

FY 2023

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Program Administration

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PROGRAM ADMINISTRATION

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PROGRAM ADMINISTRATION

APPROPRIATION LANGUAGE

For expenses of administering employment and training programs, \$153,793,000, together with not to exceed \$68,840,000 which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund.

Note.— A full-year 2022 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, 2022 (Division A of P.L.117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

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AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2021 Revised Enacted		FY 2022 Full Year C.R.		FY 2023 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	394	\$108,674	384	\$108,674	438	\$153,793
Unexpired/Unobligated Balance CARES Act 2020, P.L 116-136	23	\$3,715	11	\$1,286	0	\$0
American Rescue Plan Act of 2021, P.L. 117-2	10	\$8,000	0	\$0	0	\$0
Unexpired/Unobligated Balance American Rescue Plan Act of 2021, P.L. 117-2	0	\$0	21	\$6,960	0	\$0
<i>Subtotal Appropriation</i>	<i>427</i>	<i>\$120,389</i>	<i>416</i>	<i>\$116,920</i>	<i>438</i>	<i>\$153,793</i>
Offsetting Collections From:						
Reimbursements	43	\$6,306	36	\$9,299	36	\$9,299
Trust Funds	203	\$49,982	207	\$49,982	233	\$68,840
<i>Subtotal Offsetting Collections</i>	<i>246</i>	<i>\$56,288</i>	<i>243</i>	<i>\$59,281</i>	<i>269</i>	<i>\$78,139</i>
B. Gross Budget Authority	673	\$176,677	659	\$176,201	707	\$231,932
Unexpired/Unobligated Balance CARES Act 2020, P.L 116-136	-23	-\$3,715	-11	-\$1,286	0	\$0
American Rescue Plan Act of 2021, P.L. 117-2	-10	-\$8,000	0	\$0	0	\$0
Unexpired/Unobligated Balance American Rescue Plan Act of 2021, P.L. 117-2	0	\$0	-21	-\$6,960	0	\$0
Offsetting Collections						
Reimbursements	-43	-\$6,306	-36	-\$9,299	-36	-\$9,299
<i>Subtotal Deduction</i>	<i>-76</i>	<i>-\$18,021</i>	<i>-68</i>	<i>-\$17,545</i>	<i>-36</i>	<i>-\$9,299</i>
C. Budget Authority Before Committee	597	\$158,656	591	\$158,656	671	\$222,633
American Rescue Plan Act of 2021, P.L. 117-2	10	\$8,000	0	\$0	0	\$0
Unexpired/Unobligated Balance CARES Act 2020, P.L 116-136	23	\$3,715	11	\$1,286	0	\$0
Unexpired/Unobligated Balance American Rescue Plan Act of 2021, P.L. 117-2	0	\$0	21	\$6,960	0	\$0
<i>Subtotal Appropriations plus Carryover Funds</i>	<i>33</i>	<i>\$11,715</i>	<i>32</i>	<i>\$8,246</i>	<i>0</i>	<i>\$0</i>
Offsetting Collections From:						
Reimbursements	43	\$6,306	36	\$9,299	36	\$9,299
<i>Subtotal Offsetting Collections</i>	<i>43</i>	<i>\$6,306</i>	<i>36</i>	<i>\$9,299</i>	<i>36</i>	<i>\$9,299</i>
D. Total Budgetary Resources	673	\$176,677	659	\$176,201	707	\$231,932
Unexpired/Unobligated Balance CARES Act 2020, P.L 116-136	-4	-\$1,286	0	\$0	0	\$0
Unexpired/Unobligated Balance American Rescue Plan Act of 2021, P.L. 117-2	-9	-\$6,960	0	\$0	0	\$0

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FTE and Unobligated Balance Expiring 0172 2021/2021	-6	-\$196	0	\$0	0	\$0
FTE and Unobligated Balance Expiring Reimbursements	-13	-\$2,129	0	\$0	0	\$0
E. Total, Estimated Obligations	641	\$166,106	659	\$176,201	707	\$231,932

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2022 Full Year C.R.	FY 2023 Request	Net Change
Budget Authority			
General Funds	\$108,674	\$153,793	+\$45,119
Trust Funds	\$49,982	\$68,840	+\$18,858
Total	\$158,656	\$222,633	+\$63,977
 Full Time Equivalents			
General Funds	384	438	54
Trust Funds	207	233	26
Total	591	671	80

Explanation of Change	FY 2023 Change							
	FY 2022 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	591	\$73,608	0	\$1,650	0	\$3,588	0	\$5,238
Personnel benefits	0	\$24,677	0	\$611	0	\$1,328	0	\$1,939
Federal Employees' Compensation Act (FECA)	0	\$340	0	\$2	0	\$4	0	\$6
Benefits for former personnel	0	\$19	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$548	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$9,711	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$1	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$259	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$100	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$100	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$1,847	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$28,727	0	\$1,398	0	\$3,799	0	\$5,197
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$0	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$9,769	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$0	0	\$0	0	\$0	0	\$0

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Explanation of Change	FY 2023 Change							
	FY 2022 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Operation and maintenance of equipment	0	\$8,562	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$367	0	\$0	0	\$0	0	\$0
Equipment	0	\$13	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$8	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	591	+\$158,656	0	+\$3,661	0	+\$8,719	0	+\$12,380
B. Programs:								
IT Development	0	\$0	0	\$8,248	0	\$16,291	0	\$24,539
Staff Restoration and Increases	38	\$8,502	26	\$6,949	54	\$15,109	80	\$22,058
Civilian Climate Corps Administration	0	\$0	0	\$0	0	\$5,000	0	\$5,000
Programs Subtotal			26	+\$15,197	54	+\$36,400	80	+\$51,597
Total Increase	591	+\$158,656	26	+\$18,858	54	+\$45,119	80	+\$63,977
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Decrease	0	\$0	0	\$0	0	\$0	0	\$0
Total Change	591	+\$158,656	26	+\$18,858	54	+\$45,119	80	+\$63,977

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2021 Revised Enacted		FY 2022 Full Year C.R.		FY 2023 Request		Diff. FY23 Request / FY22 Full Year C.R.	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Training and Employment	254	70,679	250	70,679	285	103,750	35	33,071
General Funds	216	62,040	212	62,040	242	92,419	30	30,379
Unemployment Trust Funds	38	8,639	38	8,639	43	11,331	5	2,692
Workforce Security	169	42,704	168	42,704	190	59,121	22	16,417
General Funds	12	3,440	12	3,440	14	4,074	2	634
Unemployment Trust Funds	157	39,264	156	39,264	176	55,047	20	15,783
Apprenticeship	127	36,160	125	36,160	143	48,670	18	12,510
General Funds	127	36,160	125	36,160	143	48,670	18	12,510
Executive Direction	41	9,113	48	9,113	53	11,092	5	1,979
General Funds	30	7,034	35	7,034	39	8,630	4	1,596
Unemployment Trust Funds	11	2,079	13	2,079	14	2,462	1	383
Total	591	158,656	591	158,656	671	222,633	80	63,977
General Funds	385	108,674	384	108,674	438	153,793	54	45,119
Unemployment Trust Funds	206	49,982	207	49,982	233	68,840	26	18,858

NOTE: FY 2021 reflects actual FTE. FY 2022 reflects estimated FTE usage at the annualized level of the CR.

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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
	Full-Time Equivalent				
	Full-time Permanent	591	591	671	80
	Reimbursable	30	36	36	0
	Total	621	627	707	80
	Average ES Salary	\$186,110	\$191,135	\$199,927	\$8,792
	Average GM/GS Grade	13	13	13	0
	Average GM/GS Salary	\$112,961	\$116,011	\$121,348	\$5,337
11.1	Full-time permanent	71,118	71,118	88,831	17,713
11.3	Other than full-time permanent	327	327	327	0
11.5	Other personnel compensation	2,163	2,163	2,163	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	73,608	73,608	91,321	17,713
12.1	Civilian personnel benefits	25,017	25,017	31,577	6,560
13.0	Benefits for former personnel	19	19	19	0
21.0	Travel and transportation of persons	580	548	586	38
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	5,648	9,711	9,711	0
23.2	Rental payments to others	1	1	1	0
23.3	Communications, utilities, and miscellaneous charges	259	259	259	0
24.0	Printing and reproduction	100	100	100	0
25.1	Advisory and assistance services	100	100	100	0
25.2	Other services from non-Federal sources	1,861	1,847	1,874	27
25.3	Other goods and services from Federal sources 1/	42,480	38,496	78,114	39,618
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	8,586	8,562	8,562	0
26.0	Supplies and materials	376	367	388	21
31.0	Equipment	13	13	13	0
42.0	Insurance claims and indemnities	8	8	8	0
	Total	158,656	158,656	222,633	63,977
	1/Other goods and services from Federal sources				
	Working Capital Fund	27,294	28,727	33,924	5,197
	Services by Other Government Departments	15,186	9,769	44,190	34,421

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2013					
Base Appropriation...1/	\$147,613			\$139,388	766
2014					
Base Appropriation	\$149,617			\$153,311	758
2015					
Base Appropriation	\$155,563			\$154,559	765
2016					
Base Appropriation	\$176,564	\$158,368	\$144,017	\$154,559	770
2017					
Base Appropriation	\$180,826			\$158,656	753
2018					
Base Appropriation...2/	\$154,265	\$156,348		\$158,656	726
2019					
Base Appropriation...3/	\$154,265		\$158,656	\$158,656	713
2020					
Base Appropriation...4/5/	\$154,265	\$158,656		\$158,656	610
2021					
Base Appropriation...4/5/	\$171,600	\$158,656		\$158,656	597
2022					
Base Appropriation...6/	\$211,503	\$211,503			
2023					
Base Appropriation	\$222,633				671

1/ 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.

2/ This Bill was passed by the House.

3/ This bill was passed by the Senate. It was passed out of the House Subcommittee but was not reported out of the House Committee or by the full House.

4/ This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or the full Senate Appropriations Committee.

5/ FTE for FY 2020 and FY 2021 reflect the Shared Services realignment.

6/ This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or the full Senate Appropriations Committee. The full-year FY 2022 appropriations was not enacted at the time the budget was prepared.

PROGRAM ADMINISTRATION

OVERVIEW

The Program Administration (PA) appropriation provides for federal oversight and administration of most Employment and Training Administration (ETA) programs. The FY 2023 request is \$222,633,000 and an estimated 671 full time equivalent (FTE) positions.

The Department requests to increase the PA budget activities overall by \$64 million with an FTE increase of 80 over the FY 2022 Full Year C.R. This increase is critical for ETA to appropriately manage and oversee new programs and increased funding levels requested, maintain program operations and oversight capacity, and provide timely information to stakeholders, including grantees, Congress, GAO, and the public. The requested increase includes:

- \$51.6 million in program increases, including funds to restore FTE levels lost since 2017, absorb increases in contracts and staff-related costs, support the first year of operations and maintenance and additional customizations ETA requires in the Health and Human Services (HHS) GrantSolutions system for grant management, continued development of the Grantee Performance Management System (GPMS) and Petition Automated Workflow System (PAWS), and build administrative capacity for the Civilian Climate Corps program.
- \$12.4 million of the requested increase will fund built-in increases supporting a 4.6 percent pay raise, benefits increase, FECA adjustments, and WCF inflationary cost increases. These built-in increases are critically important to prevent staff erosion from pay raises and increased benefit costs.

PA's budget authority has not increased between FY 2017 and FY 2021, despite multiple pay raises, increases to non-personnel administrative costs, and new requirements, including implementing and overseeing program funding increases, new statutory requirements and provisions, and funding from supplemental appropriations. In addition, ETA continues to fund and support shared service consolidation of IT, human resources, and procurement staff, along with the Department's space optimization efforts.

ETA has seen net decreases in FTE utilization in recent years; however, more recently hiring on the PA account has picked up, attrition has slowed, and ETA anticipates operating over ceiling by early FY 2023. In the FY 2022 President's Budget, ETA requested additional funding to strategically backfill positions that have been lost since 2017 and better support ETA's ability to measure and mitigate improper payments, improve or revamp technical assistance, and provide sound oversight of ETA's programs. Funding these additional FTE in FY 2023 will ensure sound management of existing programs and that the initiatives proposed in the FY 2023 Budget are successful at meeting the Secretary's vision of creating a modern, inclusive workforce and the President's priorities associated with Advancing Racial and Gender Equity and Support for Underserved Communities through the Federal Government.

Federal staff in the national office and six regional offices provide leadership and policy direction, oversight and performance management, technical assistance to grantees, administrative infrastructure and customer-oriented workforce tools, funds management, and administration for programs under the Workforce Innovation and Opportunity Act (WIOA), the

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National Apprenticeship Act, and the Trade Act of 1974. The PA appropriation also finances staff to carry out similar responsibilities for Unemployment Insurance (UI), the Employment Service (ES), and the Work Opportunity Tax Credits (WOTC). The PA account will also be the primary source of funding for the Department's administration of newly appropriated workforce development investments.

Federal staff also provide administrative support for financial management and administrative services, including grants management services. Grant management services are provided for the entire Department.

Much of ETA's appropriated funding is expended through grants that implement critical workforce programs and other investments administered and managed by ETA. As of October 1, 2021, ETA had approximately 3,310 active grants, consisting of 2,637 grants assigned to 155 regional Federal Project Officers (FPOs) and 673 grants assigned to 12 national FPOs, with a total funding portfolio of \$40 billion. To ensure grantees remain on track to meet performance goals, the Department monitors grantee performance by looking at system outputs (such as the number of people who received training) and outcomes (such as the number of people trained who were in unsubsidized employment two quarters after exit from the program). ETA regional offices monitor grant activity and assess performance through a variety of processes, which include on-boarding/risk assessments of all new grantees, quarterly desk reviews of all grantees, and onsite monitoring reviews or enhanced desk monitoring reviews (EDMR) as needed. Through onsite monitoring reviews and EDMRs, ETA strives to monitor 26 percent of all active grants each year. In addition to monitoring, federal staff conduct on-site technical assistance visits as needed.

Federal staff work closely with grantees and other partners across the country, including Registered Apprenticeship employers, program sponsors, and joint labor management programs, to maximize program effectiveness, document and disseminate best practices, particularly in the area of diversity, equity, inclusion and accessibility (DEIA), coordinate program design and registration, guide federal policy that ensures program quality and worker voice, and support programs in the communities in which they operate.

The Department, in partnership with states, will continue to maintain a viable and strong safety net that provides timely and accurate income support to eligible workers. The Department will also maintain its focus on improving the integrity of the UI System, working with states to improve their prevention, detection, and recovery of improper payments, helping states to implement more resilient IT systems and support, reducing fraud, and strengthening overall program performance.

As Registered Apprenticeship has expanded to historic levels over the past decade and as Congress provides increased funding for apprenticeship, demand and workload has also increased dramatically. Federal staff will continue to manage all aspects of apprenticeship operations in the 25 federally managed states, quality assurance and EEO compliance for over 10,000 federally registered programs, as well as conducting oversight for the remaining federally recognized State Apprenticeship Agencies. As the Department continues to address the growing challenge of equipping Americans with the skills and tools to obtain good jobs and build their

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careers, it will focus on the expansion, diversification and modernization of Registered Apprenticeship programs.

The Department continues to request authority to transfers funds to PA made available to ETA either directly or through a set-aside for: 1) technical assistance services to grantees when it is determined that those services will be more efficiently performed by federal employees; and 2) to carry out program integrity activities that lead to a reduction in improper payments or prevent the unauthorized use of funds. The Department is requesting legislative language allowing funds transferred to carry out program integrity activities to be available for obligation through grants, cooperative agreements, contracts, and other arrangements with states and other appropriate entities. The proposed language would allow the Department to undertake a broader range of effective strategies with funds transferred under this section to carry out program integrity activities. The PA account to which these funds are transferred currently does not include authority to enter into grants or cooperative agreements.

PROGRAM ADMINISTRATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2021 Revised Enacted		FY 2022 Full Year C.R.	FY 2023 Request
		Target	Result	Target	Target
OGM/Grants Management					
Strategic Goal 1 - Build Opportunity and Equity for All					
Strategic Objective 1.1 - Advance training, employment, and return-to-work opportunities that connect workers to higher-wage jobs, especially in ways that address systemic inequities.					
ETA-RO-01	Percent of active grant projects that receive a desk review within 30 days after the grantee reports are due.	100.0%	99.9%	100.0%	100.0%
ETA-RO-02	Percent of grants monitored by regional offices annually.	26.0%	29.2%	26.0%	26.0%

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

PROGRAM ADMINISTRATION

Workload and Performance

With approximately 3,310 active formula and discretionary grants, ETA has taken steps to implement a tiered approach to grants management. The first tier is on-boarding and risk assessment that FPO's conduct on all new discretionary grants to determine the grantee's ability to fulfill the terms of its grant proposal based on key criteria outlined in our new on-boarding requirements and a standardized risk assessment tool.

The second tier is the quarterly desk review, which is an evaluation of the grantee's "risk" level at the close of the quarter. All grants receive a quarterly desk review within 30 days of the grantee submitting their quarterly report. The quarterly desk review provides a basic assessment of the grantee's overall programmatic and financial performance, which is then used as a proxy for the management of grant resources. The review is based on the grant's quarterly performance data, financial report, and written program specific narrative(s), as well as regional office insight obtained through technical assistance and interactions with the grantee. Risk status can change during a quarterly desk review. In FY 2021, ETA conducted 7,558 quarterly desk reviews, within 30 days after the grantee reports were due, a 99.92% completion rate.

The third tier is an Enhanced Desk Monitoring Review or EDMR, which provides a more intense review of a grantee. The FPOs use additional questionnaires along with grantee staff interviews. FPOs complete EDMRs on an as needed basis when engagement with a grantee needs to be elevated but also for other reasons, such as when an on-site review is not possible because of limited resources.

The fourth tier of grants management is a comprehensive on-site review at the grantee's location and may take one to three weeks to complete. On-site reviews may require one or a team of federal staff depending on the size, risk, and complexity of the grant(s) reviewed and the management/performance issues noted through regular risk assessments. Depending on resources, FPOs typically conduct on-site reviews at least once during the life of a discretionary grant and once every 3-4 years for formula grants. On-site reviews include in-depth reviews of grantee financial, administrative, and reporting systems; participant files; policies and procedures; and statements of work. They also include interviews with grantee staff and program participants.

Each EDMR and on-site review results in a written monitoring report that ETA provides to the grantee, and outlines any issues, concerns, or promising practices and actions needed to be taken by grantees to come into compliance with the grant program and financial requirements.

In FY 2021, ETA's goal was to monitor 26 percent of grants and ETA monitored 29.24 percent of grants. Regions completed monitoring reviews for 550 grants with 186 staff. Additionally, 99.77 percent of "at risk" grants received intensive TA or monitoring at the close of the fiscal year (432).

TRAINING AND EMPLOYMENT

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
Activity Appropriation	70,679	70,679	103,750	33,071
FTE	254	250	285	35

NOTE: FY 2021 reflects actual FTE. Authorized FTE for FY 2021 was 263. FY 2022 reflects estimated FTE usage at the annualized level of the CR.

Introduction

This budget activity provides for the federal administration of programs administered by ETA including Workforce Innovation and Opportunity Act (WIOA) Adult, Youth, and Dislocated Worker employment and training activities; the Trade Adjustment Assistance program; and competitive grant programs, including Indian and Native American, Migrant and Seasonal Farmworker, YouthBuild, Reentry Employment Opportunities, Senior Community Service Employment Program, and H-1B funded competitive grants. The Budget also proposes new programs and program increases that ETA would administer under this budget activity, including the National Youth Employment Program, Indian and Native American Program, and Civilian Climate Corps Program. Throughout these existing and proposed initiatives, the Department will increase its focus on managing technical assistance and capacity-building to expand equitable access in securing grants for minority-serving institutions, Tribal colleges and technical schools, and community-based organizations.

Federal staff work in the national and regional offices and include numerous trained FPOs who oversee the use of government resources. These FPOs provide oversight of grant implementation throughout the period of performance, including conducting compliance monitoring to ensure that grantees are operating under the law and the guidance of their statements of work. This budget activity also provides for indirect staff support that performs grants management and oversight, financial management, and administrative services.

Federal staff also provide coordination, technical assistance, and policy implementation for the workforce system. The combination of grant oversight, support, and direction provided to grantees contributes to the more effective, efficient operation of the workforce development system. Quality service delivery to customers improves their chances of obtaining the training and skills necessary to enter and retain high-quality, higher paying jobs.

WIOA Formula Grant Programs

Federal staff administer grants, prepare program guidance, monitor program implementation, oversee the reporting system, track grantee performance, provide technical assistance to grantees, and oversee distribution and tracking of program resources. Staff also develop and operate web tools that provide job, career, and workforce services information to workers, job seekers, and employers. The FY23 budget requests \$3.5 billion for these programs.

TRAINING AND EMPLOYMENT

National Youth Employment Program, Veterans Clean Energy Training, Civilian Climate Corps

These initiatives require federal staff to administer grants, prepare program guidance, monitor program implementation, provide technical assistance, and track grantee performance. The National Youth Employment Program and Veterans' Clean Energy Training were initially proposed in the FY 2022 budget. The FY 2023 budget requests \$75 million and \$10 million, respectively, for these programs. The Civilian Climate Corps pilot is a new program proposal requesting \$15 million for programmatic resources and \$5 million to build administrative capacity to oversee the program in coordination with other Federal agencies.

Indian and Native American (INA) Programs

Federal staff who administer the Indian and Native American Programs administer and negotiate grants, prepare program guidance, monitor program implementation, oversee the reporting system, track grantee performance versus program targets, provide technical assistance to grantees, review grant plans, oversee the distribution of program resources, and perform other activities to support the program. Staff also support the Native American Employment and Training Council, established by WIOA and preceding legislation, act as a resource on a broad range of issues impacting Native Americans, and manage related Federal Advisory Committee Act (FACA) requirements. The Department requests \$63.8 million for INA programs.

Migrant and Seasonal Farmworker Program

Federal staff who oversee the National Farmworker Jobs Program write grant solicitations, negotiate and administer grants, prepare program guidance, set policy direction, monitor program implementation, oversee the reporting system, track grantee performance, provide technical assistance to grantees, and oversee distribution of program resources. The Department requests \$96.7 million for this program.

YouthBuild Program

Federal staff who oversee the YouthBuild program write grant solicitations, negotiate and administer grants, prepare program guidance, set policy direction, monitor program implementation, oversee the reporting system, track grantee performance, provide technical assistance to grantees, and oversee distribution of program resources. The Department requests \$145 million for YouthBuild.

Reentry Employment Opportunities (REO)

Federal staff who oversee the REO programs write grant solicitations, negotiate and administer grants, prepare program guidance, set policy direction, monitor program implementation, oversee the reporting system, track grantee performance, provide technical assistance to grantees, and oversee distribution of program resources. In addition, staff administer the Federal Bonding program and act as a resource on a broad range of issues impacting justice-involved citizens. The Department requests \$150 million for REO.

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Senior Community Service Employment Program (SCSEP)

Federal staff who oversee SCSEP write grant solicitations, negotiate and administer grants, prepare program guidance, monitor program implementation, oversee the reporting system, track grantee performance versus program targets, provide technical assistance to grantees, and oversee the distribution of program resources. In addition, staff act as a resource on a broad range of issues impacting older workers, including employer outreach efforts. The Department requests \$405 million for SCSEP.

Trade Adjustment Assistance (TAA)

Federal staff administering TAA determine group eligibility for workers adversely affected by foreign trade; provide oversight to state workforce agencies administering TAA Program benefits and services; and deliver timely technical assistance and information to stakeholders about TAA Program operations. The primary responsibilities of TAA staff are conducting investigations and issuing determinations of petitions for group eligibility; providing technical assistance; writing and issuing program and policy guidance; allocating grant funds; and managing performance and accountability results.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2018	\$70,679	309
2019	\$70,679	300
2020	\$70,679	282
2021	\$70,679	263
2022	\$0	0

NOTE: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared.

FY 2023

The FY 2023 Budget requests \$103,750,000 and 285 FTE for Training and Employment.

The Department requests additional funding and FTE to support new programs, manage funding increases to existing competitive grant programs, and build back federal staff lost in recent years. This Budget proposes a \$633 million increase to grant programs administered by federal staff funded by this budget activity. As the account responsible for the Department's administration of these new programs, ETA PA will require enhanced resources to manage the existing understaffed workload and to implement new programs and initiatives. In addition to program implementation and oversight, these resources will support customer relationship management for our field offices and relations with states; external communications regarding ETA programs particularly with the communities historically excluded from these programs; and project management/change management to ensure initiatives respond to worker needs, improve the lives of working Americans with career advancement in quality jobs, and are based on and build evidence.

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The Department projects the funds appropriated through the CARES Act to support administration, monitoring, and technical assistance of \$345 million in National Dislocated Worker grants associated with the pandemic will be fully obligated by September 2022 when those funds expire. Based on historical precedent, the performance period for these grants could be extended and staff requirements will exist through FY 2023 and beyond. Grant management activities will occur throughout the grant performance period and close out. These grant closeout and other program related activities will be active well into FY 2025 and potentially beyond.

PA's budget authority has not increased since FY 2017 for FTEs to administer the federally managed programs, and longer in the case of certain budget activities (e.g. Workforce Security and Executive Direction), despite multiple personnel pay raises, increases in personnel benefits Federal Employees Retirement Systems (FERS) and Federal Employees Compensation Act (FECA) adjustments, increases to non-personnel administrative costs, and new requirements, including implementing new provisions and funding from supplemental appropriations acts. Approximately \$5.5 million of the requested increase will fund built-in increases supporting a 4.6 percent pay raise, benefit increase, FECA adjustments, and WCF inflationary costs. Additionally, the Department requests \$2.2 million to absorb personnel pay and benefits increases associated with 18 staff (and contract inflationary costs) who transitioned in FY 2020 to support the Department's Shared Services initiative. These built-in increases are critically important to prevent staff erosion from pay raises and increased benefit costs.

ETA has seen net decreases in FTE utilization in recent years; however, more recently hiring has picked up, attrition has slowed, and ETA anticipates operating at ceiling by early FY 2023. ETA is requesting \$9.8 million to fund 35 FTE lost since 2017 and better support ETA's ability to restore program oversight and grants management functions. The importance of adequate infrastructure to competently administer programs funded with taxpayer dollars was particularly visible when the Department worked to respond to unprecedented demand for unemployment insurance. The Department seeks to adequately oversee the investments associated with reemployment and recovery as well.

Additionally, this increase includes \$5 million to build administrative capacity for the proposed Civilian Climate Corps program. ETA staff would be responsible for competing grants for the highest quality applicants; conducting stakeholder outreach for workers, community organizations, and employers; providing technical assistance; overseeing grants; and measuring impact.

Staff will continue to support grantee needs regarding administration of WIOA formula programs that make up the public workforce system including oversight, technical assistance, and guidance to the workforce system regarding retraining and reemployment; promoting apprenticeship, work-based learning, and high-quality training to allow all Americans to equitably benefit from a built-back economy; and continuing collaboration with the Departments of Education, Health and Human Services, Commerce, and other partner agencies. Specific activities include working with states and competitive grantees in implementing performance accountability requirements including Eligible Training Provider outcomes reporting, continuing assistance to states in implementing strategies from their WIOA Unified or Combined State

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Plans, supporting more robust data and technology infrastructure to allow for evidence-based decisions and program implementation, and testing new approaches to employment and training. In FY 2023, ETA staff will continue to support states and competitive grantees in implementing fundamental changes in design and delivery of services, e.g., in measuring and addressing gaps in services that lead to inequitable program outcomes for historically marginalized populations, delivering virtual services and virtual training, and changing the physical footprint of service delivery locations.

In addition to administering and overseeing ETA programs, federal staff will continue to provide Congress with requested information, including policy options, clarifications of current practices, and examples of state implementation of current law.

A key focus in FY 2023 will be completing any enhancements required to support ETA grants in the Health and Human Services (HHS) Grant Solutions system and decommissioning the legacy e-Grants system. The Department plans to award the first ETA grants in Grant Solutions during the first quarter of FY 2023. In FY 2022, the Department provided \$1.7 million to enhance the Grants Solutions system by incorporating an integrated grants monitoring component. Current estimated cost for operations and maintenance of ETA grants in the Grant Solutions environment is approximately \$5.3 million, excluding two pending enhancements. The Department's grants management system processes and administers approximately \$40 billion in active grants and is used on a reimbursement basis by grant-making agencies across the Department. Under the Enterprise Shared Services delivery model, the decision was made to migrate all Department grants into the HHS Grant Solutions environment. Major improvements in reliability and functionality will allow stakeholders across the Department's eight grant-making agencies to better process and manage more than 4,200 active grants. The modernization effort aims to address issues of limited functionality, high operating and maintenance costs, poor data quality, inadequate reporting capabilities, fragmented architecture, and vulnerable system security. ETA also plans to use the increase to support other IT projects and increased IT costs.

Assuming TAA Reauthorization, the Department will continue to support the operation and maintenance (O&M) of the Petition Automated Workflow System (PAWS) associated with the investigations and certification of petitions for TAA benefits, as in previous fiscal years. The O&M costs support changes in the IT platform, adjustments to new coding procedures, changes in policy or reporting formats, and fixes to any bugs/deficiencies to the system.

The PAWS supports the functions associated with TAA investigations to ensure efficiency of determinations and integration of data collection and reporting of results. This automated system will provide an electronic workflow for the TAA group eligibility process from petition intake through investigation processing, include issuance of reports and public determinations, and allow external stakeholders to access the system for the purpose of data collection through OMB approved forms. In FY 2023, ETA estimates approximately \$1.5 million is required for Operations and Maintenance (O&M) and further IT development to include all changes based on the proposed TAA legislative reforms (e.g., modified/new determination templates, updated investigation forms, changes to the online petition intake forms, additional tracking of performance indicators, and outreach components to underserved communities) that were not built-in the original contract. The \$825,000 will be an annual cost for (O&M) and cybersecurity.

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The PAWS IT modernization is necessary to provide the necessary data to the Administration on reform outcomes. PAWS do not replace the need for additional staffing resources to be able to obtain timely responses from petitioners and companies during investigations. ETA does not currently have sufficient staff to complete the statutory 40-day completion of investigations and would need more FTE if program expansions proposed in Congress are enacted.

FY 2022

Staff will continue to support grantee needs regarding administration of all ETA workforce programs. As described in the FY 2023 section above, these activities include providing oversight, technical assistance, and guidance to the workforce system regarding retraining and reemployment; promoting apprenticeship, trade-eligibility and benefits, work-based learning, and high-quality training to allow all Americans to equitably benefit from a built-back economy; and continuing collaboration with the Departments of Education, Health and Human Services, Commerce, and other partner agencies. Specific activities include working with states and competitive grantees in implementing performance accountability requirements including Eligible Training Provider outcomes reporting; assistance to states in preparing workers for quality jobs produced by the Bipartisan Infrastructure Law, supporting more robust data integrity and technology infrastructure to allow for evidence-based decisions and program implementation; administering grant competitions for the REO, INA, YouthBuild, Strengthening Community Colleges, and Workforce Opportunity in Rural Communities programs; and using Dislocated Worker and other resources to respond to the natural disasters and short-term and long-term significant economic changes in rural areas. Staff will continue to support outreach and other efforts to be more inclusive of underrepresented communities.

In addition to administering ETA programs, Federal staff will continue to provide Congress with requested information, clarifications of current practices, and examples of state implementation of current law to help inform legislation.

In FY 2022, the Department will continue to support grants management, performance, case management, and petition certification PAWS platforms. The Department will continue to support two grants management systems during efforts to transition new grants to the HHS GrantSolutions grants management system. To that end, in January 2021, under its Program Integrity transfer authority, ETA transferred \$3.851 million from PY 2020 Training and Employment Service (TES) and Community Service Employment for Older Americans (CSEOA) appropriations to Program Administration to partially fund ETA's transition to HHS's GrantSolutions grants management system. ETA executed a second transfer of \$1.81M from PY 2021/2022 TES and CSEOA appropriations to support transition activities in FY 2022. The Department will continue its effort to build an integrated performance reporting system that brings ETA's IT profile towards conformity with WIOA performance reporting requirements. The Department will also continue oversight and full implementation of the Common Reporting Information System (CRIS) to fully align national and discretionary grantees with WIOA performance reporting.

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FY 2021

National and Regional office staff, primarily in the Office of Workforce Investment (OWI), Office of Trade Adjustment Assistance (OTAA), and regional offices, with support from the Office of Policy Development and Research (OPDR) and the Office of Management and Administrative Services (OMAS), engaged in a wide range of activities supporting training and employment programs such as:

1. Responded to the needs of changing economies with disaster DWGs and economic recovery DWGs, and guidance and technical assistance on adjusting workforce programs to ensure workers of all races, ethnicities, genders, and ability status could enter and advance in quality jobs;
2. Published grant opportunities to creatively provide quality training and provide work-based learning, including apprenticeship programs, for American workers and administered grant competitions for Workforce Opportunity for Rural Communities, Strengthening Community Colleges, YouthBuild, Reentry Employment Opportunities, Workforce Pathways for Youth, and Indian and Native American programs;
3. Assisted stakeholders in continuous improvement using WIOA performance measures across grant programs, as well as increasing reporting and data integrity consistency;
4. Provided technical assistance to grantees on performance reporting, grant program and grants management fundamentals, promising practices, and delivering high quality services in online and in-person trainings;
5. Published guidance on program operations to assist grantees in implementing WIOA TAA statutory and regulatory requirements;
6. Established new assessment models for TAA outreach and state collaborations that increased TAA peer engagements and continuous improvement activities;
7. Strengthened collaboration with relevant Federal and state agencies to promote a strong and integrated workforce system responsive to workers' needs;
8. Developed and executed new models for workforce programs and analysis of performance data;
9. Implemented various new IT requirements to increase security and reliability of ETA systems;
10. Maintained accountability and oversight for ETA's investment portfolio to ensure conformity with statutes, compliance with regulations, and fiscal accountability; and
11. Supported the program offices in their procurement, grants management, and human resource needs.

In FY 2021, the Department began the development for the migration of grants from the legacy E-Grants system to the HHS Grant Solutions grants management system. The system requirements included data from Grant Solutions to be stored into the Department's data warehouse which will then feed to the Workforce Integrated Performance System (WIPS). The Department continued building an integrated performance reporting system that will bring ETA's IT profile towards conformity with WIOA performance reporting requirements. By integrating directly with WIPS, GPMS is helping to align data collections with WIOA reporting requirements and providing additional reporting and data analytics features, work that led to deployment and enhanced reporting for the Indian and Native American and YouthBuild programs.

TRAINING AND EMPLOYMENT

WORKLOAD AND PERFORMANCE SUMMARY						
	FY 2021 Revised Enacted		FY 2022 Full Year C.R.	FY 2023 Request		
	Target	Result	Target	Target		
Training and Employment						
Strategic Goal 1 - Build Opportunity and Equity for All						
Strategic Objective 1.1 - Advance training, employment, and return-to-work opportunities that connect workers to higher-wage jobs, especially in ways that address systemic inequities.						
ETA-OTAA-02	Median TAA Petition Processing Time (MPT) in Days.		45	83	83[e]	--
ETA-OTAA-03	Percent of Petitions Processed in Compliance with Established Review Procedures (ERP).		98.0%	93.6%	95.0%	--

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

TRAINING AND EMPLOYMENT

Workload and Performance

Median Processing Time (MPT) takes into consideration all aspects of an investigation, including receiving petitions, communicating with petitioners and company officials, collecting data and information pertaining to the claim(s) by petitioner(s), collecting aggregate industry data, surveying other companies impacted within the industry, issuing subpoenas for data from uncooperative individuals, and other outliers.

In FY 2021, the Department did not meet its target of 45 days. Several factors contributed to this result; in particular, delays caused by COVID-19 and the closure of many companies prohibited investigators from collecting the data necessary to complete investigations. This circumstance created a backlog of over 400 cases in FY 2021. This combined with limited staffing levels and two major initiatives involving implementing new regulations and establishing a new automated IT system for conducting investigations significantly increased staffing workloads. The workload also consisted of staff activities to transition TAA under the Reversion 2021 Program, a lesser 2002 version of TAA that consumed 6 months of planning and implementation. There will most likely be further adjustments and modifications once the Department has a clear direction on the status of the Program and possibly new legislation. The FY 2023 Budget assumes program termination did not begin on July 1, 2022, i.e., the termination provisions in sections 246(b) and 285(a) of the Trade Act of 1974, as amended, including the application of those provisions described in paragraphs (4) and (7) of section 406(a) of the Trade Preferences Extension Act of 2015, did not take effect. The Administration is committed to working with Congress to reauthorize the TAA Program this year along the lines of the reauthorizations included in the House-passed Build Back Better Act, the COMPETES Act, or through other legislation.

A termination provision for TAA takes effect on July 1, 2022. If Congress does not extend the authorization period, or take other action through appropriations or authorization legislation, the program will begin to phase out on that date, and the Department will no longer investigate or certify new or pending petitions after that date. The Department stands ready to provide technical assistance in support of an extension to avert termination. Absent legislative action, certain provisions of the program will continue to operate, requiring states to continue to administer the TAA programs after July 1, 2022, in accordance with the relevant regulations.

TRAINING AND EMPLOYMENT

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
11.1	Full-time permanent	31,243	31,243	39,133	7,890
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	978	978	978	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	32,221	32,221	40,111	7,890
12.1	Civilian personnel benefits	10,988	10,988	13,910	2,922
13.0	Benefits for former personnel	13	13	13	0
21.0	Travel and transportation of persons	287	287	305	18
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	2,524	4,340	4,340	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	28	28	28	0
24.0	Printing and reproduction	100	100	100	0
25.1	Advisory and assistance services	100	100	100	0
25.2	Other services from non-Federal sources	1,050	1,050	1,062	12
25.3	Other goods and services from Federal sources 1/	18,881	17,065	39,285	22,220
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	4,380	4,380	4,380	0
26.0	Supplies and materials	95	95	104	9
31.0	Equipment	4	4	4	0
42.0	Insurance claims and indemnities	8	8	8	0
	Total	70,679	70,679	103,750	33,071
	1/Other goods and services from Federal sources				
	Working Capital Fund	13,750	14,472	16,787	2,315
	Services by Other Government Departments	5,131	2,593	22,498	19,905

TRAINING AND EMPLOYMENT

CHANGES IN FY 2023

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$2,333
Personnel benefits	864
Federal Employees' Compensation Act (FECA)	3
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	2,315
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$5,515**

Net Program **\$27,556**

Direct FTE **35**

	Estimate	FTE
Base	\$76,194	250
Program Increase	\$27,556	35
Program Decrease	\$0	0

WORKFORCE SECURITY

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
Activity Appropriation	42,704	42,704	59,121	16,417
FTE	169	168	190	22

NOTE: FY 2021 reflects actual FTE. Authorized FTE for FY 2021 was 163. FY 2022 reflects estimated FTE usage at the annualized level of the CR.

Introduction

This budget activity provides for federal administration and oversight of Workforce Security programs, which include Unemployment Insurance (UI), the Employment Service (ES), Workforce Information/National Electronic Tools/System Building activities, and indirect staff support, including grants management and oversight, financial management, and administrative support.

Federal staff in the national and regional offices provide oversight of grant implementation throughout the multi-year period of performance, including technical assistance, financial management, and monitoring to ensure grantees operate in compliance with applicable laws and regulations and adhere to their statements of work.

In addition to grant oversight and monitoring, federal staff provide guidance, training, and policy development for the workforce system. The combination of grant oversight, support, and direction that staff provide to grantees contributes to the more effective, efficient operation of the workforce system and helps to ensure better service delivery to customers.

Unemployment Insurance

Federal staff provide leadership, legislative and performance oversight, policy guidance, technical assistance, training, and administrative support to states in the operation of their Unemployment Compensation (UC) programs. The Department uses these resources for federal budget and policy development, and to collect, analyze, and publish data related to state UC programs, including economic analysis, research, and program oversight. Staff attention and resources also focus on measuring, evaluating, and improving performance in the UI program to reduce fraud, improper payment, and ensure program integrity.

Employment Service

Federal staff provide policy guidance and direction, technical assistance, training, and oversight for the operation of the national public ES system through state offices and local American Job Centers. Regional office staff provide oversight and technical assistance at the state and local levels.

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Workforce Information/Electronic Tools/System Building

Workforce Information/National Electronic Tools/System Building supports the operation and management of information and tools for the workforce development system. Federal staff develop workforce information policy guidance; provide and manage grants to states for national, state, regional, and local workforce information that promote informed decision-making; and administer the collection of information relating to labor market participation. Staff update and support national electronic tools to provide career guidance, information, tools, and products for use by workforce system partners, career counselors, job seekers, employers, veterans, students, and the public, including assessment guidance, the Occupational Information Network (O*NET), the Competency Model Initiative, mySkills myFuture, My Next Move, and the suite of electronic tools found at www.careeronestop.org. Staff also make strategic investments and collaborate in the development of interactive Web-based tools that capture information from a variety of databases and support regional and community analysis to underpin strategic planning, cluster analysis, benchmarking, and assessment of interventions.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2018	\$42,704	206
2019	\$42,704	200
2020	\$42,704	173
2021	\$42,704	163
2022	\$0	0

NOTE: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared.

FY 2023

The FY 2023 Budget requests \$59,121,000 and 190 FTE for Workforce Security.

PA's budget authority has not increased since FY 2017 for FTEs to administer the federally managed programs, and longer in the case of the Workforce Security budget activity, despite multiple personnel pay raises, increased personnel benefits (Federal Employees Retirement Systems (FERS) and Federal Employees Compensation Act (FECA) adjustments) and increases to non-personnel administrative costs. Approximately \$3.3 million of the increases will fund built-in increases supporting a 4.6 percent pay raise, benefits increase, FECA adjustments, and WCF inflationary costs. Additionally, the Department requests \$4.2 million to absorb personnel pay and benefits increases associated with 25 staff (and contract inflationary costs) who transitioned in FY 2020 to support the Department's Shared Services initiative. These built-in increases are critically important to prevent reductions in FTE from pay raises and increased benefit costs.

In addition to the supplemental funds authorized by ARPA, the resources requested will help ensure the Department maintains federal administration of the unemployment insurance system at a sustainable operating level that can survive normal attrition under the increased workload associated with the pandemic. The pandemic has impacted quality of work and opened critical

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staffing needs. The resources requested will ensure continuity of operations and improvements in the following core areas of administering UC programs:

- Business analyst and subject matter expert support in the development and implementation of modular federal unemployment insurance technologies.
- Reduced risk associated with oversight and support of Unemployment Tax Operations, a program through which states collect over \$34 billion annually in unemployment taxes/contributions.
- Improved ability to gather extensive and valuable information about the activities within the unemployment insurance program. During the pandemic, numerous additional audits have been initiated regarding the new programs, multiplying the amount of data and information gathered by the Department. This information gathering will continue to grow following the pandemic.
- Proper review and analysis of the significant amount of information states are reporting on activities during the pandemic and its aftermath, including the collection and analysis of more detailed demographic data associated with key functions in UC programs to better inform policies and procedures to improve equitable access to the programs.
- Enhanced support of ETA's oversight of expanded number of grants to state unemployment insurance agencies. ETA offered over \$700 million in new grants in FYs 2021 and 2022.
- Improved technical assistance to states regarding Extended Benefits, a program that experienced dramatically increased use during the pandemic.
- Improved guidance, technical assistance, and training to states regarding program performance, which has been significantly and negatively impacted by the unprecedented claims volume and the operations of the new temporary UI programs, with the goal of improving equitable access to the UC programs, increasing awareness of the programs to underserved populations, and increasing the timely delivery of UI benefits.
- Improved guidance, technical assistance, and training to states regarding strategies to prevent, detect, and recover improper payments, including Benefit Payment Control (BPC). With the huge growth in claims volume over prior years, improper payment activity remains significantly higher than usual. This added staff will also help monitor fraud prevention strategies to reduce unintended negative impacts on communities of color.

ETA will use these resources to cover increased costs associated with modernizing the Tax Performance System (TPS), part of the UI Database, and any changes to Title XII tracking.

ETA also plans to use the increase to support development and existing IT systems. A portion of the funds will be used to support IT costs associated with CMQA, cybersecurity, and operations and maintenance of IT systems supporting all programs. These funds will also support increased costs associated with modernizing the Tax Performance System (TPS), part of the UI Database. Funds will support the work associated with transitioning the next cohort of programs, including Title XII tracking, from the legacy system used by grantees to submit data to ETA to a modernized Grantee Performance Management System (GPMS) platform.

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In FY 2023 federal staff will:

- monitor and oversee over \$3.9 billion in grants to 53 state UI and ES agencies in addition to continued monitoring and oversight of \$615 million provided to-date to state UI agencies through ARPA to detect and prevent fraud, promote equitable access, and ensure timely payment of benefits in the Unemployment Insurance system;
- formulate, communicate, and analyze program policies, including receiving recommendations from the Workforce Information Advisory Committee;
- develop and analyze critical economic and employment data;
- measure performance and encourage continuous improvement throughout the UI, ES, and Labor Market Information (LMI) systems; and
- work with states to develop state laws and operating procedures that comply with federal laws and regulations.

The Department's staff continues to work with State Workforce Agencies (SWAs) to reduce fraud and improper payments, which have evolved over the course of the pandemic. ETA continues to develop strategies focused on prevention, detection, and recovery of improper payments. The Department will also continue to work with states to reduce improper payments from fraudulent claims by pursuing strategies that will provide states with additional monitoring, technical assistance, and systems support.

The Department's staff will continue to support and oversee the work of the UI Integrity Center of Excellence. The UI Integrity Center of Excellence is a state-driven source of innovative program integrity strategies to prevent and detect improper payments and reduce fraud. Federal staff continue to promote the implementation of the State Information Data Exchange System (SIDES), another key to preventing UI improper payments. The web-based system SIDES allows electronic transmission of UI information requests from UI agencies to multi-state employers and/or Third-Party Administrators, as well as transmission of replies containing the requested information back to the UI agencies. It allows for the exchange of separation, earnings verification, and monetary and potential charges information between states and employers.

The Department also oversees and provides technical assistance for state implementation of the Reemployment Services and Eligibility Assessment (RESEA) program authorized by Congress in the Bipartisan Budget Act of 2018. The RESEA program focuses on strategies to ensure the integrity of the UI program and identifies evidence-based strategies that assist UI claimants to return to work more quickly. RESEA provides funds to states to better serve UI claimants at American Job Centers by conducting an eligibility review and developing a reemployment plan that connects them to appropriate reemployment services. It is estimated that the RESEA program reduces the average duration of UI benefit receipt by 1.3 weeks for participating claimants, resulting in significant levels of benefit savings.

FY 2022

Federal staff will monitor and oversee over \$3.3 billion in grants to 53 state UI agencies in addition to \$615 million in grants provided to state UI agencies through ARPA; provide guidance, training, and technical assistance to these grantees; formulate, communicate, and analyze program policies; develop and analyze critical economic and employment data; measure

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performance and encourage continuous improvement throughout the UI system; and work with states to develop state laws and operating procedures that comply with Federal regulations. With respect to Wagner-Peyser employment services, staff will issue guidance and provide related technical assistance through webinars and calls with states.

As described in the FY 2022 section above, the Department is implementing an aggressive strategic plan to work with SWAs to ensure program integrity.

The Department will continue to support and oversee the work of the UI Integrity Center of Excellence, oversee, and provide technical assistance for state implementation of the RESEA initiative and improve the UI Database. Additional outreach to the employer community is ongoing in FY 2022 to promote the use of SIDES to reduce improper payments due to separation errors.

The Department will continue to convene the Workforce Information Advisory Committee and receive and consider its recommendations. Federal Staff will work on further alignment and reporting for non-core WIOA programs and programs authorized by other statutes with WIOA performance measures and reporting. This includes the employment rate of all UI claimants who are participants in ES and ES participants co-enrolled in RESEA.

During FY 2022, the Department will evaluate and determine whether any additional program integrity transfer will be needed.

FY 2021

ETA made significant progress regarding the UI Integrity Center, a state-driven source of innovative program integrity strategies to prevent and detect improper payments and reduce fraud. ETA has implemented the Integrity Center through cooperative agreements with New York and the National Association of State Workforce Agencies. In FY 2021, the Department worked with the Integrity Center to support the following activities:

1. Expanding the Integrity Data Hub to include new functionality and new data sources to increase states' ability to prevent and detect improper and fraudulent payments.
2. Providing on-line program integrity training through a UI National Academy via online modules and instructor-led courses leading to credentials. Training curricula include tracks in fraud investigation, UI claims intake and processing, and program leadership.
3. Promoting an Integrity Knowledge Exchange, with a Digital Library of model state practices, and program integrity information available to all states.
4. Offering technical assistance and business process analysis services to states through UI subject matter experts.
5. Providing intensive on-site consultative assistance to individual states in need of specific technical assistance regarding fraud and improper payments.

Support of the SIDES remains another key to preventing UI improper payments. A web-based system, SIDES allows electronic transmission of UI information requests from UI agencies to multi-state employers and/or Third-Party Administrators, as well as transmission of replies

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containing the requested information back to the UI agencies. It allows for the exchange of separation, earnings verification, and monetary and potential charges information between states and employers. A total of 50 state UI agencies have implemented and are using SIDES for separation requests. Also, 43 state UI agencies are exchanging SIDES data with all Third-Party Administrators (TPAs) that are live and operating in their state.

ETA also provided guidance, direction, oversight, and technical assistance for the RESEA program. FY 2021 was the third full year that states implemented the new RESEA program. RESEA provides funds for states to bring UI claimants into American Job Centers for an assessment of continuing UI eligibility, assistance with the development of a reemployment plan, reemployment services, labor market information, and referrals to training or other workforce services.

The Department continued to modernize the Tax Performance System (TPS), part of the UI Database. In FY 2018, the Department created an additional TPS external user interface and a business model that interacts with the existing database to produce, display, and allow manipulation of 14 additional TPS reports.

Over the past few decades, the UI claims taking process has experienced significant changes—going from an in-person event to a remote telephonic claims taking process to a process that for most states is strictly an internet-based operation. While these changes have resulted in much needed efficiencies, it has also increased the risk of identity fraud in the program.

The Department utilized the program integrity transfer authority authorized by Congress to implement a nation-wide solution for claimant identity verification through the UI Integrity Center's Identity Data Hub. Recently, states have experienced massive fraud schemes based on stolen identities. State UI agencies have a critical need for assistance in preventing improper payments and fraud, especially in claimant identity verification. All states currently conduct cross-matches with various sources of data to prevent or detect fraudulent claims. In December 2018, ETA transferred \$3 million from the FY 2018 SUIESO appropriation to Program Administration. ETA obligated the FY 2018 funds to the UI Integrity Center in September 2019. The Center issued a Request for Proposal (RFP) in October 2019 to procure access to identity verification data sets which were made available to states through the Integrity Center's Integrity Data Hub in July 2020. As of September 30, 2021, 34 states were regularly using the identity verification service offered through the Integrity Data Hub.

Access to the identity verification data set(s) is an ongoing service and vendors generally charge for access to the data set(s) on a transactional basis. Ongoing funding is required each year to make the data set(s) continuously available to states through the Integrity Data Hub. The Department transferred \$3 million from the FY 2019 SUIESO appropriation to Program Administration through the Program Integrity Transfer to continue this initiative and to address the significant increase in claims volume.

During FY 2021, the Department used the FY 2020 program integrity transfer to fund the procurement and integration of Account Verification Services (AVS), which aids states in proactively identifying and authenticating bank account information provided by an

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unemployment compensation (UC) claimant. The additional dataset(s) will allow states to conduct enhanced UC claimant identity verification to prevent fraudulent claims from being paid based on false identities. During FY 2022, the Department will continue to monitor the level of transaction activity to determine how to best utilize the program integrity transfer funded out of future year funding.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
11.1	Full-time permanent	20,432	20,432	25,199	4,767
11.3	Other than full-time permanent	156	156	156	0
11.5	Other personnel compensation	548	548	548	0
11.9	Total personnel compensation	21,136	21,136	25,903	4,767
12.1	Civilian personnel benefits	7,180	7,180	8,946	1,766
13.0	Benefits for former personnel	6	6	6	0
21.0	Travel and transportation of persons	82	82	93	11
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	2,099	3,609	3,609	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	46	46	46	0
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	116	116	123	7
25.3	Other goods and services from Federal sources 1/	9,657	8,147	18,007	9,860
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,205	2,205	2,205	0
26.0	Supplies and materials	168	168	174	6
31.0	Equipment	9	9	9	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	42,704	42,704	59,121	16,417
	1/Other goods and services from Federal sources				
	Working Capital Fund	4,666	4,911	6,309	1,398
	Services by Other Government Departments	4,991	3,236	11,698	8,462

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CHANGES IN FY 2023

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$1,410
Personnel benefits	522
Federal Employees' Compensation Act (FECA)	2
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	1,398
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$3,332**

Net Program **\$13,085**

Direct FTE **22**

	Estimate	FTE
Base	\$46,036	168
Program Increase	\$13,085	22
Program Decrease	\$0	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
Activity Appropriation	36,160	36,160	48,670	12,510
FTE	127	125	143	18

NOTE: FY 2021 reflects actual FTE. Authorized FTE for FY 2021 was 133. FY 2022 reflects estimated FTE usage at the annualized level of the CR.

Introduction

The Employment and Training Administration’s Office of Apprenticeship (OA) utilizes Program Administration (PA) resources to oversee the National Registered Apprenticeship system. On February 17, 2021, the President announced actions to bolster Registered Apprenticeship and has proposed significant investments in Registered Apprenticeship (RA). The Bipartisan Infrastructure Law (BIL) will drive new demand for Registered Apprenticeship in traditional industries such as construction while also presenting a historic opportunity to achieve greater equity in these high quality and well-paying career opportunities.

Registered Apprenticeship is a proven model of apprenticeship that has been validated by the U.S. Department of Labor or a State Apprenticeship Agency. Programs are industry-driven, high-quality career pathways through which employers can develop and prepare their future workforce, and individuals can obtain paid work experience, classroom instruction, progressive wage increases, and a transferable, nationally recognized credential. Those credentials in turn lead to a long-term, well-paying career. Apprenticeship continues to expand as a key strategy to develop the nation’s workforce in areas including clean energy, advanced manufacturing, financial services, childcare, educational services, transportation, information technology, healthcare, and the skilled trades.

The Department, through the Office of Apprenticeship, administers the National Apprenticeship Act of 1937 (NAA), which established a foundation for developing and expanding the nation’s skilled workforce through Registered Apprenticeship programs with standards for safeguarding the safety and welfare of apprentices.

Federal staff continue to provide leadership and critical oversight functions for the National Apprenticeship system. In cooperation with State Apprenticeship Agencies, federal staff administer apprenticeship at the national, state, and local levels by (but not limited to):

- Issuance of policy and guidance related to the National Apprenticeship Act;
- Conduct outreach and promotion activities to labor, industry, workforce, education, and other organizations to increase awareness of the benefits of apprenticeship;
- Promote the development and registration of new programs and occupations;
- Develop and register apprenticeship programs that meet federal standards;
- Issuing apprentices nationally recognized and portable certificates of completion;

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- Provide oversight and technical assistance to apprenticeship programs, which includes:
 - Assuring that all programs provide high-quality learning;
 - Ensuring equal employment opportunity (EEO) and worker voice in Registered Apprenticeship programs;
 - Assistance in helping programs improve their recruitment of under-represented populations to help programs better reflect the diversity of America’s workforce;
- Promote partnerships of Registered Apprenticeship with the workforce system; other federal programs and agencies, including the Department of Education; Minority Serving Organizations, HBCUs, and others;
- Provide oversight and technical assistance to State Apprenticeship Agencies in 25 states, the District of Columbia, Virgin Islands, and Guam.
- Providing leadership and critical oversight functions for grant and contract initiatives (TES-funded apprenticeship initiatives) totaling over \$1 billion in managed investments.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2018	\$36,160	171
2019	\$36,160	168
2020	\$36,160	110
2021	\$36,160	133
2022	\$0	0

NOTE: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared.

FY 2023

In FY 2023, the Department is requesting \$48,670,000 and 143 FTE for oversight of the National Apprenticeship system; program expansion and administration; expertise in diversity, equity, inclusion, and accessibility (DEIA); and compliance and monitoring activities. This is an increase of \$12,510,000 and 18 FTE over the FY 2022 request. Since FY 2017, Congress has increased funding within the Training and Employment Service appropriations account for Apprenticeship activities but has not increased PA funding to administer the program. In addition to activities listed below, the increased budget will help the Department to enhance federal oversight and monitoring of grantees and contractors to ensure high performance of the Department’s federal investments in apprenticeship.

In addition to FTE, approximately \$2,821,000 of the increase will fund built-in increases to support a 4.6 percent pay raise, benefits increase, FECA adjustments, and WCF inflationary costs. Additionally, the Department requests \$2.8 million to absorb personnel pay and benefits increases associated with 23 staff (and contract inflationary costs) who transitioned in FY 2020 to support the Department’s Shared Services initiative. These built-in increases are critically important to prevent staff erosion from pay raises and increased benefit costs.

For FY 2023, the requested funding would allow the Department to increase capacity and realign efforts in support of the following:

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- **Increase Overall Capacity and Capabilities in the National Office, Regional Offices, State and Field Offices.** Expand our capacity and capabilities in all components of the Office of Apprenticeship to ensure strong stewardship of federal funds, greater efficiency and quality of program standards, increased capabilities to conduct industry outreach and develop strategic partnerships, enhanced program guidance and data analysis, as well as the critical oversight and technical assistance role played by OA staff in the field to ensure quality and equity across all Registered Apprenticeship programs.
- **Ensure Comprehensive Efforts to Diversify Registered Apprenticeship and Make It More Equitable and Inclusive for All Americans.** Continuing into FY 2023, ETA/OA will expand efforts to increase DEIA in apprenticeship based on recommendations from the Equity subcommittee of the Advisory Committee on Apprenticeship as well as listening sessions with DEIA experts. The additional PA funding will be used to hire FTE with data, EEO compliance, benchmarking, and strategic partnerships experience to implement the following activities:
 - *Compliance of EEO Requirements to Increase Racial and Gender Equity.* Expand our capacity and increase our enforcement efforts related to sponsors' EEO obligations and develop a comprehensive program of support for sponsors, resulting in at least 400 EEO/ Extended Apprenticeship Program Reviews by September 30, 2023.
 - *Improving Data Gathering, Analysis, and Benchmarking.* OA will improve the comprehensiveness of our data, conduct additional analysis along key metrics and establish baselines and benchmarks to measure progress on DEI efforts with the goal of increasing underrepresented individuals and communities in apprenticeship.
 - *Pre-Apprenticeship Technical Assistance and Outreach.* Expand our technical assistance efforts that support increased on-ramps to Registered Apprenticeship.
 - *Toolkits and Online Resource Development.* The Office of Apprenticeship will develop specific products and resources on Apprenticeship.gov for an "EEO Toolkit", focused on racial and gender equity, for use by program sponsors, partners, and State Apprenticeship Agencies (supports implementation requirements of 29.30).
 - *Make Strategic Investments in Equity, Diversity, and Inclusion.* Ensure that our investments have a clear and intentional focus to improve racial and gender equity in apprenticeship including strategies such as, but not limited to, support for pre-apprenticeship, access to supportive services, and program designs that examine the ability of individuals to access, persist with, and complete an apprenticeship.
 - *Strategic Partnerships.* Increase our strategic partnerships with Minority Serving Institutions (MSIs), community-based organizations, advocacy groups and others with critical DEI expertise.
 - *Staff Training and Capacity.* In alignment with Departmental and Agency efforts, provide new staff training across the entire organization and increase our SME capacity related to DEI.
- **Significantly Expand the Number of Registered Apprenticeship Programs and Active Apprentices.** An increase in FTE will help the Department to meet its goals by providing high quality technical assistance to and ongoing oversight of sponsors seeking to create new programs, grow their existing programs, ensure programs meet the high-quality federal standards for registration, and ultimately register programs with the Department.

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- **Launch an Industry Liaison Initiative, Apprenticeship Accelerators, and Other Efforts to Rapidly Expand Registered Apprenticeship in High-Demand Industries.** To better meet the needs of high-demand industries, by Quarter 1 of FY 2023, OA plans to launch an industry liaison approach where staff are assigned to serve as subject matter experts for high-demand industries such as clean energy, cybersecurity, healthcare, advanced manufacturing, information technology, transportation, telecommunications, agriculture, infrastructure, and the care economy. The industry liaisons will be responsible for coordinating activities across that industry with apprenticeship sponsors, intermediaries, contractors, grantees, federal agencies, and other stakeholders and facilitating quarterly meetings to share best practices and keep stakeholders engaged. Industry liaisons will also facilitate and lead National and Regional convenings, also referred to as “Apprenticeship Accelerators,” in coordination with industry intermediaries and newly established Apprenticeship Ambassadors to rapidly develop and expand Registered Apprenticeship in new, high-demand industries.
- **Support the Secretary’s Advisory Committee on Apprenticeship (ACA).** The increase of PA funds will provide critical support functions for the ACA and related Federal Advisory Committee Act (FACA) requirements. The ACA will focus on expanding apprenticeships into fast-growing industries and sectors, including the growth of apprenticeship into facets of the care economy, supporting occupations and models in healthcare and mental health, and expanding into industries like clean energy, technology, and advanced manufacturing.
- **Provide Oversight, Direction, and Support to a Growing Network of Contractors, Grantees, and Strategic Partners.** Additional funds will increase capacity needed to keep pace with the growing program scope of the Department’s commitment to developing additional pipeline and entry points to registered apprenticeships through youth and pre-apprenticeship models in addition to the growing portfolio of new apprenticeship grants, contracts, and strategic partners.

Additionally, \$1.9 million of the \$12.510 million increase will be used to fund increased costs for IT systems.

As the Department moves forward, ETA continues to look for opportunities to better integrate equity work into all its apprenticeship FTE roles and responsibilities to best serve the Department’s objectives in promoting diversity in apprenticeship by establishing greater alignment of outreach, recruitment, and on-ramps with the apprenticeship opportunities being created. The Department is monitoring its success on these efforts through its established performance measures. The Agency is examining the addition of other measures such as:

- the number of new apprentices from under-represented populations;
- the number of apprenticeship completers from under-represented populations; and
- the number of Equal Employment Opportunity (EEO)/Extended Apprenticeship Program Reviews it conducts of apprenticeship program sponsors.

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FY 2022

In FY 2022, Department is focused on implementing the Administration's actions to expand Registered Apprenticeship opportunities, especially for historically underserved communities. Federal staff continue to provide leadership and critical oversight functions for the National Apprenticeship system. Additionally, staff will continue to oversee over 27 apprenticeship contracts, 155 apprenticeship grants, and a number of other competitive grant programs across ETA utilizing apprenticeship strategies. All programs require technical assistance, national coordination, and monitoring/compliance reviews to minimize risk throughout the course of the program.

FY 2021

In FY 2021, the Department focused on apprenticeship expansion efforts, including responding to continued high levels of Registered Apprenticeship activity. Staff oversaw over 27 apprenticeship contracts, 155 apprenticeship grants, and several other competitive grant programs across ETA utilizing apprenticeship strategies. The Department supported critical IT Modernizations projects, including Customer Relations Management (CRM) solutions, a key aspect of modernizing customer support, interaction, and servicing.

APPRENTICESHIP

WORKLOAD AND PERFORMANCE SUMMARY				
	FY 2021 Revised Enacted		FY 2022 Full Year C.R.	FY 2023 Request
	Target	Result	Target	Target
Apprenticeship				
Strategic Goal 1 - Build Opportunity and Equity for All				
Strategic Objective 1.1 - Advance training, employment, and return-to-work opportunities that connect workers to higher-wage jobs, especially in ways that address systemic inequities.				
ETA-OA-01	Number of Active Registered Apprentices (OA)		700,000	800,000
ETA-OA-03	Number of EEO/ Extended Apprenticeship Program Reviews Conducted		300	400

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

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Workload and Performance

In FY 2021, 2022, and 2023, OA will measure and report the number of active apprentices. In FY 2020, ETA measured “new” apprentices. The number of active apprentices covers all apprentices currently enrolled in a program during the FY and provides the most complete representation of total apprentice activity from year-to-year. The number of active apprentices increased consistently starting in 2011 but began to slow in 2020 and declined in 2021 as the impact of the pandemic on the economy stalled the overall growth of the apprenticeship system. DOL anticipates growth returning in FY 2022 and 2023 due to these investments and other administration efforts.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
11.1	Full-time permanent	14,782	14,782	18,820	4,038
11.3	Other than full-time permanent	71	71	71	0
11.5	Other personnel compensation	430	430	430	0
11.9	Total personnel compensation	15,283	15,283	19,321	4,038
12.1	Civilian personnel benefits	5,200	5,200	6,695	1,495
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	179	179	187	8
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	605	1,040	1,040	0
23.2	Rental payments to others	1	1	1	0
23.3	Communications, utilities, and miscellaneous charges	185	185	185	0
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	681	681	688	7
25.3	Other goods and services from Federal sources 1/	11,965	11,530	18,488	6,958
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	1,977	1,977	1,977	0
26.0	Supplies and materials	84	84	88	4
31.0	Equipment	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	36,160	36,160	48,670	12,510
	1/Other goods and services from Federal sources				
	Working Capital Fund	7,211	7,590	8,774	1,184
	Services by Other Government Departments	4,754	3,940	9,714	5,774

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CHANGES IN FY 2023

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$1,194
Personnel benefits	442
Federal Employees' Compensation Act (FECA)	1
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	1,184
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$2,821**

Net Program **\$9,689**

Direct FTE **18**

	Estimate	FTE
Base	\$38,981	125
Program Increase	\$9,689	18
Program Decrease	\$0	0

EXECUTIVE DIRECTION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
Activity Appropriation	9,113	9,113	11,092	1,979
FTE	41	48	53	5

NOTE: FY 2021 reflects actual FTE. Authorized FTE for FY 2021 was 38. FY 2022 reflects estimated FTE usage at the annualized level of the CR.

Introduction

Executive Direction activities provide leadership and policy for all Employment and Training Administration (ETA) programs and activities and for related program operations support, including policy development through legislative relations, regulatory development, sub-regulatory guidance, evidence-building activities, performance management, and data analytics and agency management and oversight. ETA’s Office of the Assistant Secretary for Employment and Training (OASET) and the Office of Policy Development and Research (OPDR) administer these activities. Performance measures for these activities are discussed in the relevant program activity sections of the budget request.

Through the active engagement of OASET and OPDR, the following strategies support program management and results throughout ETA:

- Delineating strategic objectives relating to agency priority goals and planning and tracking programmatic operating measures and milestones aligned with the goals;
- Leveraging data as a strategic asset to improve performance and outcomes through data analytics and use of evidence-based information to enable learning, innovation, and engagement that allows ETA to make informed decisions and policies;
- Developing and supporting evidence building activities and providing technical assistance to the public workforce system performing research and evaluation;
- Collecting, analyzing, validating, and reporting performance data on a regular basis from a variety of sources to create consolidated performance reports critical for agency decision-makers, and to inform workforce system partners and stakeholders;
- Developing and refining performance measures in alignment with federal priorities and alignment of performance accountability across the Department’s programs, including continued implementation of the statutory requirements of the Workforce Innovation and Opportunity Act (WIOA), and other workforce programs;
- Setting national performance targets to effectively set the agenda for program performance in accordance with priorities;
- Providing legislative support and technical assistance to Congress and coordinating the alignment of technical expertise with agency priorities, resources, and capacity to improve the effectiveness and efficiency of existing programs, initiatives, and policies. This work includes management of Government Accountability Office (GAO) engagements requested by Congressional Members;

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- Developing the agency’s Regulatory Agenda and supporting regulatory activities; and
- Oversight of the official agency system for disseminating guidance and notices.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2018	\$9,113	40
2019	\$9,113	45
2020	\$9,113	45
2021	\$9,113	38
2022	\$0	0

NOTE: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared.

FY 2023

The FY 2023 Budget requests \$11,092,000 and 53 FTE for Executive Direction.

PA’s budget authority has not increased since FY 2017 for FTEs to administer the federally managed programs, and longer in the case of Executive Direction, despite multiple personnel pay raises, increased personnel benefits adjustments (Federal Employees Retirement Systems (FERS) and Federal Employees Compensation Act (FECA)), increases to non-personnel administrative costs, and new requirements, including implementing new provisions and funding from supplemental appropriations acts. Approximately \$712,000 of the increase will fund built-in increases supporting a 4.6 percent pay raise, benefits increase, FECA adjustments, and WCF inflationary costs. These built-in increases are critically important to prevent staff erosion from pay raises and increased benefit costs. In addition to the aforementioned challenges in the PA budget, Executive Direction now has expanded data governance and analytics responsibilities and necessitates commensurate funding levels which is critical to the agency’s ability to ensure that its grantees provide equitable services to program participants.

The additional resources requested will enable ETA to support the President’s Management Agenda by strengthening and empowering ETA’s workforce, ensuring the Department’s grantees are delivering excellent services and improved customer experience. Specifically, the additional resources would enable ETA to:

- Improve the service design, digital products, and customer-experience management of the Department’s grantees by increasing the agency’s capacity for econometrics and statistical modeling to expand the statistical modeling already available at the state level to local areas.
- Apply data management and data science capabilities by focusing on a portfolio of ETA-wide data analytics and data governance activities and increasing capacity for econometrics and statistical modeling – to expand, for instance, the availability of statistical modeling available at the state level to local areas to tailor the services they provide to local employers, workers, and jobseekers.
- Focus on diversity, equity, inclusion, and accessibility (DEIA) internally to achieve a workforce that reflects the diversity of our country, in the right roles across the agency to effectively achieve the ETA mission.

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- Direct agency efforts to increase our knowledge, practice and understanding of DEIA to support the critical priority of ensuring these values are upheld and projected throughout ETA programs – thereby improving the services delivered by the public workforce system to workers and jobseekers and ensuring equitable results.

Without additional support, ETA will not be able to build the capacity required to provide innovative data products and analysis to ETA leadership and Program Offices and workforce system stakeholders for data-driven decision-making and continuous program improvement. ETA needs this capability to support conceptual policy work related to legislative proposals and implementation of Executive Orders and other Administration policy direction. ETA has a high volume of work, satisfying statutory reporting requirements, meeting Congressional requests, conducting key rulemaking activities, and responding to auditors to ensure program efficiency and effectiveness. Taking on new policy initiatives to further the President's Management Agenda will be difficult without additional resources.

Staff will continue to work on ETA and Departmental initiatives, including policy and legislative functions; analyzing and disseminating key performance data associated with WIOA; providing leadership to the agency on policy issues, including support for execution of the agency's regulatory agenda; and providing support to evidence-building activities. This leadership support is critical to ETA's Program Offices as they implement strategies to achieve the Department's performance goals. In FY 2023, these staff, collaborating with the Office of the Chief Information Officer (OCIO), will continue to maintain ETA's performance reporting systems, simplify data entry for stakeholders, and improve data analysis capabilities.

Through the active engagement of OASET and OPDR, ETA leadership and Program Office Administrators obtain actionable intelligence to assess and improve the operation, effectiveness, and efficiency of the public workforce system.

OPDR staff leads the development of the agency's strategic planning efforts including the overarching DOL Strategic Plan, Agency Priority Goals, and the annual Agency Management Plan. Through these activities, ETA establishes priorities, sets agency goals, identifies actions and activities to achieve those goals, defines measures and milestones, and reports on progress. OPDR also coordinates ETA efforts to leverage data as a strategic asset by developing data governance frameworks, convening the ETA Data Board, implementing DOL data management policies, and satisfying statutory requirements related to data (as established by the Evidence Act and other laws). OPDR analysts leverage internal and external datasets to answer research questions, build tools, model data, and create visualizations that assist leadership in making evidence-based decisions, automate routine tasks, and increase the analytical capacity of ETA staff.

OPDR staff interpret evidence-based information and convert conclusions and recommendations into usable information, disseminating reports and summaries to inform policy and program decision-making. OPDR staff provide technical assistance to states to help build research and evaluation capacity pursuant to their WIOA responsibilities. ETA seeks to learn from state experiences and create peer support to expand emerging and promising practices supported with evidence-based findings.

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OPDR also manages ETA program performance reporting and analysis; publishes performance information, including the newly launched TrainingProviderResults.gov website; provides the information, tools, and data exchange mechanisms that grantees use for data collection, validation, and performance reporting; and develops and publishes guidance to inform the workforce system of new or revised reporting requirements. These activities lead to better information that ETA leadership and stakeholders use for decision-making.

OPDR promotes awareness of ETA policies and programming to interested stakeholders by managing the ETA Advisory System, the agency's mechanism for disseminating guidance based on statute and regulation and programming information to the public workforce system. OPDR plays a crucial role in facilitating communications with GAO, the Department's Office of Congressional and Intergovernmental Affairs (OCIA), the Department's Bureau of International Labor Affairs (ILAB), and the Office of the Assistant Secretary for Policy (OASP). In FY 2023, OPDR will continue to serve as ETA's liaison to these agencies and coordinate the agency's participation in GAO audits, responses to OCIA inquiries and requests, and contribution to international engagements. OPDR will also continue to administer the ETA Regulatory Agenda, support the Department's regulatory and de-regulatory efforts, and support the Department's evidence-building efforts, working closely with OASP. Through its communication efforts, support, and cross-organizational interactions, OPDR fulfills a necessary function that assists ETA leadership in carrying out the agency's mission, meeting legislative and oversight requirements, and promoting accountability.

FY 2022

In FY 2022, staff continue to work on ETA and Departmental initiatives, including policy and legislative functions, GAO and OCIA liaison activities, project management for continuing research and evaluation efforts, and management of ETA's performance reporting and analysis. In FY 2022, staff continue to enhance and maintain ETA's performance reporting systems, make data entry simpler for stakeholders, improve data analysis capabilities, and provide critical technical assistance to states for improved performance reporting, data quality and building evaluation capability. In addition, staff work on execution of the agency's Regulatory Agenda, including publishing proposed and final rules that include a Request for Information on Data Sources and Methods for Determining Prevailing Wage Levels for the Temporary and Permanent Employment of Certain Immigrants and Non-Immigrants in the United States; Strengthening Wage Protections for the Temporary and Permanent Employment of Certain Immigrants and Non-Immigrants in the United States (Delay of effective date, and Proposed delay of effective date and transition date); Strengthening Wage Protections for the Temporary and Permanent Employment of Certain Aliens in the United States (Final rule and an Interim final rule); Adverse Effect Wage Rate Methodology for the Temporary Employment of H-2A Nonimmigrants in Non-Range Occupations in the United States; WIOA Effectiveness in Serving Employers Performance Indicator (Joint proposed rule with the Department of Education); WIOA Title I Non-Core Programs Effectiveness in Serving Employers Performance Indicator (Proposed rule); Wagner-Peyser Act Staffing (Proposed rule); Senior Community Service

EXECUTIVE DIRECTION

Employment Program Conforming Changes to the Supporting Older Americans Act of 2020 (Proposed rule); and Apprenticeship Programs, Labor Standards for Registration, Amendment of Regulations (Proposed rule).

OPDR's newly established Division of Data Analytics and Strategic Planning (created in December 2020) is responsible for data analytics, data governance, and strategic planning. OPDR provides leadership to the agency's strategic planning lifecycle, including for external facing plans such as the Department's Strategic Plan and Agency Priority Goals as well as internal planning efforts creating critical alignment with Administration and Secretarial priorities that serve as guiding principles to agency offices. OPDR leads the ETA Data Board building capacity and structures governing the agency's data and performing critical deep dive data analysis to inform programmatic improvements, decision making and policy.

FY 2021

Staff worked on Departmental initiatives, including policy and legislative functions; analyzed and disseminated key performance data associated with implementation of WIOA; and provided critical leadership to the agency on policy issues, including support for execution of the agency's Regulatory Agenda and managing continuing evidence-building efforts. This leadership support was critical to the Program Offices as they implemented strategies to achieve the Department's performance goals.

Through the active engagement of OASET and OPDR, ETA leadership, office administrators, and program officials were given actionable intelligence to help assist them in assessing and improving the operation, effectiveness, and efficiency of the public workforce system.

OPDR also managed ETA program performance reporting and analysis; published performance data and provided the information and tools that grantees used for data collection, validation, and performance reporting; and developed and published guidance letters and notices to inform the public workforce system of new or revised performance accountability requirements. In doing so, OPDR provided ETA leadership and stakeholders with the timely and relevant feedback that supports good decision-making.

EXECUTIVE DIRECTION

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
11.1	Full-time permanent	4,661	4,661	5,679	1,018
11.3	Other than full-time permanent	100	100	100	0
11.5	Other personnel compensation	207	207	207	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	4,968	4,968	5,986	1,018
12.1	Civilian personnel benefits	1,649	1,649	2,026	377
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	32	0	1	1
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	420	722	722	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	0	0	0	0
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	14	0	1	1
25.3	Other goods and services from Federal sources 1/	1,977	1,754	2,334	580
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	24	0	0	0
26.0	Supplies and materials	29	20	22	2
31.0	Equipment	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	9,113	9,113	11,092	1,979
	1/Other goods and services from Federal sources				
	Working Capital Fund	1,667	1,754	2,054	300
	Services by Other Government Departments	310	0	280	280

EXECUTIVE DIRECTION

CHANGES IN FY 2023

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$301
Personnel benefits	111
Federal Employees' Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	300
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$712**

Net Program **\$1,267**

Direct FTE **5**

	Estimate	FTE
Base	\$9,825	48
Program Increase	\$1,267	5
Program Decrease	\$0	0