**
Federal Agency *lost time case rate* for injuries and illnesses	Target	1.71	1.66	1.61	1.42	**1.42**
	Result	1.61	1.57	1.48	1.44	**1.33**
	*	Y	Y	Y	I	**Y**

In FY 2011, OSHA reached its targets for the four DOL Priority Goal measures listed above. Reduced fatality rates are attributed in part to enforcement programs such as the Site Specific Targeting (SST) and National and Local Emphasis Programs (NEP/LEP), which targeted high hazard industries associated with fatalities. Implementation of the President's POWER initiative (Protecting Our Workers and Ensuring Reemployment) with the Department's Office of Workers' Compensation Programs (OWCP) helped federal agencies lower employees' injury and illness rates.

In FY 2012, OSHA will continue to carry out actions to meet the agency's priorities of reducing workplace injuries, illnesses, and fatalities through enforcement, regulation, compliance assistance and outreach. OSHA leverages its resources by strategically targeting those employers and industries where workers are in the most danger of getting hurt, sick or killed by occupational hazards. OSHA will continue to implement inspection-emphasis programs that address the most significant injuries in the most high-hazard workplaces. For example, OSHA has implemented new construction-related NEPs and LEPs that address hazards or industries posing a significant occupational safety or health risk to workers in the construction industry.

In addition, OSHA will target high-hazard workplaces for unannounced inspections through its SST program; significant hazards and violations are targeted through the Severe Violators Enforcement Program (SVEP). Under this program, OSHA is uncovering more systemic problems – sometimes in multiple worksites owned by the same employer, and sometimes across entire industries. Rooting out systemic problems can eventually make a difference in the lives of tens of thousands of workers.

Performance Goal MSHA 2.1 – Prevent death, disease, and injury from mining and promote safe and healthy workplaces for the Nation's miners						
*Target reached (Y), improved (I), or not reached (N)		FY 2007	FY 2008	FY 2009	FY 2010	**FY 2011**
Five-year rolling average of fatal injuries per 200,000 hours worked	Target	—	—	baseline	0.0171	**0.0178**
	Result	—	—	0.0180	0.0187	**0.0164**
	*	—	—	—	N	**Y**
Percent of Metal and Nonmetal mines conducting their own noise, dust, gas, mist and flame surveys	Target	—	—	—	—	**17%**
	Result	—	—	—	—	**26%**
	*	—	—	—	—	**Y**

In FY 2011, MSHA reached its target for the DOL Priority Goal to reduce mining fatalities, primarily by strategic enforcement through impact inspections at mines with troubling compliance histories. Other measures MSHA has undertaken to prevent mining deaths include a more robust Pattern of Violations (POV) program; special initiatives such as "Rules to Live By," which focuses attention on the most common causes of mining deaths; and outreach efforts such as "Safety Pro in a Box," which provides guidance to the metal/nonmetal mining industry on best practices and compliance responsibilities.

In the year following the explosion at the Upper Big Branch Mine which took the lives of 29 miners in the worst coal mine disaster in four decades, the mining community achieved a near record low number of mining deaths. MSHA also reached its FY 2011 target for Metal and Nonmetal (MNM) mine operators conducting their own surveys/samples for airborne contaminants (focusing on silica dust) and noise. Effective surveys and sampling focus on attention on the need to reduce exposures to noise and dust, as well as other air contaminants. Continued emphasis on MSHA's expectations and requirements with respect to health surveys is aimed at steady progress toward a five-year goal of 85 percent of MNM mine operators conducting these surveys.

In the years ahead, MSHA remains committed to preventing mine deaths by developing a health and safety culture throughout the mining industry in which mine operators take ownership and responsibility for the health and safety of miners. MSHA's education and technical assistance programs will assist operators to maintain effective safety and health management programs that are constantly evaluated, implement find-and-fix programs to identify and eliminate mine hazards, and provide training for all mining personnel.

Strategic Goal 3: Assure fair and high quality work-life environments

Three outcome goals support Strategic Goal 3:

3.1 Break down barriers to fair and diverse workplaces so that every worker's contribution is respected;
3.2 Provide workplace flexibility for family and personal care-giving; and
3.3 Ensure worker voice in the workplace.

Eight DOL agencies have programs, performance goals, and measures that contribute to achievement of this goal. Through the work of the OFCCP, DOL ensures that over 200,000 contractors and sub-contractors working under contracts with the federal government provide equal employment opportunities. ODEP develops policy and policy strategies to reduce barriers to employment for individuals with disabilities. The Women's Bureau (WB) formulates standards and policies to promote the welfare of vulnerable, wage-earning women and, with WHD, promotes workplace flexibility for family and personal care-giving. The Office of Labor-Management Standards (OLMS), ILAB, OSHA, MSHA, and WHD conduct outreach so that workers are better informed of their rights, are better able to freely exercise those rights without fear of adverse consequences, and are better positioned to meaningfully participate in workplace decision-making. Through these activities, workers increase their voice in the workplace.

Results for a key agency performance goal and measures that support Strategic Goal 3 are provided in tabular form (see below). Following the table is a brief narrative that explains significant successes, challenges, and trends for this key agency performance goal.

Performance Goal OLMS 3.3 – Ensure union financial integrity, democracy, and transparency.						
*Target reached (Y), improved (I), or not reached (N)		FY 2007	FY 2008	FY 2009	FY 2010	**FY 2011**
Percent of disclosure reports filed electronically	Target	—	—	baseline	18.5%	**24.5%**
	Result	—	—	17.4%	20.6%	**21.4%**
	*	—	—	—	Y	**I**
Average number of days to resolve union officer election complaints	Target	—	baseline	88	84	**80**
	Result	—	92	70	81	**79**
	*	—	—	Y	Y	**Y**
Percent of targeted audits that result in a criminal case	Target	—	baseline	12.0%	12.5%	**13%**
	Result	—	11.5%	12.1%	14.6%	**14.9%**
	*	—	—	Y	Y	**Y**

In FY 2011, OLMS exceeded or improved performance for these performance goals.

OLMS has invested in the use of new technology to facilitate the electronic filing of union financial reports. During FY 2010, OLMS implemented a new, web-based system for the electronic filing of LM-2 union annual reports, which ameliorates barriers to electronic filing that were identified by OLMS stakeholders. In FY 2011, OLMS implemented a similar system for its LM-3 and LM-4 union filers. However, delays in rolling out phase II of the project meant that many unions could not take advantage of the new system, and as a result, OLMS did not meet its goal of 24.5 percent of forms filed electronically. However, 21.4 percent of forms were filed electronically – an improvement over FY 2010 when 20.6 percent of forms were electronic.

OLMS established a goal in FY 2008 to decrease the number of elapsed days to resolve union officer election complaints. In passing the Labor-Management Reporting and Disclosure Act in 1959, Congress established a 60-day deadline for court filing of an election complaint. An analysis of data indicated that waivers of the 60-day limit were increasing, extending the average elapsed time to 92 days. Waivers of the 60-day filing deadline are sometimes necessary to accommodate settlement discussions between OLMS and the union and for other valid reasons. However, quick resolution of election complaints ensures quicker restoration of democratic voice and a democratically operated union. In fiscal years 2009, 2010 and 2011, OLMS exceeded its goals for this measure. OLMS continues to examine new methods for reducing its elapsed days further. A new team-based approach for handling election cases has proven successful; and OLMS will continue to implement this approach in FY 2012.

The increased complexity of union financial transactions continues to be a major challenge. By identifying anomalies in union financial reports and using other targeting measures, OLMS strives to more effectively identify unions where criminal activity may be present. OLMS has exceeded its target for three years straight. By effectively identifying audits that lead to a criminal case, OLMS is able to use its resources more efficiently, thus freeing resources for other priority tasks.

Strategic Goal 4: Secure health benefits, and for those not working, provide income security

Three outcome goals support Strategic Goal 4:

4.1 Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work;
4.2 Ensure income support when work is impossible or unavailable; and
4.3 Improve health benefits and retirement security for all workers.

Seven DOL agencies, as well as a government corporation whose board is chaired by the Secretary of Labor, have programs that contribute to Strategic Goal 4. OWCP administers four compensation programs that provide a critically important safety net for injured or ill workers. Program benefits include monetary compensation for injury or illness, wage replacement, medical treatment, and vocational rehabilitation and other reemployment services. In support of the OWCP program for federal workers, the OSHA plays an important role in promoting safe and healthy workplaces through the Protecting Our Workers and Ensuring Reemployment (POWER) initiative. ETA administers the Unemployment Insurance (UI) Program which provides the unemployed with some income while they seek work, while the Employee Benefits Security Administration (EBSA), through its enforcement of Title I of the Employee Retirement Income Security Act of 1974 (ERISA), protects the security of retirement, health and other welfare plan benefits and assets for all workers who have employer-sponsored plans. The Pension Benefit Guaranty Corporation (PBGC), the aforementioned government corporation, was created to encourage the continuation and maintenance of private-sector defined-benefit pension plans, provide timely and uninterrupted payment of pension benefits, and keep pension insurance premiums at a minimum.

Results for key agency performance goals and measures that support Strategic Goal 4 are provided in tabular form (see below). Following each table is a brief narrative that explains significant successes, challenges, and trends.

Performance Goal OWCP 4.1 – Assist in the recovery and re-employment of injured workers.						
*Target reached (Y), improved (I), or not reached (N)		FY 2007	FY 2008	FY 2009	FY 2010	**FY 2011**
Government-wide Lost Production Day rate in non-Postal government agencies	Target	49.0	48.5	42.0	35.4	**35.4**
	Result	46.3	41.3	35.8	34.6	**33.8**
	*	Y	Y	Y	Y	**Y**
Percent of injured Federal workers coming under Federal Employees' Compensation Act (FECA) Disability Management that are reemployed by (non-Postal) Federal agencies	Target	—	—	—	86.9%	**86.7%**
	Result	—	—	—	89.7%	**91.6%**
	*	—	—	—	Y	**Y**

Return to work is most successful through early identification of work injury or illness, prompt development of case information, and efficient provision of assistance services that will support recovery and return to work. Achievement of this is measured by using two key indicators: disability duration, measured as lost production days, and the percentage of workers successfully returned to employment following injury or illness. OWCP provides assistance to Federal employing agencies to elevate their participation in reemploying workers; makes greater use of technology to improve communications and data and information exchanges with employers and claimants; and, through regular monitoring of longer-term disability cases, identifies cases whose medical conditions improve and could benefit from vocational rehabilitation and job placement services.

Under POWER, individual Executive Branch agencies are directed to reduce Lost Production Day (LPD) rates (per 100 employees) by 1 percent per year through FY 2014. The Government-wide LPD rate has declined steadily over the past five years. Another POWER target is to increase the overall share of cases of the 14 largest Executive Branch agencies that are returned to work to 92 percent within two years of their start in OWCP disability management. In FY 2011, 91.6 percent of the injured workers had been returned to work within two years, an increase from the FY 2010 result of 89.7

percent. Success is due to OWCP's early intervention strategies in assisting injured workers to return to work, and employing agencies' continuing dedication to reemploying their workers.

Performance Goal ETA 4.2 – Facilitate timely and accurate payments to unemployed workers.						
*Target reached (Y), improved (I), or not reached (N)		FY/PY 2007	FY/PY 2008	FY/PY 2009	FY/PY 2010	**FY/PY 2011**
Percent of all intrastate first payments made within 21 days	Target	90.0%	88.4%	85.7%	85.9%	**84.0%**
	Result	88.2%	86.8%	82.9%	82.2%	**84.6%**
	*	N	N	N	N	**Y**
Percent of the amount of estimated overpayments that states detect established for recovery	Target	60.0%	56.0%	51.8%	52.8%	**51.4%**
	Result	54.8%	56.2%	52.9%	49.8%	**58.8%**
	*	N	Y	Y	N	**Y**
Percent of determinations about UI tax liability of new employers made within 90 days of the end of the first quarter they became liable	Target	82.8%	84.9%	88.7%	90.0%	**86.4%**
	Result	85.6%	84.9%	84.1%	86.4%	**87.3%**
	*	Y	Y	N	I	**Y**

The FY 2011 performance goals were achieved.

Making timely payments to unemployed workers is critical to fulfilling the Unemployment Insurance (UI) system's key statutory objective of making full payment of unemployment compensation "when due." Performance exceeded the FY 2011 target of 84 percent – 84.6 percent of first payments were made within statutory timeframe, an increase from the FY 2010 level of 82.2 percent. The improvement in first payment timeliness was led by double-digit improvements in California, Rhode Island, and Virginia.

Ensuring that benefits are paid only to those who meet eligibility requirements and that erroneous payments are detected and recovered is critical to the integrity of any benefit payment program. States detected and established for recovery 58.8 percent of the estimated overpayments, which exceeded the FY 2011 target of 51.4 percent. Further, overpayments established were unchanged while estimated overpayments fell by 16%, the result of a 28% drop in UI benefit payments.

The third performance goal states that 86.4 percent of the UI tax liability determinations for new employers will be made within 90 days of the end of the quarter in which employers become liable. Promptly enrolling new employers in the UI program is key to fulfilling major program objectives of supporting the timely payment of taxes – which fund UI benefits – and making timely and accurate eligibility determinations based on employer-reported wages. In FY 2011, 87.3 percent of new status determinations were made within the specified 90-day period. In 34 states, performance improved and exceeded the 86.4 percent target. This represents an increase of nearly one percentage point from the year before.

Strategic Goal 5: Produce timely and accurate data on the economic conditions of workers and their families

One outcome goal supports Strategic Goal 5:

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

The Bureau of Labor Statistics (BLS) of the U.S. Department of Labor is the principal Federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy. Its mission is to collect, analyze, and disseminate essential economic information to support public and private decision-making. As an independent statistical agency, BLS serves its diverse user communities by providing products and services that are objective, timely, accurate, and relevant.

Results for the agency performance goal and five of fourteen measures that support Strategic Goal 5 are provided in tabular form (see below). Following the table is a brief narrative that explains significant successes, challenges, and trends.

Performance Goal BLS 5.1 – Improve the timeliness, accuracy, and relevance of information on labor market activity, working conditions, and price changes in the economy

*Target reached (Y), improved (I), or not reached (N)		FY 2007	FY 2008	FY 2009	FY 2010	**FY 2011**
Percent of timeliness targets achieved for the Labor Force Statistics Principal Federal Economic Indicators (PFEIs).	**Target**	—	—	—	baseline	**100%**
	Result	—	—	—	100%	**100%**
	*	—	—	—	—	**Y**
Percent of accuracy targets achieved for Labor Force Statistics Principal Federal Economic Indicators (PFEIs).	**Target**	—	—	—	baseline	**100%**
	Result	—	—	—	100%	**100%**
	*	—	—	—	—	**Y**
Percent of relevance targets achieved for Labor Force Statistics Principal Federal Economic Indicators (PFEIs).	**Target**	—	—	—	baseline	**100%**
	Result	—	—	—	100%	**100%**
	*	—	—	—	—	**Y**
Average number of Internet site user sessions each month (Dissemination).	**Target**	3,700,000	4,300,000	5,100,000	6,100,000	**6,900,000**
	Result	4,223,523	5,032,111	6,090,587	6,972,577	**7,213,823**
	*	Y	Y	Y	Y	**Y**
Customer satisfaction with BLS products and services as measured by the American Customer Satisfaction Index (Mission Achievement).	**Target**	—	—	—	baseline	**75**
	Result	—	—	—	75	**75**
	*	—	—	—	—	**Y**

BLS revised its performance framework in 2010. For most performance measures, 2010 is the baseline year. In 2011, BLS reached 100 percent of the underlying timeliness, accuracy and relevance targets for its Labor Force Statistics, Prices and Living Conditions, Compensation and Working Conditions, and Productivity and Technology Principal Federal Economic Indicators.

In addition, BLS measured Dissemination through the Average number of Internet site user sessions each month, and exceeded its target of 6.9 million in FY 2011 by reaching 7.2 million user sessions. Finally, in FY 2011, BLS met its target by achieving a score of 75 on the American Customer Satisfaction Index (ACSI) that measures customer satisfaction with its full Web site.

American Recovery and Reinvestment Act of 2009 (Recovery Act)

Since our nation's greatest resource is its workers, the Recovery Act targeted investments to key areas that create and preserve good jobs. DOL has two key roles in this recovery effort: providing worker training for these jobs; and easing the burden of the recession on workers and employers by providing extended and expanded unemployment benefits and assisting and educating them regarding expanded access to continued health benefits. Listed below are descriptions of a few of the largest (by funding level) among DOL's 24 Recovery Act programs. More details are posted on the Web at www.recovery.gov and www.dol.gov/recovery.

Unemployment Insurance (UI) – Extension of the Emergency Unemployment Compensation, 2008 (EUC08) Program.
The Recovery Act extended the Emergency UI program, commonly known as EUC08, which provides weekly UI benefits to individuals who have exhausted their regular State-financed UI benefits, through December 31, 2009, with phase-out through May 31, 2010. Subsequent legislation further extended these benefits to March 6, 2012, with phase-out through August 15, 2012.

Unemployment Insurance – Federal Additional Compensation (FAC) Program.
The Recovery Act also created a new federally-funded program, FAC, which temporarily increased UI benefits by $25 a week through January 1, 2010, with phase-out through June 30, 2010. Subsequent legislation further extended this program to June 2, 2010, with phase-out through December 7, 2010.

Unemployment Insurance – Modernization ($7 Billion Incentive Fund).
The Federal-State UI Program provides unemployment benefits to eligible workers who are unemployed because of a lack of suitable work, and meet other eligibility requirements. States operate UI programs under their own laws, which must conform to Federal law. The Modernization Program helped States make UI more accessible to workers by temporarily defraying the costs of certain eligibility liberalizations. At the conclusion of the program on September 30, 2011, $4.4 billion of the $7.0 billion had been disbursed to 41 states, while $2.6 billion remained unclaimed, reverting to the Federal Unemployment Account on October 1, 2011.

Workforce Investment Act (WIA) Dislocated Worker Program.
Prior to passage of the Recovery Act, funding for the public workforce investment system had declined, while program enrollments increased, placing strain on the system's capacity to keep pace with recessionary impacts such as job loss and worker dislocations. The Recovery Act nearly doubled the annual funding to the WIA Dislocated Worker Program. As of September 30, 2011, all program funds were obligated by states. States have used these Recovery Act dollars to improve their reemployment efforts, increase training in new or emerging occupations, and design and create new programs or program elements to respond to local needs.

Workforce Investment Act (WIA) Youth.
The Recovery Act made an additional $1.2 billion available for WIA Youth activities, using the same formula as the regular appropriation and extended the youth eligibility age from 21 to 24. Grantees focused on creating summer employment opportunities for youth, including opportunities in the health care sector and in green jobs within the construction, energy efficiency, renewable energy, and other related industries. The Recovery Act WIA Youth activities ended June 30, 2011. A total of 426,206 youth were served which includes 368,068 youth who were placed in summer employment. As of September 30, 2011, approximately 99% of the Recovery Act WIA Youth Program funds were obligated and expended.

RECOVERY.GOV

Financial Performance Overview

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

Transparency and accountability provide the foundation for effective financial management. Because we finished our transition to a new core financial management system, Department of Labor officials have taken a major step toward the administration's goal of providing clearer and more accessible information to stakeholders. We have modernized government through technology.

The FY 2011 financial statements are the first produced entirely from the new financial system, and I am proud that the Department has obtained an unqualified audit opinion on its financial statements for 14 consecutive fiscal years. This clean audit opinion provides independent confirmation that the Department's financial statements are presented fairly and in conformity with U.S. generally accepted accounting principles. Accurate and timely financial information improves DOL's accountability to its stakeholders and the operational, budget, and policy decision-making processes that are the foundation for the services the Department delivers to the public.

Following challenges in migrating to the new financial management system in FY 2010, we continued to work to resolve outstanding material weaknesses and significant deficiencies identified during the FY 2010 audit process. In addition, we have significantly improved the ability of the financial system to process procurement documents, grants, and travel payments in conjunction with the Department's legacy systems.

I am extremely proud of the Department's financial management personnel, who have worked tirelessly to achieve a clean opinion for FY 2010 and, under a compressed schedule, attained that same result for FY 2011. They exemplify the high standards of professionalism demanded by the American people, and they enable the Department to be a leader in sound financial management across government. As DOL places additional emphasis on maximizing outcomes in its core missions despite limited resources, it will be critical to focus on the sound financial management necessary to support Secretary Solis' vision of *good jobs for everyone*.

James L. Taylor
Chief Financial Officer

February 15, 2012

FINANCIAL REPORTING ENTITY

DOL reports its financial activities annually in Financial Statements, prepared in accordance with U.S. generally accepted accounting principles and the financial reporting requirements of the Office of Management and Budget (OMB). For fiscal years 2011 and 2010, five principal financial statements, the *Consolidated Balance Sheet, Consolidated Statement of Net Cost, Consolidated Statement of Changes in Net Position, Combined Statement of Budgetary Resources,* and *Statement of Social Insurance*, were presented with accompanying notes and other required information. A sixth financial statement, the *Statement of Changes in Social Insurance* Amounts, was also produced for the first time in FY 2011. These Financial Statements were included in DOL's FY 2011 Agency Financial Report, produced instead of the Performance and Accountability Report issued in prior years.

The DOL financial reporting entity is organized by major program agencies, which conduct operations in five major program areas, through execution of DOL's annual budget. The Department's FY 2011 net operating costs by major program agency and by major program are shown in the table below:

NET COST OF OPERATIONS BY MAJOR PROGRAM AGENCY AND MAJOR PROGRAM

DOL'S NET COST BY MAJOR PROGRAM AGENCY

MAJOR PROGRAM OPERATING AGENCIES[1]	2011 Net Cost (000s)
Employment and Training Administration (ETA)	$125,691,396
Employment Standards Administration (ESA)[2]	5,426,592
Office of Job Corps (OJC)	1,716,696
Veterans' Employment and Training Service (VETS)	227,716
Occupational Safety and Health Administration (OSHA)	596,010
Mine Safety and Health Administration (MSHA)	397,294
Employee Benefits Security Administration (EBSA)	206,996
Bureau of Labor Statistics (BLS)	671,952
Departmental Management (DM)	136,506
TOTAL NET COST OF OPERATIONS	$135,071,158

DOL'S NET COST BY MAJOR PROGRAM

MAJOR PROGRAMS	Operating Agencies	2011 Net Cost (000s)
Income maintenance	ETA, ESA, OSHA, EBSA, DM	$124,897,829
Employment and training	ETA, ESA, OJC, VETS, DM	7,644,815
Labor, employment and pension standards	ESA, EBSA, VETS, DM	826,240
Worker safety and health	OSHA, MSHA, DM	992,334
Statistics	BLS, DM	672,242
Cost not assigned to programs	DM	37,698
TOTAL NET COST OF OPERATIONS		$135,071,158

(1) The Pension Benefit Guaranty Corporation (PBGC), a Federal corporation under the chairmanship of the Secretary of Labor, is designated by OMB as a separate reporting entity for financial statement purposes and is not included in this financial overview.

(2) At the beginning of FY 2010, DOL dissolved the Employment Standards Administration (ESA) and established its four component offices/divisions as stand-alone agencies reporting directly to the Office of the Secretary. This reorganization was reflected in DOL's FY 2011 budget. In FY 2011, all applicable appropriations occurred under the previous ESA structure. Consequently, references to ESA are retained throughout this financial overview.

FINANCIAL POSITION

Highlights of DOL's financial position for the fiscal years ended September 30, 2011 and 2010 follow:

SUMMARY OF CONSOLIDATED BALANCE SHEET

As of September 30, 2011 and 2010
(Dollars in Thousands)

ASSETS	2011	2010[1]
Funds with U.S. Treasury	$10,954,458	$12,618,146
Investments in Treasury securities	16,213,789	19,281,093
Advances and receivables, net	9,706,214	9,766,444
Property, plant and equipment, net	1,219,912	1,174,713
TOTAL ASSETS	**$38,094,373**	**$42,840,396**

LIABILITIES AND NET POSITION

LIABILITIES	2011	2010[1]
Accounts payable and other liabilities	$1,688,035	$1,973,164
Debt	48,935,904	40,400,725
Workers' benefits, current period	3,320,444	5,284,543
Workers' benefits, future periods	16,877,801	14,190,027
Total liabilities	**$70,822,184**	**$61,848,459**
NET POSITION		
Unexpended appropriations	$9,210,647	$10,539,272
Cumulative results of operations	(41,938,458)	(29,547,335)
Total net position	**($32,727,811)**	**($19,008,063)**
TOTAL LIABILITIES AND NET POSITION	**$38,094,373**	**$42,840,396**

(1) FY 2010 numbers were revised in the Department's reissued FY 2010 *Agency Financial Report* published in May 2011. As such, FY 2010 numbers may differ from those appearing in the FY 2010 *Summary Report of Performance and Financial Information*.

ASSETS AND LIABILITIES - 2011

TOTAL ASSETS were $38.1 billion at the end of FY 2011, a decrease of 11% from 2010.

Funds with U.S. Treasury (28.8% of total assets) represent balances available to DOL ($8.9 billion) as well as restricted balances not available ($2.1 billion).

Investments in Treasury securities (42.6%) consist of non-marketable, special issue Treasury securities held primarily in the Unemployment Trust Fund (UTF).

Advances and receivables, net (25.5%) consist primarily of amounts due from other Federal agencies for benefits paid by DOL ($5.9 billion) and from States for UI taxes, advances and benefit overpayments ($2.2 billion).

Property, plant and equipment, net (3.2%) primarily consists of depreciated PP&E held by 125 Job Corps centers located in the territorial U.S. (76%), improvements to GSA leased facilities (13%) and internal use software (11%).

TOTAL LIABILITIES were $70.8 billion at the end of FY 2011, a $9.0 billion (14%) increase over 2010.

Debt rose by $8.5 billion (21.1%), caused by increases in UTF borrowings from Treasury to meet unemployment benefit requirements.

Workers' benefits liabilities increased by $0.7 billion (4%) due to a total decrease in accrued UI benefits for the current period and increase in Federal employee, Black Lung and Energy employee compensation benefits for the current period and future periods.

NET POSITION

Net Position represents the difference between DOL's assets and liablities, measured by its two components, Cumulative Results of Operations and Unexpended Appropriations.

Cumulative Results of Operations accounts for DOL's net results of operations since inception, plus any prior period adjustments not affecting net results. **Net results of operations** represents the difference between **financing sources**, as reported on *the Consolidated Statement of Changes in Net Position,* and the **net cost of operations**, as reported on the *Consolidated Statement of Net Cost.*

Unexpended Appropriations measures the cumulative difference between **appropriations received** by DOL from Treasury and **appropriations used, transferred or unavailable**. Appropriations are considered used by DOL when goods and services have been received or benefits provided.

Highlights of the changes in DOL's net position for the fiscal years ended September 30, 2011 and 2010 follow:

SUMMARY OF CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION[1]		
For The Years Ending September 30, 2011 and 2010 (Dollars in Thousands)		
CUMULATIVE RESULTS OF OPERATIONS	**2011**	**2010[2]**
Beginning balance, as adjusted	($29,547,335)	$3,703,340
Financing sources		
Appropriations used	63,729,728	99,719,400
Employer taxes	52,679,104	41,060,101
Interest, reimbursements and other	6,271,203	5,783,400
Total financing sources	122,680,035	146,562,901
Net cost of operations	(135,071,158)	(179,813,576)
Net change	(12,391,123)	(33,250,675)
Cumulative results of operations, ending	**($41,938,458)**	**($29,547,335)**
UNEXPENDED APPROPRIATIONS		
Beginning balance, as adjusted	$10,539,272	$10,825,237
Financing sources		
Appropriations received	67,405,860	101,266,852
Appropriations used	(63,729,728)	(99,719,400)
Appropriations transferred or unavailable	(5,004,757)	(1,833,417)
Total financing sources	(1,328,625)	(285,965)
Unexpended appropriations, ending	**$9,210,647**	**$10,539,272**
NET POSITION	**($32,727,811)**	**($19,008,063)**

CHANGES IN NET POSITION – 2011

DOL's ***Net Position*** decreased by $13.7 billion in 2011, a 72% decrease from 2010, primarily caused by a $12.4 billion decrease in ***Cumulative Results of Operations,*** compounded by a $1.3 billion decrease in ***Unexpended Appropriations.***

Cumulative Results of Operations accounts for the residual surplus or deficit in DOL's earmarked[3] funds and all other funds. Earmarked funds are financed by specific revenues used for specific purposes. The UTF and BLDTF are DOL's largest earmarked funds. The decrease in *Cumulative Results of Operations* was caused by the excess of 2011 net operating costs ($135.1 billion) over 2011 Financing Sources ($122.7 billion).

Financing Sources in 2011 included ***Employer taxes and reimbursements*** of $52.7 billion to fund UI and Black Lung disability benefits (43% of total financing sources); ***Appropriations used*** of $63.7 billion (52%), authorized by DOL's budget; and ***Interest and assessments*** of $1.9 billion (1% of total financing sources), earned on DOL's trust fund investments and fines levied by DOL's enforcement agencies.

(1) The cumulative negative net position is primarily due to the operation of DOL's benefit programs, such as unemployment insurance, black lung disability benefits and energy employees compensation benefits. For unemployment insurance and black lung the negative position primarily results from benefit payments exceeding the available resources from payroll taxes and excise taxes and are financed in the interim by loans from the Treasury to be repaid from future tax collections. In the case of the energy employees compensation benefits, the negative position primarily results from recorded liabilities for future payments exceeding currently available resources.

(2) FY 2010 numbers were revised in the Department's reissued FY 2010 *Agency Financial Report* published in May 2011. As such, FY 2010 numbers may differ from those appearing in the FY 2010 *Summary Report of Performance and Financial Information*.

(3) The term "earmarked funds," which primarily consist of the UTF and the BLDTF, refer to those items that are financed by specifically identified revenues such as payroll taxes and excise taxes, which can be supplemented by other financing sources, both of which remain available over time. These revenues and financing sources are required by statute to be used for designated purposes and must be accounted for separately from the Government's general revenues.

NET COST OF OPERATIONS

DOL reports its net cost of operations by major program on the Consolidated Statement of Net Cost. Net cost is calculated by deducting the **earned revenues** attributable to a program from that program's gross cost to arrive at its net operating cost. In FY 2011, DOL reported gross costs of $139.5 billion, earned revenues of $4.4 billion, and a net cost of operations of $135.1 billion.

DOL's net operating cost in FY 2011 decreased by $44.7 billion (25%) from the prior year. This decrease was primarily attributable to the $44 billion (26%) decrease in income maintenance program costs in FY 2011, caused by a 29% decrease in unemployment benefits. Income maintenance costs have ranged 92% to 94% of DOL's total net operating costs since FY 2009.

Highlights of DOL's net cost of operations for the fiscal years ended September 30, 2011 and 2010 follow:

SUMMARY OF CONSOLIDATED STATEMENT OF NET COST BY MAJOR PROGRAM COMPONENT

For The Years Ending September 30, 2011 and 2010 (Dollars in Thousands)

NET COST BY MAJOR PROGRAM COMPONENT	2011	2010[1]
INCOME MAINTENANCE		
Unemployment Insurance (ETA)		
Unemployment benefits, net	$111,261,567	$153,857,069
Grants to States to administer UI program	5,327,043	4,545,418
Other	3,383,984	3,010,594
Total unemployment insurance	119,972,594	161,413,081
Workers' Benefits		
Net Federal and Energy workers' compensation benefits	3,989,554	6,527,083
Black Lung disability benefits	201,219	220,977
Interest on repayable advances, BLDTF	226,646	223,923
Other	476,087	425,679
Total workers' benefits	4,893,506	7,397,662
Other Departmental programs	31,729	40,275
Total income maintenance	**$124,897,829**	**$168,851,018**
EMPLOYMENT AND TRAINING		
ETA employment and training programs	5,718,802	6,519,848
Job Corps employment and training program	1,716,696	1,662,617
Veterans employment and training programs	207,393	224,568
Other Departmental employment and training	1,924	1,878
Total employment and training	**$7,644,815**	**$8,408,911**
LABOR EMPLOYMENT AND PENSION STANDARDS		
Employment Standards Administration	531,735	475,375
Employee Benefits Security Administration	179,843	172,190
Veterans Employment and Training Service	20,323	31,629
Other Departmental programs	94,339	91,928
Total labor, employment and pension standards	**$826,240**	**$771,122**
WORKER SAFETY AND HEALTH		
Occupational Safety and Health Administration	594,924	611,682
Mine Safety and Health Administration	397,294	400,428
Other Departmental programs	116	2,004
Total worker safety and health	**$992,334**	**$1,014,114**
STATISTICS		
Bureau of Labor Statistics	671,952	676,275
Other Departmental programs	290	5,009
Total statistics	**$672,242**	**$681,284**
Costs not assigned to programs	37,698	87,127
NET COSTS OF OPERATIONS	**$135,071,158**	**$179,813,576**

(1) FY 2010 numbers were revised in the Department's reissued FY 2010 *Agency Financial Report* published in May 2011. As such, FY 2010 numbers may differ from those appearing in the FY 2010 *Summary Report of Performance and Financial Information*.

Income Maintenance

Unemployment Insurance (UI) managed by ETA through the Federal / State UI system provides grants to States, and regular and emergency UI benefits to covered workers, financed by employer taxes, Treasury borrowings and appropriations. Total UI system costs were $120.0 billion in FY 2011, a 26% decrease from FY 2010, caused by a $42.6 billion (28%) decrease in net UI benefits. ***Workers' Benefits*** programs provide benefits to injured Federal employees and their survivors for lost wages, and benefits to eligible Energy workers, coal miners and their survivors disabled by occupational diseases. The decrease in Net Federal and Energy workers' compensation benefits results from the change in the Energy Employees Occupational Illness Compensation Benefits liability, which increased less in FY 2011 than in FY 2010.

Employment and Training

ETA, Job Corps and **VETS** provide employment and training to job seekers, workers and veterans, including economically disadvantaged individuals through adult, youth, dislocated worker and older worker training programs using Federal, State and local service providers, and a network of contractors and grantees. The net cost of these programs in FY 2011 was $7.6 billion, a 9% decrease from 2010.

Labor, Employment and Pension Standards

ESA programs enforce compliance with minimum wage, overtime, child labor, and labor union standards. **EBSA** programs protect private employee retirement, health, and other benefit plans from abuse; and **VETS** programs assist service members with issues affecting civilian employment. The total net cost of these programs in FY 2011 was $0.83 billion, up 7% over 2010.

Worker Safety and Health

OSHA and **MSHA** operate programs to protect the safety and health of America's workforce through enforcement, workplace inspection and compliance assistance. The net cost of these programs in FY 2011 was $0.99 billion, down 2% from 2010.

Statistics

BLS programs disseminate timely, relevant economic information to the public. The net cost of these programs in FY 2011 was $0.67 billion, down 1.3% from 2010.

Top Management Challenges

For 2011, the OIG considers the following as the most serious management and performance challenges facing the Department:

- Protecting the Safety and Health of Workers
- Improving Performance Accountability of Workforce Investment Act Grants
- Ensuring the Effectiveness of the Job Corps Program
- Safeguarding Unemployment Insurance
- Improving the Management of Workers' Compensation Programs
- Maintaining the Integrity of Foreign Labor Certification Programs
- Ensuring the Security of Employee Benefit Plan Assets
- Securing Information Technology Systems and Protecting Related Information Assets
- Ensuring the Successful Development and Implementation of Major Information Management Systems
- Ensuring the Effectiveness of Veterans' Employment and Training Programs
- Improving Procurement Integrity

These top management challenges are intended to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical services to the public. The complete description of these challenges, the Department's progress, and what remains to be done – as identified by the OIG – and Management's response are available at: http://www.dol.gov/_sec/media/reports/annual2011/2011annualreport.pdf

The table below summarizes 11 challenges confronting Departmental management in 2011.

Top Management Challenge	Issue	Departmental Progress	What Remains to be Done
Protecting the Safety and Health of Workers	OSHA • Determining the Effectiveness of Federally and State Operated Worker Safety and Health Programs • Evaluating the Impact of Penalty Reductions on Workplace Safety MSHA • Completing Mandatory Regular Mine Safety and Health Inspections • Applying Available Enforcement Authorities • Addressing Contested Citations • Maintaining an experienced and properly trained enforcement staff • Timely Setting and Updating of Regulations and Standards	• Continued to enhance Severe Violator Enforcement Program (SVEP) • Revised OSHA's penalty policy • Introduced new approach to measuring performance at worker protection agencies • MSHA designed and implemented new criteria for identifying mines with a pattern of violations • MSHA continues to identify and hire mine inspector candidates within authorized personnel levels	• Monitor the SVEP to ensure results are achieved • Evaluate the impact of OSHA penalty reductions on workplace safety • Evaluate whether OSHA State Plan programs are as effective as Federal OSHA • Finalize proposed POV regulations implementing procedures to facilitate early resolution of enforcement issues • Collaborate with the FMSHRC to reduce the time it takes to resolve contested cases before the FMSHRC • Timely complete its rulemaking agenda • Encourage technological advances

Top Management Challenge	Issue	Departmental Progress	What Remains to be Done
Protecting the Safety and Health of Workers	• Fostering the Development and Implementation of New Technologies	• Worked to reduce backlog of contested cases • MSHA has recently approved the first wireless communication system for use in underground mines	
Improving Performance Accountability of Workforce Investment Act Grants	• Ensuring Grant Objectives Are Accomplished • Meeting Increased Demand for Services • Coordinating with Other Service Providers	• ETA executed a contract for the services of 14 staff for 12 months to assist with grant management activities for Recovery Act grants • Begun involving outside experts in developing its research plan and it has made improvements to its Web-based database for disseminating research and evaluation findings	• Closely monitor its WIA grants and address any disconnects between the training being provided and employment demands • Continue efforts to identify and prioritize workloads and funding levels to ensure Recovery Act funded green jobs grants are adequately monitored, grant funds are spent properly, and grants achieve their intended purpose • Work with HHS to develop a joint strategy for addressing client needs in the One-Stop center setting
Ensuring the Effectiveness of the Job Corps Program	• Ensuring Eligibility • Ensuring Health and Safety • Improving Performance Accountability • Improving the Integrity of Reported Performance Data • Ensuring Financial Accountability	• Provided up-to-date guidance on admissions procedures • Instituted requirement for all potential students to provide income documentation • Stated it has published: several Information Notices and Program Instructions on safety issues • Instituted a data integrity assessment system	• Needs to provide proactive, consistent, and rigorous oversight of contractors at all centers • Improve the transparency and reliability of its performance metrics, especially the job training match • Take actions to ensure centers provide a safe and conducive learning environment while supporting student success and program retention
Safeguarding Unemployment Insurance	• Reducing UI improper payments estimated at $17.5 billion for the current year due to large increases in claims	• Implemented State Information Data Exchange System (SIDES) in five states • Facilitated states' implementation of the Treasury Offset Program • Mandated that all states use National Directory of New Hires (NDNH)	• Fully implement SIDES • Ensure that CA adopts NDNH • Promote use of databases to detect improper payments

Top Management Challenge	Issue	Departmental Progress	What Remains to be Done
Improving the Management of Workers' Compensation Programs	• Preventing FECA Fraud and Improper Payments • Timeliness of Energy Workers' Compensation claims decisions	• Run the death match with the Social Security Administration weekly and will improve procedures to ensure timely termination of benefits upon the death of a claimant • Reduced the time to process initial claims filed by Energy Workers	• Obtain access to Social Security wage records, enhance incentives for recovered employees to return to work, and address retirement equity issues • Continue to work with other Federal agencies to reduce overall Energy case processing time
Maintaining the Integrity of Foreign Labor Certification Programs	• Fraudulent FLC applications • Improving the H-1B and H-2B FLC application processes • Uncertainty regarding the debarment process	• Office of Foreign Labor Certification (OFLC) continues to work closely with the OIG to reduce fraud in the FLC application process • For H-1B challenges, entered into a contract with a third-party vendor for employer verification Services • Proposed new rules governing H-2B process	• Evaluate the results of certification processes and make adjustments to enhance integrity of H-1B & H-2B application processing system • Ensure that suspensions and debarments are considered and decisions documented for anyone convicted of FLC violations • FLC debarments are reported to appropriate DOL personnel for inclusion in the government-wide exclusion system
Ensuring the Security of Employee Benefit Plan Assets	• Implementing the Patient Protection and Affordable Care Act (PPACA) • Uncertainty about the impact of EBSA enforcement programs • Limited authority to oversee employee benefit plan audits	• Issued PPACA regulations and sub-regulatory guidance • Began development of baseline ERISA compliance measure	• Issue additional PPACA regulations • Establish timetables to respond to public comments • Proceed with rulemaking for Section 6604 of PPACA • Provide HHS with the results of survey of benefits typically covered by employers • Determine what additional changes are needed to improve program effectiveness • Seek legislative change to address deficient plan audits
Securing Information Technology Systems and Protecting Related Information Assets	• Control deficiencies over access to key IT systems • Oversight of third-party (contractor) systems • Ineffective accounting for sensitive IT assets • Protecting sensitive information that can be accessed remotely	• Developed an improved identity verification system implemented in Oct. 2011 • Instituted Enterprise Implementation Committees (EIC) and IT Acquisition Review Boards (ARB) to improve IT operations • Implementing a Trusted Internet Connection program	• Establish a Chief Information Officer to provide exclusive oversight over all IT issues • Improving security controls testing and evaluation process • Ensure the Department has a consolidated, viable inventory system • Implement additional security controls to protect remotely accessed data

Top Management Challenge	Issue	Departmental Progress	What Remains to be Done
Ensuring the Successful Development and Implementation of Major Information Management Systems	• Executives and managers are expected to face issues in fostering major, complicated, multi-year IT projects within budget and on-time	• Assessing lessons learned from completed implementation of New Core Initiative • EIC and ARB provide greater executive expertise and procurement oversight to all IT projects	• Direct executive involvement and highly trained of project managers recommended • Continued analysis of setbacks and failures in order to achieve anticipated success • Establish an independent Chief Information Officer whose primary duty is to provide oversight of DOL IT operations
Ensuring the Effectiveness of Veterans' Employment and Training Programs	• Providing meaningful employment and training services to military members transitioning to civilian employment • Reducing homelessness among veterans	• VETS is redesigning its Transition Assistance Program to be customized to individual veteran needs. • 2009 & 2010 HVRP grantees are to meet higher standards or lose funding • Coordinated with the National Veterans Training Institute to improve services provided to Disabled Veterans outreach specialists	• Standard forms and policy are needed to monitor TAP workshops, establish outcome goals, develop new MOU with partner agencies, and ensure compliance with new management controls for contract administration • Ensure HVRP grantees are meeting reported accomplishments and take corrective action when required • Rigorous oversight of management systems, outcomes, for all programs
Improving Procurement Integrity	• In FY 2010 DOL awarded 3,804 contracts. Audits and investigations reveal need for effective controls to be put in place, including the proper separation of procurement and programmatic responsibilities, to reduce risk of improper procurement activities.	• 161 certifications have been awarded to DOL contracting employees for completing Federal acquisition training • Increased internal controls on procurement and is updating policy related to Procurement Review Board • Previous improper procurement issues have been assessed- integrity and ethics training are being implemented	• Standard and consistent internal controls and compliance frameworks for procuring agencies need to be implemented • Creation of a Chief Acquisition Officer whose primary duty is acquisition management

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Hilda L. Solis - Secretary of Labor

The Secretary's Page -	http://www.dol.gov/_sec/welcome.htm
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Department of Labor Agency Pages

Bureau of International Labor Affairs -	http://www.dol.gov/ILAB/
Bureau of Labor Statistics -	http://www.bls.gov/
Employee Benefits Security Administration -	http://www.dol.gov/ebsa/
Employment and Training Administration -	http://www.doleta.gov
Mine Safety and Health Administration -	http://www.msha.gov
Occupational Safety and Health Administration -	http://www.osha.gov/index.html
Office of Disability Employment Policy -	http://www.dol.gov/odep/
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Office of Workers' Compensation Programs -	http://www.dol.gov/owcp/
Pension Benefit Guarantee Corporation -	http://pbgc.gov/
Veterans' Employment and Training Service -	http://www.dol.gov/vets/
Wage and Hour Division -	http://www.dol.gov/whd/
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DOL Regulations and Enforcement

DOL Regulations Search -	http://www.regulations.gov/#!searchResults;a=DOL;rpp=25;po=0;s=DOL
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