

FY 2019

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Training and Employment Services

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TRAINING AND EMPLOYMENT SERVICES

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APPROPRIATION LANGUAGE

For necessary expenses of the Workforce Innovation and Opportunity Act (referred to in this Act as "WIOA"), and the Second Chance Act of 2007, \$2,019,806,000 plus reimbursements, shall be available. Of the amounts provided:

(1) for grants to States for adult employment and training activities, youth activities, and dislocated worker employment and training activities, \$1,629,522,000 as follows:

(A) \$490,370,000 for adult employment and training activities, of which \$102,370,000 shall be available for the period July 1, 2019 through June 30, 2020, and of which \$388,000,000 shall be available for the period October 1, 2019 through June 30, 2020: Provided, That, of the amounts made available in this subparagraph, the Secretary of Labor shall reserve 1.5 percent of such amount for grants for adult employment and training activities for Indians, Native Hawaiians, and Native Alaskans;

(B) \$523,667,000 for youth activities, which shall be available for the period April 1, 2019 through June 30, 2020; and

(C) \$615,485,000 for dislocated worker employment and training activities, of which \$160,485,000 shall be available for the period July 1, 2019 through June 30, 2020, and of which \$455,000,000 shall be available for the period October 1, 2019 through June 30, 2020:

Provided, That pursuant to section 128(a)(1) of the WIOA, the amount available to the Governor for statewide workforce investment activities shall not exceed 15 percent of the amount allotted to the State from each of the appropriations under the preceding subparagraphs: Provided further, That the funds available for allotment to outlying areas to carry out subtitle B of title I of the WIOA shall not be subject to the requirements of section 127(b)(1)(B)(ii) of such Act: Provided further, That, notwithstanding paragraphs (2) and (3) of section 106(b) of the WIOA, the Governor of a

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State may designate all local workforce development areas in the State in accordance with the considerations specified in section 106(b)(1)(B) of such Act: Provided further, That, notwithstanding section 106(b) of the WIOA and in addition to the authority provided by section 106(d)(1) of the WIOA, the Governor of any State may designate the State as a single State local area for purposes of such Act: Provided further, That a local workforce development board may transfer, with the prior approval by the Governor, up to 100 percent of the funds allocated to the local area for adult employment and training activities to youth activities, and up to 100 percent of the funds allocated for youth activities to adult employment and training activities: Provided further, That, notwithstanding sections 129(b)(1) and 134(a)(2) of the WIOA, the funds reserved for statewide activities under section 128(a) of such Act may be used to carry out any of the activities described under sections 129(b) and 134(a) of such Act: Provided further, That, notwithstanding section 134(a)(2)(A) of the WIOA, funds required to be reserved to carry out rapid response services under section 133(a)(2) of such Act may be used by States to provide other Statewide activities described in sections 129(b) and 134(a) of such Act or to provide additional assistance to local workforce development areas: Provided further, That, notwithstanding section 128(b)(4) of the WIOA, local workforce development boards may use not more than 12.5 percent of funds allocated under section 128(b) and section 133(b) of such Act for administrative costs of carrying out local workforce investment activities: Provided further, That in addition to waivers issued pursuant to requests by States under section 189(i) of the WIOA, the Secretary of Labor may waive such administrative and reporting requirements under such Act (except requirements relating to labor standards or nondiscrimination) as the Secretary determines are appropriate to promote efficiency and reduce administrative costs of States and local workforce development areas: Provided further, That section 189(i)(3)(A)(i) of the WIOA shall be applied in fiscal year 2019 by inserting “and” before “nondiscrimination” and striking all that follows “nondiscrimination” through “title”: Provided further, That section 189(i)(3)(A)(ii) of the WIOA shall be applied in fiscal year 2019 by striking “of sections 8 through 10” and “(29 U.S.C. 49g through 49i)”, and by inserting “the colocation of employment service offices with one-stop centers, the designation of a cooperating State agency, the establishment and

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maintenance of a national system of public employment service offices” after “veterans, ”: Provided further, That notwithstanding sections 127(b)(1)(C)(iv)(IV) and 132(b)(1)(B)(iv)(IV) of the WIOA, in allotting funds to the States for the Youth formula program under section 127(b)(1)(C) and for the Adult formula program under section 132(b)(1)(B) of such Act, the Secretary of Labor shall ensure that no State shall receive, for each such formula program, an allotment that is less than the greater of: 90 percent of the allotment percentage of the State for the preceding year; or 0.3 percent of the amount available to all States for each such formula program; and

(2) for national programs, \$390,284,000 as follows:

(A) \$51,000,000 for the dislocated workers assistance national reserve, of which \$21,000,000 shall be available for the period July 1, 2019 through September 30, 2020 and \$30,000,000 shall be available for the period October 1, 2019 through September 30, 2020: Provided, That funds provided to carry out section 132(a)(2)(A) of the WIOA may be used to provide assistance to a State for statewide or local use in order to address cases where there have been worker dislocations across multiple sectors or across multiple local areas and such workers remain dislocated; coordinate the State workforce development plan with emerging economic development needs; and train such eligible dislocated workers: Provided further, That funds provided to carry out sections 168(b) and 169(c) of the WIOA may be used for technical assistance and demonstration projects, respectively, that provide assistance to new entrants in the workforce and incumbent workers: Provided further, That notwithstanding section 168(b) of the WIOA, of the funds provided under this subparagraph, the Secretary of Labor (referred to in this title as "Secretary") may reserve not more than 10 percent of such funds to provide technical assistance and carry out additional activities related to the transition to the WIOA;

(B) \$58,960,000 for YouthBuild activities as described in section 171 of the WIOA, which shall be available for the period April 1, 2019 through June 30, 2020;

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(C) \$2,000,000 for technical assistance activities under section 168 of the WIOA, which shall be available for the period July 1, 2019 through June 30, 2020;

(D) \$78,324,000 for ex-offender activities, under the authority of section 169 of the WIOA and section 212 of the Second Chance Act of 2007, which shall be available for the period April 1, 2019 through June 30, 2020: Provided, That of this amount, \$20,000,000 shall be for competitive grants to national and regional intermediaries for activities that prepare young ex-offenders and school dropouts for employment, with a priority for projects serving high-crime, high-poverty areas; and

(E) \$200,000,000 to expand apprenticeship opportunities, to be available to the Secretary to carry out activities through grants, cooperative agreements, contracts and other arrangements, with States and other appropriate entities, which shall be available for the period April 1, 2019 through June 30, 2020.

Note.—A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

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ANALYSIS OF APPROPRIATION LANGUAGE

Language Provision	Explanation
<p>In paragraph (1)(A):<i>Provided, That, of the amounts made available in this subparagraph, the Secretary of Labor shall reserve 1.5 percent of such amount for grants for adult employment and training activities for Indians, Native Hawaiians, and Native Alaskans;</i></p>	<p>This proviso is intended to better integrate the provision of employment and training activities for Indians, Native Hawaiians and Native Alaskans with the WIOA Adult Formula program. It is expected that such activities will be provided to Indians and Native Americans generally through the adult Formula program. In addition, the proviso requires the Secretary of Labor to reserve 1.5 percent of the amount appropriated for the Adult program for grants to provide adult employment and training activities to Indians, Native Hawaiians and Native Alaskans. There would no longer be a separate appropriation under section 166 of WIOA for such activities.</p>
<p>In the provisos after paragraph (1)(C): <i>Provided further, That, notwithstanding paragraphs (2) and (3) of section 106(b) of the WIOA, the Governor of a State may designate all local workforce development areas in the State in accordance with the considerations specified in section 106(b)(1)(B) of such Act:</i></p>	<p>This proviso would provide for greater flexibility for States in the designation of local workforce development areas to facilitate the more efficient delivery of services and reduce the number of local administrative structures needed to carry out the formula programs in a State. There are currently over 600 local areas throughout the country. Notwithstanding the current WIOA requirements that the Governor must approve for designation any local area that was designated under the predecessor Workforce Investment Act and continues to meet performance measures and sustain fiscal integrity, this proviso would allow the Governor to redesignate and consolidate local areas in accordance with the considerations provided in WIOA that apply to local areas not grandfathered from WIA. Those considerations are consistency with local labor market areas, consistency with regional economic development areas, and the availability of Federal and non-Federal resources in the area to effectively administer the programs, including the availability of education and training providers. With more limited funding, this flexibility could allow States to more efficiently administer the WIOA formula programs.</p>

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In the provisos after paragraph (1)(C):
Provided further, That, notwithstanding section 106(b) of the WIOA and in addition to the authority provided by section 106(d)(1) of the WIOA, the Governor of any State may designate the State as a single State local area for purposes of such Act:

This proviso would allow the Governor to designate a State as a single State local area, and therefore administer the formula programs on a statewide basis. Currently, only States that were previously designated as a single State local area under the Job Training Partnership Act, which preceded the enactment of the Workforce Investment Act of 1998, may be designated as a single State local area under WIOA. The flexibility allowed by this proviso would allow States to determine if such a designation would promote more efficient administration of the formula programs and enhance coordination with other complementary programs in the State.

Provided further, That a local workforce development board may transfer, if such a transfer is approved by the Governor, up to and including 100 percent of the funds allocated to the local area for adult employment and training activities to youth activities, and up to and including 100 percent of the funds allocated for youth activities to adult employment and training activities;

This proviso would provide significant additional flexibility to local areas, with the approval of the Governor, to transfer funds between the WIOA Adult and Youth formula programs to meet the needs of the local area. Section 133(b)(4) of WIOA already provides for such transfers between the Adult and Dislocated Worker formula programs.

Provided further, That, notwithstanding sections 129(b)(1) and 134(a)(2) of WIOA, the funds reserved for statewide activities under section 128(a) of such Act may be used to carry out any of the activities described under sections 129(b) and 134(a) of such Act;

This proviso would provide enhanced flexibility to the States by allowing States to use WIOA funds reserved for statewide activities for any of the statewide activities authorized under the Act and not requiring the use of funds for certain activities. The current required activities include providing assistance for the re-designation of local areas and the development of regional plans, disseminating lists of providers, rapid response activities, providing additional assistance to certain areas with high concentrations of eligible youth, conducting evaluations, disseminating information on effective service delivery and on accessibility requirements, operating a fiscal and management accountability system, and conducting monitoring and oversight. While it would be expected that States will use reserve funds to carry out many of these activities, the proviso allows States the flexibility to make that determination. In addition, the proviso

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would allow those funds to be used for permissible statewide activities, such as implementing innovative programs, and could result in States reserving a smaller percentage for statewide activities and providing more funding to local areas.

Provided further, That, notwithstanding section 134(a)(2)(A) of the WIOA, funds required to be reserved to carry out rapid response services under section 133(a)(2) of such Act may be used by States to provide other Statewide activities described in sections 129(b) and 134(a) of such Act or to provide additional assistance to local workforce development areas;

This proviso would provide States flexibility in the use of funds that WIOA otherwise requires in the first year to be used for rapid response activities. Section 133(a)(2) of WIOA requires that States reserve not more than 25 percent of the funds allotted under the Dislocated Worker formula program to be used for rapid response activities, which provides information on and access to employment and training activities for dislocated workers in the case of a plant closing, mass layoff, or natural disaster. WIOA already allows funds reserved for rapid response that remain unobligated at the end of the first program year to be used for other statewide activities. This proviso would accelerate this flexibility to allow such reserved funds to be used at any time for other statewide activities and to provide additional assistance to local workforce development areas.

Provided further, That notwithstanding section 128(b)(4) of the WIOA, local workforce development boards may use not more than 12.5 percent of funds allocated for under section 128(b) and section 133(b) of such Act for administrative costs of carrying out local workforce investment activities;

This proviso would provide local workforce development boards with the flexibility to reserve up to 12.5 percent, rather than 10 percent under current law, to carry out local administrative activities. Given the significant reduction in the allocation amounts to local areas under the budget, these local areas will likely need the flexibility to reserve a slightly larger percentage of funds to meet necessary administrative costs. Administrative costs, many of which are fixed, do not decrease at the same rate as program costs when there is a reduction in funding.

Provided further, That in addition to waivers issued pursuant to requests by States under section 189(i) of WIOA, the Secretary of Labor may waive such administrative and reporting requirements under such Act (except requirements relating to labor standards or

The proviso would provide flexibility for the Secretary of Labor to waive administrative and reporting requirements under WIOA (except for requirements relating to labor standards or nondiscrimination) that the Secretary determines are appropriate to promote efficiency and reduce administrative costs. Section 189 (i) of WIOA already provides broad waiver authority for the

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nondiscrimination) as the Secretary determines are appropriate to promote efficiency and reduce administrative costs of States and local workforce development areas:

Provided further, That section 189(i)(3)(A)(i) of the WIOA shall be applied in fiscal year 2019 by inserting “and” before “nondiscrimination” and striking all that follows “nondiscrimination” through “title”:

Provided further, That section 189(i)(3)(A)(ii) of the WIOA shall be applied in fiscal year 2019 by striking “of sections 8 through 10” and “(29 U.S.C. 49g through 49i)”, and by inserting “the colocation of employment service offices with one-stop centers, the designation of a cooperating State agency, the establishment and maintenance of a national system of public employment service offices” after “veterans,”:

Provided further, That notwithstanding sections 127(b)(1)(C)(iv)(IV) and 132(b)(1)(B)(iv)(IV) of the WIOA, in allotting funds to the States for the Youth formula program under section 127(b)(1)(C) and for the Adult formula program under section 132(b)(1)(B) of such Act, the

Secretary pursuant to a request from a State in accordance with certain procedures. This proviso would provide a tool for the Secretary to issue waivers nationwide of administrative and reporting requirements in order to help address the effects of reduced funding on States and local workforce development areas.

This proviso would add significant flexibility to the general waiver authority of the Secretary to waive statutory or regulatory requirements for WIOA formula programs pursuant to requests from States. This new flexibility could be used by States to request waivers of additional statutory or regulatory requirements that create undue burdens or that prevent States from implementing alternative approaches to meeting the objectives of the WIOA programs.

This proviso would add significant flexibility to the general waiver authority of the Secretary to waive statutory or regulatory requirements of the Wagner-Peyser Act pursuant to requests from States. As with the expanded waiver authority of WIOA, this flexibility could be used by States to request waivers of additional statutory or regulatory requirements that create undue burdens or that prevent States from implementing alternative approaches to meeting the objectives of the Wagner-Peyser Act program. Requirements that could not be waived include the co-location of employment service offices with one-stop centers and the designation of a cooperating State agency, which promote efficiency, and the maintenance of a national system of public employment service offices, which maintains the purpose of the Wagner-Peyser Act.

This proviso is intended to ensure that small States will receive allotments that would allow for the administration of viable statewide formula programs. Under current law, the Adult and Youth formula programs have a small State minimum that would be only .25 percent of the total. At the appropriations level proposed for the formula programs, these minimum amounts may be insufficient for small States to operate programs

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Secretary of Labor shall ensure that no State shall receive, for each such formula program, an allotment that is less than the greater of: 90 percent of the allotment percentage of the State for the preceding year; or 0.3 percent of the amount available to all States for each such formula program;

(E) \$200,000,000 to expand apprenticeship opportunities, to be available to the Secretary to carry out activities through grants, cooperative agreements, contracts and other arrangements, with States and other appropriate entities, which shall be available for the period April 1, 2019 through June 30, 2020.

statewide. This proviso would increase that amount to .3 percent of the total. WIOA already provides for a .3 percent small State minimum, but only at levels of appropriations these programs have never received (\$1 billion for youth and \$960 million for adults). A higher percentage for the small State minimum may actually be more appropriate at lower levels of appropriations, especially if the intent is to ensure a minimally adequate level of funding to administer the adult and youth formula programs. The amounts included in the proviso are intended to address that concern.

This appropriation request builds on funding provided in FY 2016, FY 2017 and the request for FY 2018 to expand apprenticeship opportunities. The funding would support the policy articulated in the President's Executive Order on Expanding Apprenticeships in America to provide more affordable pathways to secure, high paying jobs by promoting apprenticeships. The grants would include such activities as expanding industry-recognized apprenticeship and sector-led apprenticeships.

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AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2017 Enacted		FY 2018 Full Year C.R.		FY 2019 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$1,566,699	0	\$1,556,060	0	\$1,146,806
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$1,566,699</i>	<i>0</i>	<i>\$1,556,060</i>	<i>0</i>	<i>\$1,146,806</i>
Offsetting Collections From:						
Fees	0	\$175,966	0	\$150,000	0	\$150,000
Rescission pursuant to P.L. 115-31	0	-46,000				
<i>Subtotal Appropriation Offsetting Collections</i>	<i>0</i>	<i>\$129,966</i>	<i>0</i>	<i>\$150,000</i>	<i>0</i>	<i>\$150,000</i>
Advance Appropriation	0	\$1,772,000	0	\$1,772,000	0	\$873,000
Rescission pursuant to P.L. 115-56	0	-12,033	0	\$0	0	\$0
<i>Subtotal Advance Appropriation</i>	<i>0</i>	<i>\$1,759,967</i>	<i>0</i>	<i>\$1,772,000</i>	<i>0</i>	<i>\$873,000</i>
B. Gross Budget Authority	0	\$3,456,632	0	\$3,478,060	0	\$2,169,806
Offsetting Collections From:						
Fees	0	-\$129,966	0	-\$150,000	0	-\$150,000
<i>Subtotal Fees</i>	<i>0</i>	<i>-\$129,966</i>	<i>0</i>	<i>-\$150,000</i>	<i>0</i>	<i>-\$150,000</i>
C. Budget Authority Before Committee	0	\$3,326,666	0	\$3,328,060	0	\$2,019,806
Offsetting Collections From:						
Prior Year Balance	0	\$133,580	0	\$129,773	0	\$130,000
Fees	0	\$129,966	0	\$150,000	0	\$150,000
<i>Subtotal</i>	<i>0</i>	<i>\$263,546</i>	<i>0</i>	<i>\$279,773</i>	<i>0</i>	<i>\$280,000</i>
D. Total Budgetary Resources	0	\$3,590,212	0	\$3,607,833	0	\$2,299,806
Unobligated Balances Expiring	0	0	0	\$0	0	\$0
E. Total, Estimated Obligations	0	\$3,472,472	0	\$3,478,833	0	\$2,169,806

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2018 Full Year C.R.	FY 2019 Request	Net Change
Budget Authority			
General Funds	\$3,328,060	\$2,019,806	-\$1,308,254
Total	\$3,328,060	\$2,019,806	-\$1,308,254

Full Time Equivalents			
General Funds	0	0	0
Total	0	0	0

FY 2019 Change

Explanation of Change	FY 2018 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	0	\$0	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$1,241	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$0	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$3,326,819	0	\$0	0	\$0	0	\$0
RTAA	0	\$0	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	+\$3,328,060	0	\$0	0	\$0	0	\$0
B. Programs:								
To provide for increased funding for Apprenticeship Program	0	\$0	0	\$0	0	\$105,645	0	\$105,645
Programs Subtotal	0	\$0	0	\$0	0	+\$105,645	0	+\$105,645
Total Increase	0	+\$3,328,060	0	\$0	0	+\$105,645	0	+\$105,645
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
To provide for a reduction to Dislocated Worker Employment and Training Activities	0	\$0	0	\$0	0	-\$404,283	0	-\$404,283

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Explanation of Change	FY 2019 Change							
	FY 2018 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
To provide for a reduction to Youth Employment and Training Activities	0	\$0	0	\$0	0	-\$343,818	0	-\$343,818
To provide for a reduction in funding Adult Employment and Training Activities	0	\$0	0	\$0	0	-\$324,483	0	-\$324,483
To provide for a reduction in National Dislocated Worker Grants	0	\$0	0	\$0	0	-\$169,717	0	-\$169,717
To provide for elimination of funding for Migrant and Seasonal Farmworkers	0	\$0	0	\$0	0	-\$81,340	0	-\$81,340
To provide for elimination of funding for Indian and Native American Programs	0	\$0	0	\$0	0	-\$49,660	0	-\$49,660
To provide for a reduction to YouthBuild	0	\$0	0	\$0	0	-\$25,000	0	-\$25,000
To provide for a reduction to Reentry Employment Opportunities	0	\$0	0	\$0	0	-\$9,156	0	-\$9,156
To provide for elimination of funding for Workforce Data Quality Initiative	0	\$0	0	\$0	0	-\$5,959	0	-\$5,959
To provide for a reduction to TA	0	\$0	0	\$0	0	-\$483	0	-\$483
Programs Subtotal			0	\$0	0	-\$1,413,899	0	-\$1,413,899
Total Decrease	0	\$0	0	\$0	0	-\$1,413,899	0	-\$1,413,899
Total Change	0	+\$3,328,060	0	\$0	0	-\$1,308,254	0	-\$1,308,254

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY

(Dollars in Thousands)

	FY 2017 ¹ Enacted		FY 2018 ² Full Year C.R.		FY 2019 Request		Diff. FY19 Request / FY18 Full Year C.R	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Adult Employment and Training Activities	0	810,721	0	814,853	0	490,370	0	-324,483
General Funds	0	810,721	0	814,853	0	490,370	0	-324,483
Youth Activities	0	873,416	0	867,485	0	523,667	0	-343,818
General Funds	0	873,416	0	867,485	0	523,667	0	-343,818
Dislocated Workers Employment and Training Activities	0	1,234,521	0	1,240,485	0	666,485	0	-574,000
General Funds	0	1,234,521	0	1,240,485	0	666,485	0	-574,000
Formula Grants	0	1,015,020	0	1,019,768	0	615,485	0	-404,283
General Funds	0	1,015,020	0	1,019,768	0	615,485	0	-404,283
National Dislocated Worker Grants	0	219,501	0	220,717	0	51,000	0	-169,717
General Funds	0	219,501	0	220,717	0	51,000	0	-169,717
Indian and Native American Programs	0	50,000	0	49,660	0	0	0	-49,660
General Funds	0	50,000	0	49,660	0	0	0	-49,660

¹ FY 2017 reflects the rescission of \$12,033 against Program Year 2017 Advance appropriations (Adult and Dislocated Worker) included in the FY 2018 Continuing Resolution. FY 2017 does not reflect the rescission of \$75,000 made against the National Dislocated Worker Grants pursuant to P.L. 115-31, as this rescission affected Program Year 2016 funds.

² FY 2018 does not reflect the proposed rescission of \$899,000 against Advance appropriations.

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY

(Dollars in Thousands)

	FY 2017 ¹ Enacted		FY 2018 ² Full Year C.R.		FY 2019 Request		Diff. FY19 Request / FY18 Full Year C.R	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Migrant and Seasonal Farmworkers	0	81,896	0	81,340	0	0	0	-81,340
General Funds	0	81,896	0	81,340	0	0	0	-81,340
Technical Assistance	0	2,500	0	2,483	0	2,000	0	-483
General Funds	0	2,500	0	2,483	0	2,000	0	-483
Reentry Employment Opportunities	0	88,078	0	87,480	0	78,324	0	-9,156
General Funds	0	88,078	0	87,480	0	78,324	0	-9,156
Apprenticeship Program	0	95,000	0	94,355	0	200,000	0	105,645
General Funds	0	95,000	0	94,355	0	200,000	0	105,645
Workforce Data Quality Initiative	0	6,000	0	5,959	0	0	0	-5,959
General Funds	0	6,000	0	5,959	0	0	0	-5,959
Youthbuild	0	84,534	0	83,960	0	58,960	0	-25,000
General Funds	0	84,534	0	83,960	0	58,960	0	-25,000
Women in Apprenticeship	0	0	0	0	0	0	0	0
Total	0	3,326,666	0	3,328,060	0	2,019,806	0	-1,308,254
General Funds	0	3,326,666	0	3,328,060	0	2,019,806	0	-1,308,254

NOTE: 2017 reflects actual FTE

TRAINING AND EMPLOYMENT SERVICES

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
	Full-Time Equivalent				
	Total	0	0	0	0
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
22.0	Transportation of things	0	0	0	0
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	1,250	1,241	1,000	-241
25.2	Other services from non-Federal sources	0	0	0	0
25.7	Operation and maintenance of equipment	0	0	0	0
41.0	Grants, subsidies, and contributions	3,325,416	3,326,819	2,018,806	-1,308,013
	Total	3,326,666	3,328,060	2,019,806	-1,308,254

TRAINING AND EMPLOYMENT SERVICES

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2009	\$1,338,600		\$1,854,448	\$1,854,448	0
2009 Advance for 2010	\$1,772,000	\$1,772,000		\$1,772,000	0
2010	\$2,061,563	\$2,030,961		\$1,927,986	0
2010 Advance for 2011	\$1,772,000			\$1,772,000	0
2011 ...1/	\$2,153,475		\$2,105,478	\$1,569,148	0
2011 Advance for 2012	\$1,772,000		\$1,772,000	\$1,772,000	0
2012 ...2/	\$1,854,947		\$1,538,247	\$1,409,009	0
2012 Advance for 2013	\$1,772,000			\$1,772,000	0
2013 ...3/	\$1,459,812			\$1,265,922	0
2013 Advance for 2014	\$1,772,000			\$1,772,000	0
2014	\$1,615,405			\$1,376,855	0
2014 Advance for 2015	\$1,772,000			\$1,772,000	0
2015	\$1,483,507			\$1,367,706	0
2015 Advance for 2016	\$1,772,000			\$1,772,000	0
2016	\$1,630,431	\$1,231,314	\$2,156,494	\$1,563,425	0
2016 Advance for 2017...4/	\$1,772,000	\$1,772,000	\$1,772,000	\$1,697,000	0
2017	\$1,753,460		\$2,322,520	\$1,566,699	0
2017 Advance for 2018...5/	\$1,759,967			\$1,759,967	0
2018 ...6/	\$1,180,766	\$1,470,720			
2018 Advance for 2019	\$873,000	\$1,572,000			
2019	\$2,019,806				0

1/ Reflects a 0.2% across-the-board rescission pursuant to P.L. 112-10

2/ Reflects a 0.189% across-the-board rescission pursuant to P.L. 112-74

3/ Reflects a 0.2% across the board rescission pursuant to P.L. 113-6 and the sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as executed. Does not reflect Hurricane Sandy Disaster Supplemental funds provided pursuant to P.L. 113-2.

4/ Reflects a \$75,000 rescission against the National Dislocated Worker Grants, pursuant to P.L. 115-31.

5/ Reflects temporary rescission of \$12,033 against PY 2017 Advance appropriations included in the FY 2018 Continuing Resolution.

6/ A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

TRAINING AND EMPLOYMENT SERVICES

TES Introduction

The Training and Employment Services (TES) programs assist hard-working Americans in securing jobs, establishing careers, and acquiring skills and credentials through a wide range of activities, including apprenticeships, other work-based learning opportunities, and reemployment services. ETA also provides states and the workforce system with policy direction, guidance, and flexibility that support meeting the needs of businesses and workers in their states.

Programmatic activities under the TES account provide a comprehensive integrated public workforce system while addressing diverse employer needs through formula funded employment and workforce development programs for adults, youth, and dislocated workers and national programs such as YouthBuild and Reentry Employment Opportunities (REO). In addition, the Dislocated Worker National Reserve provides grants to communities that have experienced job losses due to disasters or mass layoffs. TES also provides Apprenticeship funding to increase adoption of this evidence-based learn-and-earn model.

The funding request level for the TES account is \$2.02 billion and includes the following budget activities:

- \$1.63 billion for formula grant programs plus \$51.0 million for National Dislocated Worker Grants (DWG):
 - \$490.4 million for WIOA Adult Employment and Training Activities.
 - \$523.7 million for WIOA Youth Activities.
 - \$666.5 million for WIOA Dislocated Worker (DW) Employment and Training Activities. This request includes \$615.5 million for DW formula funds and \$51.0 million for the National DWG to continue to meet unanticipated increases in demand for employment and training services throughout the country. A portion of the Dislocated Worker Grant money is available for technical assistance to states and localities.
 - From the funds appropriated for the Adult, Youth, and Dislocated Worker (DW) formula programs, the current, WIOA-authorized 15 percent level for the Governor's Reserve for statewide activities would be retained. This level will support states in carrying out their significantly broadened strategic and administrative roles under WIOA.
- \$78.32 million for the REO program that will promote opportunity by preparing justice-involved adults and youth for employment in industries and occupations that offer good wages and opportunities for advancement in today's workforce.
- \$2.0 million for Technical Assistance, which is used for grant management and continuous improvement of the public workforce system. These funds will support key WIOA implementation activities, including maintenance of the Eligible Training Provider scorecard, which will be launched in FY 2018.

TRAINING AND EMPLOYMENT SERVICES

- \$200.0 million to expand apprenticeship opportunities to educate workers with 21st-Century skills that meet employer and industry workforce needs.
- \$58.96 million for the YouthBuild program that will support the continued focus on assisting participants to attain credentials (high school diplomas or its equivalent and industry-recognized credentials) and post-program placement in jobs with career advancement potential, in post-secondary education including community colleges, and into apprenticeships.

The Federal Government has more than 40 workforce development programs spread across 14 agencies with a total annual cost of approximately \$17 billion. Despite changes in the recent reauthorization of the Workforce Innovation and Opportunity Act, the system remains fragmented at the Federal level, perpetuating unnecessary bureaucracy and complicating State and local efforts to meet the comprehensive needs of Americans seeking workforce-related services. The Secretaries of Labor and Education, who administer most of the programs, are working on a comprehensive plan to consolidate and reorganize Federal workforce development programs to ensure that American workers receive the highest quality services possible and are fully prepared to fill the high-growth jobs of today and tomorrow.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2017 Enacted³	FY 2018 Full Year C.R.⁴	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
Activity Appropriation	810,721	814,853	490,370	-324,483
FTE	0	0	0	0

³ FY 2017: Reflects rescission of \$4,835 against PY 2017 Advance appropriations included in the FY 2018 Continuing Resolution.

⁴ FY 2018: Does not reflect proposed rescission of \$324,000 against PY 2018 Advance appropriations.

Introduction

The Workforce Innovation and Opportunity Act (WIOA) Adult program helps adults with barriers to employment gain new skills and find in-demand jobs in sectors that are projected to grow. The WIOA Adult program also provides priority of service for employment and workforce development services to our Nation’s veterans. WIOA requires this program to focus on serving disadvantaged adults, including public assistance recipients, low-income individuals, and individuals with low skill levels to help them receive the employment and workforce development services they need to enter or re-enter the workforce and a pathway to self-sufficiency. The program:

- Supports getting Americans back to work by helping align the skills of American workers with the skill needs of business and industry;
- Provides job seekers with job placement, career counseling, skills instruction, credential attainment, and labor exchange services, including labor market information, that make it possible for adults served by the program to quickly return to work;
- Provides customer-centered business services to assist businesses in finding and retaining skilled workers for in-demand jobs; and
- Offers seamless service delivery by providing multiple workforce-related programs in consolidated American Job Centers (AJCs), also known as one-stop centers, which maximizes the Federal investment in workforce services through economies of scale.

The WIOA Adult program provides an array of career, supportive, and training services to meet the needs of adult job seekers, particularly those who are disadvantaged. Those services include basic career services, such as job search and placement assistance and real-time labor market information, as well as individualized case management services ranging from comprehensive skills assessments to career counseling and planning. For adult job seekers needing new or upgraded skills, integrated work-readiness and work-based learning opportunities are available, including, but not limited to: apprenticeship programs, occupational skills instruction, on-the-job training (OJT), incumbent worker training, workplace instruction and related instructional programs, skill upgrading, adult education and literacy coaching, and customized training. In addition, these job seekers may receive supportive services, such as transportation, child care, and needs-related payments necessary to enable them to participate in activities authorized under the program.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

The Department continues to propose the flexibilities in administering WIOA formula programs that were included in the FY 2018 President's Budget, and proposes additional flexibilities for FY 2019. These flexibilities will allow states to better manage under reduced funding levels and better serve the different state populations.

The Department proposes to establish a 1.5-percent Native Adult set-aside within the broader Adult program funding stream, similar to what occurs in the WIOA Youth funding stream, to ensure services to Indian and Native American adults. This set-aside will replace a specific budget request for the WIOA Section 166 Indian and Native American Program. While Indians and Native Americans can and should be served through the workforce system operated by states, this set-aside acknowledges that the remote nature of Indian reservations makes it difficult for Native Americans to receive services through American Job Centers.

In Program Year (PY) 2015, the WIOA Adult program served 6,124,054 participants². In PY 2015, services in the Adult program led to:

- 552,800 unemployed adults entered employment one quarter after participation in the Adult program resulting in a 67.1 percent Entered Employment Rate⁵, including:
 - Over 48,000 unemployed adults in receipt of public assistance⁶
 - Over 31,000 unemployed veterans²
 - Over 15,000 unemployed individuals with disabilities²
 - Over 63,000 unemployed older workers²

In PY 2015, 153,000 individuals received training under the Adult program, resulting in a 79.1 percent Entered Employment Rate for those in training, compared to 66.4 percent for those who did not receive training services.⁷

⁵ Individuals unemployed at participation who found employment after exiting the program divided by the total number of exiters

⁶ WIA PY 2015 State Annual Performance Reports

⁷ Workforce System Results PY 2015,

https://www.doleta.gov/performance/results/pdf/DOL_Workforce_Rprt_June_2016.pdf

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$766,080	0
2015	\$776,736	0
2016	\$814,202	0
2017	\$810,721	0
2018*	\$0	0

*Note: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

The Adult formula program, like other WIOA programs, operates on a program year (PY) basis. Funds appropriated in FY 2019 would be available from July 1, 2019 through June 30, 2020, or PY 2019. The Department allocates funding to states based on a statutory formula as described in section 132(b) of WIOA. The states, in turn, after reserving up to 15 percent of those funds for statewide activities, allocate the remainder to local workforce areas based on a formula distribution as described in section 133(b) of WIOA.

FY 2019

To address the employment and workforce development needs of adults, particularly those adults who are disadvantaged, low-income, or low-skilled, as well as Indian and Native American adults, the Department is requesting \$490,370,000 in FY 2019. The request shifts greater responsibility for funding these services to states, localities, and employers. PY 2019 funds will be directed by formula to states and localities to provide WIOA Adult services, and 1.5 percent of funds, \$7,355,550, will be reserved for services to Indians, Native Hawaiians and Native Alaskans. Based on the most recent cost per participant data (from PY 2015), these Federal funds will serve an estimated 3,861,181 eligible adults, who face barriers to employment. The request maintains the Governor's Reserve of 15 percent, which allows states to provide services, conduct statewide projects, ensure financial and programmatic oversight of the local workforce system, and plan workforce programs.

FY 2018

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

FY 2017

The Department was appropriated \$810,721,000 for adult employment and training activities, of which \$103,556,000 was available for the period July 1, 2017 through June 30, 2018, and

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

\$707,165,000 available for the period October 1, 2017 through June 30, 2018. The appropriation maintained the Governor's Reserve of 15 percent, which allows states to ensure financial and programmatic oversight of the local workforce system, conduct statewide projects and evaluations, and better plan programs — all of which supports the implementation of WIOA.

FY 2017 funds allowed local areas to respond to the high demand for job placement, career counseling, skills instruction, and labor exchange services. States and local areas are using FY 2017 funds to implement WIOA's access to career counseling and training while also increasing the range of available training opportunities to include apprenticeships, traditional classroom instruction, transitional jobs, internships, and on-the-job training. These new opportunities provide low-income, low-skilled adults with different points of entry into career pathways leading to the middle-class. In addition to helping American workers obtain the skills they need in the workplace, the Department has promoted partnerships with the business community to enable businesses to be able to tap into a pool of skilled workers they need to compete. As part of these efforts, the Department has been promoting the use and availability of apprenticeships and other work-based education as a resource for the business community in its need for skilled workers. This includes access to time-limited wage subsidies for bringing on new employees through on-the-job training, as well as promoting incumbent worker training to help businesses looking to increase the skills of its workforce and avoid potential layoffs during business contractions.

Continuing efforts begun in PY 2016, the Adult program has aligned its performance measures with the indicators required by WIOA. The WIOA performance indicators are detailed below in the Workload and Performance Narrative.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2016 Enacted		PY 2017 Enacted		PY 2018 Full Year C.R.	PY 2019 Request
		Target	Result	Target	Result	Target	Target
Adult Employment and Training Activities							
ETA-WIOA Adult-01	Employment Rate – 2nd Quarter After Exit (WIOA Adult)	[base]	TBD	[base]	--	TBD	TBD
ETA-WIOA Adult-02	Employment Rate – 4th Quarter After Exit (WIOA Adult)	[base]	TBD	[base]	--	[base]	TBD
ETA-WIOA Adult-03	Median Earning – 2nd Quarter After Exit (WIOA Adult)	[base]	TBD	[base]	--	TBD	TBD

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

Workload and Performance Narrative

Beginning in PY 2016, the performance measures were revised based on WIOA authorization for six key indicators. The Department is highlighting the following three measures for the purpose of tracking program progress and to show the Department's return on investment in WIOA programs. These measures include: 1) employment in the second quarter after exit; 2) employment in the fourth quarter after exit; and 3) median earnings of those employed in the second quarter after exit. The results of these measures will demonstrate the value of these investments to help address the employment and skill needs of workers, jobseekers, and employers.

WIOA also requires the use of statistical adjustment models to help set targets with states for performance measures, and to help account for the different characteristics of individuals served and strategies used to serve them.

Following the enactment of WIOA in 2014, the Department aligned performance accountability measures across most DOL-administered programs and two programs administered by the Department of Education (the Adult Education and Family Literacy Program authorized under title II of WIOA and the Vocational Rehabilitation program authorized under title I of the Rehabilitation Act of 1973, as amended by title IV of WIOA). The Department will use baseline data collected in PY 2016-17 to establish targets for these metrics beginning with the PY 2020 budget. As such, targets and results for these indicators are not included in the budget request.

The Department will continue to monitor grantee performance regularly through Federal Project Officers in the regional offices to ensure grantees are on track to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, the Department looks at the following system outputs:

- Number of people served by the program;
- Number of people that received training;
- Number of people that received career services;
- Number of people in training that received a credential;
- Number of people with demonstrated skills gain; and
- Amount of funds spent.

Additional data are collected on the intensity of participant services based on the number served, exiters, and those with positive outcomes for entered employment. These outputs help determine whether states are implementing strategies that will help meet their outcome goals. In addition, the Department will conduct evaluations of WIOA formula programs using the six WIOA common performance indicators that will evaluate the effectiveness of services for various subpopulations and seek to improve program performance. The results of such evaluation and research are used to revise and update program strategies regularly using insight on the impact and cost effectiveness of various career and training services for participants in the WIOA program.

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	810,721	814,853	490,370	-324,483
	Total	810,721	814,853	490,370	-324,483

ADULT EMPLOYMENT AND TRAINING ACTIVITIES

CHANGES IN FY 2019

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
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Advisory and assistance services	0
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Grants, subsidies, and contributions	0
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Built-Ins Subtotal	\$0
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Net Program	-\$324,483
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Direct FTE	0
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	Estimate	FTE
Base	\$814,853	0
Program Increase	\$0	0
Program Decrease	-\$324,483	0

YOUTH ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
Activity Appropriation	873,416	867,485	523,667	-343,818
FTE	0	0	0	0

Introduction

The Workforce Innovation and Opportunity Act (WIOA) Youth program helps out-of-school youth and low-income in-school youth with barriers to employment by providing them with services that prepare them for employment and post-secondary education.

Under Title I of WIOA, Youth activities funds are allotted by formula to states that, in turn, allocate funds to local areas to deliver a comprehensive array of youth workforce investment activities. These activities are aimed at developing a strong youth pipeline that provide youth, including disconnected youth, with work readiness skills and industry-driven credential attainment opportunities and equip youth with skills and knowledge that prepare them for success in the knowledge-based economy, and in growing and in-demand industries. The services offered through the WIOA Youth program also seek to provide out-of-school youth and low-income in-school youth with job opportunities that will lead to high-paying jobs in today's workforce.

WIOA authorizes services to 14-21 year old low-income in-school youth and 16-24 year old out-of-school youth who have barriers to employment. WIOA requires that not less than 75 percent of funds be used to serve out-of-school youth, which focuses resources on youth facing the greatest challenges in gaining skills and good employment. Service providers prepare youth for employment and post-secondary education by stressing linkages between academic and occupational learning and creating effective connections to employers. They also assist youth by providing a variety of other services, such as tutoring; alternative secondary school services; summer and year-round work experiences, including pre-apprenticeship programs and on-the-job training opportunities; and occupational training, among others.

The Department continues to propose the flexibilities in administering WIOA formula programs that were included in the FY 2018 President's Budget and proposes additional flexibilities for FY 2019. We believe these flexibilities will allow states to better manage under reduced funding levels and better serve the different state populations.

In PY 2015, the WIOA Youth program served 156,520 participants. In PY 2015, services in the youth program led to 59,529 youth being placed in employment or education, resulting in a 69.2 percent placement in employment or education rate.

YOUTH ACTIVITIES

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$820,430	0
2015	\$831,842	0
2016	\$873,416	0
2017	\$873,416	0
2018*	\$0	0

*Note: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

WIOA Youth programs operate on a program year (PY) of April 1 through the following June 30. Funds appropriated in FY 2019 would be available from April 1, 2019 through June 30, 2020 (PY 2019). Under section 127(b) of WIOA, formula funds are provided to states for the operation of WIOA Youth programs based on a statutory formula. After states reserve up to 15 percent for statewide activities, the remainder is allocated to local areas based on a formula distribution as described in section 128(b) of WIOA.

FY 2019

The Department is requesting \$523,667,000 for the period of April 1, 2019 through June 30, 2020 (PY 2019). The FY 2019 request continues to shift responsibility for funding these services to states, localities, and employers. PY 2019 funds will be directed by formula to states to provide WIOA youth services. The proposed budget maintains the current 15 percent Governor's Reserve. Based on the most recent cost per participant data (from PY 2015), these funds will serve an estimated 98,730 eligible in-school and out-of-school youth who face barriers to employment.

FY 2018

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

FY 2017

To address the skill and youth employment needs anticipated in FY 2017, the Department was appropriated \$873,416,000 for the period of April 1, 2017 through June 30, 2018 (PY 2017). The enacted budget maintained the current 15 percent Governor's Reserve, which allows states to ensure financial and programmatic oversight of the local workforce system, conduct statewide projects and evaluations, and better plan programs. Based on the most recent cost per participant

YOUTH ACTIVITIES

data (PY 2015), these funds will serve an estimated 164,671 eligible in-school and out-of-school youth who face barriers to employment.

PY 2017 marks the third year of WIOA implementation and the Department is continuing to assist states and local areas in implementing the new aspects of WIOA through a new online Technical Assistance (TA) series focusing on key features of the WIOA youth program. The TA series has included webinars on WIOA youth performance accountability, WIOA youth eligibility, Youth Committees, and comprehensive service delivery for youth.

In addition, the Department continues to be an active participant in Federal interagency groups, such as the Interagency Working Group on Youth Programs and the Interagency Forum on Disconnected Youth, to promote comprehensive youth employment strategies. The FY 2014, 2015, and 2016 enacted budgets provided authority to establish up to 10 Performance Partnership Pilots to improve outcomes for disconnected youth using existing discretionary Federal resources. The authority has enabled states, local, and tribal entities to seek Federal approval to blend funds from multiple funding sources and obtain waivers for such areas as program design, performance, and other requirements, in exchange for greater accountability for results. The FY 2017 enacted budget continued to provide Performance Partnership Pilot authority. The Department continues to support pilot efforts as well as implement lessons learned from these pilots.

YOUTH ACTIVITIES

WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2016 Enacted		PY 2017 Enacted		PY 2018 Full Year C.R.	PY 2019 Request
		Target	Result	Target	Result	Target	Target
Youth Activities							
ETA-WIOA Youth-01	Education and Employment Rate – 2nd Quarter After Exit (WIOA Youth)	[base]	--	[base]	--	TBD	TBD
ETA-WIOA Youth-02	Education and Employment Rate – 4th Quarter After Exit (WIOA Youth)	[base]	--	[base]	--	[base]	TBD
ETA-WIOA Youth-03	Median Earning – 2nd Quarter After Exit (WIOA Youth)	[base]	--	[base]	--	TBD	TBD
ETA-WIOA Youth-04	Credential Attainment (WIOA Youth)	[base]		[base]	--	[base]	TBD

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

YOUTH ACTIVITIES

Workload and Performance Narrative

The detailed workload and performance table provides estimates for the number of youth participants served through WIOA Youth Activities. In PY 2019, the Department estimates \$5,304 as the average cost per participant for WIOA Youth Activities. This is based on actual cost per participant data from the most recent full program year (PY 2015), which saw a significant increase in the cost per participant from the previous year. The Department believes the increase is related to serving increased numbers of out-of-school youth (OSY) during the first year of WIOA implementation, as WIOA requires a minimum of 75 percent of funds be spent on OSY, a more resource intensive population to serve.

Beginning in PY 2016, the performance measures were revised based on WIOA authorization for six key indicators. The Department is highlighting the following four measures for youth programs for the purpose of tracking program progress and to show the Department's return on investment in WIOA programs. These measures include: 1) employment, education, and training in the second quarter after exit; 2) employment, education, and training in the fourth quarter after exit; 3) median earnings of those employed in the second quarter after exit; and 4) credential attainment. The results of these measures will demonstrate the value of these investments to help address the employment and skill needs of workers, jobseekers, and employers.

WIOA also requires the use of statistical adjustment models to help set targets with states for performance measures, and to help account for the different characteristics of individuals served and strategies used to serve them.

Following the enactment of WIOA in 2014, the Department aligned, in accordance with the Act, performance accountability measures across most DOL-administered programs and two programs administered by the Department of Education (the Adult Education and Family Literacy Program authorized under title II of WIOA and the Vocational Rehabilitation program authorized under title I of the Rehabilitation Act of 1973, as amended by title IV of WIOA). The Department will use baseline data collected in PY 2016-17 to establish targets for these metrics beginning with the PY 2020 budget. As such, targets and results for these indicators are not included in the budget request.

The workforce development and employment services delivered through the WIOA Youth program are designed to address all WIOA performance indicators. States and local areas target their service delivery strategies to the specific needs of their employer and youth populations, and the Department provides policy and programmatic guidance to help states and local areas identify strategies that are beneficial in improving outcomes in the current economy.

The Department will monitor grantee performance regularly through Federal Project Officers in the regional offices to ensure grantees are on track to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, the Department also looks at system outputs, including:

- Number of people served by the program;
- Number of people that received training;

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- Number of people that received career services;
- Number of people in training that received a credential;
- Number of people with demonstrated skills gain; and
- Amount of funds spent.

Additional data are collected on the intensity of participant services based on the number served, exiters, and those with positive outcomes for employment. This information helps determine whether states are implementing strategies that will help meet their outcome goals. In addition, the Department will conduct evaluations of WIOA formula programs using the six WIOA common performance indicators that will evaluate the effectiveness of services for various subpopulations and seek to improve program performance. The results of such evaluation and research are used to revise and update program strategies regularly using insight on the impact and cost effectiveness of various career and training services for participants in the WIOA program.

The Department is continuing to build evidence for identifying effective strategies and promising practices to better serve youth and improve their employment opportunities. Specifically, ETA and the Department's Chief Evaluation Office (CEO) are funding the following studies, each of which are conducted by independent third-party evaluators: (1) an evaluation to examine the impact of Youth Career Connect programs; (2) an evaluation on the outcomes of the National Guard Youth Challenge and Job Challenge program; (3) a study on the Performance Partnership Pilots initiative to support disconnected youth; (4) a study with 2M Research Services on the Urban Youth Employment Demonstration grants; and (5) a study on integrated education and career development services strategies for youth with disabilities.⁸

⁸ <https://www.dol.gov/asp/evaluation/currentstudies/22.htm>

https://www.dol.gov/asp/evaluation/currentstudies/National_Guard_Youth_Challenge_and_Job_Challenge_Evaluation.htm

https://www.dol.gov/asp/evaluation/currentstudies/Performance_Partnership_Pilots_for_Disconnected_Youth_National_Evaluation.htm

<https://www.dol.gov/asp/evaluation/currentstudies/Implementation-Evaluation-of-the-Urban-Employment-Demonstration-Grants-for-Youth-and-Young-Adults.htm>

<https://www.dol.gov/asp/evaluation/currentstudies/11.htm>

YOUTH ACTIVITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	873,416	867,485	523,667	-343,818
	Total	873,416	867,485	523,667	-343,818

YOUTH ACTIVITIES

CHANGES IN FY 2019

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services	\$0
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Grants, subsidies, and contributions	0
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Built-Ins Subtotal	\$0
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Net Program	-\$343,818
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Direct FTE	0
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	Estimate	FTE
Base	\$867,485	0
Program Increase	\$0	0
Program Decrease	-\$343,818	0

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2017 Enacted⁹	FY 2018 Full Year C.R.¹⁰	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
Activity Appropriation	1,234,521	1,240,485	666,485	-574,000
FTE	0	0	0	0

⁹ FY 2017: Reflects rescission of \$7,198 against PY 2017 Advance appropriations included in the FY 2018 Continuing Resolution. Does not reflect PY 2016 rescission of \$75,000 against the National Dislocated Worker Grants.

¹⁰ FY 2018: Does not reflect proposed rescission of \$575,000 against PY 2018 Advance appropriations.

Introduction

The Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker (DW) program serves as the primary vehicle to help workers who have lost their jobs as a result of layoffs gain new skills and find in-demand jobs in sectors that are projected to grow. The DW program also provides employment and workforce development services to our Nation’s separating military service members, as well as military spouses having difficulty in finding employment.

The DW program supports employers and industry to recruit and hire workers they need to compete in the global economy and hard-working Americans to secure jobs and careers and acquire skills and credentials, including through apprenticeships and other work-readiness and work-based learning opportunities. Specifically, the DW program:

- Supports getting Americans back to work by helping align the skills of American workers with the skill needs of business and industry;
- Offers a variety of workforce development options ranging from traditional classroom settings to work-based opportunities, such as apprenticeships and on-the-job training, for dislocated workers needing new or upgraded skills;
- Provides services that help dislocated workers obtain employment, such as career counseling, training, credential attainment, and job placement;
- Provides for rapid response services to employers to assist them and their workers during layoffs, plant closings, and downsizings; and
- Provides National Dislocated Worker Grants (DWGs) to assist communities recovering from natural disasters and major economic dislocations.

Additionally, a portion of DW program funds are maintained in a National Reserve to provide employment services and other assistance to workers laid off due to emergencies and major disasters, mass layoffs of at least 50 workers, or circumstances where at least 50 individuals relocate to another area from a disaster area. Services include:

- Disaster Relief Employment in temporary positions to clean-up damaged and destroyed structures, facilities and lands located within the disaster area and in offshore areas

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

related to the emergency or disaster; and to distribute food, clothing, and other humanitarian assistance for disaster victims;

- Employment and workforce development services for those in Disaster Relief Employment, who are unlikely to return to their prior employment;
- Assistance for workers who are affected by mass layoffs in a community, that require assistance beyond what the formula DW programs can provide.
- Funds for the United States' outlying areas to operate their employment and workforce development programs for youth, adults and dislocated workers;
- Funds for demonstration projects to promote strategies to help dislocated workers strengthen reemployment outcomes, target special populations, and promote new models and efficiencies in service delivery through the workforce system; and
- Funds for technical assistance for grantees in the workforce system to serve dislocated workers.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$1,222,457	0
2015	\$1,236,389	0
2016	\$1,239,704	0
2017	\$1,234,521	0
2018*	\$0	0

*Note: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

WIOA DW program operates on a program year. Funds appropriated in FY 2019 would be available from July 1, 2019 through June 30, 2020 (PY 2019). The Department allots funding to states based on a statutory formula as described in section 132(b)(2) of WIOA. The states, in turn, after reserving up to 15 percent of those funds for statewide activities and up to 25 percent of those funds for rapid response services, allocate the remainder to local workforce areas based on a formula distribution as described in section 133(b) of WIOA.

Funds appropriated for the DW National Reserve receive an additional three months of availability, through September 30. States may set-aside up to 25 percent of their state dislocated worker funds to provide rapid response activities for employers and workers.

FY 2019

To provide dislocated workers with employment and workforce development services and disaster-affected communities with the resources they need, the Department is requesting \$666,485,000 in FY 2019 for the period of July 1, 2019 through June 30, 2020 (PY 2019) for the DW formula program, and through September 30, 2020, for the DWG program. Of the requested amount, \$51,000,000 will be made available to the National Reserve to provide

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

assistance to workers and communities impacted by mass layoffs and areas affected by disasters, as well as WIOA adult, dislocated worker, and youth funding to the United States' outlying areas. The remaining \$615,485,000 of requested PY 2019 funds will be directed by formula to states to provide WIOA dislocated worker services and rapid response services. Based on the most recent cost per participant data (from PY 2015 WIA state reports), these funds will serve an estimated 285,537 dislocated workers at a cost of \$2,326 per participant.

This request maintains the Governor's Reserve at 15 percent. Funding the Governor's Reserve at 15 percent allows the states to effectively carry out statewide activities, including providing services and performing statewide projects, providing financial and programmatic oversight of the local workforce system, and undertaking comprehensive strategic planning with expanded partnerships.

FY 2018

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

FY 2017

To provide dislocated workers with employment and workforce development opportunities as well as maintain program infrastructure and integrity the Department received \$1,234,521,000 in FY 2017 for the period of July 1, 2017 through June 30, 2018 (PY 2017) for the DW formula program, and through September 30, 2018 for the DWG program. These funds are to provide employment and workforce development services to 533,843 participants at an average cost per participant of \$2,326.

Of the appropriation, \$1,015,020,000 was directed by formula to states to provide reemployment assistance and training to dislocated workers, as well as to operate state Rapid Response programs for employers and workers.

- Dislocated Worker Formula Grants:
 - FY 2017 funds allowed local areas to respond to the high demand for job placement, career counseling, skills development, and labor exchange services. States and local areas are using FY 2017 funds to implement WIOA's access to career counseling and training while also increasing the range of available training opportunities to include apprenticeships, traditional classroom education, transitional jobs, internships, and on-the-job training. These new opportunities provide dislocated workers (including individuals impacted by transitions in coal communities), separating military service members, and military spouses with the services and skills needed to stay in the middle-class.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

In addition to helping American workers obtain the skills they need in the workplace, the Department has promoted partnerships with the business community to enable businesses to be able to tap into a pool of skilled workers they need to compete. As part of these efforts, the Department has been promoting the use and availability of work-based training as a resource for the business community in its need for skilled workers. In addition to promoting apprenticeships, work-based education includes access to time-limited wage subsidies for bringing on new employees through on-the-job training as well as promoting incumbent worker training to help businesses looking to increase the skills of its workforce, as well as to avoid potential layoffs during business contractions.

- Statewide Rapid Response Program:
 - A portion of the DW formula appropriation was used by states to operate the Rapid Response program (up to 25 percent). Rapid Response continues to provide customized, economically-valuable solutions for businesses in transition and timely, critical services to workers affected by layoffs across the country. Through guidance and technical assistance, the Department supports state Rapid Response programs to focus on layoff aversion, promoting continued partnership with the business community, and facilitating the reemployment of dislocated workers as quickly as possible.
- Dislocated Worker National Reserve Account:
 - In FY 2017, \$219,501,000 was appropriated for the Dislocated Worker National Reserve. The primary use of these funds was DWGs that serve dislocated workers impacted by large layoffs and natural or other disasters of national significance, including \$28,000,000 to areas impacted by Hurricanes Harvey, Irma, and Maria. These resources supplemented state WIOA formula programs when local areas were unable to absorb the unexpected impacts of mass dislocations. Unemployed workers benefited from DWG projects designed to provide the reemployment services needed to enable them to quickly return to the workforce, and employers benefited from workers that were equipped with skills that are in-demand. Workforce development resources targeted job-driven education strategies, including training in high-demand occupations and work-based education.

\$20,000,000 of the National Reserve was made available to support regions and workers impacted by layoffs and closures in coal mines and coal-fired power plants.

The National Reserve funds were also used to provide technical assistance and workforce development to the workforce system.

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2016 Enacted		PY 2017 Enacted		PY 2018 Full Year C.R.	PY 2019 Request
		Target	Result	Target	Result	Target	Target
Dislocated Workers Employment and Training Activities							
ETA-WIOA DW-01	Employment Rate – 2nd Quarter After Exit (WIOA Dislocated Worker)	[base]	TBD	[base]	TBD	TBD	TBD
ETA-WIOA DW-02	Employment Rate – 4th Quarter After Exit (WIOA Dislocated Worker)	[base]	TBD	[base]	TBD	[base]	TBD
ETA-WIOA DW-03	Median Earning – 2nd Quarter After Exit (WIOA Dislocated Worker)	[base]	TBD	[base]	TBD	TBD	TBD
ETA-WIOA NDWG-01	Employment Rate – 2nd Quarter After Exit (WIOA National Dislocated Worker Grants)	[base]	TBD	[base]	TBD	TBD	TBD
ETA-WIOA NDWG-02	Employment Rate – 4th Quarter After Exit (WIOA National Dislocated Worker Grants)	[base]	TBD	[base]	TBD	[base]	TBD
ETA-WIOA NDWG-03	Median Earning – 2nd Quarter After Exit (WIOA National Dislocated Worker Grants)	[base]	TBD	[base]	TBD	TBD	TBD

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

Workload and Performance Narrative

The detailed workload and performance table provides estimates for the number of dislocated worker participants served through WIOA DW activities. In PY 2019, the Department estimates \$2,326 as the average cost per participant for WIOA DW activities (includes DWG participants and costs). This is based on actual cost per participant data from the most recently completed program year (PY 2015).

Beginning in PY 2016, the performance measures were revised based on WIOA authorization for six key indicators. The Department is highlighting the following three for the purpose of tracking program progress and to show the Department's return on investment in WIOA programs. These measures include: 1) employment in the second quarter after exit; 2) employment in the fourth quarter after exit; and 3) median earnings of those employed in the second quarter after exit. The results of these measures will demonstrate the value of these investments to help address the employment and skill needs of workers, jobseekers, and employers.

WIOA also requires the use of statistical adjustment models to help set targets with states for performance measures, and to help account for the different characteristics of individuals served and strategies used to serve them.

Following the enactment of WIOA in 2014, the Department aligned performance accountability across most DOL- administered programs and two programs administered by the Department of Education (the Adult Education and Family Literacy Program authorized under title II of WIOA and the Vocational Rehabilitation program authorized under title I of the Rehabilitation Act of 1973, as amended by title IV of WIOA). The Department will use baseline data collected in PY 2016-17 to establish targets for these metrics beginning with the PY 2020 budget. As such, targets and results for these indicators are not included in the budget request.

The Department will monitor grantee performance regularly through Federal Project Officers in the regional offices to ensure grantees are on track to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, the Department looks at the following system outputs:

- Number of people served by the program;
- Number of people that received training;
- Number of people that received career services;
- Number of people in training that received a credential;
- Number of people with demonstrated skills gain; and
- Amount of funds spent.

Additional data are collected on the intensity of participant services based on the number of participants served, those who completed or exited the program (exiters), and those with positive outcomes for entered employment. These outputs help determine whether states are implementing strategies that will help meet their outcome goals. The Department will conduct evaluations of WIOA formula programs using the six WIOA common performance indicators

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

which will gauge the effectiveness of services for various subpopulations and seek to improve program performance. The results of such evaluation and research are used to revise and update program strategies regularly using insight on the impact and cost effectiveness of various career and workforce development services for participants in the WIOA program.

The Department is continuing to build evidence on strategies to support entrepreneurship as a reemployment strategy. ETA is currently funding a study to examine the impact of supporting self-employment education and business advisors to dislocated workers interested in establishing their own business.

In addition, the Department encourages eligible applicants for NDWGs to use grant funding on strategies with a strong evidence base, such as intensive reemployment services, apprenticeships, and training aligned with sector strategies.¹¹

¹¹ https://wdr.doleta.gov/directives/attach/TEGL/TEGL_1-17_Change_2.pdf

**DISLOCATED WORKER EMPLOYMENT AND TRAINING
ACTIVITIES**

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	1,234,521	1,240,485	666,485	-574,000
	Total	1,234,521	1,240,485	666,485	-574,000

DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES

CHANGES IN FY 2019

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Advisory and assistance services	0
Grants, subsidies, and contributions	0

Built-Ins Subtotal **\$0**

Net Program **-\$574,000**
Direct FTE **0**

	Estimate	FTE
Base	\$1,240,485	0
Program Increase	\$0	0
Program Decrease	-\$574,000	0

INDIAN AND NATIVE AMERICANS PROGRAM

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
Activity Appropriation	50,000	49,660	0	-49,660
FTE	0	0	0	0

Introduction

The Indian and Native American (INA) program, authorized under Section 166 of the Workforce Innovation and Opportunity Act (WIOA), is designed to help American Indian, Alaska Native, and Native Hawaiian individuals obtain jobs and remain employed through the provision of employment, education, workforce development and supportive services.

The 2019 Budget proposes to establish a 1.5-percent Native Adult set-aside within the WIOA Adult funding stream, similar to the Native American set-aside in the WIOA Youth program, eliminating the Indian and Native American program as a stand-alone budget request.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$46,082	0
2015	\$46,082	0
2016	\$50,000	0
2017	\$50,000	0
2018*	\$0	0

*Note: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

WIOA programs operate on a Program Year (PY) calendar (July 1 to June 30). A set aside of 1.5 percent of the WIOA Adult appropriation will be used to operate Indian and Native American grants.

FY 2019

The 2019 Budget proposes to establish a 1.5-percent Native Adult set-aside within the WIOA Adult funding stream, similar to the Native American set-aside in the WIOA Youth program, eliminating the Indian and Native American program as a stand-alone budget request. Indians and Native Americans will be served through the core workforce system programs, as well as through this set-aside.

INDIAN AND NATIVE AMERICANS PROGRAM

FY 2018

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

FY 2017

In FY 2017, \$50,000,000 was appropriated for Native American programs under section 166 of the WIOA. The funding is available for the period July 1, 2017 through June 30, 2018. In FY 2017, the WIOA Section 166 INA program provides services to adults through 178 grantees.

INDIAN AND NATIVE AMERICANS PROGRAM

WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2016 Enacted		PY 2017 Enacted		PY 2018 Full Year C.R.	PY 2019 Request
		Target	Result	Target	Result	Target	Target
Indian and Native American Programs							
ETA-WIOA INA Adult-01	Employment Rate – 2nd Quarter After Exit (WIOA Indian and Native American Program - Adult)	[base]	TBD	[base]	TBD	[base]	N/A
ETA-WIOA INA Adult-02	Employment Rate – 4th Quarter After Exit (WIOA Indian and Native American Program - Adult)	[base]	TBD	[base]	TBD	[base]	N/A
ETA-WIOA INA Adult-03	Median Earning – 2nd Quarter After Exit (WIOA Indian and Native American Program - Adult)	[base]	TBD	[base]	TBD	[base]	N/A

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

INDIAN AND NATIVE AMERICANS PROGRAM

Workload Summary

Beginning in PY 2016, the performance measures were revised based on WIOA authorization for six key indicators. The Department is highlighting the following three for the purpose of tracking program progress and to show the Department's return on investment in WIOA programs. These measures include: 1) employment in the second quarter after exit; 2) employment in the fourth quarter after exit; and 3) median earnings of those employed in the second quarter after exit. The results of these measures will demonstrate the value of these investments to help address the employment and skill needs of workers, jobseekers, and employers. The Department is currently collecting baseline data as the transition to new performance indicators continues.

INDIAN AND NATIVE AMERICANS PROGRAM

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
25.7	Operation and maintenance of equipment	0	0	0	0
41.0	Grants, subsidies, and contributions	50,000	49,660	0	-49,660
	Total	50,000	49,660	0	-49,660

INDIAN AND NATIVE AMERICANS PROGRAM

CHANGES IN FY 2019

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Other services from non-Federal sources	0
Operation and maintenance of equipment	0
Grants, subsidies, and contributions	0

Built-Ins Subtotal **\$0**

Net Program **-\$49,660**

Direct FTE **0**

	Estimate	FTE
Base	\$49,660	0
Program Increase	\$0	0
Program Decrease	-\$49,660	0

MIGRANT AND SEASONAL FARMWORKERS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
Activity Appropriation	81,896	81,340	0	-81,340
FTE	0	0	0	0

Introduction

The National Farmworker Jobs Program (NFJP) provides grants to support employment and workforce development services to migrant and seasonal farmworkers (MSFWs) and their dependents. The program responds to the needs of MSFWs through career services, workforce development services, housing assistance services, youth services, and other related assistance services. The Department is not requesting any resources for the NFJP program in FY 2019.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$81,896	0
2015	\$81,896	0
2016	\$81,896	0
2017	\$81,896	0
2018*	\$0	0

*Note: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

Workforce Innovation and Opportunity Act (WIOA) programs operate on a Program Year (PY) basis (July 1 through June 30). WIOA requires the Department to conduct a grant competition every four years to select the community organizations and state agencies that will operate the NFJP. The grant competition is performed through a Funding Opportunity Announcement (FOA) for grant applications, typically for employment and training grants and for housing grants. The competition is open to state and local agencies, state and Local Workforce Development Boards, faith-based and community organizations, institutions of higher education, and other entities that have the capacity to operate a diversified program of workforce services. In non-competition program years, each grant recipient is required to submit an annual program plan for the coming year and criteria for the content of these plans are contained in a Training and Employment Guidance Letter issued to all grantees.

NFJP employment and workforce development funds are allocated annually to state service areas through a funding formula. The formula estimates the number of eligible farmworkers in each state by using data from the Census, the Agricultural Census, the National Agricultural Workers Survey (NAWS), and the Farm Labor Survey. There is at least one grant organization in every state and Puerto Rico with the following exceptions: Alaska and Washington, DC, which do not

MIGRANT AND SEASONAL FARMWORKERS

have a grant due to the very small relative share of agricultural employment; Connecticut and Rhode Island, which are a combined state service area; and Maryland and Delaware, which are a combined state service area. Because of the large number of agricultural workers, California is represented by a total of five grant organizations. NFJP housing grants funds are allocated based on awarded proposals received through the FOA process.

FY 2019

The Budget eliminates the National Farmworker Jobs Program. The program is duplicative in that it creates a parallel workforce system for migrant and seasonal farmworkers, despite the fact that they are eligible to receive services through the core WIOA formula programs.

FY 2018

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

FY 2017

In FY 2017, \$81,896,000 was appropriated for migrant and seasonal farmworker programs under section 167 of the WIOA. The funding is available for the period July 1, 2017 through June 30, 2018.

In PY 2017, NFJP was in its third year of WIOA implementation, and the second year using the performance indicators defined in the WIOA regulations that were finalized in early 2016. Of this amount, \$75,885,000 was allocated for formula grants for employment and workforce development services; \$5,517,000 for permanent and temporary housing; and \$494,000 for other purposes, including technical assistance to grantees.

MIGRANT AND SEASONAL FARMWORKERS

WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2016 Enacted		PY 2017 Enacted		PY 2018 Full Year C.R.	PY 2019 Request
		Target	Result	Target	Result	Target	Target
Migrant and Seasonal Farmworkers							
ETA-WIOA NFJP Adult-01	Employment Rate – 2nd Quarter After Exit (WIOA National Farmworker Jobs Program - Adult)	[base]	TBD	[base]	TBD	TBD	N/A
ETA-WIOA NFJP Adult-02	Employment Rate – 4th Quarter After Exit (WIOA National Farmworker Jobs Program - Adult)	[base]	TBD	[base]	TBD	TBD	N/A
ETA-WIOA NFJP Adult-03	Median Earning – 2nd Quarter After Exit (WIOA National Farmworker Jobs Program - Adult)	[base]	TBD	[base]	TBD	TBD	N/A
ETA-WIOA NFJP Youth-01	Education and Employment Rate – 2nd Quarter After Exit (WIOA National Farmworker Jobs Program - Youth)	[base]		[base]		TBD	N/A
ETA-WIOA NFJP Youth-02	Education and Employment Rate – 4th Quarter After Exit (WIOA National Farmworker Jobs Program - Youth)	[base]	TBD	[base]	TBD	TBD	N/A
ETA-WIOA NFJP Youth-03	Median Earning – 2nd Quarter After Exit (WIOA National Farmworkers Jobs Program - Youth)	[base]	TBD	[base]	TBD	TBD	N/A
ETA-WIOA NFJP Youth-04	Credential Attainment (WIOA National Farmworker Jobs Program - Youth)	[base]	TBD	[base]	TBD	TBD	N/A

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

MIGRANT AND SEASONAL FARMWORKERS

Workload and Performance Narrative

Beginning in PY 2016, the performance measures were revised based on WIOA authorization for six key indicators. The Department is highlighting the following three for the purpose of tracking program progress and to show the Department's return on investment in WIOA programs. These measures include: 1) employment in the second quarter after exit; 2) employment in the fourth quarter after exit; and 3) median earnings of those employed in the second quarter after exit. The results of these measures will demonstrate the value of these investments to help address the employment and skill needs of workers, jobseekers, and employers. The Department is currently collecting baseline data as the transition to new performance indicators continues.

In addition to outcomes, the Department also measures workload in terms of the number of participants served by the program. In PY 2017, the program projects serving 16,195 participants at an average cost of \$5,057 per participant. The projected number of participants for PY 2017 is derived by dividing the PY 2017 funding level for NFJP formula grants by the average cost per participant for the last three program years. The Department also monitors grantee performance regularly through Federal Project Officers in regional offices to ensure grantees are on track to meet performance goals. Such monitoring also informs the design and delivery of technical assistance efforts to help grantees improve performance.

MIGRANT AND SEASONAL FARMWORKERS

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
41.0	Grants, subsidies, and contributions	81,896	81,340	0	-81,340
	Total	81,896	81,340	0	-81,340

MIGRANT AND SEASONAL FARMWORKERS

CHANGES IN FY 2019

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Other services from non-Federal sources	0
Grants, subsidies, and contributions	0

Built-Ins Subtotal **\$0**

Net Program **-\$81,340**

Direct FTE **0**

	Estimate	FTE
Base	\$81,340	0
Program Increase	\$0	0
Program Decrease	-\$81,340	0

TECHNICAL ASSISTANCE

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
Activity Appropriation	2,500	2,483	2,000	-483
FTE	0	0	0	0

Introduction

Section 168 of the Workforce Innovation and Opportunity Act (WIOA) requires the Secretary of Labor to ensure the Department provides technical assistance to the public workforce system. The law requires that the Department maintain the capacity to provide training and technical assistance to the public workforce system and its staff, in particular to: replicate effective practices; train state and Local Workforce Development Boards; integrate intake, case management, and financial management systems and program operations; and transition to full WIOA implementation. In addition, WIOA requires the Department, along with the Department of Education, as needed, to provide technical assistance to any grantee that fails a performance measure.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$0	0
2015	\$0	0
2016	\$3,232	0
2017	\$2,500	0
2018*	\$0	0

*Note: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

WIOA programs operate on a program year of July 1 through the following June 30. Funds appropriated in FY 2019 are available from July 1, 2019 through June 30, 2020 (PY 2019). The Department will obligate these funds through grants and/or contracts to provide technical assistance to states, local areas, and other service providers.

FY 2019

The Department is requesting \$2,000,000 for FY 2019 to support key WIOA implementation activities, including maintenance of the Eligible Training Provider scorecard, which will be launched in FY 2018. The Department also intends to deliver technical assistance that provides both broad accessibility to information and resources as well as more targeted support.

TECHNICAL ASSISTANCE

FY 2018

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

FY 2017

The Department was appropriated \$2,500,000, for the period of July 1, 2017, through June 30, 2018 (PY 2017), which the Department is using to ensure consistency in state and local adherence to statute and regulations and to rapidly identify and transfer knowledge about promising practices emerging in states and local areas. Technical assistance for WIOA programs will result in faster adoption of evidence-based strategies, such as work-based learning; support for integrated technology solutions; increased reporting accuracy; and faster identification and risk management of grants management issues.

TECHNICAL ASSISTANCE

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
25.1	Advisory and assistance services	1,250	1,241	1,000	-241
41.0	Grants, subsidies, and contributions	1,250	1,242	1,000	-242
	Total	2,500	2,483	2,000	-483

TECHNICAL ASSISTANCE

CHANGES IN FY 2019

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program -\$483

Direct FTE 0

	Estimate	FTE
Base	\$2,483	0
Program Increase	\$0	0
Program Decrease	-\$483	0

REENTRY EMPLOYMENT OPPORTUNITIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
Activity Appropriation	88,078	87,480	78,324	-9,156
FTE	0	0	0	0

Introduction

The Reentry Employment Opportunities (REO) programs prepare adult and youth ex-offenders for employment and/or training in industries and occupations that offer good wages and opportunities for advancement in today’s workforce. REO programs promote a seamless progression along career pathways that combine education and skills instruction. REO programs focus on participant progress and long-term success; the programs support participants in gaining industry-driven credentials in in-demand industries to prepare them to enter and progress in the workforce. These programs contribute to the development of a strong youth pipeline that provide disconnected youth with work readiness and industry-driven credential attainment opportunities.

The REO programs provide pre-release and comprehensive post-release services targeted to communities with large numbers of persons returning from incarceration. Specifically, REO participants receive comprehensive workforce development and career assistance, and are provided mentors, career coaches, transportation assistance, and preparation for post-secondary education. REO grantees also connect participants with additional services such as housing, child care, family unification services, and legal assistance from non-profit legal service centers. REO also has a strong business engagement focus. Grantees connect with employers to educate them on the benefits of hiring persons with criminal records, and help connect employers with program participants who can fill employer skill needs.

The Workforce Innovation and Opportunity Act (WIOA) defines offenders as adults or juveniles who have been subject to any stage of the criminal justice process, and for whom services under WIOA may be beneficial, or people that require assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction. Adult reentry programming focuses on persons age 18 and older who were incarcerated in the adult justice system and released within 180 days. Participants include persons under supervision participating in work release programs or living in residential reentry centers (halfway houses).

The Department has taken several steps to date to build effective industry partnerships and job-placement services, offer industry-driven credentials, and provide work-readiness and work-based learning opportunities, including apprenticeships in in-demand occupations. The Department’s efforts have primarily focused on grant requirements and performance metrics, business outreach, and tools to ease businesses’ hiring decisions. REO grant solicitations require grants to include evidence-based or promising interventions that lead to improved employment outcomes. All grants must include employment-focused services, and include either

REENTRY EMPLOYMENT OPPORTUNITIES

Apprenticeship, work-based learning, or a Career Pathways approach. To support job placement for ex-offenders, the Department has collaborated with the U.S. Department of Justice (DOJ) to develop a National Clean Slate Clearinghouse that will provide information on current policies governing juvenile adjudication and adult criminal record clearance at the state level.

Grant applicants are rated in part based on whether proposed training meets demand by area employers. During the period of performance, grantee performance measures include employment attainment, employment retention, average earnings, credential attainment, measurable skills gains, and effectiveness in serving employers. The Department holds grantees accountable for employment outcomes, including credential attainment and effectiveness in serving employers, by setting such performance measures and by considering prior performance on placement in education or employment and certificate/degree attainment in scoring grant applicants.

The Department will continue to promote apprenticeships and pre-apprenticeships, in consultation with DOJ, for currently or formerly incarcerated persons and other at-risk youth.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$80,078	0
2015	\$82,078	0
2016	\$88,078	0
2017	\$88,078	0
2018*	\$0	0

*Note: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

WIOA programs generally operate on a program year (PY) calendar, July 1 through June 30, but REO funds are made available starting April 1. The funds requested for FY 2019 will be available from April 1, 2019 through June 30, 2020 (PY 2019). The Department funds REO projects through a competitive solicitation process. Grants for serving adult ex-offenders may be awarded to local workforce development boards and non-profit faith-based and 501(c)(3) community- and faith-based organizations. Grants for serving youth offenders may be awarded to various types of organizations, including non-profit national and regional intermediaries, 501(c)(3) community- and faith-based organizations, state and local government agencies, and Indian and Native American entities eligible for grants under WIOA Section 166.

FY 2019

The Department requests \$78,324,000 in FY 2019 for the period of April 1, 2019 through June 30, 2020 (PY 2019) to serve adult and juvenile offenders. This funding will serve an estimated 14,184 participants in PY 2019.

REENTRY EMPLOYMENT OPPORTUNITIES

In FY 2019, the Department will focus on its core Reentry Projects, which seek to build the evidence base on ex-offender serving workforce models. In FY 2019, REO will continue to refine its Reentry Projects to incorporate new evidence, with an eye towards tightening the program model to focus on proven practices for serving ex-offenders. The Department will use lessons from the previous *Training to Work* grants, which provided a full array of employment services to persons supervised under local work-release programs as well as lessons learned through the random assignment evaluation of the Department's Reintegration of Ex-Offenders Program: Final Impact Report¹² and the forthcoming Enhanced Transitional Jobs Demonstration. In designing services for adults with criminal records, the Department will also review successful strategies from the evaluation pilots of the Integrating Reentry and Employment Strategies (IRES) white paper released by the Council of State Government's Justice Center. In FY 2019, the Department will also evaluate new program models funded through the Reentry Projects grant to assess their effectiveness. Approximately \$29,000,000 will be used for grants to serve adults, while approximately \$49,324,000 will be used to serve youth between the ages of 16 to 24 who have been involved in the justice system.

As the Department focuses increasingly on the core Reentry Projects, it will phase out other more peripheral grants, including Pathways to Justice Careers and Linking to Employment Activities Pre-Release grants.

FY 2018

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

FY 2017

The Department was appropriated \$77,911,000 for the period of April 1, 2017 through June 30, 2018 (PY 2017) to serve adult and juvenile offenders.

Some of the funding will be used for grants to serve adult offenders at various levels of supervision, including offenders in pre-release, those transitioning through work-release programs, and those in post-release. The Department is using lessons from the previous *Training to Work* grants, which provided a full array of employment services to offenders supervised under local work-release programs, as well as lessons learned through the random assignment evaluation of the Department's adult ex-offender grants.

¹² Reintegration of Ex-Offenders (RExO) Program: Final Impact Report, Social Policy Research, December 2016. https://wdr.doleta.gov/research/FullText_Documents/ETAOP-2015-10_The-Evaluation-of-the-Re-Integration-of-Ex-Offenders-%28RExO%29-Program-Final-Impact-Report_Acc.pdf

REENTRY EMPLOYMENT OPPORTUNITIES

Some of the funding is being used to serve youth offenders. Of this funding to serve youth offenders, at least \$25,000,000 is required to be used for intermediary grants, which provide comprehensive services to juvenile offenders residing in high-poverty communities with high crime rates.

The remaining funds are being used by the Department to contribute to evaluations of the Reintegration of Ex-Offenders grants, and also provide technical assistance to youth offender grantees to help them improve their performance.

REENTRY EMPLOYMENT OPPORTUNITIES

WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2016 Enacted		PY 2017 Enacted		PY 2018 Full Year C.R.	PY 2019 Request
		Target	Result	Target	Result	Target	Target
Reentry Employment Opportunities							
ETA-WIOA REO Adult-01	Employment Rate – 2nd Quarter After Exit (WIOA ReEntry Employment Opportunities - Adult)	[base]	TBD	[base]	TBD	[base]	TBD
ETA-WIOA REO Adult-02	Employment Rate – Fourth Quarter After Exit (WIOA ReEntry Employment Opportunities - Adult)	[base]	TBD	[base]	TBD	[base]	TBD
ETA-WIOA REO Adult-03	Median Earning – 2nd Quarter After Exit (WIOA ReEntry Employment Opportunities - Adult)	[base]	TBD	[base]	TBD	[base]	TBD
ETA-WIOA REO Youth-01	Education and Employment Rate – 2nd Quarter After Exit (WIOA ReEntry Employment Opportunities - Youth)	[base]	TBD	[base]	TBD	[base]	TBD
ETA-WIOA REO Youth-02	Education and Employment Rate – Fourth Quarter After Exit (WIOA ReEntry Employment Opportunities - Youth)	[base]	TBD	[base]	TBD	TBD	TBD
ETA-WIOA REO Youth-03	Median Earning – 2nd Quarter After Exit (WIOA ReEntry Employment Opportunities - Youth)	[base]	TBD	[base]	TBD	TBD	TBD
ETA-WIOA REO Youth-04	Credential Attainment (WIOA ReEntry Employment Opportunity - Youth)	[base]	TBD	[base]	TBD	TBD	TBD

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

REENTRY EMPLOYMENT OPPORTUNITIES

Workload and Performance Narrative

Beginning in PY 2016, the performance measures were revised based on WIOA authorization for six key indicators. The Department is highlighting the following three for the purpose of tracking program progress and to show the Department's return on investment in WIOA programs. These measures include: 1) employment in the second quarter after exit; 2) employment in the fourth quarter after exit; and 3) median earnings of those employed in the second quarter after exit. The results of these measures will demonstrate the value of these investments to help address the employment and skill needs of workers, jobseekers, and employers.

Following the enactment of WIOA in 2014, the Department, in accordance with that Act, aligned performance accountability across most DOL-administered programs and two programs administered by the Department of Education (the Adult Education and Family Literacy Program authorized under title II of WIOA and the Vocational Rehabilitation program authorized under title I of the Rehabilitation Act of 1973, as amended by title IV of WIOA). The Department will use baseline data collected in PY 2016-17 to establish targets for these metrics beginning with the FY 2020 budget. As such, targets and results for these indicators are not included in the budget request.

The workforce development and employment services delivered through the REO program are designed to address all WIOA performance indicators. States and local areas target their service delivery strategies to the specific needs of their employer and youth populations, and the Department provides policy and programmatic guidance to help states and local areas identify strategies that are beneficial in improving successful outcomes in the current economy.

The Department will monitor grantee performance regularly through Federal Project Officers in the regional offices to ensure grantees are on target to meet performance goals. Such monitoring informs the design and delivery of technical assistance to improve performance. As part of program monitoring, the Department looks at the following system outputs:

- Number of people served by the program;
- Number of people that received training;
- Number of people that received career services;
- Number of people in training that received a credential;
- Number of people with demonstrated skills gain; and
- Amount of funds spent.

Additional data are collected on the intensity of participant services based on the number served, exiters, and those with positive outcomes for entered employment. These outputs help determine whether states are implementing strategies that will help meet their outcome goals.

REENTRY EMPLOYMENT OPPORTUNITIES

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
25.2	Other services from non-Federal sources	0	0	0	0
41.0	Grants, subsidies, and contributions	88,078	87,480	78,324	-9,156
	Total	88,078	87,480	78,324	-9,156

REENTRY EMPLOYMENT OPPORTUNITIES

CHANGES IN FY 2019

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Other services from non-Federal sources	\$0
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Grants, subsidies, and contributions	0
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Built-Ins Subtotal	\$0
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Net Program	-\$9,156
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Direct FTE	0
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	Estimate	FTE
Base	\$87,480	0
Program Increase	\$0	0
Program Decrease	-\$9,156	0

APPRENTICESHIP PROGRAM

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
Activity Appropriation	95,000	94,355	200,000	105,645
FTE	0	0	0	0

Introduction

Apprenticeships match job creators with job seekers, furthering the goal of a skilled American workforce. By expanding the apprenticeship model to additional industries, the Department is modernizing and growing this proven strategy for high-growth, in-demand job sectors. Apprenticeship is a flexible work-based learning program that combines job-related technical instruction with structured on-the-job learning experiences. In many cases, these programs provide apprentices with the opportunity to simultaneously obtain secondary and post-secondary degrees.

The Presidential Executive Order Expanding Apprenticeships in America signed June 15, 2017, (E.O. 13801) states that “it shall be the policy of the Federal Government to provide more affordable pathways to secure, high paying jobs by promoting apprenticeships and effective workforce development programs, while easing the regulatory burden on such programs and reducing or eliminating taxpayer support for ineffective workforce development programs.” The FY 2019 Budget will expand the number of job seekers engaging in new types of earn-and-learn programs that offer portable and stackable credentials.

The effectiveness of apprenticeship programs rely on work-based learning models which adeptly incorporate cutting-edge, private sector-led innovations and combine job-related technical instruction with structured on-the-job learning experiences. Apprentices benefit from day one, earning a starting salary and receiving wages that rise with their skill attainment throughout the program.

While this appropriation provides essential funding to create targeted investments, the workforce and education systems and associated programs, as authorized by WIOA and other federal laws, will be central to achieving apprenticeship expansion of the scale envisioned in the Executive Order. A coordinated strategy will emphasize the alignment of education and workforce system programs with the goal of matching qualified workers with employers. By working with a cadre of partners, including trade and industry groups, companies, non-profit organizations, unions, joint labor-management organizations, and educational institutions, a coordinated public-private partnership strategy will open up new opportunities for Americans and provide them with the skills they need to compete in today’s economy.

APPRENTICESHIP PROGRAM

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2015	\$0	0
2016	\$90,000	0
2017	\$95,000	0
2018*	\$0	0

*Note: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

FY 2019 apprenticeship funds will be available from April 1, 2019 through June 30, 2020 (PY 2019). The Department will carry out activities through grants, cooperative agreements, contracts, and other arrangements.

FY 2019

The Department is requesting \$200,000,000 in FY 2019 for the period of April 1, 2019 through June 30, 2020 (PY 2019).

The FY 2019 funding increase will support the rapid expansion of Industry-Recognized Apprenticeships to expand apprenticeship opportunities in high-growth sectors where apprenticeships are underutilized, including health care, information technology, and advanced manufacturing. The Department's FY 2019 investment strategies for apprenticeship would include funding for activities, such as:

- Dramatically expanding industry-recognized apprenticeship and sector-led approaches.
- Bringing apprenticeships to scale through the use of streamlined approval processes.
- Enabling certifiers and employers to leverage technology that facilitates job matching and validates the credentials of apprentices.

Final investment decisions for PY 2019 may include other strategies that are identified by the President's Task Force on Apprenticeship Expansion and the Department.

FY 2018

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

APPRENTICESHIP PROGRAM

FY 2017

The Department was appropriated \$95,000,000 to support apprenticeship expansion activities, which is available for obligation from April 1, 2017, through June 30, 2018. Funding will support innovative work-based learning approaches, technology modernization, and state initiatives that result in the expansion of apprenticeship programs. Grants to states will support activities that lead to the expansion of apprenticeship and advance alignment and integration of the apprenticeship and public workforce systems. Competitive awards built on the American Apprenticeship Grant initiative will support the expanded use of apprenticeship models in new and emerging, high-growth industries/sectors.

APPRENTICESHIP PROGRAM

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	95,000	94,355	200,000	105,645
	Total	95,000	94,355	200,000	105,645

APPRENTICESHIP PROGRAM

CHANGES IN FY 2019

(Dollars in Thousands)

Activity Changes		
Built-In		
To Provide For:		
Advisory and assistance services		\$0
Grants, subsidies, and contributions		0
Built-Ins Subtotal		\$0
Net Program		\$105,645
Direct FTE		0
	Estimate	FTE
Base	\$94,355	0
Program Increase	\$105,645	0
Program Decrease	\$0	0

WORKFORCE DATA QUALITY INITIATIVE

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
Activity Appropriation	6,000	5,959	0	-5,959
FTE	0	0	0	0

Introduction

The Workforce Data Quality Initiative (WDQI) provides competitive grants to support the development and enhancement of longitudinal data systems that integrate education and workforce data to support evaluation and research on the effectiveness of workforce and education programs and the provision of customer friendly information to help customers select the education and workforce development programs that best suit their needs. The grants were initially provided under the research authority in Section 171 of the Workforce Investment Act, and now are provided under section 169 of the Workforce Innovation and Opportunity Act (WIOA). These grants supported accountability and transparency, key goals of WIOA.

Data linkages help state leaders identify effective pathways through education and workforce development services that lead to success in the workforce, and provide individuals with information that help them make smart choices about their education and careers. Longitudinal data systems have information on individuals as they progress through the education system and into the workforce. Some states have developed comprehensive data systems that link individuals' demographic information, high school transcripts, college transcripts, and quarterly wage data. These data systems have provided valuable information to consumers, practitioners, policymakers, researchers and evaluators about the performance of education and workforce development programs.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$6,000	0
2015	\$4,000	0
2016	\$6,000	0
2017	\$6,000	0
2018*	\$0	0

*Note: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

WORKFORCE DATA QUALITY INITIATIVE

Funding Mechanism

WIOA programs operate on a Program Year (PY) basis (July 1 through June 30). The WDQI grants are awarded to states through a competitive Funding Opportunity Announcement (FOA).

FY 2019

The Department is not requesting any funding for this activity in FY 2019. The Budget shifts responsibility to States for linking state data systems.

FY 2018

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

FY 2017

In FY 2017, the Department was appropriated \$6,000,000 for the Workforce Data Quality Initiative to support states' development of integrated longitudinal data systems as envisioned under WIOA. The Department is conducting grant competitions and requiring states to work collaboratively to build enhanced systems (e.g., through consortia or similar arrangements) with these funds. With this funding, states will ensure strong stewardship of resources, and will be empowered to better manage programs through improved performance information. This funding allows for further institutionalization of the investments in data systems integration through five rounds of grant awards in more than 35 states since 2010, and will allow for further creation of improved systemic performance for workforce data systems around the nation.

These grants also support building state-based wage data matching infrastructure to enable and streamline WIOA performance reporting, including eligible training provider (ETP) performance reporting.

WORKFORCE DATA QUALITY INITIATIVE

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
25.1	Advisory and assistance services	0	0	0	0
41.0	Grants, subsidies, and contributions	6,000	5,959	0	-5,959
	Total	6,000	5,959	0	-5,959

WORKFORCE DATA QUALITY INITIATIVE

CHANGES IN FY 2019

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Advisory and assistance services \$0

Grants, subsidies, and contributions 0

Built-Ins Subtotal \$0

Net Program -\$5,959

Direct FTE 0

	Estimate	FTE
Base	\$5,959	0
Program Increase	\$0	0
Program Decrease	-\$5,959	0

YOUTHBUILD

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
Activity Appropriation	84,534	83,960	58,960	-25,000
FTE	0	0	0	0

Introduction

The YouthBuild program helps ensure the existence of a strong youth pipeline that provides disconnected youth with work readiness and industry-driven credential attainment opportunities. YouthBuild addresses the challenges faced by unemployed, high school dropouts by providing them with an opportunity to gain both the education and occupational skills that will prepare them for employment.

YouthBuild is a work-based education program that provides workforce development and educational opportunities to at-risk youth ages 16-24 with a specific focus on attaining construction skills through building or rehabilitating affordable housing for low-income or homeless families in their own neighborhoods. Youth split their time between the construction site and the classroom, where they earn their high school diploma or equivalency, learn to be community leaders, and prepare for postsecondary education opportunities. Since 2012, the YouthBuild program has expanded its workforce development and educational focus to include in-demand occupations outside of construction, including STEM fields, such as information technology and manufacturing. YouthBuild provides significant support services, such as mentoring, follow-up education, employment and personal counseling, and participation in community service and civic engagement. There are over 220 Department-funded YouthBuild programs in 43 states serving more than 6,000 youth per year.

WIOA requires work experience and skills training to be “coordinated, to the maximum extent feasible, with pre-apprenticeship and apprenticeship programs.” YouthBuild programs are considered to be pre-apprenticeship programs, providing a pathway to becoming an apprentice.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$77,534	0
2015	\$79,689	0
2016	\$84,534	0
2017	\$84,534	0
2018*	\$0	0

*Note: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

YOUTHBUILD

Funding Mechanism

YouthBuild operates on a program year (PY) calendar as funds are available from April 1, 2019 through June 30, 2020 (PY 2019). The funds appropriated for YouthBuild are authorized by WIOA and are awarded through an annual grant competition. Programs are funded for four months of implementation, two years of program operation, and one year of follow-up support.

FY 2019

In FY 2019, the Department requests \$58,960,000, reflecting a shift of \$25,000,000 to the apprenticeship initiative to support youth-focused activities. Of the total funding amount, five percent will be directed toward the statutory set-aside for technical assistance (TA). The remainder will support approximately 57 grants to serve approximately 5,071 youth with an average cost per participant of \$11,626 based on PY 2015 results.

In 2019, the Department's YouthBuild program will continue to provide pre-apprenticeship opportunities that link education and occupational skills training. The program will also maintain its efforts to increase credential attainment (high school diplomas, high school equivalency degrees, and industry-recognized credentials) for YouthBuild participants. The program is committed to expanding into other in-demand occupations outside of construction where jobs are prevalent and growing.

The Department will continue to support the random assignment evaluation that began in the fall of 2011 with results expected mid-2018. The results of this report will further inform enhancements to the YouthBuild model, support technical assistance delivery, and indicate promising practices in the field.

FY 2018

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

FY 2017

In FY 2017, the Department received \$84,534,000 for the period of April 1, 2017 through June 30, 2018. Of the total funding amount, five percent went toward the statutory set-aside for technical assistance (TA). The remainder supported 77 grants to serve approximately 5,248 youth with an average cost per participant of \$15,300.

In PY 2017, the Department's YouthBuild program continues to provide education and occupational skills training through a pre-apprenticeship model. The program continued its expansion into other in-demand occupations outside of construction, including STEM fields such as information technology and manufacturing. The Department also continued to focus on

YOUTHBUILD

increasing credential attainment (high school diplomas, high school equivalency degrees, and industry-recognized credentials) for YouthBuild participants and on enhancing post-program placement in employment, post-secondary education, and apprenticeship.

YOUTHBUILD

WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2016 Enacted		PY 2017 Enacted		PY 2018 Full Year C.R.	PY 2019 Request
		Target	Result	Target	Result	Target	Target
YouthBuild							
ETA-WIOA YB-01	Education and Employment Rate – 2nd Quarter After Exit (WIOA YouthBuild)	[base]	TBD	[base]	TBD	[base]	TBD
ETA-WIOA YB-02	Education and Employment Rate – 4th Quarter After Exit (WIOA YouthBuild)	[base]	TBD	[base]	TBD	[base]	TBD
ETA-WIOA YB-03	Median Earning – 2nd Quarter After Exit (WIOA YouthBuild)	[base]	TBD	[base]	TBD	[base]	TBD
ETA-WIOA YB-04	Credential Attainment (WIOA YouthBuild)	[base]	TBD	[base]	TBD	[base]	TBD

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

YOUTHBUILD

Workload and Performance Narrative

Beginning in PY 2016, the performance measures were revised based on WIOA authorization for six key indicators. The Department is highlighting the following four for the purpose of tracking program progress and to show the Department's return on investment in WIOA programs. These measures include: 1) education and/or employment in the second quarter after exit; 2) education and/or employment in the fourth quarter after exit; 3) median earnings of those employed in the second quarter after exit; and 4) credential attainment. The results of these measures will demonstrate the value of these investments to help address the employment and skill needs of workers, jobseekers, and employers.

Following the enactment of WIOA in 2014, the Department, in accordance with that Act, aligned performance accountability across most DOL-administered programs and two programs administered by the Department of Education (the Adult Education and Family Literacy Program authorized under title II of WIOA and the Vocational Rehabilitation program authorized under title I of the Rehabilitation Act of 1973, as amended by title IV of WIOA). The Department will use baseline data collected in PY 2016-17 to establish targets for these metrics beginning with the FY 2020 budget. As such, targets and results for these indicators are not included in the budget request.

Per the average cost per participant of \$11,626, the Department projects enrolling 5,071 participants during PY 2019. The \$11,626 cost per participant is based on PY 2015 actual cost information. Participants are anticipated to be served in a YouthBuild program for nine months; however, some youth may complete the program in less time, creating an opportunity to serve additional youth.

YOUTHBUILD

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
11.1	Full-time permanent	0	0	0	0
11.9	Total personnel compensation	0	0	0	0
41.0	Grants, subsidies, and contributions	84,534	83,960	58,960	-25,000
	Total	84,534	83,960	58,960	-25,000

YOUTHBUILD

CHANGES IN FY 2019

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
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Grants, subsidies, and contributions	0
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RTAA	0
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Built-Ins Subtotal	\$0
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Net Program	-\$25,000
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Direct FTE	0
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	Estimate	FTE
Base	\$83,960	0
Program Increase	\$0	0
Program Decrease	-\$25,000	0

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
Activity Appropriation	0	0	0	0
FTE	0	0	0	0

Introduction

The funding for this program is provided through H-1B fees, which are authorized under Section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (codified at 29 U.S.C. 3224a) (ACWIA). The fees are collected from employers when they file applications seeking to hire temporary foreign workers, as needed, in occupations that require highly-specialized knowledge and skills. Authorized fees are available to the Department without appropriations by Congress and are used to provide job training and related activities for workers to help them fill jobs in occupations and industries that employ foreign workers with H-1B visas. The Secretary of Labor has discretion regarding the types of grants that will be made with these funds, pursuant to the ACWIA.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$0	0
2015	\$0	0
2016	\$0	0
2017	\$0	0
2018*	\$0	0

*Note: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

Funding Mechanism

Job Training for Employment in High Growth Industries funds are awarded competitively through one or more Funding Opportunity Announcements (FOA). Eligible applicants for these grants include public-private partnerships of business-related nonprofit organizations, education and training providers, community-based organizations, entities involved in administering the public workforce system, and economic development agencies.

FY 2019

Grants in FY 2019 will continue to be awarded to partnerships of private and public sector entities. These partnerships include entities involved in administering the public workforce system established under Title I of the Workforce Innovation and Opportunity Act (WIOA);

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

business-related nonprofit organizations, such as trade associations, industry associations or consortium of employers; education and training providers, including community colleges and community-based organizations; economic development agencies; and other partners that reflect the character and resources of the local or regional economy.

The Department must direct investments to industries and occupations for which employers are using H-1B visas to hire foreign workers. In addition, projects cannot serve youth that are 16 years of age or younger and currently enrolled in school within a local secondary educational agency (i.e., high school).

FY 2018

Data collected by the Department about employers' applications for visas shows that employers continue to struggle to find workers in the U.S. that have the specialized skills needed for critical occupations in growing sectors, including information technology, engineering, education, and health care.

In accordance with ACWIA, any grants awarded in FY 2018 would be to partnerships of private and public sector entities. These partnerships include entities involved in administering the public workforce system established under Title I of the Workforce Innovation and Opportunity Act (WIOA); business-related nonprofit organizations, such as trade associations, industry associations or consortium of employers; education and training providers, including community colleges and community-based organizations; economic development agencies; and other partners that reflect the character and resources of the local or regional economy.

These grants would also require that employers are directly involved in the implementation of grant activities to ensure that all of the training leads directly to industry-recognized credentials and opportunities for participants to enter high-skill, high-wage jobs. For future grant opportunities, the Department will consult with employers across other major H-1B sectors to better understand the pressing workforce needs that these investments could target.

FY 2017

The Department annually receives 50 percent of the H-1B fees collected by the Department of Homeland Security to carry out the H-1B job training grants. During FY 2017, the Department received \$176,300,000 through this funding mechanism. Of this, \$46,000,000 was rescinded, and \$20,000,000 in unobligated balances was transferred to the Office of Foreign Labor Certification.

**JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH
INDUSTRIES**

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
41.0	Grants, subsidies, and contributions	0	0	0	0
	Total	0	0	0	0

JOB TRAINING FOR EMPLOYMENT IN HIGH GROWTH INDUSTRIES

CHANGES IN FY 2019 (Dollars in Thousands)

Activity Changes		
Built-In		
To Provide For:		
Grants, subsidies, and contributions		\$0
Built-Ins Subtotal		\$0
Net Program		\$0
Direct FTE		0
	Estimate	FTE
Base	\$0	0
Program Increase	\$0	0
Program Decrease	\$0	0