

U.S. DEPARTMENT OF LABOR



STRATEGIC PLAN FY 2003 - FY 2008



# SECRETARY'S MESSAGE

ELAINE L. CHAO, SECRETARY OF LABOR



*“I hope this Strategic Plan will serve as a blueprint for ensuring that our workforce remains safe, secure, prepared and competitive as we face the challenges of the 21st Century.”*

During the past three years, the Department of Labor has worked to implement three essential, strategic goals to protect and empower America's workers:

- **A Prepared Workforce** – Increasing employment, earnings and retention; increasing opportunities for youth employment; and improving effectiveness information and analysis on the U.S. economy.
- **A Secure Workforce** – Increasing compliance with worker protection laws; and protecting worker benefits.
- **Quality Workplaces** – Reducing workplace injuries, illnesses and fatalities; and fostering equal opportunity workplaces.

We have made great strides in achieving these goals, all of which are mentioned in this plan. They are essential to fulfilling the Department's mission to promote the welfare of job seekers, wage earners and retirees. But there is more to be done.

As we enter the 21st Century, it is clear that a fourth goal needed to be added to the Department's overall strategic plan in order to prepare our country's workforce to meet the challenges of a global century. That fourth goal is:

- **A Competitive Workforce** – Equipping workers to adapt to the competitive challenges of the 21st Century workplace; and maximizing regulatory flexibility and benefits.

Among the new trends that reflect a rapidly changing workforce are the increasing need for knowledge workers, the shift in the way many workers work and the transition to new technologies that empower workers through telecommuting and e-learning.

All research and statistics show that these trends will only increase in the years ahead. Therefore, the Department must prepare for and focus on giving workers the tools necessary to adapt to this new era of empowering technology, lifelong learning and global competition.

I hope this Strategic Plan for Fiscal Years 2003-2008, with its critical fourth goal, will serve as a blueprint for ensuring that our workforce remains safe, secure, prepared and competitive as we face the challenges of the 21st Century.



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# Section 1 — Introduction

*“Our Nation’s economic progress comes from the innovation and hard work of Americans in a free market that creates opportunities no other system can offer. Government does not create wealth, but instead creates the economic environment in which risk takers and entrepreneurs create jobs. With the right policies on growth and jobs, strong economic fundamentals — and hard work — I am confident we will extend economic opportunity and prosperity to every corner of America.”*

President George W. Bush  
Economic Report of the President  
February 2003

This Strategic Plan FY 2003-2008 presents U.S. Department of Labor (DOL) priorities for the next several years. Given the Department’s complex and diverse mission, it is not easy to communicate those priorities succinctly, but doing so is an important part of our commitment to achieve and to be accountable for results that matter to Americans. The health of our free market economy depends upon strong commerce and the vibrancy of our talented and diverse labor force. Historically, when risks have emerged to threaten that health, Congress has enacted laws to ensure the continued health of our economy, entrusting leadership responsibility to the Department of Labor for employment and labor issues.

The Nation’s economic system functions well because people willingly work for others. This willingness is predicated on certain expectations involving job performance, working conditions, compensation, and other benefits — expectations that in many cases have been shaped through legislation. As long as expectations continue to be met, employment relationships will work well and continue to fulfill an essential economic role.

Our economic system also functions efficiently when demand and supply for workers at all skill levels is evenly balanced. Imbalances tend to reconcile themselves over time, but if they do not, serious long-term negative consequences are possible.

Given driving forces such as these, DOL must periodically assess circumstances, establish priorities, and allocate its resources in ways that provide maximum return-on-investment to the American taxpayer. This document communicates the results of the most recent assessment and the emergent DOL priorities.

## ***Mission***

The Department of Labor promotes the welfare of job seekers, wage earners, and retirees of the United States by improving working conditions, expanding opportunities for training and profitable employment, protecting retirement and health care benefits, helping employers find workers, strengthening free collective bargaining, and tracking changes in employment, prices, and other national economic measurements.

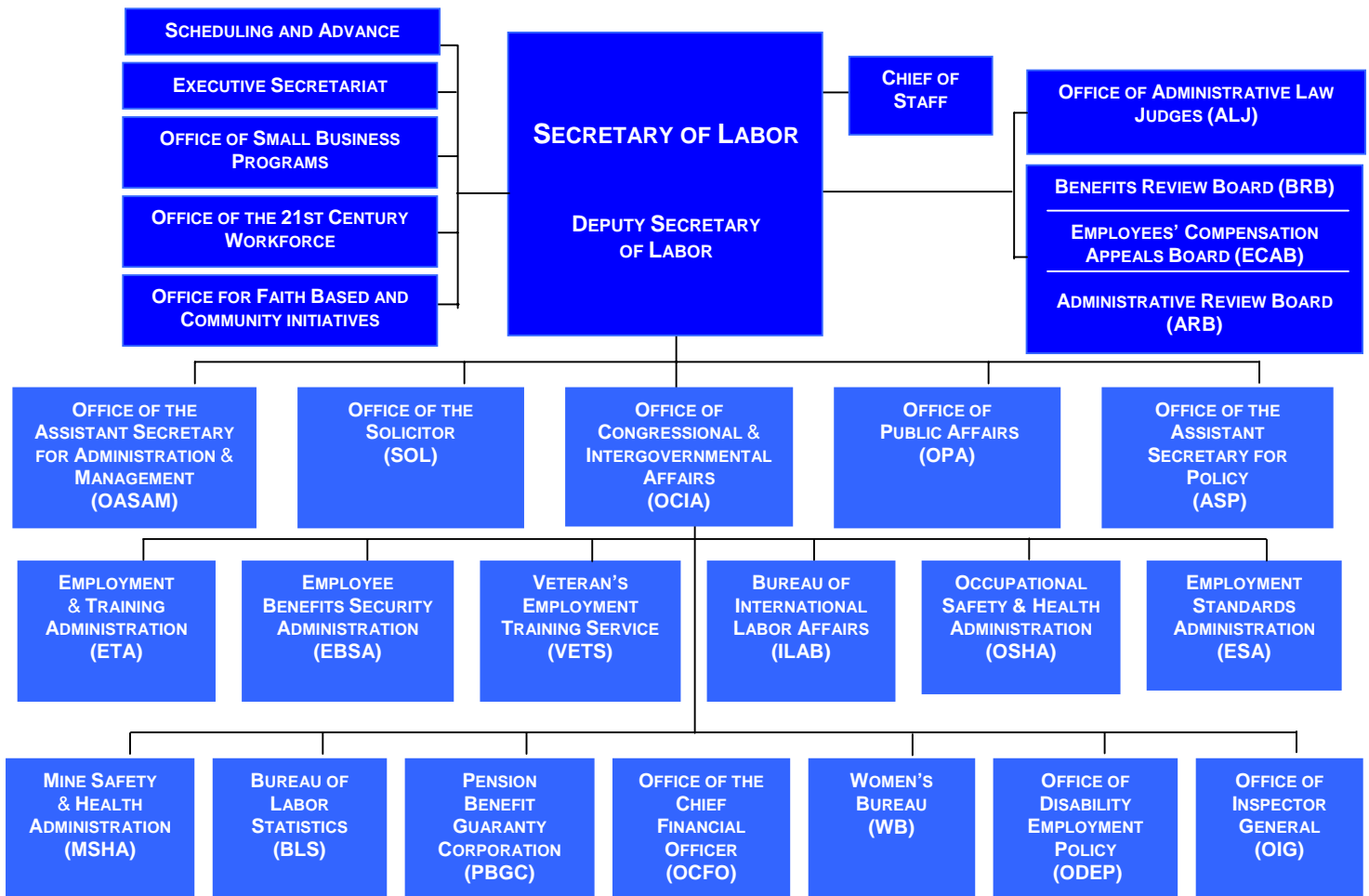
## Vision

The Department of Labor will help workers and their families share in the American Dream through better wages, more secure pensions and health benefits, and expanded economic opportunities while fostering safe and healthful workplaces that are free from discrimination.

## DOL Organization

DOL is comprised of a number of bureaus, agencies, and offices that have specific subject matter expertise and focus. An organization chart is presented below, and the mission of each agency is summarized in the Appendix. Additional information regarding specific functional responsibilities within DOL can be obtained at [www.dol.gov](http://www.dol.gov).

Department of Labor Organization Chart



## Section 2 — The Changing Workforce and Workplace

### *SOME THINGS WILL STAY THE SAME ...*

Some aspects of the American labor situation have not changed in many years, such as the need to provide employment and job training assistance to economically disadvantaged youth and adults and employment services to employers, and the need to improve workplace safety and health, fairness, and the economic security of workers and families. In each area, progress has been made but much work remains.

### *AND OTHER THINGS WILL CHANGE ...*

Other aspects have changed substantially and are likely to continue changing in the years ahead. The demand for “knowledge” workers across a wide spectrum of occupations is forecasted to increase, creating potential for supply shortages in key occupations (See Table 2-1). Workforce demographics will change, creating challenges in managing and motivating a more diverse workforce. Tables 2-2 and 2-3 illustrate the changes expected by the year 2010.

For many occupations, the structure of jobs will change, as employers look to contingent workers and become more comfortable with telecommuting and other non-traditional methods for getting work done. New chemicals, materials, and work processes will continue to create workplace safety hazards. These examples represent but a small cross-section of the challenges that DOL must be prepared to face in coming years.

### *DEMAND FOR KNOWLEDGE WORKERS WILL INCREASE*

As indicated in the table, the U.S. is likely to need more workers with technology skills in the next several years. Increasingly, the majority of jobs will need workers who have acquired knowledge and skills via two-year colleges, vocational training, moderate to long-term on-the-job training, and real work experience. In addition, technology will change the structure and nature of many jobs. It is becoming more practical and acceptable to have large numbers of employees in many occupations work at home or from remote locations, in either part-time or full-time capacity. This enables employers to recruit employees from wider geographic locales.

Occupation	Employment (in thousands)		Growth 2000-2010	
	2000	2010	Number	Percent
Computer software engineers, applications	380	760	380	100
Computer support specialists	506	996	490	97
Computer software engineers, systems software	317	601	284	90
Network and computer systems administrators	229	416	187	82
Network systems and data communications analysts	119	211	92	77
Desktop publishers	38	63	25	67
Database administrators	106	176	70	66
Personal and home care aides	414	672	258	62
Computer systems analysts	431	689	258	60
Medical assistants	329	516	187	57

\*Bureau of Labor Statistics, Office of Occupational Statistics and Employment Projections

## ***WORKFORCE DEMOGRAPHICS WILL CHANGE***

Demographic changes will also pose new challenges. The composition of the labor force is expected to change as general population demographics change. For example, in 2010, the baby-boom generation will be ages 45 to 64, and this age group will account for a 5 percent larger share of the labor force than it does now. The median age of the labor force will continue to rise (from 39.3 in 2000 to 40.6 in 2010), even though the youth labor force (aged 16 to 24) is expected to grow more rapidly than the overall labor force for the first time in 25 years.

Group	Level (in thousands)		Percent Change	Percent of Total	
	2000	2010	2000-2010	2000	2010
Total	140,863	157,721	12.0	100.0	100.0
16 to 24 years	22,715	26,081	14.8	16.1	16.5
25 to 54 years	99,974	104,994	5.0	71.0	66.6
55 to 64 years	13,974	21,204	51.7	9.9	13.4
65 and older	4,200	5,442	29.6	3.0	3.5

\*Bureau of Labor Statistics, Office of Occupational Statistics and Employment Projections

Because of high net immigration and higher than average birth-rates, the labor force groups “Asian and other” and Hispanic are projected to increase faster than other groups. The “Asian and other” group is expected to grow 44 percent (2000-2010) and thereby increase its share of the labor force from 5 to 6 percent. The Hispanic labor force will grow by 36 percent, from an 11 percent share to 13 percent of the total workforce. The black labor force is expected to grow by 21 percent, more than twice as fast as the white labor force (9 percent).

Group	Level (in thousands)		Percent Change 2000-2010	Percent of Total	
	2000	2010		2000	2010
Total	140,863	157,721	12.0	100.0	100.0
White	117,574	128,043	8.9	83.5	81.2
Black	16,603	20,041	20.7	11.8	12.7
Asian & other	6,687	9,636	44.1	4.7	6.1
Hispanic origin	15,368	20,947	36.3	10.9	13.3
non-Hispanic	125,495	136,774	9.0	89.1	86.7

\*Bureau of Labor Statistics, Office of Occupational Statistics and Employment Projections

### ***HOW THESE TRENDS WILL IMPACT AMERICANS***

Of course, the effects of these changes will not be uniform. Employment opportunities may narrow substantially in manufacturing industries as they expand in knowledge and service-related fields. Young people and their parents will have to consider prospects of trades and professions in the “new economy.” The fast pace of technological change will also require that workers commit themselves to lifelong learning if our Nation’s workforce is to remain competitive in the 21<sup>st</sup> Century.

Other indirect changes will emerge. The likelihood of working side-by-side with people who are different — in culture, gender, age, and many other ways — will increase. In other cases, workers may be increasingly isolated from traditional social groups in the workplace, as they increasingly work from home or share jobs with others.

Traditional challenges, such as workplace safety and health, high unemployment among economically disadvantaged segments of the population, and wage and benefit pressures will not go away. The Department recognizes the opportunities, challenges and serious risks posed by the dramatic changes predicted for the workforce of the 21<sup>st</sup> Century. It has shaped goals and aligned programs to address them. DOL’s strategic priorities, and strategies to achieve them, are described on the following pages.

## Section 3 — DOL's Strategic Goals

During the period FY 2003-2008, DOL will use its resources to accomplish four strategic goals. These four goals embrace the range of employment and labor laws enacted by the U.S. Congress and administered by the Department's programs and also incorporate the vision and leadership priorities of DOL. Successful achievement of the strategic goals indicates that DOL provides a high return-on-investment to the American taxpayer. The four goals are highlighted in Figure 3-1 and presented in greater detail on the following pages. For each strategic goal, a general introduction and discussion of related challenges is presented. The goal is then subdivided into multiple outcome goals as shown on Figure 3-1, providing greater specificity regarding DOL approaches. Outcome goal presentations include the strategies that will enable the Department to achieve each outcome, and the performance goals, measures, and targets we will use to monitor and report our progress.

**Figure 3-1 DOL Strategic Goals  
FY 2003-2008**

<b>Goal 1— A Prepared Workforce</b>
<i>Enhance opportunities for America's workforce</i>
<ul style="list-style-type: none"> <li>1.1 <i>Increase Employment, Earnings and Retention</i></li> <li>1.2 <i>Increase Opportunities for Youth Employment</i></li> <li>1.3 <i>Improve the Effectiveness of Information and Analysis on the U.S. Economy</i></li> </ul>
<b>Goal 2 — A Secure Workforce</b>
<i>Promote the economic security of workers and families</i>
<ul style="list-style-type: none"> <li>2.1 <i>Increase Compliance with Worker Protection Laws</i></li> <li>2.2 <i>Protect Worker Benefits</i></li> </ul>
<b>Goal 3 — Quality Workplaces</b>
<i>Foster quality workplaces that are safe, healthy and fair</i>
<ul style="list-style-type: none"> <li>3.1 <i>Reduce Workplace Fatalities, Injuries, and Illnesses</i></li> <li>3.2 <i>Foster Equal Opportunity Workplaces</i></li> </ul>
<b>Goal 4 — A Competitive Workforce</b>
<i>Maintain competitiveness in the 21<sup>st</sup> Century economy</i>
<ul style="list-style-type: none"> <li>4.1 <i>Equip Workers to Adapt to the Competitive Challenges of the 21<sup>st</sup> Century</i></li> <li>4.2 <i>Promote Job Flexibility and Minimize Regulatory Burden</i></li> </ul>

# ***Strategic Goal 1 — A Prepared Workforce***

## ***Enhance Opportunities for America's Workforce***

### ***Introduction***

American prosperity is inextricably linked with the state of the American workforce. Without a workforce equipped to perform the jobs offered by employers, America's economy will not maintain its competitive edge in the global marketplace. The Department's commitment to preparing American workers for the opportunities available to them is the focus of this strategic goal.

The outcome DOL seeks to achieve is to help all of the Nation's workers secure long-term, productive employment. Data from the Bureau of Labor Statistics show, however, that certain groups of job seekers face barriers in their efforts to secure employment. During the economic expansion of the 1990s, the national annual average unemployment rate for the entire labor force fell steadily from 7.5 percent in 1992 to 4.0 percent in 2000. Younger workers also benefited. The national annual average unemployment rate for 16-24-year-olds fell from 14.2 percent in 1992 to 9.3 percent in 2000. However, both rates increased in 2001 as the economy slowed. The rate for the entire labor force rose to 4.7 percent, while the rate for the 16-24 age group rose to 10.6 percent.

The good news is that the Department has achieved substantial success with some of its programs that target populations with higher unemployment rates. In particular, the Department has achieved success for out-of-school youth through its Job Corps program. A recent study highlighted that for every taxpayer dollar invested in Job Corps, America gets two dollars back in terms of funds saved in social services.

### ***21st Century Challenges***

A strong national economy depends, in part, on preparing workers to be qualified job candidates possessing skills that are relevant to the needs of today's employers. In addressing this challenge, the Department must work with a wide spectrum of job seekers, including those with the necessary job qualifications as well as those with special needs such as the disadvantaged, people with disabilities, veterans, disadvantaged youth, and those who have lost their jobs due to foreign competition. Addressing the job seekers' needs is further complicated by the dynamics of the changing workplace. New technologies, increased market-place competition, and changing labor markets have prompted employers to downsize, change employment patterns, and seek alternative labor sources such as qualified foreign workers. In today's volatile job market, a job seeker may be trained, employed, and promoted, only to again experience unemployment as a result of market factors such as foreign competition.

While employers and workers bear ultimate responsibility for adapting to these challenges, the Department has a leadership responsibility to support the needs of the changing workforce and position the U.S. for continued economic development and growth. To provide essential leadership to meet further challenges, we must shift into a more forward-looking role that emphasizes:

- Supporting a strong academic foundation for workers;
- Better understanding the needs of business;
- Working with training providers—especially Community Colleges—to identify or create training to meet employer needs;
- Working with employers to test new and innovative options in proven programs such as apprenticeship; and
- Expanding the place of faith-based and community organizations to equip Americans in need of finding and sustaining employment.

How well the Department performs in assuring *A Prepared Workforce* will be assessed by targeting accomplishments for programs and initiatives supporting these three broad outcomes — *Increasing employment, earnings, and retention; Increasing opportunities for youth employment; and Improving the effectiveness of information and analysis on the U.S. economy.*

Agencies supporting this strategic goal are the Employment and Training Administration, Veterans' Employment and Training Service, the Bureau of Labor Statistics, the Women's Bureau, the Office of Disability Employment Policy, and the Civil Rights Center.

## ***OUTCOME GOALS***

The following three outcome goals support *A Prepared Workforce*:

### Outcome Goal 1.1

*Increase employment, earnings and retention*

### Outcome Goal 1.2

*Increase opportunities for youth employment*

### Outcome Goal 1.3

*Improve the effectiveness of information and analysis on the U.S. economy*

Additional information about these three outcome goals, including implementation strategies and associated performance measures, is presented on the following pages.

## Outcome Goal 1.1: Increase Employment, Earnings and Retention

America's workers and employers must have quick and easy access to a broad array of high quality and highly effective workforce development services if we are to maximize the potential of our labor force. While technology has dramatically increased the Department's ability to offer such services, DOL is continually challenged to refine and improve the nation's structure for DOL-funded workforce development programs so that it is responsive to the needs of the nation's businesses, the nation's job seekers, and those who want to further their careers. DOL also seeks to contribute to the improvement of the overall workforce system of employment and job training programs administered under the umbrella of the Workforce Investment Act, including other Federal partner programs.

While much has been accomplished, much remains to be done. A recent survey of employers conducted by the U.S. Chamber of Commerce showed that:

- 33 percent of respondents identified difficulties in finding and retaining qualified workers that affect their bottom line,
- 33 percent of respondents noted that job applicants were either poorly skilled or had the wrong skills, and
- 40 percent of respondents cited well-trained staff as a key to remaining competitive.

The Workforce Investment Act will continue to provide the framework for the Federal government's workforce preparation and employment system. As part of the reauthorization of the Act in 2003, its key principles will be strengthened, including reinforcing a leadership role for business in ensuring that the system prepares people for current and future jobs; empowering customers with information, choices, and services to manage their own career development; and providing access to employment, education, training, and information services in neighborhood One-Stop Career Centers.

Success in terms of our employment and training programs is clearly measurable in the marketplace by the degree to which businesses use our employment services, and hire and retain the graduates of our training programs. A key dimension of this measurement of success addresses DOL's special emphasis programs and the extent to which we have alleviated the high unemployment rates of individuals facing significant barriers to employment, including those with disabilities, Limited English Proficiency, homelessness, and special populations who have traditionally experienced barriers to employment, such as certain subsets of the veteran population, older Americans, school dropouts, and migrant and seasonal farm workers.

### The Workforce Investment Act of 1998

The Workforce Investment Act (WIA) of 1998 provides workforce investment services and activities through Statewide and local One-Stop Career Center systems that have at their core the goals of enhanced employment, retention, and earnings for individuals; increased occupational skills attainment; academic attainment and improvement as well as employment for youth; and improved national economic growth through better productivity and competitiveness. The WIA is to be reauthorized in 2003.

WIA reauthorization is an opportunity to strengthen and build upon the innovations that States and local communities have developed to serve business and individuals with workforce needs.

## *Strategies for Outcome Goal 1.1*

**Expand apprenticeship opportunities.** Occupations usually requiring on-the-job training and work experience account for the greatest share of projected total job growth through 2010. The apprenticeship program now addresses over 850 occupational areas to meet the needs of numerous new industries including health care, social services, information technology, and security. Apprenticeships offer a structured environment to provide the hands-on experience and contextual academic skills needed for the majority of jobs today and tomorrow. Expanding efforts with community colleges will increase apprenticeship offerings in occupations that benefit from campus learning. DOL is committed to working with businesses, labor organizations and business associations to expand apprenticeship training through their active participation in initiatives that will shape workforce development using the apprenticeship system.

**Increase individual control over employment and training.** WIA created Individual Training Accounts (ITAs) to enable participants in the Adult and Dislocated Worker programs to choose among available training providers, thus bringing market focus into federally funded training programs. The Administration's WIA reauthorization proposal would expand the ITA concept by changing ITAs into Career Scholarships, which could be enhanced by adding other resources such as private (employer paid) and individual training resources to facilitate training. In addition, the Administration has proposed to give Governors the authority to create personal Reemployment Accounts. These special self-managed accounts would be available to individuals who are out of work and have been identified as very likely to exhaust their Unemployment Insurance benefits. The accounts would allow these individuals to more personally control their reemployment decisions and speed placement into an unsubsidized job—providing a reemployment bonus to certain individuals.

**Improve performance accountability.** The WIA reauthorization proposal would strengthen the current performance process by establishing long-term national performance goals. Also through reauthorization, a more dynamic performance negotiation process would be designed that would take into account local labor market needs and the characteristics of individuals being served. The Administration will also be implementing the common measures for federal employment and training programs that focus on important outcomes such as employment, earnings and the attainment of a degree or certificate. In implementing these enhancements to performance accountability, DOL will take steps to ensure that the performance measures do not result in diminished services to hard-to-serve population segments nor against service in response to businesses' need for workers. Streamlining and simplifying the measures will lead to a greater leveraging of resources and potential cost savings at all levels of the workforce investment system.

**Collaborate with business, industry, and others to develop workforce solutions.** ETA, through its Business Relations Group, is actively working to partner with business, high growth industries, labor, the public workforce system, the community college system and other training providers, and a wide array of other partners to develop workforce solutions to address the challenges of the 21st century workforce, particularly in high growth, high change, and emerging industries. Examples of partnership strategies include:

- Targeted investments in workforce development resources and support for private and public partnerships to ensure the development of workers skills in demand occupations based on industry need;

- Improved connections between the workforce system, economic development, and education, particularly community and technical colleges;
- Increased capacity in community and technical colleges to meet skills training needs of high growth and emerging industries;
- Increased integration of registered apprenticeship training as a skills development methodology, combining on-the-job training and academics, to ensure a pipeline of skilled workers; and
- Providing workers with paths to career enhancing opportunities in high-growth occupations.

***Improve the administration and delivery of services to trade-impacted workers.*** The reauthorization and reform of the TAA program and repeal of the NAFTA-TAA program provide an opportunity for DOL and the States to 1) move trade-affected workers into new jobs as quickly and effectively as possible through early intervention and reemployment services, 2) use One-Stop Career Centers for program intake and service delivery and improvement, 3) integrate services for trade-affected workers with those for dislocated workers, and 4) maintain fiscal integrity and promote performance accountability.

***Increase employment opportunities for persons with barriers to employment.*** We will promote policies and provide information designed to improve access to adult programs for these persons with barriers to employment. We will conduct research to determine where barriers to employment exist for underemployed groups and test models of effective practices to address these barriers across Federal job training and employment programs. We will promote the replication of proven best practices in all programs. This strategy will include developing specific initiatives to promote training and skill-building that will enable workers to adapt to employers' changing skill requirements, and to encourage second career options that tap the experience of retirement-eligible workers while accommodating their life-style preferences.

***Increase opportunities for participation of low-income and hard- to-serve populations in employment and training programs through partnerships with community- and faith-based organizations.*** To offer our program participants a range of innovative services and support to complement our traditional programs, DOL is increasing its outreach efforts to these groups and enhancing our capacity to provide technical assistance needed to lessen the barriers these groups may encounter, as they become valued partners in the workforce development system.

***Develop more intergovernmental partnerships.*** In addition to the newly created partnerships mentioned above, DOL is working with the Departments of Education, Defense, Commerce, Transportation, Health and Human Services and others to expand employment opportunities for all Americans by linking these Departments and their programs to the State and local job training and employment system.

***Demonstrate and assess new ways to assist veterans looking for work.*** DOL partnerships with DOD and the private sector will demonstrate ways to translate military skills to civilian occupations by creating appropriate pathways to civilian licenses and certifications. A national marketing campaign will extol the many virtues of hiring veterans. DOL also will continue to be a leader in providing expert assistance to those veterans most in need, such as homeless and disabled veterans. All veterans seeking employment will enjoy the benefits of electronic tools that DOL has created, such as the veterans' talent bank and veterans' resume writer.

## *External Factors*

**The economy.** The economy affects every aspect of employment and training programs. Downturns in the economy always mean fewer jobs are available and sometimes mean shifts in occupational demands once the economy rebounds. On the other hand, during times of high economic growth, fewer people may have time to devote to training, but the demand from business for new workers increases.

**Technology and advances in communication.** The rapid pace of scientific and technological advances and innovation, as well as advances in communication technology and infrastructure, will impact how, where and what workers can do as well as the skills required of workers.

**The changing workforce.** The aging workforce, changes in proportions of young, middle aged and older workers in the workforce, diversity in the workforce, and increased reliance on foreign workers to fill jobs at all points of the occupational spectrum, from low skilled and agricultural jobs to very high skilled jobs, will cause changes in the need for workers, the skills of workers, and the nature of work.

## *Performance Goals*

The performance measures and indicators related to this outcome goal evaluate the results of our employment and training services. That is, they address whether participants obtain employment, remain employed, and receive higher wages. These performance measures will allow a comparison of the results of WIA services with those of other Federal employment and training programs.

## *Performance Goals, Measures and Targets for Outcome Goal 1.1*

<b>Outcome Goal 1.1 Increase Employment, Earnings and Retention</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	
	Baseline	FY 2008 Target
<b>1.1.A Increase employment, retention and earnings of individuals registered under the Workforce Investment Act Consolidated Adult Program</b>		
Employment after program exit	Not available	TBD
Retention in employment after program exit	Not available	TBD
Earnings increase	Not available	TBD
Efficiency in achieving outcomes	TBD	TBD
The number of individuals who have disabilities who enter employment upon exiting the program	Baseline determined in FY 2004	TBD
The number of individuals who have Limited English Proficiency who enter employment upon exiting the program	Baseline determined in FY 2004	TBD
The number of individuals who are age 55 or older who enter employment upon exiting the program	Baseline determined in FY 2004	TBD
The number of individuals who are homeless who enter employment upon exiting the program	Baseline determined in FY 2004	TBD
The number of individuals who are migrant and seasonal farmworkers who enter employment upon exiting the program	Baseline determined in FY 2004	TBD

\*These performance indicators are the Administration's new common measures for federal job training and employment programs. They are also included in the Administration's proposal to reauthorize WIA. DOL will make interim adjustments to this plan in FY 2004 to provide the baseline performance data and FY 2008 targets.

**Outcome Goal 1.1  
Increase Employment, Earnings and Retention**

Performance Measures	Performance Targets	
	Baseline	FY 2008 Target
<b>1.1.B Strengthen the registered apprenticeship program to meet the training needs of business and workers in the 21<sup>st</sup> century</b>		
Number of apprentice graduates	Not available	TBD
Completers' average earnings	Not available	TBD
<b>1.1.C Increase the employment, retention and earnings replacement of workers dislocated in important part because of trade who receive trade adjustment assistance benefits</b>		
Employment after program exit	Not available	TBD
Retention in employment after program exit	Not available	TBD
Earnings increase	Not available	TBD
Efficiency in achieving outcomes	TBD	TBD
<b>1.1.D Improve the employment outcomes for veterans who receive One Stop Career Center services and veterans' program services</b>		
Veterans: Employment after program exit	Not Available	TBD
Veterans: Retention rate in employment after program exit	Not Available	TBD
Veterans: Earnings increase	Not Available	TBD
Veterans: Efficiency in achieving outcomes	TBD	TBD
Disabled veterans: Employment after program exit	Not Available	TBD
Disabled veterans: Retention rate in employment after program exit	Not Available	TBD
Homeless veterans (subpopulation): Employment after program exit	FY 2002: 54%	TBD
Homeless veterans: Retention in employment after program exit	Not Available	TBD

**Outcome Goal 1.1  
Increase Employment, Earnings and Retention**

Performance Measures	Performance Targets	
	Baseline	FY 2008 Target
Homeless veterans: Earnings increase	Not Available	TBD
Homeless veterans: Efficiency in achieving outcomes	TBD	TBD

\*These performance indicators are the Administration's new common measures for federal job training and employment programs. They are also included in the Administration's proposal to reauthorize WIA. DOL will make interim adjustments to this plan in FY 2004 to provide the baseline performance data and FY 2008 targets.

## Outcome Goal 1.2: Increase Opportunities for Youth Employment

The youth population is once again a growing segment of our population and significant demographic shifts in the composition of our youth population will mark the next 15 years. According to the Bureau of Labor Statistics, even though the median age of the workforce is rising, the percentage of workers between the ages of 16 and 24 is expected to grow more rapidly than the overall labor force for the first time in 25 years. Between 2000 and 2010, the youth labor force is projected to grow by 14.8 percent as compared to a projected growth of 12 percent for all ages 16 and over.

The majority of jobs will continue to require workers who have acquired knowledge and skills via two-year colleges, vocational training, moderate to long-term on-the-job training and real work experience. The result for those who do not obtain the education and skills that the workplace demands is clear.

High school drop-outs are three to four times more likely to be unemployed than college graduates. Since the 1980's, the real earnings of college graduates have increased 16 percent, while the real earnings of high school graduates fell 11 percent.

To make our programs more comprehensive and supportive of the needs of today's youth, we have adopted the following new principles to guide our programs:

- Ensuring that youth programs have a strong educational component,
- Bolstering opportunities for individuals with disabilities, minorities, and disadvantaged populations, and
- Equipping individuals with the information they need to develop the knowledge, skills, and abilities sought by the new economy.

To this end, DOL is giving even stronger consideration to its role in collaboration with other partners, consistent with the WIA's intent to broker and leverage funds from other sources to more adequately meet the needs of young people for job training and employment services.

### *Strategies for Outcome Goal 1.2*

**Focus on Out-of-School Youth.** To maximize the effectiveness of Workforce Investment Act funds for youth and to coordinate WIA programs with those of the Department of Education, the Department will propose that the reauthorized WIA program focus on out-of-school youth. In addition, under the proposal, funding would be targeted to geographic locations in need.

**Increase attainment of high school credentials.** DOL has added high school credential attainment goals to all of its youth programs. Working hand-in-hand with the Department of Education, DOL is expanding high school credential opportunities for youth by identifying and disseminating effective practices and providing assistance to areas with low performance, particularly through the Job Corps program. Job Corps' strategies focus on enhancing partnerships with educational institutions, exploring the use of varied media (such as e-learning and virtual high schools) to deliver training, and increasing teacher training and certification programs. DOL believes that youth must remain in or, in the case of dropouts, return to school to secure the education they need to enter and progress in the workforce.

**Enhance the mix and relevance of career offerings in youth training programs.** DOL is stepping up its efforts to obtain feedback that ensures all employment and training programs meet business' current and future needs. For example, Job Corps collaborates closely with businesses and communities to align training curricula with industry standards and identify potential career ladders in high-growth industries. This will result in higher earnings for young workers and longer-term employment and career opportunities through training in skills with wide and enduring market demand.

**Increase business and intergovernmental partnerships.** Building on existing partnerships with education, DOL is working with business, the Workforce Investment Boards, Job Corps' Industry Councils, and the American Council of Community Colleges to improve employment and training opportunities for youth by creating a more demand-based system that understands and addresses the needs of business.

### *External Factors*

**The Economy.** While downturns in the economy affect many Americans, youth, especially those without a diploma or good job skills, are especially vulnerable during periods of economic contraction.

### *Performance Goals*

The performance goals related to *Increase Opportunities for Youth Employment* include increasing the placement of youth in education and employment; increasing the attainment of a diploma, GED or certificate; and increasing the attainment of literacy and numeracy skills.

## *Performance Goals, Measures and Targets for Outcome Goal 1.2*

<b>Outcome Goal 1.2 Increase Opportunities for Youth Employment</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	
	Baseline	FY 2008 Target
<b>1.2.A Increase placements and educational attainments for youth served through the WIA youth program</b>		
Percent of youth entering employment, post-secondary education, occupational skills training or the military one quarter after program exit.	Not available	TBD
Percent of youth earning a diploma, GED or certificate.	Not available	TBD
Increase in the literacy and numeracy skills of participants.	Not available	TBD
Efficiency in achieving outcomes.	TBD	TBD
<b>1.2.B Improve educational achievements of Job Corps students, and increase participation of Job Corps graduates in employment and education</b>		
Percent of youth entering employment, post-secondary education, occupational skills training or the military one quarter after program exit.	Not available	TBD
Percent of youth earning a diploma, GED or certificate.	Not available	TBD
Increase in the literacy and numeracy skills of participants.	Not available	TBD
Efficiency in achieving outcomes.	TBD	TBD

\*These performance indicators are the Administration's new common measures for federal job training and employment programs. They are also included in the Administration's proposal to reauthorize WIA. DOL will make interim adjustments to this plan in FY 2004 to provide the baseline performance data and FY 2008 targets.

## Outcome Goal 1.3: Improve the Effectiveness of Information and Analysis on the U.S. Economy

Maintaining competitiveness in the 21st Century requires Americans to be knowledgeable about trends in the global, national, and local economies. Public officials, business owners, and private citizens need to have access to up-to-date, high-quality information and statistics to formulate public policy, negotiate a purchasing agreement, or decide what field to pursue as a career. In all of these cases, people need sound data to make sound decisions.

The Department plays a crucial role in public and private decision-making processes by producing statistics that are timely, accurate, and relevant. While the ultimate outcome of this work is to enable individuals to make better-informed decisions, the Department cannot influence or measure the quality of decisions directly. The focus of this goal, then, is on producing statistics and improving the quality of the economic data, not only in terms of statistical validity, but also in terms of geographic detail, industry detail, demographic detail, and subject matter. Using the strategies described below, the Department will identify the most promising types of improvements, ranging from changing a statistical methodology to expanding the geographical scope of a data series to designing an entirely new survey. In addition, the Department will identify ways to improve the accessibility and usability of the data through enhanced dissemination methods.

### *Strategies for Outcome Goal 1.3*

**Better inform the public.** Through a full range of dissemination media, the Department seeks to be responsive to customers' data needs. The Department will increase customer awareness and appropriate use of existing data products. The Department will continually gather feedback from the individuals and organizations that use our data. This feedback will be used to determine how the data or dissemination media could be changed to better serve the American public. In addition, the Department will continue meeting with business, labor, and academic advisory groups to learn about their needs and exchange ideas.

**Build value through innovation.** The Department will build upon its successes and will look for opportunities for innovation to improve the usefulness of its products to our customers. This will include analysis and evaluation of new economic survey methods, new technologies, and new survey design and collection approaches. The Department will sponsor research and evaluations by known experts to determine how best to improve the measures we produce. The use of this state-of-the-art survey development expertise will enable the Department to improve its capability for excellence.

**Continually assess program priorities.** The Department will create a consistent, systematic, and continuing management focus for statistical programs to produce outstanding taxpayer value to the American public. To enhance product value, the Department will evaluate statistical program priorities and resource allocations. To maximize statistical program and corporate capacity, the Department will ensure that financial resources will be expended efficiently and human resources will be utilized efficiently and developed effectively.

**Collaborate with other statistical agencies.** Through collaboration with our fellow statistical agencies, the Department will identify ways to perform our work more efficiently by improving communication, reducing duplication of efforts, and coordinating processes and methodologies. The Confidential Information Protection and Statistical Efficiency Act of 2002 provides for the

sharing of business data among the Bureau of Labor Statistics, Bureau of Economic Analysis, and Bureau of the Census. In addition, the Department will work with foreign statistical agencies and international organizations in efforts to enhance comparability of concepts and definitions.

**Address respondents' concerns and burden.** The Department relies on a large number of businesses and individuals who provide much sensitive information on a voluntary basis. The quality of the statistics the Department produces is closely linked to the quality of the relationship between the Department and these respondents. The Department will continue to reduce respondent burden through ensuring that there is no duplication of data collection efforts and will ensure that respondents have a wide array of reporting mechanisms, including state-of-the-art technology tools. Finally, the Department will work diligently to maintain the trust of these respondents by actively soliciting their feedback and addressing their concerns.

## *External Factors*

**The Economy.** Economic change translates directly into new demands for data. Addressing customers' needs within a limited budget may affect the Department's ability to implement the improvements required to address these needs.

**Recommendations from special commissions.** Periodically, special commissions raise both long- and short-term issues related to government statistics. The Department may be required to address the issues raised, which may involve shifting resources from other planned improvement projects.

**Voluntary reporting.** As mentioned earlier, the Department solicits large numbers of firms and individuals to collect information for its surveys, and these respondents have been remarkably generous. Increasing data demands could adversely affect our respondents' willingness to cooperate. The Department will continue to strive to maintain the high levels of our response rates.

**Competitive labor market.** The Department must be able to hire and retain highly qualified staff. Coupled with this requirement is the need to develop and train staff to meet the challenges of reengineered work processes and rapidly changing technology.

## *Performance Goals*

The performance measures for this outcome goal highlight the accomplishments of the programs. More specifically, the Department's statistical programs produce detailed information about the labor force, prices, compensation, and productivity that individuals, corporations, and public policy makers rely upon. A desirable outcome for a major statistical agency is the ability to aid its customers in both the public and private sectors to make better-informed decisions.

The OMB-sponsored *Interagency Council on Statistical Policy's Guidelines for Reporting Performance by Statistical Agencies* provides guidance on measuring and reporting on statistical program performance. Timeliness and accuracy are identified as critical aspects of performance as is achieving customer satisfaction with statistical products and services. Statistical programs need to be improved as shown through setting ambitious targets for relevancy and accuracy measures. All of these efforts support and track progress in improving information available to decision-makers.

## Performance Goals, Measures and Targets for Outcome Goal 1.3

<b>Outcome Goal 1.3</b>						
<b>Improve the Effectiveness of Information and Analysis on the U.S. Economy</b>						
Performance Measures	Performance Targets					
<b>Improve information available to decision-makers on labor market conditions, and price and productivity changes</b>	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
<p>Improve relevancy</p> <p>Improve data relevance by reflecting changes in the economy, as measured by the number of series (e.g., Current Employment Statistics, Employment Cost Index, etc.) converted to the North American Industry Classification System (12 series in total) [2002 baseline = 1 series]</p>	4	8	9	12		
<p>Improve accuracy</p> <p><i>Coverage:</i></p> <p>Improve coverage by increasing the percent of domestic output of in-scope services included in the Producer Price Index (PPI) [2000 baseline = 44.4%]</p> <p>Improve coverage by increasing the percent of in-scope industries in the labor productivity measures [2000 baseline = 52.9%]</p> <p><i>Response:</i></p> <p>Improve the response to the Employment Cost Index [2002 baseline = 74%]</p>	54.0%	59.1%	75.7%	76.0%	76.5%	76.8%
	60.9%	61.4%	61.7%	61.7% 1/	61.7% 1/	61.7% 1/
	76%	78%	78%	78%	78%	78%
<p>Enhance information technology</p> <p>Lessen the likelihood of major systems failures that could affect the PPI's ability to release data on time, as measured by the percent of the components of the new repricing system completed [2002 baseline = 2%]</p>	10%	33%	66%	100%		
<p>Enhance efficiency and effectiveness</p> <p>Improve the efficiency of the Employee Benefits Survey by accelerating the timeliness of benefit incidence data by 19 months without increasing production costs [2002 baseline = 24 months]</p>			5			

**Outcome Goal 1.3**  
**Improve the Effectiveness of Information and Analysis on the U.S. Economy**

Performance Measures	Performance Targets					
Raise customer satisfaction with BLS products and services (e.g., the American Customer Satisfaction Index) [2001 baseline = 74%]	≥75%	≥75%	≥75%	≥76%	≥76%	≥76%
Deliver economic data on time (Percent of scheduled releases issued on time.) [2000 baseline = 99%]	100%	100%	100%	100%	100%	100%
Percent of accuracy measures met (e.g., revision, response rates, etc.) [2000 baseline = 94%]	98%	100%	100%	100%	100%	100%

1/ The program will conduct research on expansion possibilities and expects to expand coverage in these years.

## ***Strategic Goal 2 — A Secure Workforce***

### ***Promote the Economic Security of Workers and Families***

#### ***Introduction***

The Department is committed to achieving the highest level of protection for our workforce, including:

- Protecting workers' wages and working conditions;
- Providing unemployment compensation and other benefits when workers are unable to work; and,
- Expanding, enhancing, and protecting workers' retirement plans, health care plans, and other benefits.

While our commitment to worker protection is steadfast, our approach is expanding to provide extensive compliance assistance in helping employers comply with our regulations. Compliance assistance, along with targeted enforcement, will help prevent violations, leverage our resources, and position the Department to deal with 21<sup>st</sup> Century challenges.

#### ***21st Century Challenges***

Emerging workforce trends present a variety of challenges to the Department's goal of creating economic security for workers and their families. Protecting vulnerable populations, and protecting and expanding pension and health care coverage will continue to be key issues during the planning horizon. These structural changes are not expected to remove or lessen workers' risk of experiencing unemployment in our dynamic market economy. The unemployment insurance system must therefore continue to adapt to the changing character of the workforce, the job market, and the nature of unemployment itself.

In the new century, our Nation is expected to have an older and more highly educated workforce, increasing our reliance on foreign workers to fill employment needs in lower-skilled, low-wage occupations. In addition, we expect increased use of temporary employees and "sub-contracting" arrangements by employers.

These populations of workers are more vulnerable to exploitation, and protecting these workers will continue to be a key focus of our efforts. In certain industries, violations of labor standards governing wages and working conditions are more often egregious and complaints less common. Employers in many labor-intensive industries, such as agriculture, garment, health care, guard and janitorial services, restaurants, hotels/motels and day-haul, have at times skimmed on wages and benefits, while their workers — including many legal and undocumented immigrants — are less likely than other types of workers to complain.

The ability of workers to achieve retirement and health care security is also becoming more difficult. Once it was common for employees to be covered by defined benefit pension plans, which provided a specified lifetime income upon retirement. Today, many workers instead participate in defined contribution plans — pre-tax individual savings accounts such as 401(k)'s. Thus, where once many workers could look forward to a secure lifetime pension after

retirement, workers now must take on more responsibility for retirement savings and planning, including making investment decisions and managing investment risks. Therefore, it is important that workers are:

- Given the freedom to choose where they invest their retirement savings;
- Allowed to diversify their investments in their retirement plans; and
- Provided access to investment advice and information about their retirement plans.

Access to retirement and health plans is also an issue. Small businesses have become an ever more vital component of job creation, yet they lag significantly behind larger businesses in offering retirement and health plans. Women and minorities are also less likely to be covered by such plans.

In addition, both employers and employees are burdened with rising health care costs, and large numbers of workers with private sector health benefits are enrolled in managed care type health care and in plans with some component of self-insurance. Common financial arrangements, gate-keeping and incentives that characterize agreements between managed care plan sponsors and medical service providers complicate benefit standards compliance issues.

The international security climate is presenting the Department with unique circumstances in providing Federal workers' compensation assistance. Terrorist attacks, including the bombings of the Oklahoma City Federal Building and East Africa embassies, attacks on the World Trade Center and Pentagon, and the anthrax events illustrate the potential new threats to Federal workers. These events quickly produced large numbers of new claims and challenged the Department to respond rapidly to provide claims assistance and speed benefits delivery. The potential for greater security threats on American facilities will require significant planning and investment of resources so that the Department is capable of responding rapidly to emergencies and maintaining high standards of care for injured Federal employees.

The profile of workplace injuries has changed along with the changing economy, requiring new disability management and vocational rehabilitation approaches. In the Federal sector, the number of Federal jobs available to recovering injured workers is declining and the average age of Federal workers is rising. The modern workplace is demanding that workers retrain and upgrade skills. These factors make assisting return-to-work and reducing disability time loss in workers' compensation cases a greater challenge for the Department.

The Department's strategic goal of *A Secure Workforce* consists of two outcome goals to *Increase Compliance With Worker Protection Laws* — focusing on safeguarding employees' wages, working conditions, and union democracy and financial integrity, and to *Protect Worker Benefits* — dealing with relief in the form of unemployment, disability, and pension and health care insurance benefits.

Agencies supporting this strategic goal are the Employment and Training Administration, the Employment Standards Administration, the Employee Benefits Security Administration, and the Pension Benefits Guaranty Corporation.

## *OUTCOME GOALS*

The outcome goals supporting *A Secure Workforce* are:

Outcome Goal 2.1

*Increase compliance with worker protection laws*

Outcome Goal 2.2

*Protect worker benefits*

To be successful, DOL must ensure that its goals and strategies adjust to changing economic conditions and an increasingly dynamic and complex workforce. For both outcome goals, the Department's strategy for FY 2003-2008 will include greater compliance assistance, better use of technology and targeting of enforcement efforts. Additional information about these two outcome goals, including implementation strategies and associated performance measures, is presented on the following pages.

## Outcome Goal 2.1: Increase Compliance with Worker Protection Laws

The Department is committed to guaranteeing “an honest day's pay for an honest day's work” for employees — particularly the most economically disadvantaged and vulnerable workers. This includes administration of the Fair Labor Standards Act (FLSA), which establishes minimum wage, overtime pay, recordkeeping, and child labor standards affecting full-time and part-time workers. This also includes administration of the Migrant and Seasonal Agricultural Worker Protection Act (MSPA), which regulates the hiring and employment activities of agricultural employers, farm labor contractors, and associations using migrant and seasonal agricultural workers. Through its administration and enforcement of the Labor-Management Reporting and Disclosure Act (LMRDA), the Department safeguards union democracy and financial integrity and the transparency of union operations.

### *Strategies for Outcome Goal 2.1*

**Protect workers through compliance assistance.** The Department will develop and support cross-cutting activities pertaining to coordinated compliance assistance so that the regulated community of employers and labor unions understand their responsibilities under various worker protection laws. Compliance assistance is preventative in nature — it aims at intervening before harm is done, rather than solely enforcing the law afterward. It complements the Department’s vigorous enforcement of its laws. The Department will continuously monitor and evaluate the efficacy of the compliance assistance it provides, and focus on “best practices” most useful to the regulated community.

**Create more knowledgeable employees through outreach and education.** The Department will further develop its aggressive outreach and education program to create a knowledgeable employee who may assist in “policing” his or her own rights. This will include working with religious groups such as the Galveston-Houston Diocese and the National Interfaith Committee for Worker Justice.

**Target enforcement efforts.** The Department will target and investigate situations in which employees and participants are most susceptible to actual loss of benefits. DOL will pursue litigation to remove bad actors and to make financial recoveries on behalf of employees. The Department will also work to ensure basic standards of democracy and fiscal responsibility in labor organizations representing American workers.

### *Performance Goals*

The performance goals associated with this outcome goal are: *American workplaces legally employ and compensate workers* and *Advance safeguards for union financial integrity and democracy*. DOL’s success in achieving these goals is measured by the following indicators:

- Improving customer service by decreasing time to conclude a complaint;
- Reducing employer recidivism;
- Improving compliance with minimum wage, child labor and overtime pay standards in industries with the most long-standing and egregious violations;
- Ensuring timely and accurate prevailing wage determinations; and

- Increasing the number of unions without fraud and increasing compliance with standards of union acceptability for union public disclosure reports.

Details of these indicators, including baseline and targets, appear in tables that begin on the next page.

*Performance Goals, Measures and Targets for Outcome Goal 2.1*

Outcome Goal 2.1 Increase Compliance with Worker Protection Laws		
Performance Measures	Performance Targets	
	Baseline	FY 2008 Target
<b>2.1.A American workplaces legally employ and compensate workers</b>		
<p><b>Covered American workplaces legally, fairly, and safely employ and compensate their workers by:</b></p> <p><u>Improve customer service:</u> Improving customer service by decreasing the average number of days to conclude a complaint.</p> <p><u>Reduce employer recidivism:</u> Increasing the percent of prior violators who achieved and maintained Fair Labor Standards Act (FLSA) compliance following a full FLSA investigation.</p> <p><u>Increase compliance in industries with chronic violations.</u> As indicated in the garment manufacturing industry by:</p> <ul style="list-style-type: none"> <li>• Increasing the percentage of all production employees paid in compliance with FLSA.</li> <li>• Decreasing by 5 percent the average minimum wage and overtime back wages owed in all shops per worker per week.</li> <li>• Increasing employers' compliance in the garment industry for: New York: Southern California:</li> </ul> <p>As indicated in the health care industry by:</p> <ul style="list-style-type: none"> <li>• Increasing the percentage of employees paid and employed in compliance with the FLSA.</li> </ul>	<p>FY 2002: 129 days</p> <p>Establish baseline in FY 2003</p> <p>FY 2002: 60%</p> <p>FY 2002: \$8.38</p> <p>FY 2002: 52% FY 2002: 33%</p> <p>FY 2002: 88%</p>	<p>122 days</p> <p>66%</p> <p>70%</p> <p>\$7.86</p> <p>55% 45%</p> <p>90%</p>

**Outcome Goal 2.1  
Increase Compliance with Worker Protection Laws**

Performance Measures	Performance Targets	
	Baseline	FY 2008 Target
<ul style="list-style-type: none"> <li>Increasing the percentage of employers that are in compliance with the FLSA.</li> </ul> <p>As indicated in the agricultural commodities by:</p> <ul style="list-style-type: none"> <li>Increasing the percentage of covered employees that are employed and paid in compliance with the disclosure, wages, housing, and transportation provisions of the Migrant and Seasonal Agricultural Worker Protection Act (MSPA), FLSA, and OSHA field sanitation standard.</li> <li>Increasing the percentage of agricultural employers that are in compliance with the disclosure, wages, housing and transportation provisions of MSPA, FLSA, and OSHA field sanitation standard.</li> </ul> <p><u>Improve prevailing wage determinations</u> Ensuring timely and accurate prevailing wage determinations by:</p> <ul style="list-style-type: none"> <li>Decreasing the average age of Davis-Bacon wage rates.</li> <li>Substantially updating each standard Service Contract Act wage determination annually.</li> <li>By substantially updating each standard SCA wage determination annually.</li> </ul>	<p>FY 2002: 51%</p> <p>Establish baseline in FY 2005</p> <p>Establish baseline in FY 2005</p> <p>Establish in FY 2003</p> <p>100%</p> <p>FY 2002: 100%</p>	<p>75%</p> <p>85%</p> <p>75%</p> <p>3 years or less</p> <p>100%</p> <p>100%</p>
<b>2.1.B Advance safeguards for union financial integrity and democracy</b>		
<p>Ensure union financial integrity, democracy, and union transparency by:</p> <ul style="list-style-type: none"> <li>Increasing the number of unions without fraud.</li> <li>Increasing the percentage of union reports meeting OLMS standards of acceptability for disclosure to union members.</li> </ul>	<p>FY 2004: TBD</p> <p>FY 2002: 73%</p>	<p>TBD</p> <p>TBD</p>

## Outcome Goal 2.2 — Protect Worker Benefits

Protecting workers' benefits is a key component of the Department's goal to promote the economic security of workers and their families. Our strategies will need to address a number of new issues affecting unemployment, foreign labor, and employee benefits. For example, over the next five years, the Administration projects that unemployment will decline from 5.7 percent in FY 2002 to 5.1 percent by FY 2007, potentially resulting in an overall reduction in unemployment claims. However, a smaller proportion of these claims are expected to be as a result of layoffs, and therefore claims will be more likely to contain more eligibility issues and errors.

If the economy is slow to emerge from recession and financial investments continue to seriously under-perform, more trusteed pension plans may come under the administration of the Pension Benefit Guaranty Corporation over the next five years. In addition, the transition of more Americans to 401(k) and changes in health care plans will place more of the burden for retirement savings and health care on employees. Finally, the workers' compensation programs administered by DOL face the same challenge as the Nation — increasingly aging populations and rising health care costs — and these programs will therefore face a continued need for better medical case management.

### *Strategies for Outcome Goal 2.2*

***Provide oversight and assistance to States.*** To improve the timeliness of unemployment insurance payments, the Department will continually monitor State performance and ensure those that fall below minimum criteria establish corrective action plans. We will also promote continuous improvement in performance by providing technical assistance and training and arranging multi-state conferences to share best practices. The Department is considering a reform initiative that would give states control over their administrative funding and promote job growth by reducing proposed federal unemployment taxes and simplifying filing for employers.

***Improve information access and analysis.*** The Department will promote the accuracy and integrity of unemployment insurance payments by fostering States' use of and access to tools such as the on-line Social Security data interchange; by conducting and sharing analyses of approaches to identify and prevent or recover overpayments; and by sharing information on States' best practices.

***Create more knowledgeable consumers through outreach and education.*** The Department will conduct educational campaigns to raise public awareness about where to seek assistance about employee rights and employer responsibilities; educate workers and their employers about workers' compensation, pension plans, and health plans — including managed care plans — and provide individual technical assistance to workers who have questions about their health, pension, or workers' compensation benefits or need assistance in obtaining those benefits.

***Streamline processing.*** To provide timely benefits for persons on workers' compensation and workers whose pension plans fail, the Department will work to streamline claims and payments processing. The Department will continue to help States to develop and implement telephone claims procedures to ensure unemployment insurance claimants can obtain benefits quickly and conveniently.

***Assist return to work through better coordination of medical treatment.*** The Department will take a number of steps to improve its coordination of medical treatment for Federal employees who suffer work related injuries or illnesses, including the continued implementation of the quality case management program in which new injury cases receive early intervention, providing better medical care, communicating more effectively with medical providers, and screening cases for appropriateness of medical and pharmacological treatment.

### ***External Factors***

***Economic conditions.*** The macro-economy profoundly affects rates of return for pensions and retirement plans, the costs to both employers and employees for employment benefits such as health care, and unemployment rates. Continued low interest rates and poor performance in the equity markets may negatively affect pension plans, increasing the risk of insolvency; continued medical cost shifting and inflation may impact on the availability of care for injured workers.

### ***Performance Goals***

Performance goals associated with this outcome goal are *Minimize impact of work-related injuries, Enhance pension and benefit security, and make Accurate and timely payments to unemployed workers and pension plan beneficiaries.* Our progress in achieving these goals will be measured by:

- Rate at which unemployed persons re-enter the workforce
- Per-employee lost production days
- Workers' compensation service quality and costs
- Pension plan enforcement ratios and participant satisfaction index
- Percent of claims, determinations, appeals and (accurate) payments processed on time.

Detailed descriptions of these measures and their associated baselines and targets appear in tables on the pages that follow.

## *Performance Goals, Measures and Targets for Outcome Goal 2.2*

<b>Outcome Goal 2.2 Protect Worker Benefits</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	
	Baseline	FY 2008 Target
<b>2.2.A Make timely and accurate benefit payments to unemployed workers, and facilitate their reemployment</b>		
Timely Benefit Payments to UI Claimants — The percentage of intrastate first payments made within 14/21 days.	FY 2001: 89.1%	89.9%
Detect Overpayments — Establish for recovery a percent of the amount of estimated overpayments that States can detect and recover.	FY 2002: 57.9%	59%
Facilitate the Reemployment of UI Claimants — The reemployment rate of UI claimants will be ___ percent. (Target to be established after completion of baseline.)	Being developed	TBD
Establish Tax Accounts Promptly - Percent of new employer liability determinations made within 90 days of the end of the first quarter in which liability occurred.	FY 2002: 80%	82.4%
<b>2.2.B Minimize impact of work related injuries</b>		
For FECA cases of the United States Postal Service, reduce the lost production days rate (LPD per 100 employees).	FY 2002: 131 days	123 days
For FECA cases of All Other Government Agencies, reduce the lost production days rate (LPD per 100 employees).	FY 2002: 53.8 days	49.5 days
Increase FECA vocational Rehabilitation placements with new employers. (Focus on injured USPS employees for FY 2003 & 2004).	FY 2002: 204	306
Through use of the Periodic Roll Management, produce \$100 million in cumulative (FY 2003-2008) first-year savings in the FECA program.	NA	+\$100m
The trend in the indexed cost per case of FECA cases receiving medical treatment will remain below the comparable measure for nationwide health care costs.	Milliman U.S.A. Health Costs Index	Remain below U.S. trend
Improve FECA customer services in key communications performance areas.	Establish in FY 2003	Meet 100% of 5 targets

**Outcome Goal 2.2  
Protect Worker Benefits**

Performance Measures	Performance Targets	
	Baseline	FY 2008 Target
Reduce the average time required to resolve disputed issues in Longshore and Harbor Worker's compensation Program contested cases.	FY 2002: 285	250
Increase the percentage of Black Lung benefit claims where there are no requests for further action from any party pending one year after receipt of the claim.	FY 2002: 66.5%	76.5%
Increase the percentage of Initial Claims for benefits in the Energy Program that are processed within standard timeframes.	FY 2002: 75%	85%
Increase the percentage of Final Decisions in the Energy Program that are processed within standard timeframes.	FY 2002: 75%	85%
<b>2.2.C Secure pension, health and welfare benefits</b>		
<u>Enforcement:</u> Achieve greater than 50% ratio of closed civil cases with corrected violations to civil cases closed.	FY 2002: 50%	50%
Achieve greater than 25% ratio of criminal cases referred for prosecution to total criminal cases.	FY 2002: 25%	50%
<u>Participant Assistance:</u> Achieve a Customer Satisfaction Index of 75 or comparable measure by FY 2008 for Participants and Beneficiaries who have contacted EBSA for assistance.	FY 2002: 56	75
<b>2.2.D Improve pension payment processing</b>		
<u>Pension Practitioner Service:</u> Achieve a Customer Satisfaction Index of 80 by FY 2008 for sponsors of covered pension plans who have contacted PBGC for assistance.	FY 2002: 69	78
<u>Participant Service:</u> Achieve a Customer Satisfaction Index of 80 by FY 2008 for participants in trusted plans who have contacted PBGC for assistance.	FY 2001: 73	80

## ***Strategic Goal 3 — Quality Workplaces***

### ***Foster Quality Workplaces That Are Safe, Healthy and Fair***

#### ***Introduction***

All American workers are entitled to safe, healthy, and fair workplace environments. This *Quality Workplaces* goal commits DOL to promoting work sites where safety and health hazards are minimized and where equal opportunities and fairness to working people are fostered.

#### ***21<sup>st</sup> Century Challenges***

Significant progress has been made in protecting workers from occupational safety and health threats. In the past thirty years, workplace fatalities have been cut in half and occupational injury and illness rates have declined forty percent. However, the Department continues to confront a variety of challenges. The number of workers DOL is responsible for protecting has expanded dramatically, nearly doubling during this period, from 56 million workers at 3.5 million worksites to 111 million workers at 7 million sites. Rapid technological advances and dynamic workplace environments have changed the nature of work, leading to new health and safety issues. For example, the increase in service sector work and some automated processes have resulted in new body stressors and injuries, such as carpal tunnel wrist injuries. The Department's strategies have not traditionally addressed these segments of the workforce. Changes in workplace demographics create an increasing challenge to work place safety and health — the increase of non-English speakers, a growing percentage of young workers, those continuing to work at an older age, and the rapidly increasing number of temporary workers.

The mining environment, whether underground or surface, is complex and ever-changing. Unseen geologic instabilities, constantly changing terrain, and the prevalence of large and complex haulage and mining equipment are a few of the factors that make maintaining mine safety a continuing challenge.

Equality and fair play are central values in our national life. While minorities and women have made great strides in achieving equality in the American workplace, there is room for improvement. DOL promotes these values through its administration of anti-discrimination and equal employment opportunity regulations for Federal contractors and subcontractors, who employ more than 20 percent of the labor force in America or approximately 26 million workers. The strategic challenge for DOL is to ensure that equal employment and non-discrimination procedures and policies are widely disseminated, clearly communicated, and as adaptable as possible to reflect and accommodate the fluid economic realities facing Federal contractor industries.

Improving the safety and health of the American workplace must come from a partnership of worker, employer, and government. Each entity has a responsibility to seek out and share the best methods and practices as the conditions and demands of an evolving economy warrant. As the government strives to bring a greater percentage of its work into the private sector, there is the concurrent need to ensure that the values of equal opportunity workplaces follow suit.

Each of these *Quality Workplaces* goal elements are further defined with results targets in two broad outcome goals — *Reducing workplace injuries, illnesses, and fatalities* and *Fostering equal opportunity workplaces*.

Agencies supporting this strategic goal are the Occupational Safety and Health Administration, the Mine Safety and Health Administration, the Employment Standards Administration, and the Veterans' Employment and Training Service.

## ***OUTCOME GOALS***

The two outcome goals supporting *Quality Workplaces* are:

### Outcome Goal 3-1

*Reduce workplace injuries, illnesses, and fatalities*

### Outcome Goal 3-2

*Foster equal opportunity workplaces*

Additional information about these three outcome goals, including implementation strategies and associated performance measures, is presented on the following pages.

## Outcome Goal 3.1: Reduce Workplace Injuries, Illnesses, and Fatalities

The Department strives to make American workplaces the safest in the world. Over the last 30 years, we have made remarkable strides in achieving this goal as evidenced by:

- The virtual elimination of brown lung disease in the textile industry;
- A 35 percent reduction in trenching and excavation fatalities; and,
- A drop in mining fatalities from 242 in calendar year 1978 to 67 in 2002.

Over the last several years, the Department has sought to create a commitment to workplace safety and health by both employers and workers. We are encouraged by the progress that they have made in reducing workplace injuries and illnesses. Nevertheless, significant hazards and unsafe conditions exist in the workplace, resulting in the following statistics:

- Fifty-five hundred Americans die in work-related injuries each year (Source: BLS, 2003),
- Fifty thousand workers die in illnesses caused by workplace hazards (Source: NIOSH, 2003); and,
- Five million workplace injuries and illnesses were suffered in 2001 (Source: BLS, 2002).

The direct and indirect costs of occupational injuries and illnesses are estimated to be \$171 billion annually. (Source: NIOSH, 2003)

The Department will reach and maintain a healthy balance among enforcement, education and training, which includes compliance assistance and technical support, while improving our leadership role in the national safety and health dialogue, expanding outreach, and expanding opportunities for voluntary and cooperative programs. We will work to ensure that employers have access to DOL resources to assist them in preventing workplace injuries and illnesses. DOL plans to identify the most critical safety and health problems and create strategies to address them.

### *Strategies for Outcome Goal 3.1*

**Strong, effective and fair enforcement.** The Department's efforts to protect workers' safety and health are built on the foundation of a strong, fair, and effective enforcement program. While the Department seeks to assist the majority of employers who want to do the right thing, it will pursue those who create serious hazardous conditions. DOL will review its targeting processes to ensure that they identify the most hazardous conditions and make the best use of inspection resources. Laws mandating inspections will continue to be enforced, but enforcement will be better focused and complemented by more compliance assistance and continued worker involvement during the inspection process. Furthermore, DOL will be working to enhance the skills of our frontline safety and health officers to ensure that they have the skills, training and expertise to do their jobs — which is critical for truly effective targeting of enforcement resources.

**Expand outreach, education, and compliance assistance efforts.** DOL strives to prevent injuries before they occur by improving its outreach efforts, producing educational materials that are easy to use, and by using other tools that will help employers provide safe and healthful

workplaces. DOL will improve its technology-based training, provide compliance assistance training for our front-line staff, and develop more computer-based compliance assistance tools.

Standards and enforcement form the foundation of DOL's efforts to improve workplace safety and health — but DOL is also looking for alternative means of reducing fatalities, injuries and illnesses. DOL also plans to focus on the special needs of Hispanic workers, temporary workers and youth workers. To improve mine safety, MSHA will expand existing outreach efforts in the mining community shifting the emphasis of programs from after-the-fact enforcement to compliance assistance and prevention. Focusing attention on root causes of persistent safety problems and helping mine workers and operators address these problems by working proactively, the Department will have a greater impact on worker safety and health. The Department will incorporate the use of technology and e-learning tools in the development of training materials, models and courses including use of the Internet, digital video disks, and advanced distributed learning.

***Encourage partnerships and voluntary programs.*** DOL will encourage and improve partnerships and voluntary programs. For example, OSHA's Voluntary Protection Program (VPP) continues to be an effective way of using voluntary programs to pursue injury and illness reductions. VPP is effective across a broad array of industries — in businesses of all sizes — showing the value that good safety and health adds to business. As the Department expands VPP, it is also going to expand strategic partnerships. In the strategic partnership relationship, OSHA enters into extended, cooperative relationships with employers, employees and employee representatives.

DOL has also created a new form of partnership — alliances. Alliances focus on leveraging resources on one or more elements such as training and education, outreach and communication or promoting the value of safety and health. Many businesses have exemplary safety programs and have implemented effective safety management systems and training initiatives that can and should be shared. The Department will be working through alliances to further spread information on best practices.

The Department also plans to coordinate more closely with the National Safety Council, the American Society of Safety Engineers, the American Industrial Hygiene Association, and the International Society of Mine Safety Professionals. The Department will also enter into extended, voluntary, cooperative relationship with groups of employers, employees, and employee representatives to encourage, assist, and recognize their efforts to eliminate serious hazards and achieve a high level of worker safety and health.

Safety and health professionals and many business leaders agree that strict enforcement of safety and health regulations alone will not always achieve safer and healthier work sites. These professionals also know that safety and health management programs and initiatives that bring about cultural changes that involve worker participation in safety and health programs can make a difference. DOL will recognize these methods to provide an atmosphere that fosters a culture of excellence in health and safety through its VPP, strategic partnerships, and alliances as well as through its onsite consultation program.

## ***External Factors***

***General economic conditions.*** Economic changes influence working conditions and can impact injuries, illnesses, and workplace fatalities. For example, favorable business climates

spur companies to increase production. This can be accomplished by hiring additional workers, requiring existing workers to work longer hours, speeding up production lines, or experimenting with newer, unproven technologies — situations that can tend to create an environment more conducive to accidents and exposures. Conversely, during a constricting economy, firms tend to dismiss newer, younger workers, who, according to the Bureau of Labor Statistics, have higher injury rates, and to retain older, more experienced workers who tend to be more safety conscious.

Workers face a broad range of emerging health and safety issues, such as the manufacturing and packaging of pharmaceutical and hormonal compounds and herbal medicines, working with man-made vitreous fibers, such as fiberglass, and fall hazards from installing wireless communications towers. At the same time, the products of work are increasingly services rather than goods. Fewer workers are employed in large fixed industries. More are employed in small firms and temporary jobs, and more are working from home. More work is now contracted, outsourced and part time.

### *Performance Goals*

The performance goals related to this outcome goal directly measure reductions in workplace injuries, illnesses and fatalities, across general industries and specifically within mining. Exposures to health hazards, such as noise and respirable dust, are also measured in the mining industry.

## *Performance Goals, Measures and Targets for Outcome Goal 3.1*

<b>Outcome Goal 3.1</b>		
<b>Reduce workplace injuries, illnesses, and fatalities</b>		
Performance Measures	Performance Targets	
	Baseline	FY 2008 Target
<b>3.1.A Reduce work-related fatalities</b>		
Reduce the rate of workplace fatalities by 15 percent by 2008 (for sectors covered by the Occupational Safety and Health Act).	1.7 fatalities per 100,000 workers (2000-2002 average)	1.5 fatalities per 100,000 workers
Reduce the mine industry fatal incidence rate by 15 percent from the baseline by the end of FY 2008.	FY 2003: .0226*	.0192
* FY 2003 baseline, as of 3rd quarter, will be adjusted when all data is available.		
<b>3.1.B Reduce work-related injuries and illnesses</b>		
Reduce the rate of workplace injuries and illness by 20 percent by 2008 (for sectors covered by the Occupational Safety and Health Act).	TBD (BLS 2002 data available Dec. 2003)	Reduce by 20%
Reduce the mine industry all-injury incidence rate by 50 percent from the baseline by the end of FY 2008.	FY 2000: 5.07	2.54
In the mine industry, reduce the percentage of respirable coal dust samples exceeding the applicable standards by 5 percent per year for designated occupations; reduce the percentage of silica dust samples in metal and nonmetal mines exceeding the applicable standards by 5 percent per year for high-risk occupations; and, reduce the percentage of noise exposures above the citation level in all mines by 5 percent.	FY 2002 Coal dust: 15.0% Silica dust: 9.0% FY 2000 & FY 2001 Noise: 9.3%	10.5% 6.3% 6.1%

## Outcome Goal 3.2: Foster Equal Opportunity Workplaces

DOL is committed to fostering workplaces that are free of discrimination and that guarantee equal opportunities and fairness to working Americans. The Department monitors federal contractors compliance with applicable laws and executive orders, and assures that minorities, women, individuals with disabilities, and eligible veterans are afforded an equal opportunity to compete for employment and advancement. To achieve equal opportunity workplaces the Department has developed goals that emphasize the use of compliance assistance as a component of its enforcement strategy for informing Federal contractors of their obligations and in helping Federal contractors comply with those requirements.

The Department also protects the civilian employment rights and opportunities of members and veterans of our military services.

### *Strategies for Outcome Goal 3.2*

**Improve compliance assistance.** DOL will continue to disseminate model employer recruitment practices and will assist contractors in identifying resources for recruiting qualified individuals with disabilities, eligible veterans, women, and minorities. The effectiveness of the various components of existing compliance assistance materials will be evaluated, and changes to compliance assistance materials will be made as required to increase effectiveness or to reflect special needs or issues for an industry.

**Develop and enhance partnerships with private and public entities.** DOL will work with employers and trade associations to offer compliance assistance and to develop compliance assistance materials geared towards their particular industries and needs. DOL will continue promotion of industry best practices in equal employment opportunity and anti-discrimination programs. This compliance assistance is intended to increase the knowledge and skill level of staff, particularly front-line staff, as they provide job training and employment services to America's job seekers.

**Minimize the disadvantages to civilian employment that can result from uniformed service.** DOL continues to train and develop the expertise of its staff in handling Uniformed Services Employment and Reemployment Rights Act (USERRA) and Veterans' Preference cases. DOL utilizes compliance assistance as the first line approach to ensure that rights are protected, by minimizing misunderstandings that result in complaints. VETS continues to refine its educational tools (such as the fact-based internet "elaws" system) for both employers and service members. DOL staff also provide briefings to military units, and technical assistance and information is actively shared with such groups as the Department of Defense's Employers Support of the Guard and Reserve.

### *External Factors*

**Global personnel management.** It has been well documented that the growth of the internet and increased networking capabilities have encouraged American businesses to move away from traditional "brick and mortar" organizational structures to operations with lines of authority stretching across the globe and structures based strictly on function, regardless of geographic location. Traditional methods of tracking, analyzing, and reporting on employer personnel practices might not fit these business models and may need to be adjusted to adapt to the new environment.

**Competitive labor market.** In America's free marketplace the decisions and actions relating to changing civil rights laws and changing conditions of the labor market are key external factors. With structural changes to the Nation's economy, America's workforce is directly impacted. When the pool of unemployed job seekers rises, the competition for employment becomes even more challenging, especially for persons with disabilities and veterans with military obligations, among others.

### *Performance Goals*

The performance goals related to this outcome goal measure improvements in reducing discrimination among federal contractors and reducing the disadvantages that may be faced by military personnel in the civilian workforce. Achieving these goals will help assure that all of America's workers have equal opportunities to compete for and achieve rewarding employment free of discrimination.

### *Performance Goals, Measures and Targets for Outcome Goal 3.2*

<b>Outcome Goal 3.2 Foster equal opportunity workplaces</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	
	Baseline	FY 2008 Target
<b>3.2.A Federal contractors achieve equal opportunity workplaces</b>		
Reduce the incidence of discrimination among Federal contractors	FY 2001: 12.5%	TBD*
Increase compliance among Federal contractors in all other aspects of equal opportunity workplace standards	FY 2001: 57%	65%
<b>3.2.B Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment</b>		
Conduct at least 95% of USERRA cases in an effective manner as defined by procedural guidelines and by substantive analysis.	TBD (FY 2004)	TBD
Resolve 85% of USERRA cases within 90 days of their filing dates, 90% within 120 days and 98% within one year.	TBD (FY 2004)	TBD

\* The Department is exploring ways to improve its selection and investigative techniques to improve efficiency in identifying non-compliant contractors. The improved selection and investigative processes will have a significant impact on compliance findings, and may actually result in a temporary increase in discrimination findings which would then be expected to decline in later years. DOL will gather performance data to better determine appropriate targets for FY 2004—FY 2008.

## ***Strategic Goal 4 — A Competitive Workforce Maintain Competitiveness in the 21<sup>st</sup> Century***

### ***Introduction***

Our country's future economic development and ability to be competitive in a global economy depend on the competitiveness of our workforce. To succeed, our policies must embrace the emerging changes in our economy — in how we actually work, where we work, what skills we need, and how we balance our professional and family lives.

As the 21<sup>st</sup> Century unfolds, the American workforce will be vastly different than it is today. Two powerful forces will transform the workforce and the manner in which we work:

- A sharp increase in the demand for knowledge workers, and
- Greater use of alternate work arrangements that do not fit the traditional work model

These forces have significant implications for our economy and the way DOL approaches its mission. Our challenge is to tackle these changes proactively to ensure that our programs, regulations, and regulatory processes address contemporary work environment issues and contribute to economic growth.

### ***21st Century Challenges***

Our future prosperity demands the world's most skilled and productive workforce. A key aspect of meeting this challenge involves the long-term shift from goods-producing to service-producing employment associated with the decline in manufacturing employment and the dramatic increase in the demand for knowledge workers — people whose jobs require formal and advanced schooling. Knowledge workers now account for a third of the American workforce, outnumbering factory workers by two to one. The demand for skilled workers is outpacing supply, resulting in attractive, high-paying jobs going unfilled. When companies do not find the talent they need within our borders, they seek it abroad. Global competition will reinforce the economic premium on knowledge workers, leaving low or unskilled U.S. workers increasingly vulnerable.

**Global competition will reinforce the economic premium on highly skilled workers, leaving low or unskilled workers increasingly vulnerable.**

The shift to knowledge work will reinforce the ongoing trend of “non-traditional” work arrangements. Today, few workers can count on spending their entire careers within one company, and the average person will change jobs nine times or more before the age of 32. Full-time, stable, long-term employment arrangements will continue to decline. Instead, a growing number of workers will be part-timers, temporaries, consultants, or contractors.

Competing demands for American's time are also increasing. Among the world's industrialized nations, only the workers of Australia and Korea report working more hours than American and Japanese workers. Many workers are struggling to meet their family obligations, which have expanded in many cases to taking care of their elderly parents. Consequently, the need to balance work demands and home life will continue to be a growing concern.

## *Implications for DOL*

While employers and workers bear ultimate responsibility for adapting to these challenges, DOL has a leadership responsibility to support the needs of the changing workforce and position the U.S. for continued economic development and growth. The knowledge-based workplace will require a higher level of technical skills creating opportunities for many to succeed, but carrying the potential for some to fall farther behind. At the same time, an increasingly competitive and global economy will put pressure on our regulatory environment. Historically, we developed our labor policies and programs under conditions of labor surpluses and based our employment laws and regulations on traditional, full-time, long-term work arrangements. Over the next two decades, the relevance of these, and other assumptions will be challenged.

DOL has made significant progress advancing labor issues for many years. However, for us to provide essential leadership to meet future challenges, we must shift into a more forward-looking role that emphasizes:

- Monitoring major issues;
- Coordinating resources;
- Addressing supply and demand imbalances;
- Identifying high-growth careers that require some post-secondary education but not four year degrees;
- Identifying high-growth industries and the career ladders they offer;
- Fostering a competitive economic environment; and
- Implementing practical, effective regulations and regulatory approaches.

Support for this goal cuts across many of the DOL agencies. Primary emphasis comes from agencies supporting training and job placement such as the Employment and Training Administration, Veterans' Employment and Training Service, the Women's Bureau, and the Office of Disability Employment Policy; enforcement agencies involved with regulatory reviews such as the Employment Standards Administration, Occupational Safety and Health Administration, Mine Safety and Health Administration, and Employee Benefits Security Administration; and policy and statistical support from the Assistant Secretary for Policy and the Bureau of Labor Statistics.

## *OUTCOME GOALS*

The Department will accomplish two specific outcomes to ensure that the Nation has a competitive 21<sup>st</sup> Century workforce. The first outcome goal focuses on workforce gaps that are likely to occur, including labor shortages for new and replacement workers, with an emphasis on knowledge workers. The second focuses on adopting innovative approaches for establishing an effective regulatory environment and expanding workplace flexibility that are consistent with the changing nature of work in the 21<sup>st</sup> Century. The two outcome goals are:

### Outcome Goal 4-1

*Equip workers to adapt to the competitive challenges of the 21<sup>st</sup> Century workforce.*

### Outcome Goal 4-2

*Promote job flexibility and minimize regulatory burden.*

Additional information about these two outcome goals, including implementation strategies and associated performance measures, is presented on the following pages.

## Outcome Goal 4.1: Equip Workers to Adapt to the Competitive Challenges of the 21<sup>st</sup> Century Workforce

Our success in the years ahead will largely depend on the ability of our programs and strategies to target and meet the needs of business for new and highly skilled workers. To this end, the Department will take a leadership role in pursuing a comprehensive set of strategies designed to develop an early warning system of labor issues and marshalling public and private resources to prepare the Nation to address future challenges.

### *Strategies for Outcome Goal 4.1*

#### ***Establish an intelligence and research function that identifies trends and provides policy guidance.***

The anticipated workforce changes pose significant challenges that need to be addressed through long-term policy initiatives and strategies. These decisions must be guided and informed by timely and reliable intelligence, research, and analysis.

One of our key strategies to address this goal will be to establish and undertake this function so the Department is positioned to deal with the workforce challenges of this new century. We will also conduct a comprehensive review of our existing information collection and research programs to ensure they are appropriate to inform decision makers on the emerging workforce environment by providing meaningful analysis and insights into changing trends in worker shortages, skills gaps, working conditions, and worker training.

*" Within two or three decades, knowledge technologists will become the dominant group in the workforce... occupying the same position as unionized factory workers held in the peak of their power in the 1950's and 1960's."*

The Economist

#### ***Improve communication and collaboration among businesses, workers and training providers.***

We cannot and should not tackle the worker shortage and skills gap challenges alone. To be effective we need to break down the traditional informational, organizational, institutional, and other barriers among businesses, educators, and workers and help form cooperative efforts among all three major stakeholders. To this end, DOL will 1) actively partner with businesses to *design innovative programs and strategies that directly address business' needs* for new and replacement workers across a variety of industries and services, 2) help workers recognize and address the need to keep pace with increasing skill requirements, and 3) bring together industry and training providers so that providers are attuned to current and future market demands.

***Establish crosscutting strategic initiatives with other government agencies.*** Having a competitive workforce requires a comprehensive, coordinated, focused strategy that integrates the efforts of multiple government agencies. Issues such as the transition from school to work, tax incentives for business investment in worker training, and the use of foreign labor involve policies and strategies that cut across various Departments and agencies. A Memorandum of Understanding (MOU) with the Department of Education to better bridge the gap between school and the skill demands of the workplace, and an MOU underway with the Department of Health and Human Services to address the nursing shortages are representative of our future direction. A MOU with the Social Security Administration (SSA) utilizes the DOL-funded Employer Assistance Referral Network (EARN) to implement a nationwide disability employment service for people with disabilities, Ticket-To-Hire, that facilitates employment outcomes for SSA's Ticket-To-Work and Self-Sufficiency Program. A recently executed MOU between DOL and the Department of Defense (DOD) calls for extending the delivery of transition assistance workshops to a number of overseas military bases. We are also

developing another MOU with DOD to exploit new and emerging learning technologies that support interagency activities of recruitment, training, education, and transitions within the workforce. For example, consistent with this new MOU, DOL has initiated development of a Veterans' Electronic One-Stop that will apply emerging technology to provide active military service members and those transitioning to civilian careers with a broad range of services formerly dependent upon human intervention. In addition, DOL is working closely with the Department of Commerce on establishing closer linkages between economic and workforce development. As we identify more strategic issues, we will heighten our efforts to pursue crosscutting opportunities to leverage the power of multiple agencies to solve specific workforce development issues.

***Stimulate investment in longer term and continuing training.*** Despite the pressing need and well-documented payoff of investment in skills, employer spending on formal training lags behind the growth of the workforce on a per capita basis. Taking a leadership role, we will seize every opportunity to reinforce the message that the United States has a vital stake in workforce preparedness and pursue policy initiatives that encourage the necessary investment. Through the Workforce Investment Act (WIA) re-authorization, we will work to ensure that increased levels of training and education are promoted and fully supported.

***Build a demand-driven workforce system.*** As DOL identifies changing workforce trends, it will communicate its research findings to its workforce system partners, and encourage the development of training initiatives that build a skilled workforce to respond to the needs of targeted high-growth industries. DOL will foster connections with employers in high-growth industries to address their needs for skilled workers and contribute to their continued growth. The success of this strategy will be measured through annual surveys of high-growth industries and an assessment of individuals receiving employment and training services that enter employment in high-growth industries.

## ***External Factors***

***Globalization.*** The United States will continue to face increased competition from and interaction with global corporations operating in countries with lower-paid workforces.

***Technology.*** There will be an increased use of technology that may, in some cases, substitute for workers or, in other cases, increase demand for high-skilled workers with some post-secondary education and training.

## ***Performance Goals***

Many of the challenges described in Outcome Goal 4.1 will impact the Nation more significantly in the years beyond FY 2008. Therefore, our performance goals in this section reflect a departure from those in other sections of the plan by targeting objectives that will position DOL to effectively support the workforce in the major transitions we will face in future decades, rather than near-term, quantifiable outcomes.

## *Performance Goals, Measures and Targets for Outcome Goal 4.1*

<b>Outcome Goal 4.1</b> <b>Equip workers to adapt to the competitive challenges of the 21<sup>st</sup> Century workforce</b>		
Performance Measures	Performance Targets	
	Baseline	FY 2008 Target
<b>4.1.A Analyze information collection and research programs for relevance</b>		
Evaluate the surveys, analysis, and research conducted by the Department and make necessary adjustments to ensure relevance for forecasting emerging workforce issues and facilitating related policy decisions.		Recommend a cohesive data-based system for forecasting labor force needs
<b>4.1.B Address worker shortage</b>		
By 2004, identify key occupations in which there is substantial evidence of long-term difficulties in finding sufficient supplies of qualified workers, and develop a comprehensive approach to alleviate potential imbalances in demand and supply.	No approach to address anticipated shortages	Comprehensive approach developed and implemented
<b>4.1.C Build a demand-driven workforce system</b>		
Keep pace with the rate of growth in targeted high-growth industries. <ul style="list-style-type: none"> <li>• Increase the numbers of firms served in high-growth industries by <u>x</u> percent</li> <li>• Increase the numbers of individuals employed in high-growth industries by <u>x</u> percent</li> <li>• Increase the number of individuals trained and employed in high-growth industries by <u>x</u> percent</li> <li>• Retention Rate of those individuals employed in high-growth industries (i.e. for three quarters after exiting the program as described in the common measures for job training programs).</li> <li>• Percentage of participants attaining a degree or certificate in post-secondary education and skills training in those occupations experiencing skills shortages in high-growth industries.</li> </ul>	Baseline would be determined in FY'04 and measured each year through a survey and statistical sampling process.	TBD TBD TBD TBD TBD

## Outcome Goal 4.2: Maximize Regulatory Flexibility and Benefits

Many employers, to compete more effectively in the highly competitive global economy, have restructured their companies, downsized their workforces, and increasingly relied on non-traditional employment practices that include part-time, temporary, and contractor-supplied workers. Experts expect these non-traditional work arrangements to increase substantially in coming decades. It is estimated that within 25 years, half the people who work for an organization will not be on its payroll. At the same time, on average, Americans are working more hours and many have difficulty balancing work demands with their personal lives.

We need to promote the greater flexibility desired by workers and employers. This includes examining and possibly adjusting our regulatory environment — employment related laws, regulations and regulatory practices — in light of non-traditional work arrangements and the need to reduce regulatory burden. In particular, some regulations written decades ago may no longer be applicable or effective; they may impose costs on employers without yielding any corresponding benefits to the workforce.

### *Strategies for Outcome Goal 4.2*

**Assess and revise regulations.** Many employment laws and regulations were written in the 1970's and were based on, among other things, traditional on-site, full-time, long-term employment relationships between workers and employers. Over the next several years, DOL will conduct a comprehensive review of the key laws and regulations governing labor standards, pensions, health care, and worker safety to determine their appropriateness in the new workplace and pursue needed changes.

**Re-analyze our regulatory approaches to reduce regulatory burden.** Our regulatory approaches need to fully achieve their objectives of protecting worker rights, benefits, and safety while minimizing regulatory burdens that can impede the productivity and competitiveness of the Nation's businesses. Over the past several years we have made strides in: 1) shifting our emphasis toward compliance assistance through outreach, education, and innovative programs designed to prevent violations; 2) targeting our enforcement efforts to address the most egregious problems; and, 3) expanding electronic options for employers to meet their reporting obligations. Over the next several years, we will analyze the effectiveness of this overarching strategy, seek ways to build upon the successes, exploit technology to improve our effectiveness and reduce regulatory burden, and take other steps necessary to ensure that our regulatory infrastructure is consistent with the 21<sup>st</sup> Century work environment.

**Promote flexible work practices.** To help workers achieve balance between their work and home life, DOL will support a range of initiatives that provide greater workplace flexibility. Key initiatives will include support for telecommuting, dependent care, and flexible work schedules.

### *Performance Goals*

The performance goals related to this outcome of promoting job flexibility and minimizing regulatory burden while protecting workers center around taking a comprehensive and strategic approach toward our ability to influence the work environment and implement a new regulatory infrastructure. Many of the goals represent key steps in analyzing the changes needed and are



Outcome Goal 4.2 Promote job flexibility and minimize regulatory burden		
Performance Measures	Performance Targets	
	Baseline	FY 2008 Target
<b>4.2.B Promote flexible workplace programs</b>		
<p>Best practices for, and models of, flexible workplace practices are identified and publicized.</p> <p>Increase the percentage of small employers with access to health care benefit plans. *</p> <p>* Consistent with and contingent upon the passage of Association Health Plan legislation now pending before Congress.</p>	<p>FY 2004: Develop best practices studies</p> <p>2003 %</p>	<p>FY 2006: Best practices disseminated</p> <p>X%</p>

## Section 4 — Relationship Between the Strategic Plan and Annual Performance Goals

The Department's Strategic Plan includes outcome goals that encompass all major programs and are linked to the overarching goals and priorities established by the Secretary. The Department's Annual Performance Plans for Fiscal Years 2003 and 2004 present performance goals and measures that identify the progress to be made in each of these years toward the accomplishment of the longer-term targets in the Strategic Plan. Beginning with Fiscal Year 2005, the Department's plans for the year will be fully integrated with the resources required to achieve the goals in DOL's annual Performance Budgets.

To provide the detail linking specific program activities and initiatives to the longer-term goals listed in this Strategic Plan, each Performance Budget will include annual performance goals and measures that stretch us each year to achieve the programmatic outcomes that contribute to achievement of our strategic goals.

Thus, appropriate annual performance goals, indicators and numeric targets will indicate progress toward our strategic goals. These performance goals and measures may change over time. For example, if a goal is met and sustained, we will change it to address emerging challenges. And, we may realize that there are better measures of performance than we first selected.

Annual performance goals and indicators will account for the span of time between intervention and results. By the nature of our programs, many outcomes occur beyond the year of our effort. For example, grant programs and many regulations reach into the future. Our measures will balance a near term and long term view, while reflecting to the greatest extent possible resources expended.

DOL does not work alone. Performance goals will be developed with an appreciation for our partners. Our partnerships with other Federal agencies, States and localities, businesses, unions, employee groups, faith-based and community-based organizations and public interest groups are the essence of many programs. Our performance goals in such programs will be developed within this context.

In short, annual performance goals and indicators will reflect a high-level, cross-cutting view of the Department. In some cases, measures are not yet developed to reflect the desired outcomes. Further development of performance indicators supporting each of the strategic goals will yield clearly stated, high-level goals with target performance levels and specific measures that will identify the relative contributions of our programs.

## Section 5 — Stakeholder Consultation

The Department of Labor's mission is broad and diverse touching the lives of the Nation's workers and as such affects a wide range and number of stakeholders. The major stakeholders include working men and women and those employee organizations that support the workplace and workforce activities that benefit this population, employers and employer groups, other Federal and State agencies, various Advisory Committees, professional organizations, public interest groups, and the Congress.

The Department, through its various agencies, actively solicits the views of major stakeholders on an ongoing basis. Consultations and interactions with stakeholders have been and continue to be held primarily at the individual program agency level to develop and build on established dialogues. The consultation process with other Federal agencies is also an ongoing process. There has been some consultation with agencies on cross-cutting issues, particularly between the Employment and Training Administration and other Federal departments in establishing common job-training measures; between the Occupational Safety and Health Administration, the Mine Safety and Health Administration and the National Institute for Occupational Safety and Health; and between the Employee Benefits Security Administration and the Advisory Council on Employee Welfare and Pension Benefit Plans and other Federal agencies which share ERISA responsibilities.

In addition, the Department recognizes the important roles of other organizations, such as State and local governments, and continues to establish partnerships in carrying out critical functions such as establishing safe and healthful workplaces.

In June 2003, a notice was placed in the *Federal Register* providing an Internet link at the DOL home page of the draft Strategic Plan and comments received were provided to the appropriate DOL agencies for review and plan edit. In August, letters and the draft plan were delivered to the Chairs and Ranking Members of the Senate Committees on Health, Education, Labor and Pensions; Governmental Affairs; Veterans' Affairs; and the Appropriations Subcommittee on Labor, Health and Human Services and Education. Additionally, copies were sent to House Committees on Education and the Workforce; Government Reform; Veterans' Affairs; and the Appropriations Subcommittee on Labor, Health and Human Services and Education. In our letter conveying the DOL Strategic Plan, the Department offered to consult with members or staff. As of the publication date of this plan, no requests for consultation have been received.











## Section 6 — Meeting the President’s Management Agenda

The Department’s strategic management initiatives will enable us to succeed in meeting the challenges and realizing the opportunities afforded by the President’s Management Agenda. The Government-wide reforms spelled out in the President’s Management Agenda will strengthen the Department’s business practices, fostering the delivery of high quality services to America’s workers at the most reasonable cost. We are guided in our management reform initiatives by the three principles that shape the President’s reform vision, as we create a Department that is:

- Citizen-centered, not bureaucracy-centered;
- Results oriented, not output oriented; and
- Market based, actively promoting rather than stifling innovation through competition.

The Department’s progress toward meeting the President’s Management Agenda, as measured by the Scorecard issued on June 30, 2003, reflects our commitment to reforming DOL’s management practices. The Department achieved status scores of *Yellow* for four of the five Government-wide initiatives, and progress scores of *Green* for the same four initiatives, leading all Cabinet agencies. We are keenly aware, however, of the challenges that lie ahead to reach a status score of *Green* for each of the initiatives. This section outlines our plans for fully attaining President’s vision of a Department managed by 21<sup>st</sup> Century business practices.

### The President's Management Agenda Scorecard for DOL, as of June 30, 2003:

	Current Status	Progress
<b>Human Capital</b>	 Yellow	 Green
<b>Competitive Sourcing</b>	 Red	 Yellow
<b>Financial Performance</b>	 Yellow	 Green
<b>E-Government</b>	 Yellow	 Green
<b>Budget &amp; Performance Integration</b>	 Yellow	 Green

### *Strategic Management of Human Capital*

A major challenge facing the Department is the need to maintain a DOL workforce that is skilled and competent to support the changing demands of the Nation’s workers and employers in the 21<sup>st</sup> Century. With a high retirement rate projected for the executive and managerial ranks, as well as gaps in critical skills among employees in a number of occupations, the Department

must place a priority on developing a new career leadership cadre, enhancing the skills of all employees to meet changing occupational requirements, and attracting and retaining new employees with the expertise to successfully serve our customers in the decades ahead. To achieve our goal to have the “right people at the right place, at the right time,” the Department is focusing on four related initiatives:

***1—Succession planning to develop the managers of the future.***

Based on the demographics of the workforce, a structured, Department-wide approach to succession planning best serves our needs. For example, 63 percent of the Senior Executive Service and 54 percent of managers will be eligible to retire within 5 years. Within this context, Department-wide succession planning programs will be implemented in the following areas:

- DOL will conduct training programs to prepare candidates for the Senior Executive Service. The Department trained 26 Senior Executive Service candidates during FY 2003, and plans to schedule 2 additional programs through FY 2008.
- DOL will implement Mid-level Management Development Programs to prepare employees to assume supervisory and managerial positions, based on agency needs. During FY 2003, nine DOL agencies conducted management development training, and the Department anticipates scheduling two additional programs for mid-level employees through FY 2008.
- We will expand supervisory training opportunities to address the needs of experienced, new, and potential supervisors.

***2—Identify and eliminate skills gaps in the workforce.***

We have identified the Department’s mission critical occupations and, by the end of FY 2003, we will complete identifying the core competencies that will be needed to perform these occupations effectively in the 21<sup>st</sup> Century. As we complete these competency models for each occupation, we will analyze the workforce to identify any skill gaps, assess the training needs of our current employees, and define the skills we will seek by recruiting new employees.

***3—Expand targeted recruitment programs to address skill gaps.***

Based on the skill gaps identified, we will develop targeted recruitment programs to ensure that the Department’s workforce can effectively fulfill our critical missions. We will expand outreach to colleges, universities, and business schools, develop innovative marketing materials, and continue relationships with key organizations.

An example of our targeted recruitment efforts is the Department’s recently initiated Masters in Business Administration (MBA) Fellows Program, which responds to the Department’s need to recruit and develop for future management positions employees with advanced business skills. Despite the Department’s FY 2002 net operating costs of \$65 billion, the complexity of our programs, and their impact on private sector corporations, fewer than 1 percent of DOL’s employees currently hold MBA degrees or comparable educational credentials in business or finance. Two MBA Fellows classes, with a total of approximately 30 participants, will be hired during FY 2003 and one additional class will be hired each year through FY 2008, to assist the Department to achieve a targeted 2 percent of employees with the advanced business education needed to enhance the management of our programs.

***4—Delayering and restructuring initiatives***

Advances in technology that have changed how we communicate with our customers and our employees offer the Department opportunities for delayering, restructuring, and consolidating, to allow DOL to become more citizen-centered and cost effective. Neither assisting the nation’s

workers and employers nor managing the Department's workforce require the full extent of the network of field offices with a formal supervisory presence that was the norm in the last century.

By not later than the end of FY 2004, we will examine the individual needs of each major DOL program and develop a plan for a 21<sup>st</sup> Century organizational structure. Some agencies have already made substantial progress in that direction. For example, we consolidated the public affairs function in FY 2003 by transferring 13 positions from program agencies to the Department's Office of Public Affairs and eliminating 9 positions, for a cost savings of \$1 million. The Employment and Training Administration recently completed a plan to consolidate its regional office structure that, when fully implemented in FY 2005, will locate all regional functions in six rather than 10 locations. In addition, MSHA's Coal Mine Safety and Health Administration is planning to consolidate four field offices into two during FY 2003, achieving an additional reduction of four management positions.

### *Competitive Sourcing Initiative*

The Department will continue to open functions performed commercially to private sector competition to encourage DOL agencies to adopt 21<sup>st</sup> Century, market-based operating practices, and improve the overall efficiency of the delivery of DOL's services. We will continue to work toward achieving the ultimate goal of competing between the public and private sector for the services of 50 percent of the commercial positions on the Department's FY 2000 Federal Activities Inventory Reform (FAIR) Act inventory. DOL's initial efforts in FY 2002 succeeded in meeting our goal of directly contracting five percent of these eligible positions to the private sector. During FY 2003, the Department also significantly expanded the number and types of positions classified as commercial in nature and potentially subject to public-private competition. In FY 2004 and succeeding years, DOL is committed to meeting the Administration's competitive sourcing goals. Regardless of whether the Department awards a competed service to the public or the private sector, the ultimate winner will be America's workers and employers who will receive services of a higher quality at a more reasonable cost.

### *Financial Management*

The Department has received unqualified or "clean" audit opinions on our financial statements each year from FY 1997 through FY 2002, but we recognize that DOL faces additional challenges to the management of our financial resources. Issues of particular importance to strengthening the Department's financial performance during FYs 2003 through 2008 include reducing erroneous payments and integrating financial and performance systems to support the day-to-day operations of the Department.

For FY 2002, the Department reported net cost of operations of \$65 billion; \$50.6 billion of this total represented unemployment compensation benefits paid by our State program partners to provide temporary income support to sustain eligible workers who have lost their jobs. For the first time in FY 2003, the Department established a performance measure in cooperation with the States to improve the accuracy of unemployment compensation payments. As we gain experience with this measure, we will set an ambitious target for the extent to which we will reduce erroneous payments by FY 2008.

From FY 1999 through FY 2002, the Department has reported costs annually for each of DOL's outcome goals. As we pursue our performance based management objectives, we will need to expand our information to account for the costs associated with the performance goals

incorporated in DOL's performance budget. In addition, program managers will require increasingly sophisticated cost data to make decisions about the merits of specific strategies for achieving and enhancing results. During FYs 2003 through 2008, the Department plans to enhance the use of managerial cost accounting Department-wide so that decision makers have accurate and timely information to secure the best performance and highest measure of accountability for the American people.

### *Expanded Electronic Government*

The Department is transforming the way we serve our customers, with the ultimate aim of becoming a "Digital Department." Our *E-Government Strategic Plan*, published in February 2003, presents the roadmap for this transformation — the Department's *E-Government Framework*. The *Framework* offers a comprehensive approach that articulates the partnership between the Department's mission specialists and information technologists to improve organizational performance and customer service delivery. Through the *Framework*, DOL:

- Focuses on the customer — who they are, what they want, and how to serve them better.
- Looks beyond traditional organizational boundaries by asking which other agencies are serving the same customer and how the Department can collaborate with them to improve services.
- Incorporates E-Government principles and operating procedures into everything the Department does. From Department executive training to front-line user support, from policy development to execution, DOL is focusing on streamlining and improving its processes from the customer's perspective.

Our *E-Government Framework* will ensure that E-Government at DOL is not a collection of independent projects, but an integrated approach to conducting business that serves the mission, goals, and objectives of the Department.

The *E-Government Strategic Plan* and *Framework* are available on DOL's web site at: <http://63.241.135.3/mediapod/dol/egovstrategy>

### *Integration of Budget and Performance*

As part of DOL's commitment to performance-based management, we are integrating performance with requests for budgetary resources to better inform decision-makers about the public benefits to be achieved from the proposed levels of funding. The Department prepared its first performance budget for FY 2004, assigning budget costs to performance goals and explaining how the requested funds will lead to the targeted level of performance.

The Department's focus is now on our FY 2005 performance budget and beyond as we continue to refine our presentation of the relationship between our resources and results, and hone the precision of our allocation of budget costs to performance goals. The future progress of our performance budget initiative, in conjunction with the insights we are gaining from the Program Assessment Rating Tool (PART) will enable the Department, the Administration, the Congress, and the public to better understand the linkage between funding and results, and the impact of budget choices. The PART is an evaluation tool comprised of a series of questions designed to provide a consistent and transparent approach to evaluating the effectiveness of programs across the Federal government.

During the first year of PART reviews, six of the Department's nine programs received summary assessments of "results not demonstrated." We are examining the concerns identified by each PART review and, through an aggressive use of program evaluations, improved performance goals and program results, and where necessary legislative proposals, we are committed to increasing the percentage of DOL programs demonstrating results to at least 75 percent by FY 2006.

### *Conclusion*

Our multi-year approach to initiating the reforms envisioned by the President's Management Agenda will further our transformation to a Department of Labor managed by 21<sup>st</sup> Century business practices, driven by results, and providing services of exceptional quality and efficiency to the Nation's workers and employers.

## Section 7 — Program Evaluation

The Department of Labor has expanded its department-wide commitment to program evaluation as an integral part of its management and planning processes. While some program evaluations have been done routinely, particularly in its training and employment programs, this commitment has expanded in recent years to include all DOL agencies and added the capacity for cross-cutting evaluations of common strategies and activities. Program evaluations are intended primarily to assist management in measuring the effectiveness of the strategies employed to reach our goals and improving our outcome goals based on informed knowledge of how well we are performing.

In addition to improving program effectiveness, program evaluations are encouraged as the means to identify opportunities to improve cost effectiveness, verify and validate performance information, assess the causes and solutions for program performance below goal levels, measure customer service and satisfaction and identify areas for improvement, and assess the effectiveness of regulations and their public burden.

The Department has developed a new strategic goal designed to create a competitive workforce for the future. A specific outcome goal calls for us to foster regulatory approaches that effectively protect workers and promote job flexibility while reducing regulatory burden. Program evaluation will play a prominent role in improving our ability to create the competitive workforce of the future.

The following table summarizes evaluations by strategic goal that will be conducted by DOL Agencies during the time frame of this strategic plan.

## Goal 1: A Prepared Workforce

Program Evaluations	Key Issues & Methodology	Estimated Completion
ETA Major Programs	<p>ETA proposes to evaluate each ETA Major Program over the next 10 years to assess program impact and support workforce development policy, investment decisions, and Federal, State, and local operations.</p> <p>The proposal responds to administration priorities to effectively manage all government investments, including, as reflected in the OMB PART reviews, evaluation of all major programs on a regular cycle.</p> <p><u>Methodology:</u> Independent Impact Evaluations.</p>	<p>Ten year evaluation cycle to include all major ETA programs</p> <p>The evaluation of the Job Corps to assess its impact on the employment-related outcomes of students is to be completed in 2003. The study's long-term impact and cost-benefit reports were released in June of 2001.</p> <p>Trade Adjustment Assistance (TAA) and WIA Dislocated Worker programs are proposed as the first programs for evaluation in FY 2003.</p>
Evaluation of Youth Opportunity Sites	<p>The study uses surveys, process, and ethnographic studies to determine if the Youth Opportunity area initiative has a measurable impact on communities with grants.</p> <p><u>Methodology:</u> Surveys, process and ethnographic evaluation.</p>	<p>Survey results for the initial three pilot sites were released in February 2001. Survey results for the second round of pilot sites were released in January 2002 Report on the Youth Opportunity program is due in 2005.</p>
Quantum Opportunity Program (QOP)	<p>QOP provides intensive services to predominantly minority youth in inner-city schools with high drop out rates. The QOP program ended in 2001, but evaluation of long-term results is ongoing to provide information on impact of QOP program. The evaluation will measure the success of QOP in increasing high school graduation and post secondary school attendance rates and other outcomes.</p> <p><u>Methodology:</u> An impact study using random assignment.</p>	<p>Short-term net impact results have been reported. Longer-term results are expected in 2004 and 2006.</p>

## Goal 1: A Prepared Workforce

Program Evaluations	Key Issues & Methodology	Estimated Completion
Evaluation of the WIA Performance Measurement System	<p>Determine the effectiveness of the WIA performance measurement system and the appropriateness of the currently used measures.</p> <p><u>Methodology</u>: Process evaluation, quantitative analysis.</p>	July 2004
Evaluation Grants to States	<p>To enhance the WIA continuous improvement system by supporting State evaluations and sharing evaluation plans, strategies, designs, and results among States.</p> <p><u>Methodology</u>: Provide support to State-initiated evaluations.</p>	On-going
Quick Turn Around Surveys — Descriptive Reviews	<p>ETA is seeking approval from OMB for the capability to implement such quick turn around surveys.</p> <p>These surveys will provide information for descriptive reviews/evaluations that can provide immediate input to meet key ETA program requirements.</p> <p>Topics and questions will be determined by ETA management and staff based on identified needs.</p> <p><u>Methodology</u>: Short surveys undertaken on an as need be basis to obtain information on workforce development related issues, programs, processes to guide program policy, operation.</p>	Ongoing, if approved by OMB, beginning in FY 2003.
Study of the WIA Allocation Formulae	<p>Study will examine the effectiveness and possible improvements to the formulas used to allocate funds for WIA programs</p> <p><u>Methodology</u>: Quantitative analysis and survey of States.</p>	Report to Congress in 2004
Evaluation of the Impact and Cost Effectiveness of Self-Directed Labor Exchange Services	<p>Studies the use and cost effectiveness of self-directed labor exchange services for meeting both employer and individual customer needs.</p> <p><u>Methodology</u>: Site visits, UI administrative data and survey of local sites.</p>	Evaluation 2001 — 2005 First interim report 2003. Second interim report 2004. Final report 2005

## Goal 1: A Prepared Workforce

Program Evaluations	Key Issues & Methodology	Estimated Completion
H1B Impact Evaluation	<p>Study of the impact of H1B grants in selected sites.</p> <p><u>Methodology</u>: Experimental or quasi-experimental impact study or other appropriate approach.</p>	Project begins October 2003, ends in 2005
WIA Impact Evaluation — Selected Program, features, or components	<p>ETA will initiate an evaluation of selected programs or features of WIA. The law requires a random assignment evaluation.</p> <p>The focus of the evaluation will be identified in 2002 and the project will be initiated in FY 2003.</p> <p><u>Methodology</u>: Evaluation design using random assignment.</p>	2003 —2006
ITA Experiment	<p>The experiment evaluates 3 different ITA approaches to be tested: Direct customer choice; Guided Customer Choice; and Maximum customer choice. Outcomes to be evaluated include employment, customer satisfaction participation in training, &amp; dependence on UI and public assistance.</p> <p><u>Methodology</u>: Random assignment to 3 approaches (no control group), site visits, study tracking system, UI wage records and program data, and 15 month follow-up survey.</p>	Interim report 2003 Final Report 2005
Administrative Data Research and Evaluation ADARE	<p>Testing use of UI wage records in 6-7 States for research and evaluation purposes. Such data may be useful for outcome evaluations for certain services and features of WIA and if this test works, all States potentially could use UI wage data matched to WIASRD data for evaluation of selected WIA services and features to support program improvement.</p> <p><u>Methodology</u>: UI wage record and administrative data and WIASRD data.</p>	<p>2002-2004, with initial results in 2003</p> <p>Potential to expand this effort to more States depending outcome of this test.</p>

## Goal 1: A Prepared Workforce

Program Evaluations	Key Issues & Methodology	Estimated Completion
Employment Statistics for People with Disabilities	Current methods to accurately and reliably measure the employment rate of people with disabilities are ineffective. BLS, along with other statistical agencies, will complete testing in the fall of 2003 that will allow them to decide whether a short set of questions can be used to identify the disability population. If the test succeeds, the questions will be added to the monthly Current Population Survey.	Methodology: Fall 2003  Baseline data: January 2005
Evaluation of current performance indicators for VETS	This is a study to evaluate current performance indicators and the criteria used for identifying successful performance in the attempt to increase employment for veterans who receive public labor exchange services.  <u>Methodology:</u> Impact evaluation.	End of FY 2004
Unemployment Study of Special Disabled Vietnam Theater of Operations & Vietnam-era Veterans	Determine employment situation of studied populations  <u>Methodology:</u> Conducted through BLS as special supplement to Current Population Survey.	Bi-annually ongoing
Performance Evaluation for Eight BLS Principal Federal Economic Indicators	Data accuracy and reliability; documentation; performance; and pre-release confidentiality  <u>Methodology:</u> Required by OMB Statistical Policy Directive #3, conducted by BLS.	Rotating three-year schedule. One cycle runs from 2004-2006. The next cycle will start in 2007.

## Goal 2: Secure Workplaces

Program Evaluations	Key Issues & Methodology	Estimated Completion
OLMS customer satisfaction reports	Tracking web-users' assessments of their experiences finding information on the ESA website.  <u>Methodology:</u> Web-based questions available to all website users.	Information collection lasting 3 years, beginning in February 2003.
EBSA customer satisfaction survey	A study to refine a 2002 customer satisfaction survey and to determine success in improving the EBSA performance index.  <u>Methodology:</u> Survey.	End of FY 2004
FECA program evaluation	An extensive evaluation of the FECA Program's Quality Case Management System and Compensation Payment Process to assess their effectiveness and to identify opportunities for improvement.  <u>Methodology:</u> Statistical process analysis and surveys.	End of FY 2004
Validate measures of compliance in low-wage industries	Wage and Hour Division will develop measures that capture employer compliance levels across multiple low-wage industries.  <u>Methodology:</u> Statistical analysis.	End of FY 2004
Evaluation of the NIOSH recommendations for implementing new child labor hazardous occupations regulations	Wage and Hour Division will review recommendations from stakeholders on updating the regulatory child labor hazardous occupations orders.  <u>Methodology:</u> Cost/benefit analysis.	End of FY 2004
Wage and Hour Division evaluation of Davis-Bacon Operations	A study to analyze and document the current Davis-Bacon wage survey and determination process and operations.  <u>Methodology:</u> Process evaluation and statistical analysis.	End of FY 2004

### Goal 3: Quality Workplaces

Program Evaluations	Key Issues & Methodology	Estimated Completion
Evaluation of OSHA Voluntary Protection Programs	<p>An evaluation to assess the injury and illness reductions at VPP sites, the impact of the VPP sites' worker safety and health program on their organization and other worksites, and the VPP's broader effects.</p> <p><u>Methodology:</u> Data review, site visits, interviews and/or survey.</p>	End of FY 2004
OSHA Standards Lookback Review	<p>This study will examine the impact of OSHA standards and an assessment of the continued need for the standards.</p> <p><u>Methodology:</u> Documentation of OSHA activity since the standards were implemented; a profile of the affected industry sectors; statistical analysis of injury, illness, and death rates; assessment of economic impact.</p>	End of FY 2004
Develop strategies to evaluate the effectiveness of MSHA regulations	<p>A study to develop efficient and effective means for reviewing regulations promulgated to improve mineworker's safety and health.</p> <p><u>Methodology:</u> Data review and analysis; site visits and interviews at mines and MSHA district and field.</p>	End of FY 2004
Evaluating outcome measures for administering the Uniformed Services Employment and Reemployment Rights Act (USERRA)	<p>An evaluation to assist in identifying the key problem areas of the program.</p> <p><u>Methodology:</u> Survey of service members, reservists, and National Guard members returning from active duty.</p>	End of FY 2004
Evaluate and develop an improved Equal Opportunity (EO) Survey	<p>The Office of Federal Contract Compliance Programs (OFCCP) plans to implement and evaluate the EO Survey</p> <p><u>Methodology:</u> Statistical assessment of the survey predictive power.</p>	End of FY 2005

### Goal 3: Quality Workplaces

Program Evaluations	Key Issues & Methodology	Estimated Completion
Evaluate and improve the process of selecting contractors for compliance reviews	<p>The Office of Federal Contract Compliance Programs (OFCCP) will undergo an independent external evaluation of the construction components of its programs.</p> <p><u>Methodology:</u> A review of the effectiveness of construction regulations; a process review of selection and scheduling procedures; statistical analysis of improved predictive power.</p>	End of FY 2005

### Goal 4: A Competitive Workforce

Program Evaluations	Key Issues & Methodology	Estimated Completion
Impact of grant funded projects on improving employment and training services for persons with disabilities	<p>A longitudinal study designed to measure the impact of system change grants (Customized, Youth, HS/HT &amp; Olmstead grants) on local and State workforce development systems.</p> <p><u>Methodology:</u> Pre- and post- grant intervention evaluations used to assess impact by determining the quality and quantity of local employment and training services for persons with disabilities.</p> <p>Initial baseline assessment visit to be followed with return visits after 18-24 months, at which same/similar measures will be applied as a basis for evaluating the impact of grant funded projects in terms of change at each locality.</p>	<p>First grouping of pilot projects for (grants) FY 2001 will be assessed in FY 2004.</p> <p>Evaluations to occur every 18-24 months for each succeeding pilot project year.</p>
An evaluation of successful workforce development localities serving people with disabilities	<p>Documents Technical Assistance (T/A) efforts, effective practices locally determined, supported, and implemented (without external supports).</p> <p><u>Methodology:</u> Interviews, focus groups and process evaluation will be used.</p>	August 2003

## Goal 4: A Competitive Workforce

Program Evaluations	Key Issues & Methodology	Estimated Completion
OSHA Look-Back Studies	<p>Look-back evaluations are conducted to make final standards more effective or less burdensome in achieving their objectives, to bring them into better alignment with the objectives of Executive Order 12866, or to make them consistent with the objectives of the Regulatory Flexibility Act.</p> <p><u>Methodology:</u> Data review.</p>	Two studies annually
Regulatory Review Methodology	<p>MSHA will seek program evaluation assistance to develop a methodology to review and assess the effectiveness of regulations promulgated to improve worker safety and health, as well as strategies to evaluate the effectiveness of all its regulations related to worker safety and health.</p> <p><u>Methodology:</u> Regulatory review; best practices review.</p>	FY 2004
Evaluation of Regulations Affecting Small Mines	<p>Small mine operators often times have the constraints of inadequate resources and are unable to implement worker safety and health preventive programs. Advocates for small mines cite these mines' lack of resources for health and safety programs and believe that small mines tend to focus on minimal requirements to comply with regulations instead of looking at overall safety. MSHA will undertake a comprehensive program evaluation to assess the impact of all regulations on small mines and identify regulations that create undue burden on small mine operators, negatively impact mine productivity, and have relative minimal affect on worker safety.</p> <p><u>Methodology:</u> Data review, site visits, surveys, interviews.</p>	TBD
Evaluation of Compliance Assistance (CA) Programs	<p>A multi-agency project to design approaches for evaluating the effectiveness of Compliance Assistance programs.</p> <p><u>Methodology:</u> In the design phase.</p>	on-going

## Appendix A — DOL Organizations and Missions

***Employment and Training Administration (ETA):*** The mission of the Employment and Training Administration is to contribute to the more efficient functioning of the U.S. labor market by providing high quality job training, employment, labor market information, and income maintenance services primarily through State and local workforce development systems.

***Employee Benefits Security Administration (EBSA):*** To protect the retirement, health, and other benefits of over 150 million participants and beneficiaries in private sector employee benefit plans.

***Pension Benefit Guaranty Corporation (PBGC):*** To protect retirement-plan participants' pension benefits and support a healthy retirement plan system by encouraging the continuation and maintenance of private pension plans; protecting pension benefits in ongoing plans; providing timely payments of benefits in the case of terminated pension plans; and making the maximum use of resources and maintaining premiums and operating costs at the lowest levels consistent with statutory responsibilities.

***Employment Standards Administration (ESA):*** To protect the welfare and rights of, and generate equal employment opportunity for, American workers by promoting compliance with the various laws that it administers; and to provide the best possible program for income replacement, medical treatment, and rehabilitation for injured federal workers, longshore workers, and miners.

***Occupational Safety and Health Administration (OSHA):*** In 1970, Congress established the Occupational Safety and Health Administration (OSHA). As defined in its enabling legislation, the Occupational Safety and Health Act of 1970, OSHA's mission is to "Assure so far as possible every working man and woman in the Nation safe and healthful working conditions." This mandate includes such strategies as rulemaking, enforcement, compliance assistance, outreach, and partnerships to enable employers to maintain safe and healthful workplaces.

***Mine Safety and Health Administration (MSHA):*** To protect the safety and health of the Nation's miners by determining compliance with federal safety and health standards through inspections and investigations and working cooperatively with the mining industry, labor, and the States to improve training programs aimed at preventing accidents and occupationally caused diseases.

***Bureau of Labor Statistics (BLS):*** To produce, analyze, and disseminate essential and accurate statistical data in the field of labor economics to the American public, the U.S. Congress, other federal agencies, State and local governments, business, and labor.

***Office of the Solicitor (SOL):*** To ensure that the Nation's labor laws are forcefully and fairly applied in implementing the priority enforcement initiatives of and defending the actions taken by the Department; and to advise agency officials on legal matters, including the development of regulations, standards, and legislation.

***Bureau of International Labor Affairs (ILAB):*** To carry out the Secretary's international responsibilities, develop Departmental policy and programs relating to international labor activities, and coordinate Departmental international activities involving other U.S. Government agencies, intergovernmental organizations, and non-governmental organizations.

***Office of the Assistant Secretary for Administration and Management (OASAM):*** To provide service, policy guidance and assistance to the Secretary of Labor on matters relating to DOL's budget, human resources, information technology, electronic communications, management, and administration; provide centralized administrative and support services to DOL agencies and their employees; and ensure compliance with nondiscrimination statutes.

***Women's Bureau (WB):*** To promote profitable employment opportunities for women, to empower them by enhancing their skills and improving their working conditions, and to provide employers with more alternatives to meet their labor needs.

***Office of the Chief Financial Officer (OCFO):*** To provide high-integrity financial information, policy, services, and products in support of the Department's mission to prepare and protect American workers.

***Veterans' Employment and Training Service (VETS):*** To help Veterans, Reservists, and National Guard members in securing and maintaining employment and the rights and benefits associated with employment.

***Office of Disability Employment Policy (ODEP):*** To provide leadership to increase employment opportunities for adults and youth with disabilities on both the supply and demand sides of the labor market, by expanding access to training, education, employment supports, assistive technology, integrated employment, entrepreneurial development, and small-business opportunities; and by building partnerships with employers and State and local agencies to increase awareness of the benefits of hiring people with disabilities, and to facilitate the use of effective strategies related to employment of people with disabilities.

***Office of the Inspector General (OIG):*** To serve the American worker and taxpayer by conducting audits, investigations, and evaluations that result in improvements in the effectiveness, efficiency, and economy of Departmental programs and operations; prevent fraud and abuse in DOL programs and labor racketeering in the American workplace; and provide advice to the Secretary and the Congress on how to attain the highest possible program performance.

## Appendix B — List of Acronyms

ADARE	Administrative Data Research and Evaluation
BLS	Bureau of Labor Statistics
CA	Compliance Assistance
DOD	U.S. Department of Defense
DOL	U.S. Department of Labor
EARN	Employer Assistance Referral Network
EBSA	Employee Benefits Security Agency
EO	Equal Opportunity
ERISA	Employee Retirement and Income Security Act
ESA	Employment Standards Administration
ETA	Employment and Training Administration
FAIR	Federal Activities Inventory Reform Act
FECA	Federal Employees' Compensation Act
FLSA	Fair Labor Standards Act
FY	Fiscal Year
GED	General Education Diploma
HS/HT	High School/High Tech
ILAB	Bureau of International Labor Affairs
ITA	Individual Training Account
LMRDA	Labor-Management Reporting and Disclosure Act
LPD	Lost production days
MBA	Masters in Business Administration
MOU	Memorandum of Understanding
MSHA	Mine Safety and Health Administration
MSPA	Migrant and Seasonal Agricultural Worker Protection Act
NA	Not applicable
NAFTA	North American Free Trade Agreement
NIOSH	National Institute for Occupational Safety and Health
OASAM	Office of the Assistant Secretary for Administration and Management
OCFO	Office of the Chief Financial Officer
ODEP	Office of Disability Employment Policy
OFCCP	Office of Federal Contract Compliance Programs
OIG	Office of Inspector General
OLMS	Office of Labor-Management Standards
OMB	Office of Management and Budget
OSHA	Occupational Safety and Health Administration
PART	Program Assessment Rating Tool
PBGC	Pension Benefit Guaranty Corporation
PPI	Producer Price Index
QOP	Quantum Opportunity Program
SCA	Service Contract Act
SOL	Office of the Solicitor
SSA	Social Security Administration
T/A	Technical Assistance
TAA	Trade Adjustment Assistance
TBD	To be determined
UI	Unemployment Insurance
USERRA	Uniformed Services Employment and Reemployment Rights Act
USPS	United States Postal Service
VETS	Veterans' Employment and Training Service
VPP	Voluntary Protection Program
WB	Women's Bureau
WIA	Workforce Investment Act
WIASRD	Workforce Investment Act Standardized Record Data



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