

U.S. Department of Labor

Strategic Plan

Fiscal Years 2011-2016



U.S. Department of Labor
Hilda L. Solis, Secretary of Labor

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Secretary's Message

Since my arrival at the Department of Labor (DOL), we have accomplished a great deal. We have made possible the kind of training opportunities that will ensure our Nation's workers can better meet the challenges of the 21st century workplace. We have restored the focus of the Department to protecting workers. We have helped ease the burden of the recession on working families, and contributed to jumpstarting the recovery. We could not have accomplished so much, so quickly, without the professionalism and continued dedication of the DOL workforce, but our work here has only just begun.

I am pleased to introduce the first DOL Strategic Plan under this Administration – our roadmap for continuing to meet the workplace and economic challenges we face as a Nation. Contained within these pages are the ways in which DOL will carry out my vision for the future: *good jobs for everyone*.

Here's what I mean by a "good job":

- A good job increases workers' incomes, narrows wage and income inequality, and provides workplace flexibility for family and personal care-giving;
- A good job helps workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs, and helps middle-class families remain in the middle class;
- A good job ensures workplaces are safe and healthy, and assures workers a voice in the workplace;
- A good job breaks down barriers to fair and diverse workplaces so that every worker's contribution is respected;
- A good job fosters fair working conditions in the global marketplace;
- A good job provides opportunities to acquire the skills and knowledge for the jobs of the future – like green jobs;
- A good job facilitates return to work for workers experiencing workplace injuries or illnesses who are able to work;
- A good job provides income security when work is impossible or unavailable; and
- A good job provides health benefits and retirement security.

The Department's Bureau of Labor Statistics allows us to know whether Americans are obtaining "good jobs" by generating accurate, timely statistics reflecting the condition of workers in various labor markets and the economy as a whole.

In working to make my vision of *good jobs for everyone* a reality, I gave the Department's agencies the important task of fundamentally reforming how they do business. I have asked that they develop and undertake new strategies focused on innovation, evaluation, and improved implementation. Central to these efforts is the ongoing evaluation of strategies and outcomes which will, in turn, foster a culture that emphasizes continuous improvement in all DOL agencies.

We must also ensure that all workers are aware of and have access to our programs. After all, that's a crucial strategy to ensuring they have an opportunity to get and keep good jobs. And, of course, we must let the public see what we're doing. We must strive for the type of transparency that is at the heart of what the President and I call Open Government.

In this Strategic Plan, you will find our updated DOL mission statement, revised mission statements for the Department of Labor's agencies, and our five strategic goals which together encompass fourteen outcome goals – the elements of a "good job." Together, they provide the foundation of our work. This vision and these goals are central to everything the Labor Department does on behalf of workers, and they will continue to shape our work over the next six years.

It is my pleasure to submit the first DOL Strategic Plan under my leadership. I encourage you to review our goals carefully, and to do your part to get *all* Americans working in good jobs.

A handwritten signature in black ink that reads "Hilda L. Solis". The signature is written in a cursive, flowing style.

HILDA L. SOLIS
Secretary of Labor

Introduction

“The jobs of the 21st Century are in areas like clean energy and technology, advanced manufacturing, new infrastructure. That kind of economy requires us to consume less and produce more; to import less and export more. Instead of sending jobs overseas, we need to send more products overseas that are made by American workers and American business. And we need to train our workers for those jobs with new skills and a world-class education.”

President Barack Obama
February 17, 2010,
One-Year Anniversary of the
Signing of the Recovery Act

The publication of this Strategic Plan comes at an important time in the history of the United States Department of Labor. In March 2013 – with this Plan still guiding DOL’s efforts – the Department will mark its one hundredth anniversary. Much has changed since the Department’s founding in 1913 – but much has also stayed the same. Take the DOL mission. Not long before this Plan was issued, DOL’s mission statement was refocused to ensure that America’s workers remain at the core of all that DOL does.

This mission – to foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights – closely tracks the legislation that created the Department. And this mission remains just as relevant today.

The severity of the Great Recession of 2008 created a new sense and context for understanding the Department’s mission. It is relevant because working families face the worst economic times in decades. Some are struggling to find a job; others are struggling to hold the jobs they have. It is relevant because the need to protect workers on the job – and assure their rights and benefits are protected when their careers are behind them – is strained by current economic pressures to lower wages and working standards. And it is relevant because – through the efforts and initiatives outlined in this Plan – the demands for the Department to make a *real* difference in the lives of America’s workers and their families have grown significantly.

Fostering, promoting, and developing the welfare of the wage earners, job seekers, and retirees of the United States. Improving working conditions. Advancing opportunities for profitable employment. Assuring work-related benefits and rights. These are the objectives that drive the work of DOL’s employees every day.

In support of the DOL mission, Secretary Solis’ bold strategic vision of *good jobs for everyone* will guide the Department’s work. In her message, the Secretary defined what a “good job” is – and this Plan defines what DOL will be doing day-in and day-out to make this vision a reality.

The Government Performance and Results Act of 1993 (GPRA) requires that each Departmental strategic plan be updated every three years. After careful coordination with the Office of Management and Budget (OMB) and the Congress, the 2009 update to DOL's *Fiscal Year (FY) 2006-2011 Strategic Plan* (published in September 2006) was delayed by one year to allow the Department to conduct a year-long strategic planning exercise with its new leadership team. During that time, the Department carefully reviewed its goals with a focus on developing performance measurement and evaluation methods that can demonstrate the difference DOL programs make for workers. This updated Strategic Plan for FY 2011-2016 demonstrates how the Department has better aligned its budgetary resources, strategic objectives, and regulatory initiatives to achieve *good jobs for everyone*.



DOL Organization

The Department of Labor accomplishes its mission through component agencies that administer the various statutes and programs for which the Department is responsible. These programs are carried out through a network of regional offices and (in some cases) smaller field, district, and area offices, as well as through grantees and contractors. The largest program agencies, each headed by an Assistant Secretary, Commissioner, Administrator, or Director, are the Employment and Training Administration (ETA), Bureau of Labor Statistics (BLS), Occupational Safety and Health Administration (OSHA), Mine Safety and Health Administration (MSHA), Veterans' Employment and Training Service (VETS), and the Wage and Hour Division (WHD). Legal services are provided to the program agencies by the Office of the Solicitor (SOL). The Department's organizational chart is located in the Appendices.

Strategic Plan Overview

This Strategic Plan meets the requirements of GPRA and, upon publication, will serve as the foundation for DOL planning and reporting on outcome goals. The Plan is organized around the five strategic goals supporting the Secretary's vision of *good jobs for everyone*. An introductory chapter describes *Labor in the United States in 2010*, thereby establishing conditions at the time of this Plan's publication. The subsequent goal chapters provide an overview of the means and strategies by which DOL is pursuing each of the five strategic goals, the 14 outcome goals that support them, and the measures that will help determine success. The goal chapters are followed by a discussion of external factors that could affect achievement of the outcome goals. These broad factors are economic, demographic, social, or environmental in nature, and they may remain stable, change with predicted rates, or vary to an unexpected degree. The Plan will then discuss program evaluations – an important method the Department is using to determine its effectiveness in carrying out its mission. A chapter on management will describe the innovative reforms underway at the Department that are also focused on ensuring an effective DOL. Lastly, the Appendices provide information for reference, including a description of the Department's unprecedented stakeholder outreach effort supporting this Plan.

Labor in the United States in 2010

With Secretary Solis' vision of *good jobs for everyone* serving as a foundation, the Department of Labor's programs are designed to assist American workers whose employment opportunities and working conditions are constantly changing in both subtle and significant ways. This section offers a snapshot of labor in the United States in 2010 – and considers certain macroeconomic influences at play as DOL aims to prepare workers for good jobs that are the foundation for a strong and expanding middle class.

A Changing Labor Market

A current-day assessment of labor in the United States would benefit from a review of where the Nation has been. When DOL's last Strategic Plan was published in September 2006, labor in the United States looked much different. DOL's previous Strategic Plan included the following summary of the state of labor in the United States at that time:

"Today's economy includes more dual income families, a more robust service sector, dramatically changing technological advancements, and increasingly global markets. In the time since August 2003, our job market has continued to expand. By August 2006, we had experienced 36 straight months of job growth, with over 5.7 million new jobs created, and an unemployment rate of 4.7 percent that is the envy of the industrialized world."

Department of Labor Strategic Plan FY 2006-2011

Those numbers masked some troubling signs: the loss of 3 million jobs in manufacturing since January 2001, with month after month of declining numbers. By 2006, the median income of all families at \$62,372 had not recovered to its high of \$63,430 in 2000. These weaknesses became evident when just over a year after that Plan was published – in December 2007 – a deep and dangerous recession started in earnest. There were already 7.7 million unemployed persons, and the unemployment rate was 5.0 percent. By the time President Obama took office in January 2009, the number of jobless Americans climbed to 11.9 million and the unemployment rate had jumped to 7.7 percent. By December 2009, the number of Americans who were jobless and looking for work had climbed to 15.3 million, with 6.1 million out of work for over six months and an unemployment rate of 10.0 percent.

Because of the constant flows of workers into and out of employment, the number of persons who experience jobless spells in a year is even higher than unemployment figures suggest. For example, the monthly count of unemployed in 2008 reached a high of 11.4 million in December; however, a total of 21.2 million persons experienced at least one period of unemployment during the year. The "work-experience unemployment rate" – defined as the number of persons unemployed at some time during the year as a proportion of the number of persons who worked or looked for work during the year – was 13.2 percent in 2008, compared to the annual average unemployment rate of 5.8 percent.

Also on the sidelines of the labor market at the end of 2009 were the 2.5 million persons who were “marginally attached”¹ to the labor force. People can be marginally attached to the labor force for a variety of reasons; “discouraged workers,” in contrast, achieve their designation specifically because they wanted to work, but having unsuccessfully searched in the past year, gave up looking. Over 900,000 individuals populated that category. Additionally, 9.2 million Americans were working part-time but preferred full-time work; these individuals represented a large pool of underutilized labor.

The recession also took the long-term unemployment rate (those jobless for 27 weeks or more) to historically high levels. In January 2010, there were 6.3 million workers who had been looking for work without success for 27 or more weeks. These “long-term unemployed” comprised 41 percent of the jobless in January 2010. Workers of all types (race, ethnicity, gender, age, and educational attainment) face historically high rates of long-term unemployment. Differential unemployment rates² persist, but re-entry to employment has been low for everyone. As a result, an accountant may be having as much difficulty getting back to work as a roofer or factory worker.

Challenges in 2010

The Strain on State-based Support of Unemployment Insurance Benefits

As of May 2010, about 57 percent of persons unemployed for 26 weeks or less received regular state program unemployment insurance (UI) benefits. However, a much higher proportion (81 percent) of the long-term unemployed (unemployed 27 weeks or longer) received some form of UI benefits, including the extended and emergency benefit programs that were provided through the American Recovery and Reinvestment Act of 2009 and continued through subsequent legislation. Moreover, the number of long-term unemployed has reached record levels throughout the recession, growing to almost 6.8 million as of May 2010, or 46 percent of all unemployed. Prior to this recession, the number of long-term unemployed peaked at about 2.9 million in 1983.

Regular state UI is funded through payroll taxes. In 2009, employer costs for state UI represented about one half of one percent (0.50 percent) of total compensation costs. As the number of individuals filing for unemployment benefits increased, state UI trust fund balances dropped sharply – from \$38.2 billion in December 2007 to \$14.2 billion in September 2009. In January 2009, the number of initial unemployment insurance claims reached nearly 957,000, higher than the peak level seen in October 1982 – 695,000 – as a result of

¹ Individuals referred to as “marginally attached to the labor force” wanted and were available for work and had looked for a job sometime in the prior 12 months. They were not counted as unemployed because they had not actively searched for work in the past 4 weeks

² “Differential unemployment rates” refers to the incidence of unemployment varying among the different industrial and occupational sectors of the economy; and within occupational and industrial groupings, having a differential impact on various segments of the population, classified by personal characteristics such as education level, sex, race, or ethnicity, etc. For example, communities of color traditionally experience higher rates of unemployment. In first quarter 2009, Latinos were unemployed at a rate of 10.8 percent and African Americans were unemployed at a rate of 13.3 percent. Young people also faced high rates of unemployment; 21.6 percent of teenagers were jobless.

the early 1980s recession. In June 2009 the number of people receiving regular benefits reached a record high of 6.5 million. This volume of activity has severely taxed the system and resources of states to meet demand and provide these essential benefits to Americans in greatest need.

Rising Numbers of Persons without Health Insurance

As joblessness rises, the number of persons covered by employer-provided health insurance falls. From 2007 to 2008 (the latest data), the number of persons covered by employer-provided health insurance fell from 177.4 to 176.3 million. Over the same period, the number of uninsured persons rose from 45.7 million to 46.3 million and the number covered by public health insurance increased from 83.0 million to 87.4 million.

Private industry employer costs for their employees' health care benefits increased 4.4 percent in 2009. Costs rose at a lower rate in only one other year (2008) from 2000 to 2010. Health care costs for the first four years of the decade increased between 8.5 and 10.5 percent annually. At the same time, many private employers shed their health care benefits. The share of Americans under 65 with employer-sponsored health insurance has eroded for eight straight years, from 68.2 percent in 2000 to 61.9 percent in 2008. In 2010, President Obama signed the Patient Protection and Affordable Care Act of 2010 (Affordable Care Act), to address the large number of Americans without health insurance, health insurance industry abuses, and the high and rising costs of health insurance. The Affordable Care Act seeks to make health care more affordable, hold health insurers more accountable, expand health coverage, and make the Nation's health system sustainable.

Increasing Retirement Insecurity

By 2018, 24 percent of the labor force will be at least 55 years old, and a greater share of the unemployed will likewise be older. While compared to younger workers, many older workers may have greater savings and personal assets on which to rely for income support; they also may face greater challenges in becoming re-employed than younger workers.

The recession has also inflicted dramatic losses on American workers' retirement accounts. In addition to the effect of the recession on workers' savings, major companies have lowered or suspended company matching contributions to retirement savings accounts, and the stock market decline severely impacted many defined-contribution plan balances. Altogether, between December 31, 2007, and March 31, 2009, retirement accounts lost \$2.2 trillion, or 34 percent of their value. Subsequently, from March 31, 2009, to March 31, 2010, retirement accounts increased almost \$1.5 trillion or almost 35 percent. Young workers' retirement investments will recover along with the economy, but those who were close to retirement have changed their plans by remaining in the workforce and/or adjusting their lifestyle to lower retirement incomes. Older workers who remain in their jobs, in turn, reduce opportunities for younger workers who might have replaced them.

The last few decades have seen an increasing shift from defined-benefit to defined-contribution plans. Participation in defined-contribution plans increased from 36 percent in 1999 to 43 percent in 2009. In contrast, participation in defined-benefit plans has

remained fairly steady at about 20 percent. In an economy in which people change jobs more frequently than in the past, many workers forfeit employer contributions to both defined-benefit and defined-contribution plans.

Defined-contribution plans offer many advantages, including portability. Many defined-contribution plans give plan participants the ability to make their own investment decisions. However, the shift in plan types also represents a shift in risk – from employers to workers. Workers increasingly bear the risk of investment loss, and they are increasingly responsible for ensuring the adequacy of their retirement savings. Since workers bear the risk, the challenge is that some workers may not have the financial sophistication or self-discipline to make decisions that will leave them with an adequate retirement.

Risks to Health and Safety in the Workplace

In recent years, over 5,000 workers in this country died each year from workplace injuries (14 workers per day, on average) and another 50,000 workers died from illnesses caused by exposure to hazards in the workplace. In 2008, nearly four million workers in the private sector suffered from non-fatal workplace injuries, with 1.1 million of these injured workers losing a day or more of work as a result. By including state and local government workers, the total reaches 4.2 million, with 1.2 million experiencing one or more days away from work.

These numbers are unacceptable and drive the Department's renewed focus on worksite enforcement and strategies to mitigate risk and dangers. Safety and health factors vary by industry, with lower fatality rates (deaths per 100,000 full-time equivalent workers) in the education, health, and social services sectors (0.7 in 2008) as compared to agriculture, forestry, fishing, and hunting (30.4). Overall, the rate of fatalities was 3.7 per 100,000 full-time equivalent workers in 2008. Other industries with above average fatality rates are mining (18.1 per 100,000 full-time equivalent workers), transportation and warehousing (14.9), and construction (9.7). There is still much to be done to ensure safe and healthy jobs for all American workers.

Conclusion

The important macroeconomic challenges discussed above help define labor in the United States in 2010. American workers are still recovering from a recession with broader, deeper impact than any economic crisis our Nation has experienced in three generations. In response, the Department of Labor is committed to ensuring that, as prosperity returns and new industries and enterprises emerge, the new jobs that are created are *good jobs* and indeed that all workers have access to them. The Department will also continue to focus resources on its critical enforcement programs to protect workers and their wages, benefits, and security. Strengthening and expanding the middle class requires leveling the playing field and restoring fair play for all.

This section focused on the current economic developments affecting DOL's efforts to achieve *good jobs for everyone*. In the chapter on *External Factors*, this Plan will examine a number of other longer term influences on DOL's ability to achieve its goals: the Business Cycle and the Labor Market; State Budgets; Health Care Costs and Market Structure; Changing Face of the Workforce; Changing Vehicles for Retirement Savings; Income Inequality; Structure Shifts in the Economy; Declines in Unionization; Evolving Nature of Work Environments; and Globalization.

Strategic Goals

In FY 2010, the Department undertook a comprehensive strategic planning effort focused on developing performance measures and strategies to support the Secretary's vision of *good jobs for everyone*. That vision was further defined through five strategic goals and 14 outcome goals representing different aspects of *good jobs*. The resulting goal framework represents a significant departure from previous DOL Strategic Plans and signals the Secretary's commitment to leading a stronger, more effective Department of Labor. To that end, agencies engaged in a rigorous examination of how they measure results. The outcome measures established in this Plan represent a commitment on the part of every agency to continually assess and improve the effectiveness of their strategies.

This introductory chapter provides background on how the various goals and measures within the Plan relate – and the methods that resulted from this significant Department-wide assessment of those goals and measures. These methods underpin the performance measures presented at the end of each strategic goal chapter. It is important to note that the measures are not the end—but rather, will serve as a tool for agencies to evaluate their strategies and progress towards the broader outcome goals. To accompany these new measures, DOL also refined its approach to evaluating results by placing increased emphasis on linking outputs, the goods or services an agency produces, to outcomes, the ultimate aim of agency efforts, which will result in a more comprehensive and outcome-based view of performance. This chapter explains these new approaches, which should serve as a resource when reviewing the strategic goal chapters.



Secretary's Vision "Good Jobs for Everyone"

STRATEGIC GOALS



OUTCOME GOALS

<p>Increase workers' incomes and narrow wage and income inequality.</p> <p>Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high growth and emerging industry sectors like "green" jobs.</p> <p>Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.</p> <p>Help middle-class families remain in the middle class.</p> <p>Secure wages and overtime.</p> <p>Foster acceptable work conditions and respect for workers' rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.</p>	<p>Secure safe and healthy workplaces, particularly in high-risk industries.</p>	<p>Break down barriers to fair and diverse workplaces so that every worker's contribution is respected.</p> <p>Provide workplace flexibility for family and personal care-giving.</p> <p>Ensure worker voice in the workplace.</p>	<p>Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work.</p> <p>Ensure income support when work is impossible or unavailable.</p> <p>Improve health benefits and retirement security for all workers.</p>	<p>Provide sound and impartial information on labor market activity, working conditions and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.</p>
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PERFORMANCE GOALS AND MEASURES AND INDICATORS



STRATEGIES



Strategic Planning and Performance Measure Methods

The DOL strategic goal framework is comprised of four key elements: strategic goals, outcome goals, performance goals, and performance measures. The Secretary's vision of *good jobs for everyone* guides all the goals and measures in the Plan. The five strategic goals serve as a narrative umbrella that organizes thematically complementary outcome goals. The Department's 14 outcome goals represent both the Department's core values and the necessary components of the Secretary's vision of *good jobs for everyone*. The performance measures, which support the outcome goals, are agency-specific and link each agency's performance to one or more outcome goals. These performance measures are outcome measures in nearly every case and quantifiable in all cases. Agencies group their measures under a performance goal that describes their unique contribution to the Department's outcome goal.

One of the most important innovations of this *FY 2011-2016 Strategic Plan* is the Department's commitment to measuring outcomes that describe the effect of the agencies' activities on the day-to-day lives of working families – their wages, working hours, benefits, work-life balance, workplace safety and health, and equal employment opportunity, among other issues. Output measures, by contrast, describe the level of activity that will be carried out in a specified period by each agency – for example, how many investigations a worker protection agency will conduct in a calendar quarter, or how many workers receive DOL-funded employment skills training. While planning and monitoring outputs are necessary for resource planning and program management, agencies must use both sets of performance measures – outcomes and outputs – to assess their progress toward the Secretary's goal of *good jobs for everyone*. If agencies are doing their jobs properly, and are appropriately taking into account the effects of external factors, producing outputs in a sufficient quantity should produce the outcomes that contribute to *good jobs for everyone*.

New Approaches to Performance Measures

The FY 2010 strategic planning process emphasized the development of outcome measures because of the important role they will play in driving a change management agenda at DOL – an effort that is discussed further in the *Innovations and Reform* chapter. These measures signal an important shift in the way agencies will manage, evaluate, and execute their programs. While outcome measures often require more time for results, the information they provide is a better indication of the Department's effect on improving the lives of American workers than output measures, which, as stated previously, demonstrate the goods, services, and work produced by DOL. To facilitate the development of outcome measures using overarching analytical approaches, DOL agencies were organized into several categories.

The Department sought to develop a consistent set of methods for evaluating outcomes in each of these agencies while also recognizing the uniqueness of each agency's mission, strategies, and constituents. DOL engaged a contractor to assist in the development of these measures, particularly for the worker protection agencies. Performance measures and methods supporting each of these categories are discussed in this chapter.

DOL Categories of Agencies

Employment and Training
Employment and Training Administration (ETA)
Veterans' Employment and Training Service (VETS)
Worker Protection
Office of Federal Contract Compliance Programs (OFCCP)
Occupational Safety and Health Administration (OSHA)
Wage and Hour Division (WHD)
Employee Benefits Security Administration (EBSA)
Mine Safety and Health Administration (MSHA)
Office of Labor-Management Standards (OLMS)
Policy
Women's Bureau (WB)
Office of Disability Employment Policy (ODEP)
Bureau of International Labor Affairs (ILAB)
Statistics
Bureau of Labor Statistics (BLS)
Benefits
Office of Workers' Compensation Programs (OWCP)
Federal-State Unemployment Insurance (UI) System (administered by ETA)
In addition to these agencies and programs, the Department's mission is supported by administrative, policy, legal, public affairs, and congressional liaison offices.

The methods described below underpin the performance measures presented in each of the subsequent five strategic goal chapters.

Employment and Training

As further described in the *External Factors* section, the performance of the Department's employment and training programs is impacted by the Nation's economic conditions. The recession that began in 2007 underscored the need to account for this in setting national performance targets for federal job training program common measures (entered employment rate, employment retention rate, and average earnings).³ Therefore, the Department developed a regression model to predict variations in performance for employment and training programs with the business cycle;⁴ ETA and VETS began using it in Program Year (PY) 2009.⁵

³ The common measures enable comparisons to be made among employment and job training programs that share similar core purposes. The entered employment rate is the percent of participants employed in the first quarter after program exit; employment retention rate is the percent of participants employed in the first quarter after exit still employed in the second and the third quarters after exit; and average earnings are the average earnings in the second and third quarters after exit. A higher entered employment rate each year indicates greater success in placing individuals in jobs. A higher retention rate each year indicates greater employment stability. Increased average earnings indicate that participants are getting better jobs at higher wages. Data on participant outcomes and attributes are reported quarterly; unemployment rates are obtained at the (local) WIB level from BLS. More information about the common measures can be found at http://www.doleta.gov/Performance/guidance/tools_commonmeasures.cfm.

⁴ Regression analysis examines the relationship between a dependent variable and one or more independent variables. In particular, regression analysis estimates the value of the dependent variable when any one of the independent variables changes, keeping the other independent variables fixed. Additional information about the model is included in the Appendices.

⁵ Program-specific regression models, which incorporate data on the populations served, (continued on page 12)

The new evidence-based, target-setting method uses the experience of past program participants in conjunction with OMB's forecasts of the national unemployment and inflation rates to estimate the effect of economic conditions on the common measures of performance. It also makes use of local labor market conditions and personal characteristics of participants. Using individual participant data allows for a richer and more detailed accounting of factors that influence program exit outcomes. Participant outcomes and attributes are obtained quarterly from program data. The unemployment rates are obtained at the Workforce Investment Board (WIB) or county level from the Bureau of Labor Statistics (BLS).

Previously, targets were increased by an arbitrary amount from year to year without accounting for changes in economic conditions. Problems with this approach became apparent when states like Michigan, New York, and California experienced record unemployment levels. The new evidence-based approach will help programs establish ambitious yet achievable performance targets that are tailored to local economic conditions and experience. Aggregate level targets can be too low, in which case they fail to encourage innovations that can improve programs' effectiveness. If they are too high, they may actually be harmful; to reach overly ambitious targets, program administrators may serve participants who are more likely to be successful in obtaining and retaining jobs at the expense of harder-to-serve populations. The new targeting model addresses such incentives.

The new regression model reveals a negative, and statistically significant, relationship between unemployment rates and employment outcomes. In other words, during times of higher unemployment, program participants tend to experience lower measured outcomes than during periods of lower unemployment. Program success is thereby overstated when the economy is strong and understated when the economy is weak. Accounting for factors outside the control of service providers, the regression-adjusted model "levels the playing field" across states and local workforce areas by making the targets neutral with respect to participants served and local labor market conditions experienced.

ETA is testing the regression method for state workforce agencies and local WIB offices in nine states in PY 2010 and plans to expand it to the rest of the states for PY 2011. States' targets for the common measures are computed using differences from the national average for key participant characteristics and local labor market conditions, weighted by the effects of these factors on each specific measure (as indicated in the model currently used for national targets). For local (WIB) area targets, the state's target is used as the reference point.

When fully implemented, states and local workforce investment areas will better understand how various population groups are doing in terms of program performance outcomes, and ETA will be able to tailor performance targets to local economic conditions and personal characteristics of program participants. For more details on the model, see Appendix 4.

⁵ (continued from page 11) are under development for the Apprenticeship, Indian and Native American, Migrant and Seasonal Farmworkers, National Emergency Grants, and Senior Community Service Employment Programs. These program-specific regression models will be implemented in 2012. In the interim, these programs are using the WIA Adult and Dislocated Worker models to establish targets.

Worker Protection

The Department's worker protection agencies have responsibilities in the areas of retirement and health benefits, wages and hours, healthy and safe workplaces, work-family balance, discrimination and equal employment opportunity, and unions' elections and financial reporting. Each agency carries out its enforcement responsibilities through a combination of investigations – either targeted or complaint-driven – and outreach.

Historically, many DOL performance measures for these types of agencies focused on evaluating the efficiency or results of program activities. For a program in which success is defined by the outcome achieved for program participants, such measures are appropriate. For worker protection agencies, however, measuring the effect of only those investigations, inspections, or audits provides a very limited view of whether an agency is fulfilling its mission. With the exception of MSHA⁶, worker protection agencies investigate only a fraction of the entities they regulate. Measuring the success of those few interventions alone provides little insight into the actual levels of compliance and the agencies' impact.

DOL will be taking a new approach to measuring worker protection outcomes that represents several important commitments on the part of these agencies:

1. To develop strategies that leverage interventions (e.g., deterrent effects);
2. To report on compliance levels for all regulated entities – not just those directly affected;
3. To continually evaluate whether strategies are leading to improved outcomes; and
4. To use both routine quantitative analysis and program evaluations to assess the effectiveness of strategies and the extent to which the agency is achieving its outcome goals.

These commitments are tied to the performance measures and methods presented in this Plan. Further, this new approach will rely on statistical sampling techniques and social science research methods.

As the Department has done in the past, most of the new worker protection performance measures will include numeric performance targets. The exception will be the outcome rates measures (i.e., compliance rate for most worker protection agencies and discrimination rate for OFCCP). For these measures, DOL will use trend analysis (i.e., increase in compliance rates or decrease in discrimination rates) to determine whether strategies and activities are having a beneficial influence on employers' behaviors.

⁶ By law, MSHA investigates all underground mines four times a year, and surface mines twice a year. Therefore, the distinction for MSHA applies two-fold – not only are all mines within its jurisdiction, but MSHA also inspects all of those mines. By contrast, not all establishments (e.g., employers, contractors, and unions) are within the jurisdiction of the other worker protection agencies and only a fraction of covered establishments are investigated in any given year.

Policy

While DOL is broadly focused on promoting the employment rights and opportunities of all workers, the policy programs within DOL develop and promote policies focused on particular populations that benefit from focused policies. DOL's ODEP, WB, and ILAB focus on workers with disabilities, women in the labor force, and workers around the world, respectively. Their missions are realized through the development and dissemination of policies and effective practices that demonstrate linkages between policy development, adoption and implementation activities, and desired outcomes. Previous performance measures for these agencies focused on outputs or service delivery outcomes outside their direct influence.

The policy agencies rely on a combination of partnerships, collaborations, and outreach to implement their policies and achieve results such as increased employment rates for people with disabilities. A logic model framework developed as part of this strategic planning process will allow these agencies to map the policy process from development to implementation with the aim of using program evaluations to determine whether their policies influenced change. The resulting performance measures focus on the adoption and implementation of policies and strategies – the two phases that facilitate the desired outcomes of these agencies' work. Policy agencies can then link their policies to program outcome data to evaluate whether they contributed to the achievement of strategic outcomes through the vast network of partners upon which they rely to carry out their respective missions.

Benefits

Benefits delivery programs generally define success in terms of timeliness and accuracy. A quality review process is balanced against workload demands with the aim of ensuring that workers receive the benefits to which they are entitled in a timely manner. Improvement of benefit delivery outcomes, such as return to work and income support, rests upon the foundation of quality and timely processing.

The two largest benefits programs within DOL are OWCP and the federal-state Unemployment Insurance (UI) system administered by ETA. OWCP regularly reviews its performance measures to determine whether optimal levels of performance – that is, quality and timeliness – have been reached and sustained. When those goals have been achieved, OWCP replaces those measures to focus on new areas for improvement. The UI system uses a similar approach in measuring efficiency and outcomes of states' administrative operations. For both workers and employers, success is measured by: timely payment of benefits; recovery of overpayments; prompt determination of new employers' tax liabilities; and reemployment of claimants.

Two non-benefits programs in ETA have also refined their measures following the example of the benefits programs – the Office of Foreign Labor Certification and the Trade Adjustment Assistance program. These two programs similarly review and render decisions on applications. Both programs are measuring the timeliness and quality of their review processes.

Statistics

As part of this strategic planning process, the Department's statistical agency, BLS, revised its GPRA measures to improve its transparency while retaining the measures' focus on timeliness, accuracy, and relevancy. The Interagency Council on Statistical Policy (ICSP) defines these attributes as key measures of product quality for statistical agencies. BLS will report on these elements for major program areas using the revised measures.

Results Analysis

The development of the outcome measures identified in this Plan grew, in part, out of a concern that agencies were not measuring performance in a way that would tell them how they were improving the lives of American workers. Gauging success by using measures that are amenable to annual target-setting can create incentives to establish measures that are tied to strategies and activities – at the expense of measuring outcomes. Programs that rely on such measures may operate for years assuming good performance without any specific evidence to the contrary. By establishing and reporting against outcome measures, DOL has taken the first step toward questioning and testing the assumptions connecting current practices, activities, and strategies to end outcomes. In some instances, the adoption of these various outcome measures required a new approach to evaluating performance results.

Targets

In order to make any determinations about effectiveness, agencies first needed to establish connections between the work performed – measured in outputs and workload data – and outcomes. For those agencies with outputs that essentially are their outcomes, these connections are more readily apparent. BLS, for example, can judge its effectiveness on the basis of whether its statistical products were produced timely and accurately, and are relevant. Similarly, for agencies where performance is assessed by the results of program participants alone, the connection between outputs and outcomes is also apparent. DOL employment and training programs' common measures fall under this category, where success is defined by the percentage of participants entering employment and retaining employment, and by participant earnings. For the majority of DOL agencies, the connection between work performed and outcomes is such that performance reporting using the traditional approach – establishing targets and reporting against them annually – is appropriate. The majority of measures within this DOL Strategic Plan follow this target-setting convention.

Trends

Agencies further removed from their outcomes, however, such as the worker protection agencies, face a more daunting task in determining whether the enforcement strategies undertaken in a given year are having an effect on broader outcome rates (i.e., compliance or violation rates for most worker protection agencies and discrimination rate for OFCCP). Evaluating the success of a strategy cannot be accomplished reasonably on the basis of one or even two years' results or without a rigorous program evaluation. Specifically for these measures, reporting target attainment or portraying a program's

performance as a function of the number or percentage of targets attained annually can interfere with other, more substantive analyses and may, indeed, mask improvements or declines in performance.

Therefore, for measures within the Plan that indicate a compliance, violation, or discrimination rate, agencies will not set specific numeric annual targets. Rather, DOL will target for either an increasing or decreasing trend. The magnitude of the desired increase or decrease is not predetermined (not targeted at a specific percent increase or decrease). Any degree of improvement will be assessed within the context of prior years' results. Performance results for these measures will be reported in the DOL Annual Performance Report (APR), which is published with the DOL Congressional Budget Justification. Those results will be evaluated through rigorous analysis of the annual results and trends, including:

- Discussion of the direction and extent of the change in results;
- Detailed results of the major outputs and strategies that are most closely associated with the outcome rate results, as well as external factors that are known to influence the outcomes;
- Describing what is known regarding the connection between agency outputs and the outcome rates, and whether the connections are grounded in empirical evidence or based on experience and hypotheses; and
- Where evidence is lacking, a plan for testing those hypotheses will be provided and then reported on in subsequent APRs. Evaluations, discussed later in this Plan, will be encouraged as a tool for extracting empirical evidence on the connection between strategies, outputs, and outcomes.

The DOL Strategic Plan will commit agencies to improving performance, as measured by outcome data trends, analysis of annual performance, and the corresponding outputs tracked internally and through the budget process. Agencies will be accountable for achieving performance goals by adjusting strategies based on that evidence. A description of how this will appear in the performance tables of this Plan is included in the discussion of performance measure tables at the end of this chapter.

Additional Analysis

The above discussion on results and trend analysis will not be limited to just those outcome measures without annual targets or results. The intent is to apply this approach broadly to all programs – a central feature of the Department's change management agenda, which is further discussed in the chapter on *Innovation and Reform*. Applying this analysis Department-wide will promote continuous program improvement grounded in careful planning, theory, and analysis. Additionally, by integrating the planning, budgeting, and reporting processes – as well as the regulatory agenda – DOL will draw upon a more comprehensive view of agency operations in determining the effectiveness of its programs.

Reporting performance is important in its own right, as the public has a right to know the effect of DOL agencies. Performance measurement is also central to management, because empirical data should inform the development and execution of strategies. An agency's strategies should be justified by evidence that shows improved outcomes. DOL is gathering such evidence through the measures presented in this Plan, which will be reported in subsequent annual performance plans and reports, and further examined through targeted program evaluations.

Overview of Performance Measure Tables

DOL performance measure tables contain the performance measure text and corresponding results and targets. The following list provides additional background on the format and the presentation of information in these tables.

These carefully considered approaches to reporting will be presented as follows:

- **FY 2016 Targets.** The performance measure tables provide the targeted levels of improvement between a baseline or result year and FY 2016. Agencies have provided a best estimate of an FY 2016 target where practical. For those agencies establishing baselines during the timeframe of the Strategic Plan, a targeted level of improvement is indicated through a narrative note. Recognizing that many measures represent a new approach to measuring outcomes for agencies, DOL has not required agencies to establish an FY 2016 target without baseline data. For the worker protection programs' outcome rate measures discussed above, the FY 2016 column will include one of two phrases, "targeted to trend upward," or "targeted to trend downward."
- **Results Data.** Some performance measures in the Plan are existing GPRA measures or have prior-year data available as a result of internal monitoring. Where available, FY 2009 and PY 2009 results have been provided. In all other cases, table cells are shaded for data that is not available for prior years. Baseline years are noted in the year where data will first be reported.
- **FY 2010-2011 Targets.** Performance measures reported in the FY 2011 DOL annual performance plan, which was published with the DOL FY 2011 Congressional Budget Justification, include targets for FY 2010 and FY 2011.
- **FY Annual Targets FY 2012-2015.** Agencies will establish annual targets for the interim years – the years between the baseline/prior year result and the FY 2016 target – through the budget development process. For example, the FY 2012 targets will be published in the FY 2012 DOL Congressional Budget Justification. For those agencies not setting annual targets, they will simply report the results of their measures.

Additional agencies support and/or contribute to the outcome goals, but do not have dedicated performance measures for these goals. Their role is presented in a discussion of strategies within the outcome goal. Historical data, as well as previously reported performance measures, can be obtained at <http://www.dol.gov/dol/aboutdol/main.htm>, which contains the Department's budget, performance, and planning documents.

Strategic Goal 1

Prepare workers for good jobs and ensure fair compensation

The strategic goal to *prepare workers for good jobs and ensure fair compensation* is fundamental to accomplishing the Secretary's vision of *good jobs for everyone*. During an economic recovery, the Department's responsibilities are two-fold: preparing workers with the right skills for growing occupations and career pathways and protecting the wages of vulnerable workers. Vulnerable workers are those who are at risk of exploitation at work, such as workers who are reluctant to complain when they are subject to violations for fear of retaliation. The Department is focused on giving people the opportunity to gain the skills they need to enter and be successful in the workplace. In a labor market where jobs are difficult to find and workers are grateful for employment, wage violations are more likely to occur. The Department is increasing its vigilance in protecting the rights and safety of workers by hiring additional enforcement personnel and reviewing and improving its regulatory efforts.

Strategic Goal 1 encompasses six supporting outcome goals:

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

"My vision for the Department is 'Good Jobs for Everyone.' ...And here are some of the ways that I define a good job.

- A good job can support a family by increasing incomes, narrowing the wage gap (for example, wage gaps between men and women and gaps experienced by communities of color), and allowing workplace flexibility.
- A good job is safe and secure and gives people a voice in the workplace.
- A good job is sustainable and innovative, for example, a green job.
- A good job will help rebuild a strong middle class.
- A good job provides access to a secure retirement and to adequate and affordable health coverage."

Secretary of Labor Hilda L. Solis
Testimony before the Committee
on Education & Labor,
U.S. House of Representatives
February 3, 2010

The Employment and Training Administration (ETA) and the Veterans' Employment and Training Service (VETS) oversee programs that prepare workers for good jobs at good wages. VETS also protects veterans' reemployment rights. The Office of Federal Contract Compliance Programs (OFCCP) ensures workers are recruited, hired, trained, promoted, terminated, and compensated in a non-discriminatory manner by federal contractors. OFCCP helps workers in the federal contractor sector by strengthening affirmative action and by combating discrimination on the basis of race, color, religion, sex, national origin, disability, or status as a covered veteran. The Wage and Hour Division (WHD) secures workers' legally and hard-earned wages. WHD concentrates its compliance programs on ensuring fair compensation for the most vulnerable workers – agricultural and young workers, workers in fissured industries,⁷ and individuals with disabilities – while continuing to protect the rights of all those who seek WHD's assistance. The Bureau of International Labor Affairs (ILAB) works to improve worker rights and livelihoods for vulnerable populations of workers internationally. The Women's Bureau (WB) is the only federal office that exclusively serves and promotes the interests of women in the workforce by conducting research, projects, outreach, and evaluations on issues of importance to working women. The Office of Disability Employment Policy (ODEP) maintains the Department of Labor's focus on the significant barriers to employment faced by individuals with disabilities and provides national leadership by developing and influencing disability employment-related policies and practices to increase the employment of people with disabilities.

Preparing Workers for Good Jobs

This section discusses outcome goals 1.1 through 1.4. These four outcome goals are inter-dependent and lead to the common objective of preparing workers for good jobs, a cornerstone of the Secretary's vision.

The Department believes that a "good job" is one that can support a family by increasing incomes and narrowing the gap in wages between lower- and middle-class jobs. ETA and VETS work with partners and stakeholders to promote the employment of American workers in high growth and emerging industries as a way in which to increase their incomes. Education, credentials, and training for high growth occupations are cornerstones of DOL-funded employment assistance, which help close the gap in skills and knowledge, and move low-wage workers onto a path toward middle-class jobs.

Performance Goal ETA 1.1 – Increase the average earnings of individuals served through the Workforce Investment Act, Job Corps, Trade Adjustment Assistance, and Community Service Employment for Older Americans Programs.

Performance Goal ETA 1.2 – Increase skill attainment, certification, and work preparedness of individuals served through a range of programs to prepare them to compete in a knowledge-based economy featuring emerging industries such as green jobs.

Performance Goal ETA 1.3 – Provide workers with the resources necessary to increase their likelihood of obtaining middle-class jobs.

Performance Goal ETA 1.4 – Ensure that those workers adversely affected by foreign and domestic economic conditions can remain in the middle class.

⁷"Fissured" industries are explained under Outcome 1.5. Briefly, they refer to the changing nature of worker-employee relationships.

ETA-funded training and employment services include labor market information, employment assistance, job training, and income support through the administration of the following programs: Adults, Dislocated Workers, Youth, and services for targeted populations authorized by the Workforce Investment Act of 1998 (WIA); Trade Adjustment Assistance (TAA) authorized by the Trade Act of 1974, as amended; Employment Service authorized under the Wagner-Peyser Act; Foreign Labor Certification activities authorized by the Immigration and Nationality Act; the Office of Job Corps; Community Service Employment for Older Americans, authorized by the Older Americans Act; Apprenticeship programs, registered under the National Apprenticeship Act; and Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors authorized under the American Recovery and Reinvestment Act (Recovery Act).

Strengthening the Workforce System

The public workforce system is connecting America's workers to good jobs. The system contributes to the Nation's global competitiveness and economic productivity by providing lifelong learning opportunities and a broad array of services. The downturn of the economy has posed substantial economic and employment challenges to the Nation, but the workforce system has provided critical services to help workers find new jobs quickly, upgrade workers' skills so they can be competitive as the economy recovers, and support the workforce needs of employers, particularly those in high growth and emerging industry sectors. These services include high-quality career counseling and case management, as well as skills assessments that identify transferable skills.

ETA remains committed to continuous improvement, to testing new ideas and approaches, and to rigorously evaluating program strategies and management practices. To that end, ETA funded the *Individual Training Account Experiment Extension* study which examined the long-run impacts of three Individual Training Accounts designed to help determine the incremental net-impact of training on participants' employment, retention, and earnings.⁸ Also, ETA is sponsoring *A Review of State Workforce Development and Unemployment Insurance Policy Responses to the Current Economic Recession and the American Recovery and Reinvestment Act of 2009*. The two-year study will document actions and decisions states are taking in implementing the key workforce development provisions of the Recovery Act, document and categorize the Unemployment Insurance (UI) policy actions taken by states in response to the recession and UI provisions of the Recovery Act, and conduct in-depth case studies in a sample of states.

The expected reauthorization of WIA presents an opportunity to address needs that have grown during the recession, such as the upward trend in the growth of retail and service industries, the increased proportion of women in the labor force, and increased layoffs. By improving the design and operation of the public workforce system, DOL can better help workers who are unemployed or in low-wage and part-time jobs find a path to middle-class jobs by providing them with the skills and knowledge they need to succeed in growing industries and regional sectors. An effective workforce system can also help businesses that need skilled workers to compete and take advantage of growth opportunities. DOL will work closely with the Department of Education to ensure that training and education policies and procedures are coordinated to help students and workers access all the services they need to obtain good jobs.

⁸ The report is available at <http://wdr.doleta.gov/research/keyword.cfm>.

Fostering Innovation in the Workforce System

In addition to the reauthorization of WIA as described above, ETA's strategies for helping America's workers obtain and keep good jobs include: a stronger, more comprehensive One-Stop delivery system; a dual focus on workers and employers as customers; progressive levels of education and job training to provide those most in need with a pathway to the middle class; innovative approaches to service delivery; regional partnerships and collaboration; and sector strategies for high-demand industry sectors – such as the Nation's investment in green jobs⁹ – as an effort to jump start the economy, put Americans back to work, and help make America more energy independent.

The federal-state-local workforce partnership that exists through WIA has demonstrated enormous potential for developing and testing alternative service strategies. ETA has proposed several initiatives to build on these opportunities. As part of the new Partnership for Workforce Innovation with the Department of Education, alternative strategies will be tested within the WIA Adult, Dislocated Worker, and Youth Programs to encourage collaboration across program silos to better serve participants' needs. Approaches for the Adult and Dislocated Worker programs will test training and reemployment services, especially for vulnerable populations, and promote rigorous evaluation of practices that have shown promise over the past decade, such as apprenticeships and on-the-job training, and regional and sectoral collaboration. Approaches for the Youth Program will test and rigorously evaluate innovative approaches to providing summer and year-round employment opportunities for youth, as well as interventions serving out-of-school youth in a comprehensive manner that combines work experience, education, and training. These alternative strategies are intended to demonstrate effectiveness and efficiency that can be replicated by formula programs and thereby improve performance outcomes.

A recent evaluation¹⁰ of the Job Corps program, which provides academic, career, technical, and social skills training to young adults, showed that the program generates beneficial impacts for disadvantaged youth by improving functional literacy and credential attainment. However, the evaluation also noted that program services could be improved. In PY 2011, Job Corps will: add training programs targeting high growth and emerging industries, including green jobs; adopt a standards-based education model that integrates academic and career technical education; upgrade training curricula and equipment to meet industry demands; and expand employer and education partnerships to broaden placement and higher learning opportunities.

Finally, ETA has also created Green Jobs and Health Care Training initiatives to provide workers with the skills required for occupations that promise increasing opportunities for good jobs. Competitive grants are helping workers receive job training and certification in green industry sectors and occupations such as energy efficiency and renewable

⁹ "Green jobs" are jobs involved in economic activities that help protect or restore the environment or conserve natural resources, such as: renewable energy; energy efficiency; greenhouse gas reduction; pollution reduction and cleanup; recycling and waste reduction; agricultural and natural resources conservation; and education, compliance, public awareness, and training.

¹⁰ Schochet, P.Z., Burghardt, J., & McConnell, S., *National Job Corps Study and Longer Term Follow-Up Study - Final Report*, 2010, http://wdr.doleta.gov/research/FullText_Documents/National%20Job%20Corps%20Study%20and%20Longer%20Term%20Follow-Up%20Study%20-%20Final%20Report.pdf.

energy, transportation, green construction, environmental protection, sustainable agriculture, forestry, and recycling and waste reduction. For health sector opportunities, ETA will be working with federal partners (such as the Departments of Education and Health and Human Services) to administer grants that prepare low-income adults, dislocated workers, and low-wage incumbent workers for health care careers and that adapt existing programs to address the gaps in health care sector training.

For additional information on the Department's efforts to reform the workforce system and prepare workers for 21st century jobs, see the chapter on *Innovations and Reform at the Department of Labor*.

Providing Employment and Training for Veterans

Performance Goal VETS 1.1 – Improve employment outcomes for veterans who receive One-Stop Career Center Services.

The mission of VETS is a direct reflection of the Nation's responsibility to meet the employment, training and job security needs of Americans who have served in uniform. VETS prepares veterans for good jobs by offering employment and training services to eligible veterans through its Jobs for Veterans State Grants Program (JVSG). Under this grant

program, funds are allocated to state Workforce Agencies in direct proportion to the number of veterans seeking employment in the particular state. The grants support two principal staff positions in the WIA One-Stop System: Disabled Veterans Outreach Program (DVOP) specialists and Local Veterans' Employment Representatives (LVERs).

DVOP specialists provide intensive services to meet the employment needs of disabled veterans and other eligible veterans, with the maximum emphasis directed toward serving those who are economically or educationally disadvantaged, including homeless veterans. LVERs conduct outreach to employers and engage in advocacy efforts with hiring executives to increase employment opportunities for veterans, encourage the hiring of disabled veterans, and generally assist veterans to gain and retain employment. To meet the specific needs of veterans, DVOP and LVER staff is thoroughly familiar with the full range of job development services and training programs available at the One-Stop Career Centers and Department of Veterans Affairs Vocational Rehabilitation and Employment Program locations.

VETS will improve the effectiveness of JVSG-funded assistance through fundamental changes to the program's service delivery model. Currently, this model primarily offers low-cost employment services that complement WIA's core services. VETS is refocusing the efforts of DVOPs to increase the delivery of specialized intensive services. DVOPs will provide intensive services to meet the employment needs of eligible veterans with emphasis on economically or educationally disadvantaged veterans and other veterans with barriers to employment through initiatives including:

- Targeting disabled and recently separated service members and reservists;
- Linking closely with the Transition Assistance Program (TAP); and
- Providing intensive employment services through a customer-focused case management approach.

Beginning in PY 2010, VETS will emphasize job training, counseling and placement services, including job readiness, and literacy and skills training, to expedite the reintegration of homeless female veterans and veterans with families into the labor force through the Homeless Veterans' Reintegration Program. This will increase enrollment of women, provide more health, housing, and employment services, and help prepare them to go to work and earn an income or move up from a low-paying job to a higher-paying one. The program will also seek to increase enrollment of homeless women veterans in Workforce Investment Act training programs and other community services to ensure that they have the relevant skills to be competitive in the workforce.

Performance Goal VETS 1.3
– Improve veterans' access to training and employment opportunities.

VETS provides separating and retiring military members and their spouses with employment and job training assistance and other transitional services through its TAP workshops. The four-and-one-half-day course curriculum covers topics such as how to write effective resumes and cover letters, proper interviewing techniques, and the most current methods for successful job searches. Additional information is provided on labor market conditions, assessing skills and competencies, licensing and certification requirements for certain career fields, and veterans' benefits.

To improve the workshops' effectiveness and improve participants' employment outcomes,¹¹ VETS plans to update and revise course content so that it is more economically relevant, immediately applicable, and engaging for participants. VETS has sought expert advice on content and presentation, and is working in close cooperation with its partners at the Department of Defense, the Department of Veterans Affairs, and the Department of Homeland Security in this endeavor, including the development of a joint, multi-year strategic plan for TAP.

Protecting the Reemployment Rights of Veterans

Veterans also face challenges remaining in the middle class upon returning from active duty. During 2009, the unemployment rate for veterans averaged 8.1 percent compared to a national average of 9.3. The U.S. military services discharge approximately 160,000 active duty Service Members and approximately 110,000 Reserve and National Guard Service Members annually. The demand for transition assistance and employment services for veterans, including veterans returning with disabilities, is expected to increase over the next few years as the United States demobilizes from its military engagements in Iraq and Afghanistan.

Performance Goal VETS 1.4
Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) guarantees reemployment rights to returning service members and prohibits employment discrimination against workers who have carried out their military obligations. VETS

¹¹ As measured by the federal job training program common measures – entered employment and employment retention rates and average earnings.

investigates complaints and conducts outreach and education to employers and veterans. Knowledge by both parties regarding their responsibilities and rights under the law improves compliance and minimizes claims without merit. VETS will also continue to collaborate with ODEP to develop policy that simplifies recruitment and hiring for newly disabled returning service members seeking to enter or re-enter the labor force.

One of VETS' commitments to veterans is to fully support USERRA to ensure reintegration in civilian employment. VETS recently completed a quality enhancement and process efficiency assessment of USERRA with a view toward streamlining, improving quality, and increasing responsiveness to veterans. The goals of the assessment were to identify ways of ensuring a consistent, high standard of investigations and to identify other means of improving the program's operation and outcomes. VETS has begun development of an electronic case management system to eliminate paper-based documentation of investigations and improve efficiency. Access to this system will be shared with federal enforcement partners. VETS is also working closely with the Office of Personnel Management to ensure that the federal government serves as a role model for honoring workers' rights under USERRA.

Issuing Prevailing Wage Determinations that are Current and Accurate

Performance Goal WHD 1.1
– Issue timely and accurate prevailing wage determinations.

The McNamara-O'Hara Service Contract Act (SCA) and Davis-Bacon and Related Acts (DBRA) prevailing wage requirements provide a floor for the payment of fair wages. The prevailing wage programs provide protections to local middle-class workers who may be

disadvantaged by competition from outside labor offering their services at wages lower than those in the locality, and the enforcement of the Immigration and Nationality Act foreign labor programs provides protections for American workers who may be displaced by a temporary non-immigrant workforce.

Current and accurate prevailing wage rates provide a level of income above the federal minimum wage in most instances. Efforts to boost incomes and secure "good-paying jobs" through federal stimulus activities are successful only if the wage determinations issued by the Department on behalf of workers are accurate, up-to-date, and truly reflective of what is prevailing in particular localities. The WHD wage determination programs support the Department's efforts to increase workers' incomes and help narrow income inequalities. WHD will continue to promote efficiencies in its Davis-Bacon wage survey program to improve both the accuracy and timeliness of wage determinations by implementing new wage survey strategies and by closely monitoring the average age of existing wage rates. The agency's goal is to increase the percentage of Davis-Bacon wage rates that are three years old or less.

Promoting Employment Opportunities for Workers with Disabilities

Performance Goal ODEP 1.2 – Increase the number of people with disabilities served by WIA-funded programs who receive job-related training or education.

ODEP provides national leadership by developing and influencing disability employment-related policies and practices that promote an increase in the employment of people with disabilities. ODEP develops, tests, validates, and disseminates evidence-based policy and policy strategies, fostering their adoption and implementation through the provision of technical assistance and collaboration with

its public and private partners. Strategic initiatives focus on reducing systematic, physical, and programmatic barriers found in services and programs for Americans (e.g., One-Stop Career Centers, YouthBuild sites, and Job Corps centers), as well as services and programs designed to serve people with disabilities (e.g., Vocational Rehabilitation, Medicaid, and the Social Security Administration’s Ticket Program and Work Incentives Planning and Assistance Programs), and also in employment-support programs and services (e.g., technology, transportation, health care, and mental health) that all job seekers and workers must access to obtain, maintain, and advance in a good job.

Supporting Agencies: Promoting Opportunities for All Workers

OFCCP is committed to increasing the number of compensation discrimination cases resolved under Executive Order 11246. Establishment and subsequent achievement of this goal by OFCCP will help workers without jobs get jobs without having to overcome discrimination-based barriers, and will help workers who have jobs – but are unfairly treated – achieve employment equality.

The Women’s Bureau will educate employers on their obligations and employees on their rights regarding equal pay. WB will also establish agreements with other DOL and federal agencies to promote the implementation of policies and strategies that impact working women and their families, specifically on equal pay. Information pertaining to employees will address their rights under the law, including how to obtain wage information, negotiate higher salaries, and identify potential compensation discrimination. Research and outreach to employers, unions, and governmental agencies will promote equal pay and job-training resources, with special emphasis on homeless women veterans and women with disabilities.

WB will assist women across race and ethnicity, generations, and socio-economic groups in their efforts to participate in a sustainable economy by attaining higher-paying, career-ladder jobs. Its strategy is to provide technical assistance and link women, community organizations, employers, and training providers with support services to facilitate women’s success in nontraditional and emerging fields, such as green jobs.

Through these collective efforts, DOL has the means and strategies in place to prepare workers for good jobs and to promote pathways to the middle class. DOL will monitor its progress towards these outcome goals through the following performance measures.

Outcome Goal 1.1 – Increase workers’ incomes and narrow wage and income inequality.

ETA – Increase the average earnings of individuals served through the Workforce Investment Act (WIA), Registered Apprenticeship, Community Service Employment for Older Americans (CSEOA), Job Corps, and Trade Adjustment Assistance (TAA) Programs.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Average earnings in the second and third quarters after exit (WIA-Adult)	\$13,700	\$14,207	\$14,832	Targets established annually.				\$17,743
Average earnings in the second and third quarters after exit (WIA-Dislocated Worker)	\$16,786	\$16,023	\$16,569	Targets established annually.				\$19,204
Average earnings in the second and third quarters after exit (WIA-Indian Native American Program)	\$9,853	\$9,485	\$9,902	Targets established annually.				\$11,846
Average earnings in the second and third quarters after exit (Apprenticeship)	\$20,566	\$19,324	\$19,210	Targets established annually.				\$22,488
Average earnings in the second and third quarters after exit (CSEOA)	\$6,893	\$6,590	\$6,880	Targets established annually.				\$8,230
Average wage of placed graduates (Job Corps)	\$9.22	\$9.10	\$9.25	Targets established annually.				\$9.50
Average earnings in the second and third quarters after exit (TAA)	\$15,087	\$13,314	\$13,725	Targets established annually.				\$16,686

VETS – Improve employment outcomes for veterans who receive One-Stop Career Center services.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of veteran participants employed in the first quarter after exit	48.8%*	56.0%	57.2%	Targets established annually.				61.7%
Percent of veteran participants employed in the first quarter after exit still employed in the second and third quarters after exit	76.9%*	78.2%	79.4%	Targets established annually.				83.5%
Average earnings of veteran participants in the second and third quarters after exit	\$15,978*	\$14,923	\$16,200	Targets established annually.				\$22,347

*Program Year 2009 results reflect the first three quarters; final results are expected in October 2010.

WHD– Issue timely and accurate prevailing wage determinations.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of Davis-Bacon wage rates that are three years old or less	71%	75%	80%	Targets established annually.				95%

Outcome Goal 1.2 – Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high growth and emerging industry sectors like green jobs.

ETA – Increase skill attainment, certification and work preparedness of individuals served through a range of programs to prepare them to compete in a knowledge-based economy featuring emerging industries such as green jobs.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of participants entering employment or enrolling in post-secondary education, the military or advanced training/ occupational skills training in the first quarter after exit (WIA-Youth)	58.1%	58.3%	59.3%	Targets established annually.				63.0%
Percent of participants who earn a diploma, GED, or certificate by the end of the third quarter after exit (WIA-Youth)	57.9%	48.5%	50.8%	Targets established annually.				59.1%
Percent of participants entering employment or enrolling in post-secondary education and/or advanced training/ occupational skills training in the first quarter after exit from the program (Job Corps)	66%	65.3%	66.3%	Targets established annually.				70.0%
Percent of students who attain a diploma, GED, or certificate by the end of the third quarter after exit from the program (Job Corps)	61%	56%	57%	Targets established annually.				62.0%
Percent of participants who earn a diploma, GED, or certificate by the end of the third quarter after exit (YouthBuild)	58%	38.9%	40.6%	Targets established annually.				46.9%

ODEP – Increase the number of people with disabilities served by WIA-funded programs who receive job related training or education.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Number of WIA-funded agencies adopting ODEP-identified disability employment-related policies and practices					baseline	annual target	annual target	targeted increase
Number of WIA-funded agencies implementing ODEP-identified disability employment-related policies and practices						baseline	annual target	targeted increase

Outcome Goal 1.3 – Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.

ETA – Provide workers with the resources necessary to increase their likelihood of obtaining middle-class jobs.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of participants employed in the first quarter after exit (WIA-Adult)	54.1%	65.8%	66.8%	Targets established annually.				70.5%
Percent of participants employed in the first quarter after exit (WIA-Dislocated Worker)	50.9%	66.5%	67.0%	Targets established annually.				68.8%
Percent of participants employed in the first quarter after exit (WIA-Indian and Native American Program)	56.5%	60.5%	61.4%	Targets established annually.				64.8%
Percent of participants employed in the first quarter after exit (WIA-National Farmworker Jobs Program)	80.7%	77.6%	78.8%	Targets established annually.				83.1%
Percent of participants employed in the first quarter after exit (Employment Service)	48.5%*	56.9%	58.1%	Targets established annually.				62.6%
Percent of participants employed in the first quarter after exit (Apprenticeship)	70.2%	69.2%	69.6%	Targets established annually.				71.8%
Percent of UI claimants reemployed by the end of the first quarter after the quarter in which they received their first payment (UI)	55.0%	58.6%	54.4%	Targets established annually.				62.4%

*Program Year 2009 Employment Service results exclude PR, GU, NH, NJ, MN and CA.

VETS – Improve veterans’ access to training and employment opportunities.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of disabled veteran participants employed in the first quarter after exit	46.5%*	51.8%	53.0%	Targets established annually.				57.5%
Percent of disabled veteran participants employed in the first quarter after exit still employed in the second and third quarters after exit	76.6%*	77.3%	79.1%	Targets established annually.				82.6%
Average earnings of disabled veteran participants in the second and third quarters after exit	\$16,647*	\$15,310	\$16,587	Targets established annually.				\$22,734
Percent of female HVRP participants employed in the first quarter after exit			baseline	Targets established annually.				targeted increase
Percent of TAP participants who indicate the workshop prepared them for gainful employment			baseline	Targets established annually.				targeted increase

*Program Year 2009 results reflect the first three quarters; final results are expected in October 2010.

Outcome Goal 1.4 – Help middle-class families remain in the middle class.

ETA – Ensure that those workers adversely affected by foreign and domestic economic conditions can remain in the middle class.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit (WIA-Dislocated Workers)	79.7%	84.2%	85.0%	Targets established annually.				87.8%
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit (National Emergency Grants)	78.5%	82.1%	82.7%	Targets established annually.				85.0%
Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit (TAA)	88.0%	83.3%	83.9%	Targets established annually.				87.6%
Average petition processing time (TAA)		baseline	Targets established annually.					40 days
Percent of TAA petition determinations processed in compliance with established review procedures (TAA)			baseline	Targets established annually.				100%

VETS – Reduce employer-employee employment issues originating from service members’ military obligations conflicting with their civilian employment.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of USERRA investigations completed within 90 Days	86%	87%	87%	Targets established annually.				89%
Percent of USERRA referrals completed within 60 Days	56%	59%	60%	Targets established annually.				65%
Percent of USERRA cases resolved or referred in compliance with standard operating procedures			baseline	Targets established annually.				targeted increase

Outcome Goal 1.5 – Secure wages and overtime.

The Wage and Hour Division is responsible for administering and enforcing laws that establish the minimum standards for wages and working conditions in the United States. Collectively, these labor standards cover most private, state, and local government employment. They protect over 135 million workers in more than 7.3 million establishments throughout the United States and its territories.

Performance Goal WHD 1.5
– Ensure that vulnerable workers are employed in compliance and secure sustained and verifiable employer compliance, particularly among the most persistent violators.

The Fair Labor Standards Act (FLSA) minimum wage and overtime provisions are intended to broaden work opportunities and promote employment.

Protecting Vulnerable Workers

By concentrating its enforcement resources on increasing the percentage of vulnerable workers employed in compliance with the laws that the agency enforces, WHD can ensure that workers receive the wages and overtime that they have legally earned – *fair compensation*. As stated previously, vulnerable workers are those who are at risk of exploitation at work, such as young workers and workers who are reluctant to file complaints when they are subject to violations at work. Vulnerable workers also include those that are employed in *fissured* industries – those sectors that increasingly rely on a wide variety of organizational methods that have redefined employment relationships: subcontracting; third-party management; franchising; independent contracting; and other contractual forms that alter who is the employer of record or make the worker-employer relationship tenuous and less transparent.¹² These are industries in which the employment relationship is splintered and the beneficiary of the labor is distanced from the workers who are providing the labor. Employers in these industries often fail to recognize or classify such workers as employees, which leave the workers subject to unfair treatment and disparate wages. Other vulnerable workers include individuals with disabilities and those employed in statutory programs for which there is no private right of action and for whom the government offers the only remedy. WHD’s focus on workers employed in these programs and industries contributes to the Department’s efforts to *ensure fair compensation*.

Targeting Fissured Industries

WHD’s enforcement program is guided by several key strategic principles. WHD’s directed investigations will be concentrated in high-risk fissured industries that employ vulnerable workers or in program areas in which workers are at a higher risk of exploitation. High-risk industries include the agricultural, janitorial, construction, and hotel/motel industries. WHD has begun measuring compliance levels and the severity of violations in these industries by conducting baseline investigation-based compliance evaluations. These evaluations, in addition to providing measures of compliance, inform WHD on the likely causes of violative behavior and point to strategies for addressing high violation rates industry-wide. WHD will continue to conduct investigation-based compliance evaluations to determine the percent of prior violators who come into and stay in compliance with the provisions of the FLSA.

¹² Weil, D., *Improving Workplace Conditions through Strategic Enforcement: A Report to the Wage and Hour Division*, 2010. This report is available at <http://dol.gov/whd>.

Securing Sustained Compliance

Making certain that employers maintain compliance with laws enforced by WHD provides security to workers who rely on a continued level of income. The act of “securing” wages and overtime is not a measure of collecting back wages, but the means of ensuring – through enforcement activities, litigation strategies, and penalty assessments – that workers continue to receive the compensation to which they are entitled. WHD’s agency goal of securing sustained and verifiable future compliance, particularly among the most persistent violators, supports this outcome goal.

The agency’s complaint investigation program will be strategically managed to enhance deterrence and promote sustained compliance in this same core set of industries. WHD’s customer-service strategies will aim to increase the involvement of workers and community organizations in identifying and reporting alleged workplace violations. WHD complaint-based and directed enforcement activities will be oriented towards ensuring sustained employer compliance and long-term system-wide changes by targeting the most persistent violators, by pursuing corporate-wide compliance strategies, and by imposing penalties and sanctions as appropriate.

WHD is also expanding its public awareness and outreach to workers through the *We Can Help* campaign. The campaign helps connect America’s most vulnerable workers with the broad array of services offered by the Department of Labor. The campaign places a special focus on reaching employees in such industries as construction, janitorial work, hotel/motel services, food services, and home health care. Through the use of Spanish/English bilingual public service announcements, the Department is renewing its emphasis on reaching and assisting workers who often find themselves denied the pay legally guaranteed to them by law.

Identifying Employee Misclassification

WHD will be a key partner in a joint Department of Treasury-Department of Labor initiative to detect and deter the misclassification of employees as independent contractors and to strengthen and coordinate federal and state efforts to enforce labor law violations arising from misclassification. Individuals wrongly classified as independent contractors are denied access to critical benefits and protections – such as family and medical leave, overtime, minimum wage and unemployment insurance – to which they may be entitled as regular employees. Employee misclassification also generates substantial losses to the Treasury and the Social Security, Medicare, and Unemployment Insurance Trust Funds. In its last comprehensive estimate of the scope of the misclassification problem for tax year 1984, the Internal Revenue Service estimated that 15 percent of all employers misclassified a total of 3.4 million employees as independent contractors, resulting in an estimated annual revenue loss of \$1.6 billion in 1984 dollars (\$3.4 billion in 2010 dollars).



Wage and Hour We Can Help

The U.S. Department of Labor’s Wage and Hour Division has launched “We Can Help” – a campaign to educate and empower America’s most vulnerable workers.

The campaign will increase:

- **Awareness:** Through print, electronic and online media, we will reach out to 135 million workers to make sure they know how to receive the wages they earned.
- **Access:** The effort will encourage workers, regardless of immigration status, to report wage and hour violations by phone or Web site.
- **Accountability:** Leveraging community partnerships, we will hold employers accountable so that they do not gain an unfair advantage.

www.dol.gov/wecanhelp



U.S. Department of Labor
Heidi L. Gold, Secretary of Labor

While the precise extent of misclassification is unknown,¹³ studies suggest that it may affect 10 to 30 percent of employers. A number of recent studies conducted by worker protection organizations, researchers on behalf of state governments, and DOL's Employment and Training Administration suggest that misclassification – while occurring in many industries – is more prevalent in several high-risk industries: construction; janitorial; home health care; child care; transportation and warehousing; meat and poultry processing; and other professional and personnel service industries. The construction industry, in particular, is cited in each of the studies as rife with employee misclassification. As indicated above, WHD will raise its directed investigation level and increase its presence in these key industries and will target employers who are identified as having misclassified employees or groups of employees.

Promoting Employer Responsibilities

WHD's efforts to address employee misclassification also support the Department's regulatory strategy of *Plan/Prevent/Protect* which is discussed in the *Innovation and Reform* chapter of this Plan. Through this strategy, DOL's worker protection agencies are proposing regulatory actions that require employers and others to develop and effectively implement programs to address certain employment law compliance issues (see Strategic Goal 2 for a more detailed discussion of this strategy). The FLSA recordkeeping regulations – which WHD is developing and plans to publish as a Notice of Proposed Rulemaking in 2011 – are an example of the *Plan/Prevent/Protect* strategy. The current recordkeeping regulations require covered employers to post general notices in their workplaces about the FLSA and to keep specified payroll records and other information, but do not require that such information or other information regarding a worker's employment or exemption status be disclosed to the worker.

Accordingly, the FLSA recordkeeping regulations under development will require that covered employers notify each of their workers of their rights under the FLSA, and provide employees with information regarding their hours worked and wage computations. The Office of Federal Contract Compliance Programs and the Occupational Safety and Health Administration also propose establishing similar requirements that employers notify workers of their employment status.

Protecting Job Opportunities for Americans

Performance Goal ETA 1.5 – Maintain oversight to ensure that employers are compliant with wage and overtime laws with respect to certified foreign laborers.

ETA's Office of Foreign Labor Certification (OFLC) helps protect workers' wages by reviewing employer requests for certification of a foreign worker to work in the United States. ETA's OFLC assures that the hiring of a foreign worker will not adversely impact the wages and working conditions of American workers and that no qualified American workers are willing or available to fill a given vacancy. Employers seeking

to hire foreign workers are required to conduct good-faith efforts to locate talent in their communities. In addition, employers are required to pay any foreign worker the wage

¹³ Weil, D., *Improving Workplace Conditions through Strategic Enforcement: A Report to the Wage and Hour Division*, 2010. This report is available at <http://www.dol.gov/whd>.

rate that prevails in the area of employment for the occupation and to comply with all laws governing such employment. Strategies for improving the timeliness and quality of certification processes include fee-based funding of application processing, revising applications to promote clarity and ease of use by employers, and enhancing audit and oversight for the permanent program.

WHD and ETA will monitor progress toward this outcome goal through the following performance measures.

WHD – Ensure that vulnerable workers are employed in compliance and secure sustained and verifiable employer compliance, particularly among the most persistent violators.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of prior violators that achieve and maintain compliance following a full FLSA investigation	66%	70%	75%	Targets established annually.				80%
Percent of firms in the janitorial industry in compliance with applicable statutes		baseline			targeted increase			90%
Percent of construction companies in compliance with applicable statutes			baseline			targeted increase		90% (2017)
Percent of firms in the hotel/motel industry in compliance with applicable statutes				baseline			targeted increase	90% (2018)

ETA – Maintain oversight to ensure that employers are compliant with wage and overtime laws with respect to certified foreign laborers.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of employer applications for permanent labor certification resolved within six months of filing		80%	81%	Targets established annually.				95%
Percent of resolved permanent applications selected for integrity review and found in compliance		60%	61%	Targets established annually.				70%
Percent of determinations issued by OFLC in compliance with established standard operating procedures			baseline	Targets established annually.				targeted increase

¹³ *Employee Misclassification: Improved Coordination, Outreach, and Targeting Could Better Ensure Detection and Prevention*, GAO-09-717, September 9, 2009, <http://www.gao.gov/cgi-bin/getrpt?GAO-09-717>.

Outcome Goal 1.6 – Foster acceptable work conditions and respect for workers’ rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.

In a global economy, opportunities for American workers are shaped by the working conditions and opportunities of workers worldwide. Addressing worker rights and livelihoods overseas has the dual effect of protecting both American and foreign workers. The Department of Labor is committed to promoting worker rights in the United States and abroad so that all workers are treated fairly and are able to share the benefits of the global economy. Realizing Secretary Solis’ vision of *good jobs for everyone* requires improving working conditions, raising living standards, protecting workers’ ability to exercise their rights, and addressing the workplace exploitation of children and other vulnerable populations.¹⁴

Performance Goal ILAB
1.6 – Improve worker
rights and livelihoods for
vulnerable populations.

In April 2010, Secretary Solis and the Department of Labor hosted a meeting of the G20 Labor and Employment Ministers – the first time in history that Labor Ministers from the world’s 20 largest economies met as the G20. While at DOL, the G20 Labor and Employment Ministers discussed the impact of the recent economic crisis on employment in their countries. They shared results and insights from the wide variety of policies the countries have undertaken to preserve and create jobs, protect and assist the unemployed, and adapt to changes in labor markets. The Ministers agreed on a series of recommendations for G20 Leaders, which included:

- Accelerate Job Creation to Ensure a Sustained Recovery and Future Growth;
- Strengthen Social Protection Systems and Promote Inclusive Active Labor Market Policies;
- Place Employment and Poverty Alleviation at the Center of National and Global Economic Strategies;
- Improve the Quality of Jobs for Our People; and
- Prepare Our Workforces for Future Challenges and Opportunities.

These recommendations reinforce the Secretary’s vision and demonstrate the relevance of that vision for workers across the globe. When implemented, these recommendations will contribute to making families stronger and giving children a brighter future, free of exploitive labor. ILAB leads the Department’s efforts to promote policies and practices that aim for fair treatment of workers and that allow them to share in the benefits of a global economy. ILAB focuses on three primary areas: 1) international trade and labor, including mandates related to free trade agreements; 2) international child labor, forced labor, and human trafficking, including reporting and program mandates; and 3) international organizations, including mandated representation before the International Labor Organization.

By achieving the objectives identified in these three areas, DOL helps build the foundation for a sustained recovery of the global economy and contributes to a more balanced

¹⁴ ILAB’s work also contributes to Outcome Goal 3.3: Ensure worker voice in the workplace.

pattern of global trade in the future. Pursuing these objectives will once again position the United States as a leader on international labor issues and demonstrate the Nation's commitment to assist governments that have the political will to foster better livelihoods and rights for their workforces.

By offering incentives to engage foreign governments, particularly trading partners of the United States, livelihoods can be improved, labor rights can be guaranteed internationally, and national labor laws can be enforced. ILAB will demand a higher level of engagement and support from the governments and other actors in recipient countries. Protecting workers internationally will provide a foundation for the sustained recovery of the global economy and contribute to a more balanced pattern of global trade in the future. Ultimately, the distribution of the benefits from trade has the potential to reduce poverty and offer opportunities for productive work worldwide. This is at the core of protecting vulnerable people and providing workers with a fair share of their productivity and a voice in their work lives. ILAB also partners with ODEP to promote the adoption and implementation of proven disability employment policy and practices by the G20.

ILAB's resources will be used to deploy innovative strategies that align the incentives facing public and private actors in trading partner countries. ILAB will build on successful monitoring programs, such as the *Better Work* program that was started in Cambodia, and other interventions that creatively address the challenges workers face globally. ILAB will use incentives to engage foreign governments in a shared effort to improve livelihoods, working conditions, and respect for international labor rights.

The vulnerability of families to poverty and economic shocks is undeniably a major contributing factor in family decision-making on whether to send their children to school or work. To adequately address the root causes of child labor, ILAB programs will place a renewed emphasis on improving the livelihoods of families including through a myriad of interventions such as: improving access to credit; savings and insurance schemes; linking households to social protection interventions; employment creation strategies and training opportunities; and increasing market access.

Evidence suggests that one of the most important strategies to effectively eliminating child labor is improving access to quality education. Providing access to schooling and improving the quality and relevance of education influences household decision-making regarding the allocation of children's time between education and labor. Parents that see a value and high returns for education are more likely to choose schooling over labor. ILAB programs will continue to focus

Better Work

Better Work is a model program ILAB supports in several countries. Managed jointly by the International Labor Organization and the International Finance Corporation, *Better Work* helps countries achieve improvements in worker rights and livelihoods for vulnerable populations by offering positive incentives to governments, factories, and international buyers. *Better Work* monitors factories in the program and produces public reports on its findings. As factories make improvements in working conditions and worker rights, they are publicly recognized through the transparent monitoring and reporting of the *Better Work* program. International buyers and investors then have an incentive to place more orders and expand operations with factories that are compliant with international labor standards and do not pose a reputational risk for international brands.

on eliminating or reducing transportation costs to school, providing teacher training and curriculum development, mainstreaming children into basic education programs, providing remedial education, and reducing school fees including costs associated with the purchase of school supplies, uniforms, and textbooks.

ILAB is realigning its efforts and focusing on monitoring and oversight of Free Trade Agreements, improving the analytical quality of its research and disseminating its reports strategically, actively engaging labor ministries and international and regional organizations, and confronting the root causes of child labor. ILAB will also continue its role as the lead agency within the United States government on: International Labor Organization policy and program issues; representing the United States government in the labor and employment components of key international organizations; providing education and technical assistance to Trade Agreement countries; and assisting in the development and implementation of United States government policy on international child labor, forced labor, and human trafficking issues.

ILAB, through rigorous evaluation and monitoring of the performance of its short-term (output), intermediate and long-term outcome measures, will assess the impact of its policy advocacy, technical assistance programs, and other tools on improving worker rights, working conditions and livelihoods.

ILAB will monitor its progress towards the Secretary's outcome goal through the following performance measures.¹⁵

ILAB – Improve worker rights and livelihoods for vulnerable populations.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Number of policy positions adopted by the U.S. government through the interagency process that reflect ILAB and DOL priorities			baseline	Targets established annually.				targeted increase
Number of policy positions adopted by international fora and countries that reflect ILAB and DOL priorities			baseline	Targets established annually.				targeted increase
Number of households receiving livelihood services			baseline	Targets established annually.				targeted increase
Number of children engaged in or at high risk of entering the worst forms of child labor provided education or vocational services			baseline	Targets established annually.				targeted increase
Number of countries with increased capacity to address child labor or forced labor			baseline	Targets established annually.				targeted increase
Percentage of open labor rights petitions or reviews resolved annually through verifiable changes in countries' laws or practices that address the major issues of concern			baseline	Targets established annually.				targeted increase
Number of countries in which worker rights and/or working conditions are improved			baseline	Targets established annually.				targeted increase
Number of countries in which there is an improvement in the capacity of the government and/or other social partners to protect worker rights and/or improve working conditions as a result of DOL interventions			baseline	Targets established annually.				targeted increase
Number of workers better able to exercise their rights and/or that experience improved working conditions as a result of DOL interventions			baseline	Targets established annually.				targeted increase
Number of workers with improved livelihoods as a result of DOL interventions			baseline	Targets established annually.				targeted increase

¹⁵ In recent years, ILAB performance measures were limited to those associated with child labor activities and grants. For more information, see the *DOL FY 2009 Performance and Accountability Report*, http://www.dol.gov/_sec/media/reports/annual2009/SG2.htm.

Strategic Goal 2

Ensure workplaces are safe and healthy

Central to Secretary Solis' vision of *good jobs for everyone* are workplaces that are safe and healthy. Each year, thousands of workers are killed and millions are injured on the job due to unsafe working conditions. Tens of thousands of workers die each year of work-related diseases as well. DOL agencies charged with improving workplace safety and health will use rigorous enforcement, science-based rulemaking, and stakeholder involvement to achieve this crucial strategic goal.

This strategic goal will be achieved through the following complementary outcome goal:

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

The DOL agencies working toward *safe and healthy* workplaces are the Mine Safety and Health Administration (MSHA), the Occupational Safety and Health Administration (OSHA), and the Wage and Hour Division (WHD). The safety and health missions of MSHA and OSHA are clear; however, WHD also enforces key safety and health provisions in certain statutes. For example, the Fair Labor Standards Act ensures the safe employment of young workers, encourages their educational endeavors, and provides a path to future employment. The Migrant and Seasonal Agricultural Worker Protection Act and the Immigration and Nationality Act's (INA) H-2A Programs, and the Occupational Safety and Health (OSH) Act's field sanitation provisions, protect agricultural workers by providing standards regulating the safe transportation of migrant and seasonal workers; farmworkers by ensuring safe and healthy housing; and field workers by establishing standards for drinking water, toilets, and hand-washing. Enforcement of the worker protection

"Every day, 14 workers are killed in on-the-job incidents, while thousands die each year of work-related disease, and millions are injured or contract an illness. Most die far from the spotlight, unrecognized and unnoticed by all but their families, friends, and co-workers – but they are not forgotten.

The legal right to a safe workplace was won only after countless lives had been lost over decades in workplaces across America, and after a long and bitter fight waged by workers, unions, and public health advocates. Much remains to be done, and my Administration is dedicated to renewing our Nation's commitment to achieve safe working conditions for all American workers.

Providing safer work environments will take the concerted action of government, businesses, employer associations, unions, community organizations, the scientific and public health communities, and individuals."

*President Barack Obama
Proclamation of April 28, 2010
as Workers Memorial Day*

"On this Workers Memorial Day, the mission of the Department of Labor's worker safety and health protection agencies – MSHA and OSHA – is clearer than ever. And, our effort to save lives – through enhanced enforcement, a forward looking and progressive regulatory agenda, expanded outreach and a relentless commitment to enforcing the law – has never been more necessary."

*Secretary of Labor Hilda L. Solis
Statement on Workers
Memorial Day
April 28, 2010*

provisions of the H-2A program assures working conditions intended both to protect the wages and the safety and health of vulnerable workers, and to ensure that the local labor force is not displaced by lower paid foreign or migrant labor.

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

All workers have a right to a safe and healthful work environment. No one should have to be injured or killed for a paycheck. DOL enforcement strategies recognize that some workers are more vulnerable than others and that some workplaces are more hazardous than others. By targeting both inspections and outreach in those areas, DOL expects to have the greatest effect on overall compliance. By improving compliance, more workplaces will be safe and healthy. With more employers in compliance, workplace injuries, fatalities, and illnesses should decline – the ultimate outcome for DOL and American workers and a critical component of *good jobs for everyone*.

Performance Goal OSHA 2.1 – Improve workplace safety and health through the enforcement of occupational safety and health regulations and standards.

Targeting the Worst Violators

OSHA enforces statutory protections, provides technical support and assistance to small businesses, promulgates safety and health standards, strengthens the accuracy of safety and health statistics, and ensures that workers know about the hazards they face and their rights under the law. OSHA diligently inspects workplaces where millions of people are employed and works to ensure that employers are providing safe working conditions. OSHA's focus includes ensuring that hard-to-reach workers know about their rights and the hazards they face and that the green jobs that contribute to the protection of the environment are safe and healthy jobs.

OSHA's strategies target the most egregious and persistent violators through a combination of special programs and initiatives, changes to penalty procedures and amounts, restructured regulations, and increased enforcement staff. These strategies are expected to achieve a broader effect across high-risk industries and for vulnerable workers. By taking a comprehensive approach to enforcement, OSHA will achieve greater outcomes in those areas where the health and safety of workers is at greatest risk.

The Severe Violator Enforcement Program focuses enforcement efforts on significant hazards and violations by concentrating inspection resources on employers who have

"I was introduced as the Secretary of Labor; well I wanted to let you know that I'm changing my title. I am the Secretary of Workplace Safety!

Because the reality is that in our country, every day 14 people die at work. More than 4 million are seriously injured and the sad fact is that most – if not all of these – are injuries and fatalities that could have been easily prevented.

This is no longer acceptable and must stop!"

*Secretary of Labor Hilda L. Solis
Remarks at the National Nurses
United - Staff Nurse Assembly
Washington, D.C.
May 11, 2010*

demonstrated recalcitrance or indifference to their Occupational Safety and Health (OSH) Act obligations by committing willful violations, repeated violations, or violations they have failed to abate. OSHA reviewed and restructured its penalty procedures to ensure that penalties imposed are consistent with the seriousness of the violation and act as effective deterrents to violators. OSHA continues to hold stakeholder meetings to collect public input on key issues facing the agency and to determine how best to develop employer health and safety programs through its *OSHA Listens* initiative.

OSHA is reaching out to Latino workers – a population that typically experiences a higher rate of injuries and illnesses as well as fatalities in the workplace. In 2010, OSHA brought together nearly 1,000 participants, including Latino workers, community- and faith-based groups, employers, unions, consulates, the medical community, health and safety professionals, and government representatives, for the National Action Summit for Latino Worker Health and Safety. This was one important event in OSHA's plan to reduce injuries and illnesses among Latino workers by enhancing knowledge of their workplace rights and improving their ability to exercise those rights.

Through National Emphasis Programs, OSHA will target high-risk industries and hazards, such as crystalline silica, lead, combustible dust, oil refineries, trenching hazards, amputations, and shipbreaking operations. In response to Congressional and Government Accountability Office concerns, OSHA is expanding the scope of National Emphasis Programs (NEPs) to include:

- Recordkeeping – This NEP will assess the accuracy of injury and illness data recorded by employers. The recordkeeping NEP involves inspecting occupational injury and illness records prepared by businesses and appropriately enforcing regulatory requirements when employers are found to be under-recording injuries and illnesses;
- Chemical Plants – This NEP outlines procedures for the inspection of facilities with quantities of highly hazardous chemicals at or above the threshold quantities defined in the process safety management standard. These new procedures include a dynamic list of questions for inspection of Process Standard Management-covered processes;¹⁶ and
- Hexavalent Chromium – This NEP targets a chemical, Hexavalent Chromium. Exposures to hexavalent chromium can occur among workers handling pigments, spray paints and coatings containing chromates, operating chrome plating baths, and welding or cutting metals containing chromium, such as stainless steel. Workers exposed to this toxic chemical are at greater risk for lung cancer and damage to the nose, throat, and respiratory tract.

OSHA aims to eliminate or reduce hazards with the broadest and most serious consequences as identified through rigorous scientific investigation. Key items on OSHA's regulatory agenda include Injury and Illness Prevention, Cranes and Derricks, and Walking and Working Surfaces.

¹⁶ Process Standard Management is a regulation, promulgated by OSHA. "Process" means any activity involving a highly hazardous chemical including any use, storage, manufacturing, handling or the on-site movement of such chemicals, or a combination of these activities.

OSHA is also committed to reducing workplace injuries and illnesses experienced by federal workers. For further discussion on these efforts, see Outcome Goal 4.1.

Protecting Mine Workers

MSHA is the worker protection agency focused on the prevention of death, disease, and injury from mining and promotion of safe and healthful workplaces for the Nation's miners. The Department believes that every worker has a right to a safe and healthy workplace. Miners in particular should never have to sacrifice their lives for their livelihood, and all workers deserve to come home to their families at the end of their shift safe and whole. MSHA is committed to preventing workplace injuries and fatalities and honors the lost lives of miners by doing its job with the utmost integrity and thoroughness.

Performance Goal MSHA
2.1 – Prevent death, disease,
and injury from mining and
promote safe and healthful
workplaces for the Nation's
miners.

Improving Working Conditions

MSHA's approach to reducing workplace fatalities and injuries includes promulgating and enforcing mandatory health and safety standards through complete annual inspections of each mine, targeting the most common causes of fatal mine accidents and disasters through initiatives such as *Rules to Live By*, reducing exposure to health risks from mine dusts and other contaminants, improving training of miners including new and inexperienced miners and contractors, targeting the most egregious and persistent violators, improving mine emergency response preparedness by MSHA and the mining industry, enhancing enforcement of miners' rights to report hazardous conditions with protection against retaliation, and encouraging and enforcing a focus on prevention.

- *Rules to Live By* is an initiative to improve the prevention of fatalities in mining. Through a first phase of industry outreach and education followed by enhanced enforcement, the focus is on 24 frequently cited standards (11 in coal mining and 13 in metal/nonmetal mining) that cause or contribute to fatal accidents in the mining industry in nine accident categories. MSHA is educating mining companies about the need to eliminate these risk factors and is increasing enforcement specifically in relationship to the identified causes. Special attention, including the largest fines, will go to serious violations of the 24 top-identified causes of mining fatalities.

"I think we all understand that underground coal mining is, by its very nature, dangerous. Every miner and every mining family understands this. But we know what can cause mine explosions, and we know how to prevent them. I refuse to accept any number of miner deaths as simply a cost of doing business. We can't eliminate chance completely from mining any more than we can from life itself. But if a tragedy can be prevented, it must be prevented. That's the responsibility of mine operators. That's the responsibility of government. And that is the responsibility that we're all going to have to work together to meet in the weeks and months to come."

*President Barack Obama
Remarks on Mine Safety
April 15, 2010
Rose Garden, The White House*

- MSHA will encourage the development of or reinforce an industry-wide culture in which mine operators take ownership of health and safety through: effective, prevention-oriented health and safety management programs; thorough inspections and robust enforcement; stakeholder outreach, education and training; and improved regulations.
- MSHA will reduce miners' exposure to coal and silica dust and other health hazards by developing and implementing a comprehensive black lung strategy. Despite improvements in mine safety trends overall, much work remains to be done to ensure the health of miners. To that end, MSHA launched a comprehensive program to end new cases of black lung among the Nation's coal miners. Based on recent data from the National Institute for Occupational Safety and Health, cases of black lung are increasing among the Nation's coal miners. Even younger miners are showing evidence of advanced and debilitating lung disease from excessive dust exposure. These efforts will involve rulemaking, education and training, health outreach, and enhanced enforcement. MSHA will also increase the health risk enforcement of the metal and nonmetal mining sector to reinforce a focus on prevention by mine operators.

Protecting Young Workers and Agricultural Workers

WHD's agricultural and child labor enforcement programs are geared towards ensuring that these most vulnerable workers are safe and receive the proper protections under law. The child labor provisions of the FLSA are designed to protect the safety and health of young workers by restricting the types of jobs they perform and limiting the number of hours and times of day that they work. WHD strives to educate teens, parents, educators, and employers on the federal youth employment rules to promote positive and safe work experiences for young workers. To disseminate information and identify potential problems before injuries or, even worse, deaths occur, WHD continues to explore innovative strategies to reach out to these communities. For example, through the *Youth Rules!* educational campaign, WHD developed an employer self-assessment tool for child labor in non-agriculture industries. This tool helps employers evaluate their level of compliance. WHD offices also work in collaboration with their state counterparts and other federal agencies to promote consistent strategies for keeping young workers safe in the workplace. WHD local offices target industries and workplaces in which young workers are most likely to be injured or killed on the job, and each WHD on-site investigation includes a requirement to check the employer's compliance with the child labor laws. WHD regulatory child labor initiatives are intended to ensure that up-to-date data are used to ensure that workplace restrictions are consistent with the dangers of a 21st century workplace.

**Performance Goal WHD 2.1 –
Ensure basic safety and health
protections for young workers
and farmworkers.**

Agricultural labor remains among the most dangerous and difficult jobs performed in this country. Domestic and temporary non-immigrant farmworkers endure low wages, unsafe housing and transportation, and harsh working conditions. The Migrant and Seasonal Agricultural Worker Protection Act (MSPA) protects migrant and seasonal agricultural workers by establishing employment standards related to wages, housing, transportation, disclosures, and recordkeeping. MSPA also requires farm labor contractors and farm labor contractor employees to register with DOL and to obtain special authorization before housing, transporting, or driving covered workers. The H-2A visa program establishes standards related to recruitment, wages, housing, transportation, and recordkeeping for employers of temporary non-immigrant agricultural workers admitted to the country under Section 218 of the Immigration and Naturalization Act. The field sanitation provisions of the OSH Act establish minimum standards for covered agricultural settings for toilets, potable drinking water, hand-washing facilities, and for providing information regarding good hygiene practices.

On February 12, 2010, the Department published final rules implementing changes to the H-2A program that significantly strengthened workers' protections and provided enhanced enforcement tools to promote compliance with applicable agriculture labor standards. The employer must now provide DOL with documentation that it has complied with the prerequisites for bringing H-2A workers into the country, including the requirements related to recruiting for qualified American workers, instead of simply attesting to compliance.



The new rules require that all employer-provided transportation meet, at a minimum, the same federal standards for vehicle safety, vehicle insurance, and driver licensure applicable to most other agricultural workers. Under these regulations, WHD will now have independent debarment authority to prevent persistent violators from participating in the program.

WHD will conduct randomly selected directed investigations of H-2A employers to determine their compliance with all applicable statutes concerning agricultural labor standards. Each WHD region will tailor the timing of the directed investigations to the agriculture work in its geographic area. Education and outreach to employers will concentrate on child labor requirements, H-2A regulatory changes, joint employer responsibilities, and increased awareness of persistently non-compliant farm labor contractors. Public awareness and outreach to workers will be designed to increase WHD visibility among agricultural worker populations, including worker advocacy organizations. Penalties, sanctions, revocation, hot goods, debarment, and similar strategies will be used as appropriate to ensure future compliance among violators and to deter violations among other agricultural

employers. Media releases will be used to inform the public of WHD agricultural laws, compliance actions taken, and penalties assessed.

Through these efforts, OSHA, MSHA, and WHD will *secure safe and healthy workplaces*, and their efforts will be monitored through the following performance measures.

OSHA – Improve workplace safety and health through the enforcement of occupational safety and health regulations and standards.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of serious, willful, repeat violations in:								
Large construction projects				baseline		results reported		targeted to trend downward
High-hazard manufacturing industry				baseline		results reported		targeted to trend downward
Recidivism rate for serious, willful, and repeat violations in manufacturing industry				baseline		results reported		targeted decrease
Number of fatalities associated with the four leading causes of workplace death – falls, electrocutions, caught in or between, and struck by – in:								
Construction	571	562	551	Targets established annually.				522
General industry	743	731	716	Targets established annually.				679
Number of hazards abated associated with:								
Hearing loss in construction and manufacturing	595	604	610	Targets established annually.				676
Illnesses in general industry and construction	11,428	11,600	11,714	Targets established annually.				12,971
Workplace amputations	7,197	7,305	7,377	Targets established annually.				8,169
Total number of employees removed from workplace hazards through inspections	452,828	455,093	459,621	Targets established annually.				482,262
Federal Agency total case rate for injuries and illnesses*	3.22	3.10	2.97	Targets established annually.				2.33
Federal Agency lost time case rate for injuries and illnesses*	1.48	1.42	1.36	Targets established annually.				1.07

*See Outcome Goal 4.2 for a discussion of strategies supporting these outcomes.

MSHA – Secure safe and healthy workplaces particularly in high risk industries..								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Five-year rolling average of fatal injuries per 200,000 hours worked	0.0180	0.0171	Targets established annually.					0.0125 estimate
Percent of noise exposures in coal mines above the citation level	4.02%	3.94%	3.86%	Targets established annually.				3.49%
Percent of Metal and Nonmetal mines conducting their own silica dust surveys and noise evaluations for miners ¹			baseline	Targets established annually.				targeted increase
Mine injuries per 200,000 hours worked ²					baseline	Targets established annually.		targeted decrease
Compliance levels among mines that have received potential pattern of violation notices			baseline	Targets established annually.				targeted increase
Ten-year rolling average of the number of high-hazard potential impoundment/dam failures with significant release per year			1.10	Targets established annually.				0.75
Readiness of MSHA, mining industry, and mine rescue team emergency response			baseline	Targets established annually.				targeted increase

¹ MSHA will propose a change in the silica dust standard during the period of the Strategic Plan. The measure will be adjusted upon implementation of a final respirable silica dust rule.

² Implementation of this measure is dependent upon the outcome of a pending program evaluation on injury data quality, which is briefly discussed in the chapter on *Program Evaluations*.

WHD – Ensure basic safety and health protections for young workers and farmworkers.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of H-2A certified employers in compliance with applicable statutes		baseline	Targets established annually.					85%

Strategic Goal 3

Assure fair and high quality work-life environments

To strengthen and expand the middle class, the Department is committed to protecting workers' rights to fair treatment, good working conditions, and a voice in the workplace. Discrimination and obstacles to collective bargaining have contributed to growing inequality in wages and benefits. When workers have a voice in the workplace, they can become fully involved in ensuring their workplaces are safe. Yet, too many workers, especially vulnerable workers, do not report violations. Many fear that they will lose their job or face disciplinary action whenever they suffer an injury and report it. DOL is working to *assure fair and high quality work-life environments* through a combination of strategies protecting specific groups of workers and workplaces.

Three outcome goals support Strategic Goal 3:

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

Eight DOL agencies have programs, performance goals, and measures that contribute to achievement of this goal.

Through the work of the Office of Federal Contract Compliance Programs (OFCCP), DOL ensures that over 200,000 contractors and sub-contractors working under contracts with the federal government provide equal employment opportunities – a fair and diverse workplace. The Office of Disability Employment Policy (ODEP) develops policy and policy strategies to reduce barriers to employment for individuals with disabilities. The Women's Bureau (WB) formulates standards and policies to promote the welfare of wage-earning women. The WB and the Wage and Hour Division (WHD) promote workplace flexibility for family and personal care-giving. The Office of Labor-Management Standards (OLMS), the Bureau of International Labor Affairs (ILAB), the Occupational Safety and Health Administration (OSHA), the Mine Safety and Health Administration (MSHA), and WHD conduct outreach so that workers are better informed of their rights, are better able to freely exercise those rights without fear of adverse consequences, and are better positioned to meaningfully participate in workplace decision-making. Through these advances, workers increase their voice in the workplace.

Outcome Goal 3.1 – Break down barriers to fair and diverse workplaces so that every worker's contribution is respected.

The vibrancy of the American economy depends upon the effective use of all of the Nation's labor resources. Discrimination on the basis of race, color, religion, sex, national origin, disability, or status as a covered veteran not only adversely impacts America's workers and families but also inhibits economic growth. The Secretary of Labor's vision of *good jobs for everyone* includes ensuring that all workers and job seekers work in workplaces that value diversity and are free from discrimination.

Between 1972 and 2009 the labor force participation rate for women increased by almost 15.3 percent, expanding from 43.9 to 59.2 percent. During the same period, the African-American labor market participation rate slightly increased from 59.9 to 62.4 percent. The unemployment rate among African-Americans remained high, 10.4 percent in 1972 and 14.8 percent in 2008. In contrast, labor market participation for Latinos has been stable since 1977 and remains high, especially for Latino men whose labor market participation rate was 80.2 percent in 2008 and 78.8 percent in 2009.

Although many people with disabilities are prepared, willing, and able to work, they remain a largely untapped labor pool. As a result, they remain out of the labor force at a much higher rate than those reporting no disabilities. The Bureau of Labor Statistics reported in July 2010 that the unemployment rate of working-age persons with a disability was 16.4 percent, compared with 9.5 percent for persons with no disability, not seasonally adjusted. But the more important story is told by the statistic showing the percentage of the population of working-age persons with disabilities that is working. In July 2010, the employment-population ratio for persons with a disability was only 18 percent, compared with 63.9 percent for persons reporting no disability. Therefore, approximately 20.4 million people, 16 years and older, who represent a multitude of abilities to support the American workforce are not in the labor force. These data demonstrate a clear need for transformational action.

Advance Equal Employment Opportunities

OFCCP administers and enforces three legal authorities that require equal employment opportunity: Executive Order 11246, as amended; Section 503 of the Rehabilitation Act of 1973, as amended; and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended. Together, these laws ban discrimination and require federal contractors and subcontractors to take affirmative action to ensure that all individuals have an equal opportunity for employment, without regard to race, color, religion, sex, national origin, disability, or status as a covered veteran.

**Performance Goal OFCCP
3.1 – Ensure diversity and
fairness in federal contractor
workplaces.**

OFCCP will investigate all discriminatory practices within its purview and enforce the requirements for effective affirmative action programs to ensure that federal contractors are committed to advancing equal employment opportunity for and engaging in outreach to minorities, women, individuals with disabilities, and covered veterans. Since federal contractors are obligated to self-audit and correct identified problem areas, consistent with the Department's *Plan/Prevent/Protect* strategy, OFCCP will dedicate additional resources to increase monitoring of this element of compliance. OFCCP will also strengthen its relationship with the contractor community and develop a comprehensive stakeholder outreach strategy, serving the needs of minorities, women, individuals with disabilities, and covered veterans. OFCCP is placing greater emphasis on enforcement and focusing on identifying and resolving both individual and systemic discrimination. Additionally, OFCCP will provide increased attention to countering discrimination against individuals with disabilities and covered veterans.

Through regulatory activities, OFCCP will establish the actions that construction contractors are required to take to implement their affirmative action obligations and address recruitment, training, and apprenticeships. In revising its regulations, OFCCP will follow the example of the WHD regulation which requires a thorough legal classification analysis be conducted by any employer seeking to exclude workers from legal protections by classifying them as independent contractors. Training will be conducted for compliance officers to better identify workers who have been misidentified as independent contractors.

The Women's Bureau will work to promote workplaces that are free of discrimination and harassment. This will involve education and outreach on employment rights, including information for young women, women of color, homeless women veterans, and women with disabilities. WB will perform outreach efforts in conjunction with DOL agencies and external federal agencies.

Remove Barriers to Employment for People with Disabilities

ODEP's success in achieving its strategic vision of reducing barriers to employment and promoting employment opportunities for people with disabilities requires the active involvement of federal agencies, state and local governments, private and public sector employers, labor unions, national disability community advocates, and other stakeholders to implement its policy and effective practice recommendations. ODEP will lead collaborative efforts with these key stakeholders to develop innovative policy and policy strategies. ODEP is responsible for the development and dissemination of policy and effective practices that address the barriers to employment faced by individuals with disabilities. To remove barriers that limit individuals with disabilities from fully participating in the workforce, ODEP will focus on the adoption and implementation of its policies and strategies by its public- and private-sector partners to impact the following areas:

**Performance Goal ODEP
3.1 – Reduce barriers to fair
and diverse workplaces for
workers with disabilities.**

1. Leverage incentives and reduce disincentives to securing good jobs;
2. Increase federal workforce participation and make the government a model employer;
3. Ensure the availability of and access to universally usable workplace technology and transportation;
4. Increase and improve access to Workforce Investment Act (WIA) programs;
5. Reduce discrimination, ensure civil rights protections, and promote affirmative hiring programs and authorities;
6. Improve return-to-work outcomes;
7. Increase integrated employment at minimum wage or above;
8. Transition returning wounded and injured service members to *good jobs*; and
9. Improve employment outcomes for diverse populations, including women, minorities, and transition-age youth with disabilities.

ODEP will develop and foster the adoption and implementation of policies and policy strategies that support: universal access to workforce development systems; employment-related supports needed by all workers and job seekers; and inclusive recruitment, hiring, advancement, and retention of people with disabilities in public- and private-sector jobs by collaborating with its federal, state, and private-sector partners.

Through the efforts of OFCCP and ODEP and complemented by the work of WB – which will ensure that workplaces for young women, women of color, homeless women veterans, and women with disabilities are free from discrimination and harassment – the Department will remove barriers to fair and diverse workplaces and will monitor its progress through the following performance measures.¹⁷

OFCCP – Ensure diversity and fairness in federal contractor workplaces.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Compliance rate for federal contractors			baseline	Targets established annually.				targeted to trend upward
Impact of OFCCP evaluations on contractor compliance							baseline	targeted increase
Discrimination rate for federal contractors			baseline	Results reported annually.				targeted to trend downward
Compliance rate with technical requirements* for federal contractors			baseline	Results reported annually.				targeted to trend upward

*“Technical requirements” refers to compliance with the federal requirements to develop Affirmative Action Programs, maintain personnel data, conduct an internal audit of personnel practices, and engage in outreach and recruitment to protected groups.

ODEP – Reduce barriers to fair and diverse workplaces for workers with disabilities.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Number of international, federal, state and local agencies and employers adopting ODEP-identified disability employment-related policy and practices					baseline	Targets established annually.		targeted increase
Number of international, federal, state and local agencies and employers implementing ODEP-identified disability employment-related policy and practices						baseline	annual target	targeted increase

Outcome Goal 3.2 – Provide workplace flexibility for family and personal care-giving.

The Secretary’s definition of a “good job” recognizes that a good job allows for work-life flexibility. On March 31, 2010, the Council of Economic Advisers released a report presenting an economic perspective on flexible workplace policies and practices. The *Work-Life Balance and the Economics of Workplace Flexibility*¹⁸ report highlights changes in American society over the past half century, including the increased number of women entering the labor force, the prevalence of families where all adults work, increasing eldercare responsibilities, and the rising importance of continuing education.

¹⁷ In prior years, OFCCP measured similar but more limited compliance and discrimination rates, and ODEP measured outputs. For more information, see the *DOL FY 2009 Performance and Accountability Report*, http://www.dol.gov/_sec/media/reports/annual2009/. In that report, OFCCP’s goal and measures are associated with Strategic Goal 3; ODEP is under Strategic Goal 2.

¹⁸ *Work-Life Balance and the Economics of Workplace Flexibility*, Executive Office of the President, Council of Economic Advisers, March 2010, <http://www.whitehouse.gov/files/documents/100331-cea-economics-workplace-flexibility.pdf>.

These changes are among those that have increased the need for flexibility in the workplace.

Changing demographics in recent decades have resulted in more women in the work force and more families in which both parents work. These changes have heightened the need to have flexible workplaces so Americans can care for their children and increasingly for their aging parents. In addition, the increased availability of assistive technologies and improved communication technologies provides opportunities for individuals with disabilities to enter and remain in the workplace following an injury or a new physical or mental condition or to use remote-work options to remain in the workforce. WHD, ODEP, and WB have developed strategies that take into account such factors.

Protecting Jobs So Workers Can Care for Family

The Family and Medical Leave Act (FMLA) allows for workplace flexibility while protecting a worker's job. WHD is responsible for ensuring that eligible workers covered under the FMLA are afforded the protections specified in the law. The FMLA, and WHD's enforcement of it, contributes directly to *providing workplace flexibility for family and personal care-giving*.

Performance Goal WHD 3.2 – Promote flexible workplace policies through enforcement of the Family and Medical Leave Act.

In support of this goal, WHD is becoming more customer service-oriented and using stakeholder outreach and new technologies to improve customer service, transparency, and openness. WHD will strive to provide timely and responsive service to workers and others who allege FMLA violations. To this end, WHD will:

- Improve the accuracy and professionalism of advice and information provided to the public (by telephone, in speeches and presentations, and in writing);
- Improve the skill levels of WHD personnel by establishing career training curricula;
- Reinstigate customer service surveys for complainants and participants in outreach events; and
- Increase the accessibility to WHD services and WHD visibility. WHD will continue its aggressive outreach activities as it spearheads the Department's *We Can Help* nationwide campaign, which will help connect workers with the broad array of services offered by the agency and address such topics as rights in the workplace and how to file a complaint with WHD.

WHD will measure customers' satisfaction with its FMLA services to demonstrate progress in promoting workplace flexibility.

Through regulatory activities, WHD will continue to review the implementation of the new military family leave amendments to the FMLA enacted as part of the National

"[F]amilies are depending more and more on working women's wages. This is why it's more important than ever that we:

...

Provide flexible workplace and leave options that reflect the reality of today's labor force, including paid family leave, child care benefits and support services."

Secretary of Labor Hilda L. Solis
Remarks at the National Council
of Negro Women
December 2, 2009



Defense Authorization Acts for FY 2008 and FY 2010. In FY 2008, the National Defense Authorization Act updated the FMLA regulations to implement new military family leave entitlements. The National Defense Authorization Act for FY 2010 included amendments that expand on the military family leave rights added to the FMLA in 2008. The military family leave provisions provide qualifying exigency and military caregiver leave for families of covered military members.

Promoting Flexible Workplaces

The WB: develops policies and standards and conducts inquiries to safeguard the interests of working women; advocates for working women's and their families' equality and economic security; and promotes high-quality work environments. Among these responsibilities is the promotion of work-family balance.

Workplace flexibility solutions – such as flexible work arrangements, family-friendly leave policies, and telework – allow employees to navigate their work, family, and personal responsibilities while also helping employers to meet their recruitment/retention needs and community efforts to ease traffic congestion and reduce their carbon footprints.

The WB is expanding research, outreach, and educational efforts to state/local governments, educational institutions, and employers to promote work-life benefits as a way to achieve better work and life balance, environmental goals (e.g., improved air quality), and meet economic challenges. The WB will work with the Bureau of Labor Statistics to

**Performance Goal WB 3.2 –
Promote workplace flexibility
through technical assistance,
partnership development,
and encouraging the use of
effective practices.**

collect data on workers' access to paid and unpaid leave, the use of leave, and the flexibility of work schedules. WB will work with other DOL and federal agencies, employers, women's organizations, and other stakeholders to use data and expand flexible workplace practices, and to promote laws and policies to help workers achieve work-life balance.

Supporting Agency: Promoting Flexible Workplaces for People with Disabilities

In the years to come, the Office of Disability Employment Policy will continue promoting workplace flexibility as a tool to help workers with disabilities and their employers assess how workers with disabilities can best balance their personal and family care responsibilities with their work obligations by promoting the adoption and implementation of ODEP-identified disability employment-related policies and practices. Specifically, ODEP will build upon lessons learned from successful initiatives such as Customized Employment, youth transition, telework, and the services of the Job Accommodation Network (JAN) and the Employer Assistance and Resource Network (EARN) to encourage employers to hire, retain, and promote workers with disabilities through workplace flexibility.

DOL will monitor its progress through the following performance measures.

"Workplace flexibility isn't just a women's issue. It's an issue that affects the well-being of our families and the success of our businesses. It affects the strength of our economy – whether we'll create the workplaces and jobs of the future we need to compete in today's global economy. And ultimately, it reflects our priorities as a society – our belief that no matter what each of us does for a living, caring for our loved ones and raising the next generation is the single most important job that we have."

*President Barack Obama
White House Forum on
Workplace Flexibility
March 31, 2010*

WHD – Promote flexible workplace policies through enforcement of the Family Medical Leave Act (FMLA).								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of FMLA complainants who rate WHD's services as "satisfied" or "very satisfied"		baseline	Targets established annually.					targeted increase

WB – Promote workplace flexibility through technical assistance, partnership development and encouraging the use of effective practices.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Number of targeted federal, state, local agencies, and service providers adopting policies/strategies proposed by the Women's Bureau					baseline	Targets established annually.		targeted increase

WB – Promote workplace flexibility through technical assistance, partnership development and encouraging the use of effective practices.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Number of technical assistance recipients with the increased capacity to implement Women’s Bureau’s proposed strategies					baseline	Targets established annually.		targeted increase
Number of targeted federal, state and local agencies and service providers implementing policies/strategies proposed by the Women’s Bureau						baseline	annual target	targeted increase

Outcome Goal 3.3 – Ensure worker voice in the workplace.

A good job provides a voice in the workplace. A voice in the workplace represents important rights for workers. Workers who are better informed of their rights, who are better able to freely exercise those rights and overcome their fear of adverse consequences, and who are better positioned to meaningfully participate in workplace decision-making thereby have a voice in the workplace.

Throughout the 20th century and continuing into in the 21st century, American unions have provided American workers with protections in the workplace and contributed to the passage of legislation assuring safe and healthy workplaces, access to a secure retirement, the opportunity for workers to obtain training and skills, and equal treatment for women and minorities at the workplace. In order to secure these benefits, unions must operate in a democratic and transparent manner, assuring all members equal treatment and the guarantee that union assets will be safeguarded.

The Department of Labor plays an important role in ensuring workers can exercise their workplace rights. DOL provides safeguards that promote transparent financial practices among unions and democratic elections. DOL also provides a range of protections for workers who claim their rights – whether relating to their health, safety, wages, benefits, or their employers’ business practices – are being violated.

Providing Safeguards for Union Members

Performance Goal OLMS 3.3 – Ensure union financial integrity, democracy, and transparency.

The Office of Labor-Management Standards (OLMS) administers the Labor-Management Reporting and Disclosure Act (LMRDA) and related laws. These laws primarily establish safeguards for union democracy and union financial integrity and require public reporting by unions, union officers, union employees, employers, labor consultants, and surety companies.

To the degree that labor organizations are held to higher standards of accountability, transparency, and democracy, the more effective their voice in the workplace, the community and the political and economic system at large, and the more effective unions are in securing the promise of “good jobs for everyone.” But when these high standards of democracy, transparency, and accountability are not adhered to, through

fraud or embezzlement, flawed elections, or violations of member rights, unions become much less effective in collective bargaining, organizing, representation, and lobbying. Their standing in the workplace, their community, and society at large suffers and is not easily regained.

Unions and their officers are responsible for almost \$20 billion in assets and annual receipts. To ensure that these assets remain safe, OLMS undertakes annual audits of union finances to detect fraud or embezzlement. OLMS constantly seeks new ways to identify fraud and embezzlement. By becoming more effective at targeting audits, OLMS more efficiently uses its resources to deter and detect wrongdoing. OLMS is also pursuing means by which unions can easily file the financial reports required under the LMRDA. By encouraging and simplifying electronic filing, OLMS can ensure that union finances are more transparent and that members and other interested parties have more timely access to these reports.

OLMS is implementing several strategies to ensure that workers will be better informed about their unions' financial practices and operations and also about their rights as employees. For example, OLMS recently promulgated a final rule that requires federal contractors and subcontractors to post a notice informing employees of their rights, under the National Labor Relations Act, to organize and bargain collectively. These strategies will enable workers to be more effective participants in the governance of their unions, make more informed decisions about union representation, and have an even greater impact through collective bargaining and workplace representation to secure a real voice in their workplace to build better lives for themselves and their families.

While the particulars of union officer elections are governed by union constitutions and by-laws, Title IV of the LMRDA provides for a number of procedural and substantive safeguards and protects the rights of members to complain to OLMS if the election process has been flawed in some way. When an election complaint is filed with the Secretary, OLMS conducts an investigation and if violations are uncovered which may have

"My vision for the Department of Labor is to provide good jobs for everyone – everyone, from business offices to field and construction workers. Good jobs are safe jobs.

...

It is my mission to use the tools of government to make sure that happens. We will identify the challenges and provide the solutions.

...

Clearly OSHA cannot do it alone; even if our budget were doubled or tripled.

...

So we have to leverage our resources. How? Through worker education and training – ensuring workers have a voice – and by providing the necessary tools to help businesses know and understand safety standards and practices – and if there is a problem, we will be forced to use the stick of large fines.

When workers have a voice in the workplace, they can become fully involved in ensuring their workplaces are safe. Who better can determine whether a job is safe or not than a worker who has thoroughly trained in workplace safety?

Who better can police the workplace to prevent unscrupulous employers from endangering workers than those workers themselves?"

*Secretary of Labor Hilda L. Solis
Latino Action Summit on Worker
Health and Safety
April 14, 2010*

affected the election outcome, seeks to remedy those violations by supervising a new election. Additionally, maintaining and increasing labor-management transparency draws its essence from the statutory imperatives of the LMRDA Title II which requires labor organizations, labor organization officers and employees, employers, and labor-management consultants to disclose certain financial and other information in the form of a publicly available report.

Improving Workers' Rights

For the three DOL agencies charged with protecting the health, safety, and wages of workers – MSHA, OSHA, and WHD – outreach and education play a critical role in helping those workers exercise their rights. For MSHA, the goal is to empower all miners to contact DOL when they believe their health or safety is at risk. OSHA and WHD are conducting outreach to the most vulnerable workers who are least likely to complain yet work in the highest risk industries. In all these efforts, DOL assumes that workers with increased knowledge of their rights and resources will be more likely to file a complaint or take other action when they believe their rights are being violated. The Department will be sponsoring evaluations to test these assumptions. These evaluations will gauge workers' perceptions of their *voice in the workplace*. In addition to knowledge of rights, the evaluation will determine whether workers can report violations without fear of reprisal. Based on the evaluation findings and recommendations, DOL will produce baseline measures of employees' awareness of their rights and the avenues of complaint open to them, i.e., their *voice*.



International Labor

Workers in foreign countries must have the right to organize and bargain collectively with their employers over wages and working conditions while also being protected from all forms of discrimination. To ensure that workers across the globe have a voice in the workplace, the Bureau of International Labor Affairs (ILAB) will work with other governments, especially developing country trading partners, to enforce their labor laws and adopt policies that improve working conditions and protect worker rights. ILAB will use a number of policy tools including dispute settlement mechanisms and penalties as well as technical assistance and development projects that aid Labor Ministries, firms, and trade unions to ensure that workers in foreign countries have a *voice in the workplace*. ILAB's work and its performance measures are discussed in DOL's Strategic Goal 1, specifically outcome goal 1.6: *Foster fair working conditions in the global economy that protect vulnerable people and provide workers with a fair share of productivity and voice in their work lives.*

Health and Safety

Performance Goal OSHA 3.3 – Improve workers’ knowledge of health and safety rights and requirements and their ability to report violations.

All workers must have a voice in the workplace and be free to exercise their right to identify hazardous conditions and request Agency inspections without discrimination. To that end, OSHA is increasing worker and employer awareness of OSHA rights, responsibilities, and programs to improve voice in the workplace. Activities include expanded outreach and education targeting

small business and vulnerable workers in high-risk industries to increase health and safety protections and reduce occupational injuries, illnesses, and fatalities.

OSHA also enforces 17 Whistleblower Protection statutes that protect workers who participate in the workplace safety and health process or engage in numerous other statutorily protected work-related activities. OSHA has established a dedicated Web site, www.whistleblower.gov, that provides information and online forms for filing complaints. Security against retaliation provides workers with a clear avenue to file complaints with OSHA.

Miners in particular must feel free to identify problems and insist they be fixed without fear of reprisal for reporting such conditions or otherwise exercising their rights under the Mine Act. If miners do suffer discrimination, the Department must take swift action to vindicate their rights, including seeking temporary reinstatement of miners alleging discrimination while investigations are pending.

Wages and Overtime

WHD is increasing its focus on those workers who are most vulnerable: young workers; farmworkers; workers with disabilities; and those who toil in labor-intensive industries at the lowest levels of compensation. In 2010, WHD launched a multi-lingual public awareness campaign entitled, *We Can Help*, to reach these vulnerable workers who are so often reluctant to report violations and fearful of exercising their rights to a minimum wage and overtime pay.

The *We Can Help* campaign addresses such topics as rights in the workplace and how to file a complaint with WHD to recover wages owed. The campaign is designed to reduce the perceived risk of filing a complaint with WHD and to increase the benefit to employees and their co-workers of reporting violations. Employees and worker advocate groups are encouraged to report violations of WHD laws through a variety of means. The inten-

“We can help, and we will help. If you work in this country, you are protected by our laws. And you can count on the U.S. Department of Labor to see to it that those protections work for you.

It is appropriate and correct that vulnerable workers receive what the law promises, and that no employer gain a marketplace advantage by using threats or coercion to cheat workers from their rightful wages.”

*Secretary of Labor Hilda L. Solis
Unveiling of We Can Help Campaign
in Chicago
April 1, 2010*

tion is to build awareness about the available remedies through radio and television spots, and through partnerships with worker and community-based organizations. These partnerships provide a vehicle for disseminating information on workers' rights and/or employers' obligations, and for mitigating the fear of retaliation among workers who seek assistance in remedying violations.



DOL will monitor its progress through the following performance measures.

OLMS – Ensure union financial integrity, democracy, and transparency.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Number of LM-10 and LM-20 reports filed on employer-consultant persuader agreements		baseline	Targets established annually.					targeted increase
Percent of disclosure reports filed electronically	17.4%	18.5%	24.5%	Targets established annually.				50%
Average number of days to resolve union officer election complaints	70*	84	80	Targets established annually.				75
Percent of targeted audits that result in a criminal case	12.1%	12.5%	13.0%	Targets established annually.				15.0%
Customer satisfaction score for OLMS Web site users		baseline	Targets established annually.					targeted increase
Delinquency rate of filers of Labor Organization Annual Financial Reports		baseline	Targets established annually.					targeted decrease
Delinquency rate of chronically delinquent filers of Labor Organization Annual Financial Reports		baseline	Targets established annually.					targeted decrease

*Targets reflect plans to continue the downward trend from a baseline of 92 days in FY 2008. Average case resolution time was exceptionally fast in FY 2009 due to high-complexity cases not being resolved until FY 2010. These high-resolution time cases did not count against the FY 2009 reported average.

MSHA – Improve the Timeliness of Discrimination Complaint Investigations.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of investigations of miner discrimination complaints that are completed within 60 days of receipt	68%	75%	80%	Targets established annually.				95%
Percent of investigations of miner requests for temporary reinstatement that are completed within 20 days of receipt	39%	50%	60%	Targets established annually.				95%

Strategic Goal 4

Secure health benefits and, for those not working, provide income security

Health benefits and income security are important to all workers and their families. The Department assists individuals who need unemployment insurance benefits and workers who lost their jobs but need continuing health coverage for themselves and for their families. DOL also administers four workers' compensation programs that provide health, medical, and income replacement benefits to federal and certain other designated workers who are injured at work or acquire an occupational disease, or their dependents. Additionally, the Department protects workers' benefits by enforcing laws against fraud, abuse, and mismanagement of employee benefits plans and by insuring defined-benefit pension plans. Outcome Goals that support this goal are:

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

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

Outcome Goal 4.1 – Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work.

OWCP's Division of Federal Employees' Compensation provides services that assist workers to return to employment as soon as they are able upon recovery from injury or illness. These services include assignment of registered nurses in Federal Employees' Compensa-

tion Act (FECA) cases to establish early first contact with the worker and to coordinate with medical providers and employers. In addition, OWCP provides job counseling and training through its vocational rehabilitation activities.

Getting Injured Federal Employees Back to Work

**Performance Goal OWCP
4.1 – Improve workers’
ability to return to work
after an injury or illness.**

With more than 2.8 million civilian employees, the federal government is the Nation’s largest employer. The cost of federal workplace injuries, when measured by FECA compensation costs for wage-loss, is nearly \$3 billion and two million lost production days annually.

For the past six years, OWCP and OSHA have led the Government-wide Safety, Health, and Return to Employment (SHARE) initiative to reduce federal workplace injury rates, increase the timely filing of new injury claims, and reduce lost production day rates. Since SHARE’s inception, the number of new FECA claims declined by over 20 percent – yielding significant cost savings to taxpayers and workers.

On July 19, 2010, President Obama issued a memorandum launching the Presidential POWER Initiative: Protecting Our Workers and Ensuring Reemployment. This four-year initiative replaces SHARE and: sets more aggressive performance targets; encourages the collection and analysis of data on the causes and consequences of frequent or severe injury and illness; and prioritizes safety and health management programs that have proven effective in the past. Through POWER, OSHA and OWCP will continue the focus on workplace safety and will stress an improvement in federal agencies’ results to reemploy injured workers using new strategies:

- Research and employ return-to-work best practices;
- Expand identification of job opportunities;
- Use new placement practices;
- Provide assistance to employers to increase job accommodations and light or limited duty jobs;
- Remove disincentives for FECA claimants to return to work; and
- Increase the use of assistive technologies.

OWCP will monitor its progress through the following performance measures.

OWCP – Improve workers’ abilities to return to work after an injury or illness.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Government-wide Lost Production Day (LPD) rate in non-Postal agencies		35.4	35	Targets established annually.				34
Percent of injured federal workers coming under FECA Disability Management that are reemployed by (non-Postal) federal agencies		86.9% ¹	87.8%	Targets established annually.				93.2%

¹ Baseline.

Outcome Goal 4.2 – Ensure income support when work is impossible or unavailable.

Performance Goal ETA 4.2 – Facilitate timely and accurate payments to unemployed workers.

Rising unemployment has put enormous strain on the safety net for workers' incomes provided by states' UI trust funds. Yet clearly, millions of workers and their families would have suffered even more without this program, and spending by those receiving benefit payments has helped to stabilize economic activity. The federal-state UI program, authorized by Title III of the Social Security Act, provides temporary, partial wage replacement to unemployed workers, providing them with income support when work is unavailable or impossible to find. To be eligible for benefits, unemployed workers must have worked recently, be involuntarily unemployed, and be able and available for work.

Providing Services for the Unemployed

The federal role in UI is to set broad policy for the program, establish performance measures and standards, provide technical assistance to states, monitor state performance, ensure conformity and compliance of state laws and operations with federal law, and fund the administration of state and federal UI programs. While states must meet minimum federal eligibility standards, an unemployed worker in one state may not be eligible under another state's law. In order to provide incentives to states to enact specific reforms that expand UI benefit eligibility, such as eligibility of part-time workers, Congress made \$7 billion available to states in UI Modernization Incentive Payments.

The UI program is the entry point for unemployed workers to One-Stop Career Centers, where they receive services that speed their return to work and enhance their long-term economic security. Therefore, as a strategy for improving program performance nationwide, UI funds states' Reemployment and Eligibility Assessments: in-person interviews with selected UI beneficiaries to promote quicker reemployment and to ensure continuing eligibility requirements are met.

Other performance improvements for UI have been established: additional tools and resources to help states prevent tax and benefit fraud and reduce benefit overpayments; the National Directory of New Hires to improve detection of fraud and improper payments; and electronic collection of job separation information from employers to improve the accuracy of eligibility determinations and speed initial payments to beneficiaries.

In addition, UI has developed a set of legislative proposals – the Unemployment Compensation Integrity Act of 2010 – that will give states new tools and additional resources to prevent, detect, and collect improper UI benefit payments and delinquent employer tax contributions. There is no federal cost associated with this proposal, which is expected to reduce overpayments by \$2.6 billion and increase tax revenues by \$318 million over 10 years. UI is also participating in the Department of Labor-Department of Treasury multi-agency initiative to strengthen and coordinate federal and state efforts to enforce statutory prohibitions and to identify and deter employee misclassification as independent contractors. Misclassification is used by some employers to avoid UI taxes as well as to avoid paying the minimum wage or overtime required by the federal Fair Labor Standards Act.

Providing Workers' Compensation

Performance Goal
OWCP 4.2 – Reduce the
consequences of work-
related injuries.

President Obama's inaugural address ushered in a "new era of responsibility." A workers' compensation program is an important way that the federal government takes responsibility for covering workers in particular industries. Through OWCP, the Department of Labor administers four distinct workers' compensation programs - the program covering federal workers was discussed under Outcome Goal 4.1. These programs complement the Department's vision of *good jobs for everyone* by providing income security, medical care benefits, and other supportive services if workers sustain injuries on the job or develop work-related illnesses. Accurate and timely-delivered benefits and the recovery and return to work assistance provided by DOL are critical to these workers – especially at a time when the country is facing record levels of unemployment and rising medical costs.

Serving the Coal Mine Community

The Division of Coal Mine Workers' Compensation (Black Lung Program or DCMWC) supports the Secretary's strategic vision of *good jobs for everyone* by providing sufficient income for Black Lung beneficiaries. The Patient Protection and Affordable Care Act of 2010 had a significant effect on the Black Lung Benefits Act, as it reinstated two provisions in the Act that had been removed in 1981 for claims filed on or after January 1, 1982. Both these provisions, including automatic entitlement for survivors of miners who have been awarded benefits and a presumption that a miner who has worked in coal mines for at least 15 years and has a totally disabling lung condition has pneumoconiosis even in the absence of a negative x-ray, are favorable to claimants. The Program is reaching out to stakeholders to develop common ground in implementing these amendments. The amendments ultimately increase the accessibility of benefits to survivors of miners and miners that meet certain eligibility criteria. In addition to its own outreach efforts, the Black Lung Program is also a partner in the MSHA initiative to *End Black Lung Now* – which seeks to end black lung disease through a comprehensive action plan of education, enhanced enforcement, training, and rulemaking. DCMWC will work to ensure workers or their survivors are aware of the program and standards and procedures for filing claims are clear to all of the parties.

Increased Claims from Contractors Used in Wartime

The Division of Longshore and Harbor Workers' Compensation (DLHWC) implements the Longshore and Harbor Workers' Compensation Act, as amended. DLHWC administers a program of income replacement and medical and rehabilitation benefits for individuals who are injured during the course of covered maritime employment or who suffer an occupational disease arising from such employment. DLHWC also administers injury and occupational disease coverage for non-maritime employees under several extensions of the Act, including the Defense Base Act (DBA), Outer Continental Shelf Lands Act, Non-appropriated Fund Instrumentalities Act (NFIA), and the District of Columbia Workmen's Compensation Act for injuries sustained prior to July 26, 1982.

The Nation's expanded use of private contractor resources to support the wars in Iraq and Afghanistan increased the number of deaths and injuries compensable under DBA and the War Hazards Compensation Act. War-time DBA injury and death cases have been increasing dramatically since FY 2002. These claims are complicated due to a variety of factors, including: confusion about insurance coverage in the war zones; challenges in initial reporting and documenting of new injuries; limited medical care in remote areas, and difficulties in delivering benefits to foreign workers in remote villages. DLWHC is working with American employers to speed injury reporting by urging insurance carriers to promptly investigate, decide claims, and deliver benefits. DLWHC also assists the parties in the development of evidence and in resolution of disputes.

Timely Payments to Energy Employees

The Energy Employees Occupational Illness Compensation Program Act (EEOICPA or Energy Program) provides compensation to thousands of persons who have become ill as a result of work in the atomic weapons industry. Since the Act's passage, OWCP has paid over \$5.7 billion dollars in compensation benefits. To streamline the claims adjudication process and allow for more efficient claims tracking, EEOICP is deploying a new case management information technology system in FY 2011. Over the next five years, this system will be modified to allow the EEOICPA program to become paperless and further improve speed, efficiency, and transparency.

OWCP will monitor its progress through the following performance measures.

OWCP – Reduce the consequences of work-related injuries.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Black Lung Program: Average number of days to process Black Lung claims	201	200	250 ¹	Targets established annually.				200
Longshore Program: Percent of Employer's First Report of Injury filed within 30 days:								
Defense Base Act (DBA) cases	55%	65%	75%	85% baseline # of days	Targets established annually for new average days measure. ²			targeted increase
Non-DBA cases		baseline	annual target	% baseline # of days	Targets established annually for new average days measure. ²			targeted increase
Longshore Program: Percent of First Payment of Compensation issued within 30 days:								
DBA cases	43%	50%	58%	65% baseline # of days	Targets established annually for new average days measure. ²			targeted increase
Non-DBA cases		baseline	annual target	% baseline # of days	Targets established annually for new average days measure. ²			targeted increase
Energy Program: ³ Average days between filing date and final decision for cases <i>not sent</i> to NIOSH:								
When a hearing is <i>not</i> held			baseline	Targets established annually.				targeted decrease
When a hearing is held			baseline	Targets established annually.				targeted decrease
Energy Program: ³ Average days between filing date and final decision for cases <i>sent</i> to NIOSH:								
When a hearing is <i>not</i> held			baseline	Targets established annually.				targeted decrease
When a hearing is held			baseline	Targets established annually.				targeted decrease

¹ A recent amendment to the Black Lung Act is expected to increase the time required for claims adjudication. See discussion of Serving the Coal Mine Community.

² OWCP will replace the “percent” measures with “average days” to account for all case days – not just those meeting the threshold and including those complex cases that typically require significantly more time to process.

³ OWCP’s Energy Program has refined its measures to distinguish cases that involve National Institute of Occupational Safety and Health (NIOSH) review from those that do not. For more information, see the *DOL FY 2009 Performance and Accountability Report*, http://www.dol.gov/_sec/media/reports/annual2009/SG4.

Meeting Customer Service Needs

Communications and other customer assistance services are integral to OWCP's support of this performance goal. OWCP standards for processing telephone calls and written correspondence ensure that these services are accurate and that responses are timely. OWCP is developing surveys and other metrics that will assist in gauging customer needs and measuring program impact on customers. OWCP also assists claimants while filing claims, helping them to understand their benefits, and partners with employers in providing those services – and provides compliance assistance to employers regarding the Federal Workers' Compensation laws.

ETA will gauge its performance in support of Outcome Goal 4.2 by the following measures.

ETA – Facilitate timely and accurate payments to unemployed workers.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of all intrastate first payments made within 21 days	82.9%	85.9%	84.0%	Targets established annually.				88.0%
Percent of the amount of estimated overpayments that states detect established for recovery	52.9%	52.8%	51.4%	Targets established annually.				55.0%
Percent of determinations about UI tax liability of new employers made within 90 days of the end of the first quarter they became liable	84.1%	90.0%	86.2%	Targets established annually.				89.8%

Outcome Goal 4.3 – Improve health benefits and retirement security for all workers.

Performance Goal EBSA 4.3 – Improve health benefits and retirement security for all workers.

The Secretary believes that a *good job* should provide access to a secure retirement and to adequate and affordable health coverage. However, for middle-class workers today, particularly in the wake of the historic losses to retirement savings and housing wealth in the financial crisis, retirement seems anything but secure. Many workers, especially low- and middle-income workers, continue to lack access to quality workplace retirement plans, and some of those who do have access to retirement plans save too little or do not participate at all. Similarly, as joblessness rises, the number of persons covered by employer-provided health insurance falls. Private-industry employers, especially small businesses, cannot afford the rising costs of providing health insurance coverage for their workers. The decline in unionization has also adversely impacted workers' health and retirement benefits.

"It was the right thing to do to extend unemployment benefits and make COBRA cheaper for people caught up in the recession until they could get back on their feet. There's probably not a single person here who doesn't know somebody who either got unemployment benefits or used COBRA to make sure they could keep health insurance for their families when they lost their job. That was the right thing to do."

*President Barack Obama
Remarks on the Economy
in Youngstown, Ohio
V&M Star Plant,
Youngstown, Ohio
May 18, 2010*

Recognizing these realities, the Department is pursuing several priorities to improve retirement security, including:

- Improving 401(k) plans by improving fee transparency;
- Rooting out conflicts of interest;
- Increasing access to sound unbiased investment advice; and
- Trying to increase pension plan participation rates.

The Employee Benefits Security Administration (EBSA) and the Pension Benefit Guaranty Corporation (PBGC)

have developed strategies that will help realize these priorities and further the goal to *improve health benefits and retirement security for all workers.*

EBSA is charged with protecting more than 150 million Americans covered by an estimated 708,000 private retirement plans, 2.8 million health plans, and similar numbers of other welfare benefit plans which together hold more than \$5 trillion in assets. EBSA will implement an aggressive regulatory agenda and proactive enforcement, outreach, and education programs that are designed to protect the most vulnerable populations while ensuring broad compliance with the Employee Retirement Income Security Act of 1974 (ERISA) and related laws.

The framework of health insurance reform legislation of 2010 potentially adds tens of millions of additional people to the health insurance marketplace. The legislation assigned significant new responsibilities to the Secretary of Labor. EBSA, with the Department of Health and Human Services and the Department of Treasury, will pursue over 25 regulatory initiatives that will make health insurance market reforms applicable to ERISA-covered health plans. EBSA will also: develop Multiple Employer Welfare Arrangements (MEWA) reporting and oversight requirements; design and conduct several health benefit studies; modify Information Technology systems to support data collection and reporting; develop and implement education, outreach and assistance programs; and develop and implement new enforcement strategies.

The economy, and the Recovery Act, had a significant impact on EBSA's operations, particularly its Participant Assistance program. Participant requests for assistance more than doubled in the past year. The recent passage of healthcare reform is also expected to substantially increase participant inquiries. To respond to these extraordinary increases, EBSA has hired additional benefit advisors to meet the rising demand for assistance that will likely continue well into FY 2012.

Strengthened ERISA Protections

The recent financial crisis and healthcare reform increased the need to enhance the availability and security of employer-provided retirement and health benefits. EBSA's new regulatory agenda seeks to address these issues aggressively and directly supports the Department's outcome goal to *improve health benefits and retirement security for all workers*.

Through the ongoing review and refinement of EBSA's regulatory program, the agency will strengthen ERISA's protections by addressing deficiencies that have put workers' benefits at risk. For example, the new agenda includes the implementation of a broader definition of "fiduciary" under ERISA. The current regulatory standards that define when a person is considered a fiduciary as a result of providing investment advice to an employee benefit plan were developed over 30 years ago. These regulations do not take into account the significant changes that have taken place in the financial industry and the delivery of investment advice services – limiting ERISA's ability to protect employee benefit plans from financial advisers and asset appraisers that act imprudently. By subjecting a broader category of financial advisers and appraisers to ERISA's strict fiduciary standards, the Department will help protect the interests of plans and participants by fostering the provision of quality, impartial advice and recommendations.

The cornerstone of a strong regulatory program is a robust economic analysis and research capability. EBSA's research program reflects the central thesis of shaping regulations that eliminate or reduce the hazards with the broadest and most serious consequences based on sound science. EBSA will conduct a number of research studies on economic issues relating to health insurance as required by health care reform legislation. The research program also helps EBSA to foster a culture that emphasizes continuous improvement in its regulatory and enforcement programs.

Multi-Faceted Enforcement Program

EBSA's enforcement program contributes to achieving the goal to *improve the health benefits and retirement security for American workers* by: (1) targeting the most egregious and persistent violators; (2) protecting the most vulnerable populations while assuring broad-based compliance; and (3) establishing regular processes for evaluating the success of enforcement activities. EBSA seeks to correct violations of ERISA through an aggressive enforcement program integrated with an effective participant assistance program. The participant assistance program augments EBSA's enforcement program and better leverages its limited resources by obtaining informal resolution to complaints prior to the need for more resource-intensive enforcement. In the criminal enforcement area, EBSA establishes collaborative enforcement relationships with other DOL, federal, state and local agencies to leverage limited resources.

Outreach and Education

EBSA's outreach and education programs protect the most vulnerable populations, such as dislocated workers, by educating them about options to protect their retirement and health benefits when facing job loss. Recently enacted laws such as the Genetic Information Nondiscrimination Act (GINA), the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), and the COBRA premium assistance provisions of the Recovery Act resulted in an increased demand for educational materials. In 2009, EBSA Benefit Advisors conducted over 1,500 outreach activities reaching over 170,000 individuals.

Finally, EBSA will partner with worker and community-based organizations to identify violations and to educate workers, small businesses, and others about the requirements of ERISA, which EBSA believes is an effective way to create broad-based compliance. EBSA thus leverages its resources through the use of the Internet, social media, and partnerships with numerous organizations to reach targeted audiences.

Insuring Pensions

PBGC safeguards the retirement security of the American people by guaranteeing benefits for those covered by insured defined-benefit pensions. PBGC insures basic pension benefits of nearly 44 million American workers and retirees participating in more than 29,000 private-sector, defined-benefit pension plans. In FY 2009, PBGC paid nearly \$4.5 billion in benefits to nearly 744,000 people.

The recent economic conditions have had a direct impact on PBGC's financial status, workload, and infrastructure. As a result of plan terminations and a drop in interest rates, the deficit for insurance programs PBGC administers nearly doubled from \$11.2 billion at the end of FY 2008 to \$21.9 billion at the end of FY 2009. The deficit remains a cause for concern and is a reflection of the long-term challenges confronting PBGC. However, PBGC remains capable of paying benefits to its participants for years to come.

PBGC has three strategies that support the outcome goal to *improve health benefit and retirement security for all workers*: 1) safeguard the federal pension insurance system for the benefit of participants, plan sponsors, and other stakeholders; 2) provide exceptional service to customers and stakeholders; and 3) exercise effective and efficient stewardship of PBGC resources. Proficient management of the insurance, benefit, and asset management functions, and addressing information technology audit findings, are high priorities for PBGC.

More detailed information about PBGC's strategic efforts is available at www.pbgc.gov/about/page16453.html.

Supporting Agencies: Promoting Retirement Security

ODEP, in partnership with the Social Security Administration and the Centers for Medicaid and Medicare Services, supports the work of EBSA and PBGC to improve health benefits and retirement security for workers with disabilities by promoting the adoption and implementation of effective policy and practice, such as the use of “Benefits Planning” for people with disabilities so that they can make informed decisions on how federal disability benefit programs may impact their health benefits and retirement security.

WB also complements the efforts of EBSA and PBGC and will continue to promote financial literacy and education. This will involve education and outreach of a revised financial literacy curriculum, in English and Spanish, and collaborations with other DOL agencies to examine policies and to educate stakeholders on policies, laws, and regulations that yield inequitable outcomes for women in retirement.

EBSA will assess its effectiveness using the following performance measures.

EBSA – Improve health benefits and retirement security for all workers.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of employee benefit plans in compliance with the civil provisions of ERISA				baseline *	Results reported annually.			targeted to trend upward
Percentage point difference in compliance rate between employee benefit plans recently investigated and other employee benefit plans					baseline *	Results reported annually.		targeted to trend upward
Participant assistance program customer satisfaction index			baseline	Targets established annually.				targeted increase
Ratio of criminal cases accepted for prosecution to cases referred	79%	67%	67%					
Ratio of closed civil cases with corrected fiduciary violations to civil closed cases	72%	67%	67%					

* Interim result due to potentially incomplete baseline data from investigations.

Strategic Goal 5

Produce timely and accurate data on the economic conditions of workers and their families

The ability of markets to create jobs and spur commerce is contingent upon sound economic data to guide and inform policy and investment decisions. The Department recognizes that maintaining the Nation's economic recovery, and assuring good jobs for everyone, is grounded in the availability of objective, timely, accurate, and relevant economic statistics. The Bureau of Labor Statistics (BLS) helps the Department realize the "good jobs" vision by providing sound and impartial information on labor market activity, working conditions, and price changes in the economy.

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

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

BLS produces some of the Nation's most sensitive and important economic data. BLS is an independent national statistical agency within the Department of Labor responsible for measuring labor market activity, working conditions, and price changes in the economy. It collects, analyzes, and disseminates essential economic information that supports the formulation of economic and social policy, decisions in the business and labor communities, legislative and other programs affecting labor and the economy, and research on labor market issues. These policies and decisions affect virtually all Americans.

In line with the Interagency Council on Statistical Policy's Guidelines for Reporting Performance by Statistical Agencies, BLS measures accuracy, timeliness, relevance, dissemination, and mission achievement. BLS also reports the full cost to produce its data products. These criteria are common among statistical agencies because these are critical aspects of a statistical program's performance. Having common concepts underlying the statistical agencies' performance measures helps to inform decision makers about the performance of these statistical agencies.

BLS has identified several strategies to support the goal of producing timely, accurate, and relevant statistics:

- Inform current and potential customers about the availability and uses of BLS products and reach out to BLS customers to understand their needs for economic information;
- Maintain high response rates in surveys by developing data collection methods that reduce respondent burden and providing respondents with a clear understanding of the value of their participation;
- Make the data and other products and services available on bls.gov accessible, understandable, and usable;
- Recruit, train, and retain a talented and diverse group of individuals who are well-prepared to produce and improve BLS products and services; and
- Explore and implement ways to make BLS business processes more efficient and effective.

BLS will assess its effectiveness through the following performance measures.¹⁹

BLS – Improve the timeliness, relevance and accuracy of data on labor market activity, working conditions, and price changes in the economy.								
Performance Indicator	2009 Result	2010	2011	2012	2013	2014	2015	2016 Target
Percent of timeliness targets achieved for the Labor Force Statistics Principal Federal Economic Indicators (PFEIs)		baseline		Targets established annually.				100%
Percent of accuracy targets achieved for the Labor Force Statistics PFEIs		baseline		Targets established annually.				100%
Percent of relevance targets achieved for the Labor Force Statistics PFEIs		baseline		Targets established annually.				100%
Percent of timeliness targets achieved for the Prices and Living Conditions PFEIs		baseline		Targets established annually.				100%
Percent of accuracy targets achieved for the Prices and Living Conditions PFEIs		baseline		Targets established annually.				100%
Percent of relevance targets achieved for the Prices and Living Conditions PFEIs		baseline		Targets established annually.				100%
Percent of timeliness targets achieved for the Compensation and Working Conditions PFEIs		baseline		Targets established annually.				100%
Percent of accuracy targets achieved for the Compensation and Working Conditions PFEIs		baseline		Targets established annually.				100%
Percent of relevance targets achieved for the Compensation and Working Conditions PFEIs		baseline		Targets established annually.				100%
Percent of timeliness targets achieved for the Productivity and Technology PFEIs		baseline		Targets established annually.				100%
Percent of accuracy targets achieved for the Productivity and Technology PFEIs		baseline		Targets established annually.				100%
Percent of relevance targets achieved for the Productivity and Technology PFEIs		baseline		Targets established annually.				100%
Average number of Internet site user sessions each month (Dissemination)		baseline		Targets established annually.				9 million
Customer satisfaction with BLS products and services as measured by the American Customer Satisfaction Index (Mission Achievement)		baseline		Targets established annually.				81

¹⁹ As explained in the Statistics section of the Strategic Goal introduction, BLS revised its performance measures for FY 2012. In prior years, comprehensive indicators aggregated output, timeliness, accuracy, and long-term improvement measures for each of the four PFEI categories. For more information, see the *DOL FY 2009 Performance and Accountability Report*, http://www.dol.gov/_sec/media/reports/annual2009/SG1.htm.

External Factors Affecting the Department of Labor

DOL is embarking on new approaches to performance measurement that will emphasize outcomes over process and promote ongoing assessments of its strategies. Performance measures are no longer limited to tracking the results of Department activities but, rather, will attempt to capture broad outcomes to measure progress toward achieving DOL goals. These efforts are designed to tighten DOL's focus on its mission and Secretary Solis' vision of *good jobs for everyone*.

For example, in the past, the worker protection programs tended to focus on identifying high rates of violation only among investigated entities. Such measures help to determine the Department's success in targeting resources toward likely violators but fall short of identifying the Department's influence over the broader conditions within the agencies' spheres of responsibility. Going forward, the Department will focus on the overall compliance rate among all entities, whether investigated or not, as a measure of the degree to which workers are being protected. However, the Department will undertake this new approach with a renewed understanding that it is not the only factor influencing employer behavior; compliance rates and other outcome measures can be influenced by factors that are outside the Department's control.

External factors are those key factors generated by forces outside the Department and beyond its control that could significantly affect the achievement of outcomes. External factors may be economic, demographic, social, or environmental, and they may remain stable, change within predicted ranges, or vary to an unexpected degree. As such, improvements or setbacks in the outcome measures contained in this Strategic Plan cannot be interpreted solely as a reflection of the success or failure of Department programs. Where possible, the Department must take into account external factors influencing outcomes. Fully accounting for these factors within a performance measure is difficult to achieve, but through program evaluations it may be possible to isolate the influence of external factors from the Department's activities.

Once the influence of external factors on performance measures is recognized, it is clear that the measures and performance results must be understood in context. In some cases, it will be possible to adjust directly for the influence of external factors, thereby getting a clearer picture of the Department's contribution to the desired outcome. For example, the Employment and Training Administration has long used the employment outcomes of adults served by Workforce Investment Act core and training services as a performance measure. For these outcomes, the influence of overall economic conditions are reasonably well understood; therefore, the Employment and Training Administration has developed performance targets that vary with the business cycle – that is, setting a higher threshold for success when the economy is good and jobs are plentiful than in times of weak labor demand.

In other cases, however, it is not possible to adjust the outcome measures or performance targets in advance so that they take the external factors into account. In these cases, the Department will use performance targets as one of a series of tools to gauge program effectiveness, recognizing that the achievement of targets identified months or even years in advance may be affected by external factors. For this reason, changes in performance measures should be interpreted carefully.

In addition to presenting challenges in meeting short-term or annual performance targets, external factors also impact how successful the Department is in achieving its outcome goals over the long-term. Long-term changes in labor markets or a segment of the economy may require new strategies and may even lead to new outcome goals as the Department seeks to offset the negative impact on workers that may result from a particular external factor. For example, the increased globalization of labor markets has important consequences for the Department's worker protection agencies and their efforts to enforce basic labor standards as well as for the ETA's and VETS' efforts to assure workers get the skills and knowledge they need to secure and keep good jobs.

The following section will discuss ten major external factors most likely to influence DOL's ability to achieve its long-term goals. The first two external factors will also likely will have near-term effects on Departmental performance.

Factor 1: The Business Cycle and the Labor Market

The business cycle is a fact of economic life. The strength of the economy fluctuates, with contractions in the demand for goods and services that can be severe during recessions. Naturally, when businesses see low demand for their output, they cut back on production and employ fewer workers or reduce their employees' hours of work. In the aggregate, this depresses the demand for labor and also can depress wage growth and reduce employer-provided benefits.

Labor market conditions have an important effect on the Department's ability to achieve its strategic goals. In strong economic times, when the economy is expanding, most workers who want a job can find one – with the exception of certain disadvantaged groups that face non-cyclical barriers to employment. Many workers will be able to find new jobs that offer opportunities for personal and career development. Workers may also have the bargaining power to demand higher wages, safer and healthier workplaces, and more flexibility to manage their family commitments. During these more prosperous times, the market supports the Department's efforts to ensure *good jobs for everyone*.

By contrast, when the labor market is weak, people looking for work often have trouble finding any job at all, let alone a good job. Many people feel forced to take jobs at low wages, with little opportunity for advancement or few benefits. Indeed, recent research has found that individuals entering the labor market during recessions earn lower wages for many years afterward, likely reflecting reduced access to footholds on the career advancement ladder.

A weak economy can also have deleterious effects on worker rights. When demand is weak, employers feel increased pressure to cut costs, and some unscrupulous employers may attempt to do so in a way that violates workers' rights to safe workplaces and fair

pay. Workers often feel they are at the mercy of these employers, unable to leave workplaces where their rights are violated, perhaps through the illegal deprivation of wages or overtime premiums, because the labor market offers few alternatives.

Thus, in weak economic times, the Department faces greater challenges to achieving its mission. When there are fewer good jobs to go around, the opportunities available to members of traditionally disadvantaged groups can be even more severely affected. Workers encountering unsafe, unfair, discriminatory, or abusive work environments feel less secure in their ability to report these violations and have them corrected. They also have fewer, if any, alternatives in the labor market, so quitting a job with an exploitative employer is not a practical option.

The state of the business cycle and its impact on the labor market is thus perhaps the most important external influence on the Department's ability to achieve its goals, especially in the short-term. As discussed above, ETA and VETS outcomes are particularly affected by economic fluctuations. But the business cycle can impact many of the Department's outcome goals, with a particular effect on:

- 1.1. Increase workers' incomes and narrowing wage and income inequality.
- 1.3. Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4. Help middle-class families remain in the middle class.
- 1.5. Secure wages and overtime.
- 1.6. Foster fair working conditions in the global economy that protect vulnerable people and provide workers with a fair share of productivity and voice in their work lives.
- 2.1. Secure safe and healthy workplaces, particularly in high-risk industries.
- 3.2. Provide workplace flexibility for family and personal care-giving.
- 4.1. Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work.
- 4.2. Ensure income support when work is impossible or unavailable.
- 4.3. Improve health benefits and retirement security for all workers.

Factor 2: State Budgets

Decisions made by state governments have important implications for the way that the Department's efforts either bolster or complement the work of state employment and labor offices. States finance a great majority of elementary and secondary education and a significant part of postsecondary education and vocational training. Many workers and their families receive health insurance coverage through Medicaid or through the Children's Health Insurance Program, which are funded in large part by state-level taxes. Finally, states exercise substantial influence on families' income and benefits via their unemployment insurance system and workers' compensation requirements and their regulation of minimum wage and overtime and other labor standards, such as family leave. The Department's outcome goals are reinforced through these state-led efforts. DOL worker protection agencies, such as the Occupational Safety and Health Administration and the Wage and Hour Division, and employment and training programs, including Unemployment Insurance, provide critical resources for workers in every state.

While there are many factors affecting state budgets, perhaps the most important is the condition of the state's economy. When a state's economy is growing, tax revenues are high and money that would otherwise be spent on entitlement programs such as Medicaid and Temporary Assistance for Needy Families is available for other uses. During the periods of budget surplus, states often take actions that will help the Department achieve its goals such as funding high-quality education systems with innovative curricula at costs that make education accessible to large numbers of students. States are an essential partner in the ways that DOL delivers employment and training services to a broad, diverse population of workers. When states have strong economies, they are also more likely to be able to provide medical care to those without employer-provided insurance and to offer more generous unemployment insurance and workers' compensation benefits that insure workers against the consequences of job loss or workplace injury.

More commonly, however, states always face competing priorities, and must make difficult choices in balancing their budgets. When a state's economy is weak, tax revenues decline as income and sales fall due to joblessness and reduced consumption. At the same time, demands on entitlement programs grow as more people meet the low-income requirements that qualify them for these programs. The resulting projected budget deficit can force states, which typically face balanced budget requirements, either to raise taxes or to cut spending to bring their budgets into balance. No matter which path is chosen – and often they do both – these actions make the Department's goals all the more critical to American workers. For example, not only may programs that benefit persons preparing for and looking for jobs be eliminated or access to them narrowed, states, in addition, may cut back their own workforces or reduce wages and benefits, which impact the incomes of state workers and can hinder the regulatory and enforcement activities that the state employees perform. In turn, reduced state workforce or furloughs impact the Department's goals. For instance, in tough economic times, states have closed One-Stop Career Centers or reduced their hours of operation. As a result, fewer jobseekers are provided the employment and training services they desperately need to prepare for and find employment opportunities.

Thus, the health of state budgets has a direct impact on many of the Department's short- and long-term goals. The following outcomes can be particularly affected:

- 1.1. Increase workers' incomes and narrow wage and income inequality.
- 1.2. Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including high growth and emerging industries like "green" jobs.
- 1.5. Secure wages and overtime.
- 3.2. Provide workplace flexibility for family and personal care-giving.
- 4.2. Ensure income support when work is impossible or unavailable.
- 4.3. Improve health benefits and retirement security for all workers.

Factor 3: Health Insurance Costs and Market Structure

One of the Department's outcome goals directly concerns workers' access to health insurance coverage, while others depend indirectly on the availability and affordability of good health insurance coverage. Thus, factors that influence the cost of health care or the structure of the health insurance marketplace can also impact the achievement of Department's goals over the long-term.

The most significant trend in this area in recent years has been the rapid rise in the real cost of health care. Employer sponsored insurance premiums increased at a rate of 5.1 percent per year between 2000 and 2009. Rising health care costs reflect a growing demand for health care services and technological improvements as well as the structure of the health care financing and delivery system.

High health care costs affect workers through two primary mechanisms. First, high costs translate directly into higher health insurance premiums, deductibles, or co-payments that many individuals cannot afford to pay. Second, when costs rise, some employers will drop health coverage, leaving many individuals without access to health insurance. Both situations lead to lower family incomes.

The provision of insurance largely through employer-provided coverage has consequences beyond the availability and affordability of care. It leaves many workers dependent on their jobs, not just for their income, but also for their access to health care. This may make employees less likely to move to new jobs with better working conditions (such as higher wages, better hours, more flexible schedules or less dangerous work), better opportunities for career growth, or a better match between their skills and the job's requirements.

The Department can influence some aspects of the health insurance marketplace, primarily via EBSA's regulation of employer-provided health plans, but some changes in this marketplace, particularly with regard to costs, are external to the Department's activities.²⁰ Still, the Department's outcome goals can be helped or frustrated by these external factors. In the coming years, the implementation of the Affordable Care Act will likely lower the rate of increases in health care costs (helping family incomes) and have some long-term impact on the role of employers as the primary providers of health insurance. As insurance exchanges are created to pool individual risk and lower premiums, more individuals may be able to buy health care through these exchanges rather than from their employers, so they may be less tied to their jobs because of the need to maintain health coverage. The following outcome goals are directly or indirectly affected by changes in the structure of the health insurance marketplace or by changes in health care costs:

- 1.1. Increase workers' incomes and narrow wage and income inequality.
- 1.4. Help middle-class families remain in the middle class.
- 3.2. Provide workplace flexibility for family and personal care-giving.
- 4.3. Improve health benefits and retirement security for all workers.

²⁰ The Employee Retirement Income Security Act of 1974 (ERISA) does not require employers to establish health insurance plans for their employees; it merely regulates plans once they are created.

Factor 4: Changing Face of the Workforce

The workforce evolves over time, reflecting changes in both the composition of the population and in labor force participation trends. While these changes do not impact the day-to-day operations of the Department, they do have long-term implications for how DOL addresses workforce needs. Today's workforce is much less male and less white than in the past, and it is rapidly aging as the baby boom generation heads toward retirement and is replaced by the smaller birth cohorts that followed it. It is also much more highly educated than in the past, reflecting rapid expansions of educational opportunities in the mid-to-late 20th century. As the face of the workforce changes, the Department adapts its program goals and strategies to respond to these changes.

Women's labor force participation rate rose to 59.2 percent in 2009, while the rate for men declined to 72.0 percent in the same year. Thus, while women represented less than one third of the labor force in 1949, they now represent nearly half (46.7 percent in 2009). They are also much more likely than in the past to be their families' primary breadwinners, providing the family's health insurance coverage and most of its income. Yet, despite women's increased labor force participation, they continue to earn substantially less, on average, than similarly-qualified men.

A second important change has been the rising racial, ethnic, and language diversity of the workforce. One important contributor to this diversity has been increased immigration, with substantial increases in the last several decades in both the number and share of immigrants coming from non-European countries. Demographic projections indicate that the labor force will continue to grow more diverse in the coming decades. The changing demographics impact the Department's ability to protect workers or prepare job seekers for "good jobs." In response, worker protection agencies have developed and implemented strategies that address a diverse workforce. For example, the WHD and OSHA continue to develop and distribute information about workers' rights in the workplace in foreign languages and/or through bilingual public service announcements. To meet customer needs, the grantees that administer DOL-funded employment and training programs offer English as a Second Language and Occupational English as a Second Language classes.

A third shift has been the aging of the population. This trend is common across the world's developed economies. The share of the U.S. population that is above age 65 has risen from 9.9 percent in 1970 to 12.8 percent in 2008.²¹ It is projected to surpass 16 percent by 2020 and by 2035, will reach 20 percent due to increased life expectancy, reduced birthrates, and the aging of the large baby boomer population. This will not only present challenges for employers in accommodating the needs of older workers but will also strain the financing of retirement programs, both public and private. An aging workforce may also increase the demand for health care services and present employers with shortages of workers in certain occupations.

Finally, another major shift affecting the workforce has been the rise in educational attainment. The share of Americans aged 25 and over with four-year college degrees has risen from 7.7 percent in 1960 to over 29 percent in 2008.²³ Rising education attainment sup-

²¹ http://nces.ed.gov/programs/digest/d08/tables/dt08_008.asp.

ported much of the growth in family incomes during the 20th century. But educational attainment growth has slowed in recent decades, and today's young people have similar college graduation rates as their parents, despite an earnings premium associated with education that is as large as ever and despite the flat or declining incomes that less-educated workers have seen for many years. These trends can particularly affect the neediest youth, who require a coordinated service approach. One way DOL responds to this need is its continued efforts on the Shared Youth Vision (SYV), which assists states in coordinating resources and program delivery strategies to strengthen coordination, communication, and collaboration among youth-serving agencies to support the neediest youth and their healthy transition to successful adult roles and responsibilities.

Changes in the characteristics of the labor force can have particular impacts on the following Department outcome goals:

- 1.1. Increase workers' incomes and narrow wage and income inequality.
- 1.2. Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including high growth and emerging industries like "green" jobs.
- 1.3. Help workers in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4. Help middle-class families remain in the middle class.
- 1.5. Secure wages and overtime.
- 1.6. Foster acceptable work conditions and respect for workers' rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.
- 2.1. Secure safe and healthy workplaces, particularly in high-risk industries.
- 3.1. Break down barriers to fair and diverse workplaces so that every worker's contribution is respected.
- 3.2. Provide workplace flexibility for family and personal care-giving.
- 4.3. Improve health benefits and retirement security for all workers.

Factor 5: Changing Vehicles for Retirement Savings

Retirement savings in the United States have been described as a three-legged stool, supported by the combination of Social Security, employer-provided pensions, and individual savings. Changes in the structure or performance of any of these legs impact workers' retirement security. The most profound changes in recent decades have come as employers have gradually shifted from defined-benefit to defined-contribution plans. Defined-contribution plans offer several attractive features, such as portability. Defined-contribution plans also offer individuals the ability to determine their own investment approach, giving them added ability to invest differently as their needs and preferences change.

But defined-contribution plans also have drawbacks. The most important is that they provide workers with more exposure to investment risk. In defined-benefit plans, employers bear the risk of market downturns or underfunding; with defined-contribution plans, the worker bears that investment risk. Defined-contribution participants are responsible for ensuring that they put aside enough money to last through retirement as well as making good investment choices while hopefully avoiding ill-timed equity market downturns that can substantially erode their retirement savings. Even after retirement, it is up to the

worker to ensure that investments are moved toward age-appropriate investments and to withdraw from them at a rate consistent with their income needs and expected duration of retirement. Finally, workers who obtain lump-sum distributions – the normal form of distribution in a defined contribution plan, and also used in some defined-benefit plans – risk outliving their savings.

The Department, through the Employee Retirement Income Security Act of 1974 (ERISA), has a large role to play in regulating employer-based retirement plans and promoting savings and investment vehicles that meet workers’ retirement goals. But many important changes in this area – including the decline in availability of defined benefit pensions, changing employer retirement contribution rates, equity market swings, and changes in the availability and pricing of appropriate financial products – are outside of the Department’s control. ERISA does not require employers to establish retirement savings plans for their employees; it merely regulates plans once they are created. Shifts in these areas directly affect the Department’s ability to achieve its relevant outcome goal:

4.3 Improve health benefits and retirement security for all workers.

Factor 6: Income Inequality

Over the last several decades, the U.S. has seen substantial increases in income inequality, with the highest earners’ incomes growing at a relatively fast pace, earners in the middle experiencing modest increases, and incomes for those at the bottom of the distribution stagnating. The most dramatic changes in inequality have been at the very top of the distribution; the share of income going to the top one percent of families has risen dramatically since about 1980, with current rates near those last seen in the 1920s.

A portion of the rise in inequality has been due to increases in the earnings premium associated with education. Workers with a college education now earn over 40 percent more than comparable workers with only a high school education, up from 25 percent in the 1970s.

But there have also been substantial increases in inequality *within* education groups, and changes in the return to education cannot explain the explosion of the very top incomes. These are much less well understood, and have been attributed to a variety of causes including increased globalization in the form of trade and immigration, declining marginal tax rates, technological change that devalues skill at “routine” tasks, reduced unionization, and declines in the real value of the minimum wage.

The distribution of income has important effects on the achievement of many of the Department’s goals. When the benefits of productivity increases are more broadly shared, incomes will naturally rise over time, lifting more workers into the middle class. But when wages stagnate for long periods of time for broad swaths of the labor force, it will be difficult or impossible to ensure broadly shared prosperity. The following goals are most directly affected:

- 1.1 Increase workers’ incomes and narrow wage and income inequality.
- 1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4 Help middle-class families remain in the middle class.
- 1.5 Secure wages and overtime.

Factor 7: Structural Shifts in the Economy

Over time, the structure of an economy changes and can impact workers. These structural shifts come about because of technological advances, international trade shifts, or changing demand. They can alter the labor market opportunities available to workers and contribute to or work against the Department achieving its goals. Structural shifts also potentially affect the nature of workplace injuries and illnesses and the challenges of employing people with disabilities or the reemployment of those who become disabled through injury or illness.

An important long-term structural shift in the American economy in recent decades has been the gradual decline in manufacturing employment and expansion of the service industries. Examples of service industries include education and health services, professional and business services, information, and retail trade. Two important contributors to this shift have been changing patterns of consumption, with American households consuming more services than in the past, and of international trade. Another important explanation is increased productivity. For reasons ranging from technological advances to increased capital intensity to improved skills of American workers, the manufacturing industry can make more goods than ever before even while employing fewer people. This means resources are being used more effectively but it also means that there has been a long-term decline in manufacturing employment.

This shift has important consequences for the achievement of the Department's goals. Manufacturing jobs tend to be longer-term and to pay higher and more equal wages than other jobs available to people with the same education and job skills. Thus, all things being equal, shifts from manufacturing to services tend to result in lower wages, reduced benefits (particularly those tied to long-run employment, like defined-benefit pensions), more wage inequality, and more job turnover. At the same time, because manufacturing work can be more physically dangerous than many service jobs, this shift may also contribute to overall declines in workplace injuries and illnesses.

The shift from manufacturing to services is not the only important structural shift. The health care industry has grown rapidly and is projected to continue to grow in the future due to advances in medical knowledge and to the increased need for medical services arising from an aging population. This will spur demand for medical professionals of all types, while changes in the way that medical care is provided are producing substantial increases in demand for nurses and for technicians who can operate advanced medical equipment. Over the next 10 years, health care occupations will account for about 2.7 million new jobs. Of the 20 fastest growing occupations, half are within the health care industry.

The Internet, telecommunications, and computer chip revolutions have changed how work is done in many other industries and created entirely new industries. These changes have produced drastic declines in some occupations (e.g., secretaries, word processing) and reductions in the skill required for many others (e.g., retail clerks) while creating new opportunities in fields such as software engineering and Web design.

Structural shifts may result in shortages in specialized skills required by high growth industries, leading to increased wages for individuals with those skills, and creating a need

for new training or education programs to fulfill the demand. In some cases there may be a long lag before a sufficient number of workers can obtain the needed education or training, particularly if changes must first occur in educational curricula.

While some workers may benefit from structural shifts, others will require help transitioning into new jobs with new skills and knowledge demands. These changes can be perilous and frustrating for workers who have invested in skills previously needed in the declining industries. Such workers may need to move to new locations and take jobs in new industries. They may need retraining and may suffer declines in earnings in the short- and long-term. Some may face extended periods of joblessness. However, others who retrain may get jobs in high growth, high wage industries and eventually obtain higher incomes than were possible in their old jobs. The Department's employment and training programs facilitate these employment transitions through a broad network of partners at the state and local level.

Structural shifts can impact the following Department outcome goals:

- 1.1. Increase workers' incomes and narrow wage and income inequality.
- 1.2. Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including high growth and emerging industries like "green" jobs.
- 1.3. Help workers in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4. Help middle-class families remain in the middle class.
- 4.1. Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work.
- 4.3. Improve health benefits and retirement security for all workers.
- 5.1. Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.

Factor 8: Changes in Unionization Rates

Union jobs are, by and large, good jobs. Employment in a unionized workplace has been associated with higher wages, better health and retirement benefits, and quality training. Unionized workplaces typically have formal channels by which workers can report violations of safety or other labor standards and seek redress, reducing the need for governmental enforcement of the relevant laws and regulations. Unions also help educate workers about their rights under federal and state employment laws. Unions also promote *good jobs* through apprenticeship programs (jointly sponsored with employers) which allow apprentices to earn while they acquire an in-demand skill. Thus, many of the Department's outcome goals are furthered by high rates of union membership.

Over the last several decades, private-sector unionization rates have fallen steadily and sharply. At the same time, the rate of unionization among public sector workers has risen steadily. The future could bring either increases or further declines in union membership rates. These changes are outside of the Department's control and will reflect future changes in union organizing strategy, employer opposition, work structures, legislative landscape, and worker preferences.

Union membership rates affect the following Department goals:

- 1.1. Increase workers' incomes and narrow wage and income inequality.
- 1.3. Help workers in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4. Help middle-class families remain in the middle class.
- 1.5. Secure wages and overtime.
- 1.6. Foster acceptable work conditions and respect for workers' rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.
- 2.1. Secure safe and healthy workplaces, particularly in high-risk industries.
- 3.3. Ensure worker voice in the workplace.
- 4.3. Improve health benefits and retirement security for all workers.

Factor 9: Changing Nature of Work and Workplaces

The last several decades have seen significant shifts in how and where Americans work. Globalization, outsourcing, the shift from manufacturing to service sector jobs, increased educational attainment, the decline in unionization, more women participating in the labor force, and many other factors have led to changes in where, for whom, and for how long we work. In recent decades, there has been movement toward shorter careers and a rise in temporary and fixed contract work. Fewer Americans report having life-long jobs and there has been an increase in the number of jobs American workers hold over the course of their working lives. The changing nature of work also presents new challenges to reemploy and retain workers after sustaining an injury or illness. These changes, among others, have created challenges for American workers.

An important dimension to these trends is the changing nature of the employment relationship. Increasing numbers of businesses are relying on different organizational models, such as franchising and subcontracting. Industries are opting for this model for a variety of business reasons, including a decision to focus on those activities most closely aligned with their core mission and identifying opportunities for savings. As a result of this trend, the relationship between the worker and the employer is no longer straightforward, and therefore, presents challenges when determining clear accountability to labor laws. Additionally, some workers are misclassified to avoid compliance with labor policies, such as the payment of workers' compensation and payroll taxes.

Following on that trend, workers are no longer confined to one physical location – a change that is furthered by technological advances. Technology has redefined workplaces by providing greater opportunities for flexible work arrangements, working remotely, and adapting workplaces to suit a broader range of workers, particularly workers with disabilities. While these developments are positive for many workers, they can also create enforcement challenges. For example, work hours are more difficult to define as technology allows workers to log hours both from home and after business hours.

Changes have also occurred to the physical workplace environment. The rapid pace of new technologies can involve the use of new chemicals or biological agents whose long-term effects are not well understood. Rapid technological changes resulting in workers' exposure to new materials or environments are particularly difficult for worker protection agencies to identify and evaluate, and, if needed, to regulate. Knowledge of work-relat-

ed hazards caused by newly introduced materials or production practices is incomplete, and with incomplete knowledge, it is difficult to ensure worker safety.

The nature of the most prevalent worker safety issues is also defined by the workplaces of growing occupations. For example, nursing aides and emergency medical technicians have some of the highest reported rates of musculoskeletal disorders requiring days away from work. These disorders are often referred to as “ergonomic injuries” and are injuries or illnesses affecting the connective tissues of the body such as muscles, nerves, tendons, joints, cartilage, or spinal discs – examples are strains from lifting and carpal tunnel syndrome. Although employers are gradually learning how to create ergonomic work environments, these take time to develop and disseminate and help prevent injuries.

The following outcome goals are primarily impacted by changes in workplace environments:

- 1.5 Secure wages and overtime.
- 2.1 Secure safe and healthy workplaces, particularly in high-risk industries.
- 3.2 Providing workplace flexibility for family and personal care-giving.
- 4.1 Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work.

Factor 10: Globalization

Increased global competition lowers the cost of goods that many Americans enjoy, improving their standard of living. However, globalization can create challenges for workers in industries facing increased international competition while at the same time offering opportunities for workers in emerging industries.

Industries differ in the ways they are impacted by global trade. In industries that use relatively low-skill labor to produce tradable goods or services that can be provided at a distance, freer trade makes it possible for employers to cut jobs and outsource work to lower-wage locations. This produces worker lay-offs and puts downward pressure on American wages and labor standards, particularly when foreign workers are exploited or otherwise enjoy fewer labor protections such as health and safety standards or restrictions on child labor. The Department recognizes that if workers around the globe are not treated fairly and do not share in the benefits of economic growth, then the Nation’s future prosperity will be jeopardized by the resulting imbalance in the global economy.

Globalization also offers opportunities for growth in emerging U.S. industries and expansion of existing industries to meet larger global demand. Some industries that employ high-skilled workers with higher wages will be able to expand even more quickly due to sales to foreign markets. For example, the United States has an opportunity to expand the clean energy production industry as the aerospace and pharmaceuticals industries have done, leading to job growth in manufacturing. To meet the demands of the new sectors and to remain competitive in the global economy, our workforce will have to learn new skills and train for a higher level of education.

Trends in globalization affect the following outcomes:

- 1.1 Increase workers' incomes and narrow wage and income inequality.
- 1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.
- 1.4 Help middle-class families remain in the middle class.
- 1.6 Foster acceptable work conditions and respect for workers' rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.
- 2.1. Secure safe and healthy workplaces, particularly in high-risk industries.

Conclusion

Having presented the above external factors, it is important to recognize that these factors do not entirely determine the Department's success or failure in achieving its goals. External factors are important to consider when establishing or evaluating strategies and priorities. They provide fundamental insights into the experience of American workers and the kinds of challenges they face in attaining a *good job*. The Department of Labor navigates the cycles and trends defined in this chapter in an effort to meet these challenges. Being cognizant of external factors allows the Department's decision makers to formulate policies and manage programs more effectively – in a way that connects macroeconomic indicators to DOL goals and ultimately, to American workers.

Program Evaluation

Consistent with the Administration's focus on improving the effectiveness of government through rigorous evaluation and evidence-based policy initiatives, the Department of Labor is strengthening its research and evaluation program to assure that the Department of Labor initiatives serve their intended goals and the larger vision of *good jobs for everyone*. As part of this increased focus on evaluation, the Department is building partnerships with the academic community and other outside parties to leverage private-sector research activities.

The new evaluation emphasis is being led by the Department's first-ever Chief Evaluation Officer, who is housed in the Office of the Assistant Secretary for Policy (OASP). The Chief Evaluation Officer will coordinate a Department-wide evaluation program that is responsive to the Administration's overarching goals and the Department's strategic vision.

An active, empirically-based, and comprehensive program of research and evaluation plays a critical role in strategic planning by identifying policies, processes, and service delivery programs that help the Department achieve key outcome goals and perform cost-effectively. Evaluation is the best way to understand whether or not individual programs are meeting their goals and what needs to change in order to achieve improved performance. Evaluations will assess the effectiveness of programs and the strategies agencies employ to achieve their goals.

For example, worker protection agencies are undertaking strategies focused on innovation, evaluation, and improved implementation in an effort to reform how they operate. These reform principles are guiding their efforts to more effectively carry out the Secretary's vision. Central to these efforts is the ongoing evaluation of strategies and outcomes. Two reform principles speak to this expectation directly:

- Establish regular processes for evaluating the success of enforcement and regulatory strategies in helping to achieve the desired outcomes.
- Foster a culture that emphasizes continuous improvement in DOL's regulatory and enforcement programs.

Evaluation complements performance measurement by establishing links between agency activities and results. An agency may have a difficult time measuring an outcome but may believe that a certain program or strategy achieves that outcome. If a rigorous evaluation demonstrates that the program or strategy produces the desired outcome, then the use of resources for that program is more easily justified. In worker protection agencies, an outcome of interest is improved compliance. While this Strategic Plan establishes measures of compliance to drive the work of the worker protection agencies, the Department also recognizes that many external factors affect those compliance rates (see *External Factors* chapter). For example, if evaluations can demonstrate a link between inspections and increased compliance, then agencies can knowingly improve compliance by increasing inspections. Ultimately, the aim of these evaluations is not only to render judgment on the extent to which DOL programs achieve their objectives, but also to provide an empirical foundation for making improvements to programs and their strategies in ways that will further the Department's goals and for refining the performance measures to improve their link to impacts.

Past Evaluations at DOL

Since the publication of the previous Strategic Plan in 2006, DOL has undertaken numerous program evaluations to advance DOL's performance-based management initiatives under GPRA and to improve the effectiveness of key programs. Most of these program evaluations were funded and managed through the Office of the Assistant Secretary for Administration and Management (OASAM). Agencies applied for funding for evaluation studies annually, and priority was given to studies addressing performance improvements identified by key stakeholders, such as the Office of Management and Budget or the Government Accountability Office, and to studies furthering a program's efforts to increase its effectiveness or efficiency. Since FY 2006, OASAM has funded over 40 program evaluations focused on these areas. The Department's past *Annual Performance and Accountability Reports* provide summaries of these evaluations and other evaluations and audits completed during that fiscal year. These reports are available at www.dol.gov/dol/aboutdol.

Of all the program evaluations completed within the last three years, one series of studies, culminating in the final report titled *Improving Workplace Conditions through Strategic Enforcement: Report to the Wage and Hour Division*, has profoundly impacted the Department's approach to measuring outcomes for the worker protection agencies.²² This study has examined the structures of various fissured industries to identify more strategic approaches to enforcement. A better understanding of how various enforcement and compliance tools interact with the structure and geographic distribution of these industries will enable WHD to make more effective use of its resources. Also importantly, a fundamental feature of how WHD approaches enforcement is the recognition of the importance of deterrent effects – influencing the behavior of employers in the same low-wage industry and/or the same geographic area. Developing strategies that leverage these deterrent effects is central to the Department's efforts to reform the worker protection agencies.

As discussed in the introduction to the strategic goals, worker protection agencies use targeted approaches to enforcement and have generally measured success based on those enforcement actions alone. A more comprehensive approach to enforcement takes responsibility for developing strategies aimed at achieving a broader impact and thus requires a different type of measure. In response, agencies are reporting on compliance levels that represent the universe of regulated entities – not just those where an intervention occurred. These are the measures discussed and presented in the strategic goal chapters. Subsequent contracts have helped and will continue to help DOL in refining the statistical models for these new measures. These agencies will also rely on program evaluations to assess their effect on compliance.

For example, to better understand both employees' and employers' experiences with the Family and Medical Leave Act (FMLA), the Department will conduct two new surveys to collect information about the need for and the experience with family and medical leave from employees' and employers' perspectives. This effort will build on two prior studies conducted in 1995 and 2000 as well as the 2006 Request for Information inviting

²² *Improving Workplace Conditions through Strategic Enforcement: Report to the Wage and Hour Division* is available at www.dol.gov/whd.

interested parties having knowledge of or experience with the FMLA to submit information to WHD. The results of these surveys should enable WHD to shape future regulatory options, craft interpretive guidance (such as plain-language fact sheets), develop compliance programs (employer outreach and investigation policies), and establish regulatory priorities based on sound, current data rather than on outdated data or anecdotal information. Lastly, the surveys are expected to provide information by which WHD can evaluate the impact of a range of FMLA activities – regulatory, educational, investigative, and legal – on employer compliance.

To improve programs and service delivery, ETA sponsored and conducted dozens of evaluations in recent years to determine the effectiveness of its programs and to identify best practices that can be replicated across the workforce training system. In addition to the aforementioned Job Corps study, the list includes a 2009 evaluation of the Summer Youth Employment Initiative²³ that will help guide future summer employment efforts and a 2008 evaluation of the Unemployment Insurance Reemployment and Eligibility Assessment (REA) initiative,²⁴ which found that rapid reemployment is more likely to occur when REAs are conducted.

For more information on DOL past and planned evaluations, OASP maintains a Research and Evaluation Inventory and Documents Library, which is available online at www.dol.gov/asp/programs/REIDL/index.htm. The library also provides access to DOL's research and evaluation agenda with links to final outcomes and products. The many programmatic and policy documents produced by DOL agencies, such as agency regulations, guidance documents, fact sheets, operations manuals, and other documents are also available through the library.

²³ Bellotti, J., Rosenberg, L., Sattar, S., Mraz Esposito, A., & Ziegler, J., *Reinvesting in Americas Youth — Lessons from the 2009 Recovery Act Summer Youth Employment Initiative*, http://wdr.doleta.gov/research/FullText_Documents/Summer%20Youth%20Employment%20Initiative%20-%20Executive%20Summary.pdf.

²⁴ Benus, J., Yamagata, E.P., Wang, Y., & Blass, E., *Reemployment and Eligibility Assessment (REA) Study FY 2005 Initiative*, [http://wdr.doleta.gov/research/FullText_Documents/Reemployment%20and%20Eligibility%20Assessment%20\(REA\)%20Study%20Final%20Report%20March%202008.pdf](http://wdr.doleta.gov/research/FullText_Documents/Reemployment%20and%20Eligibility%20Assessment%20(REA)%20Study%20Final%20Report%20March%202008.pdf).

Future Evaluations at DOL

The Department's commitment to answering critical performance questions in a rigorous way is evidenced by a greater resource commitment. For instance, \$8.5 million was made available in FY 2010 to evaluate the impact of DOL programs. The FY 2011 budget request includes an increase of \$1.5 million to a total of \$10 million for Departmental program evaluations. This represents a near three-fold increase in funding for Departmental program evaluations from the FY 2009 level of approximately \$3.5 million. A total of \$11.6 million was also requested for evaluation of employment and training programs, an increase of \$2 million above the FY 2010 appropriation. Both requests reflect a commitment from President Obama and Secretary Solis to rigorously review how programs are performing and to identify opportunities for program improvement. In addition, up to \$13 million in program evaluation funding was available to assess the effectiveness and impact of DOL programs funded by the American Recovery and Reinvestment Act of 2009. The President's FY 2011 budget also proposed that DOL receive \$40 million for a series of large-scale evaluations of particular programs.

Funding and oversight of evaluation efforts will be provided to agencies by the Chief Evaluation Office in order to ensure that the evaluations are as rigorous and cost-effective as possible. When awarding funding to agencies, the Chief Evaluation Officer will consider the rigor of the proposed evaluation, how the results of the evaluation can be acted upon, and how the evaluation aligns with the Department's strategic goals.

For any given federal program's reported performance, there are several factors (external independent variables) over which the agency has neither jurisdiction nor control that will affect the level of performance. Program evaluation aims to isolate the influence of the agency's performance from the influence of these external independent variables in order to reach a clearer understanding of the true *impact* of the agency. Even with the more sophisticated approaches to measuring worker protection *outcomes*, the ability to isolate the effects of an agency's activities or to measure the *impact* of an agency's activities (what would have happened, all else being equal, in the absence of the agency) requires rigorous evaluation.

Future program evaluations at the Department will focus on impacts more than ever before. While DOL has worked to develop a robust set of outcome goals and measures for this Strategic Plan, the information provided by these measures alone is limited. To truly understand whether their strategies are working, these outcome measures need to be linked to *impacts*. For example, to understand the *impact* of inspections on future compliance of an employer, one cannot just look at the number of repeat violators and conclude that, because it is fewer than the number of employers first found to be out of compliance, the difference is the *impact* of the inspection on future compliance. Some of those employers may have come into compliance on their own even if they had not been inspected. EBSA, which is responsible for ensuring the integrity of the private employee benefit plan system in the United States, is currently conducting a rigorous evaluation to determine the *impact* of its inspections on recidivism.

Another focus of the Department's evaluation agenda is to refine the outcome and performance measures. For example, the Department plans some studies where the goal will be to select or adjust measures so that they are best linked to impacts. Both OSHA and WHD have undertaken outreach strategies designed to enhance workers' ability to access

information about their rights in the workplace, their understanding of those rights, and their ability to exercise those rights without fear of recrimination. These outreach strategies are assumed to result in an increased “voice in the workplace,” ultimately leading to safer, healthier workplaces and to workers receiving the wages due them; and yet, the Department does not have a good measure of “voice.” Evaluations will be conducted in the coming years to develop a measure of “voice” that can be used to determine whether the outreach strategies do indeed lead to the expected outcomes. Other studies will be used to ensure that the outcome data reported to the Department is accurate. Data quality is a paramount concern when so many decisions depend on timely, accurate, and complete information. To that end, studies to address long-standing data quality issues, such as a data quality study for MSHA, are important steps the Department is taking to improve the way programs are managed.

Future program evaluations will link to at least one of the 14 outcome goals that constitute Secretary Solis’ vision of *good jobs for everyone*. Priority will be given to evaluations that demonstrate:

- Relevance in shaping future policy, organizational, budget, or program targeting decisions;
- A rigorous study design that offers a timely and cost-effective methodology appropriate to answering the evaluation questions; and
- DOL activities under the American Recovery and Reinvestment Act of 2009.

These evaluation efforts recognize that it is not sufficient to rely on performance measures alone to determine whether DOL strategies are working. Future program evaluations will do the important work of determining whether the agency activities are leading to the desired outcomes. Without this valuable information, agencies would continue to operate under untested assumptions about the effectiveness of their methods and programs. By undertaking these evaluations, DOL intends to demonstrate not only its commitment to achieving its goals, but its commitment to do so transparently and through the prudent use of the resources provided by the American public.

Innovation and Reform at the Department of Labor

To more fully accomplish the DOL mission, since the February 2009 Senate confirmation of Secretary Solis, the Department has initiated an aggressive reform agenda that will manifest in the near-term and have lasting and transformative effects. The core objectives of these reforms are to transform the Department's programs through activities that: deploy research, evaluations, and data to enhance effectiveness; streamline organizational structures; and introduce 21st century technology and transparency into the Department's day-to-day operations.

Throughout the DOL organization, change is taking place. These reforms are as bold as the Secretary's vision of *good jobs for everyone* and reflect a commitment to realizing that vision through every resource available to the Department. The reforms exemplify innovation that not only aims to improve process and organization, but to change the way that DOL employees think about their work and do their jobs. The goals described in this Plan provide the foundation for the planning system that will continue to drive this innovation and foster a culture of ongoing assessment and improvement throughout the Department. This section outlines this Department-wide effort by highlighting the results and goals of DOL reform efforts under the four broad categories of *DOL Systems and Structures, Employees, Programs, and Transparency to the Public*. The first three categories represent the resources – infrastructure, people, and programs – that make the work of DOL possible. The last category, *Transparency to the Public*, represents DOL's commitment to carry out its mission in a way that is easily accessible and understood by the public.

Systems and Structures

- Linking Resources to Outcomes
- Improving Organizational Structures
- Improving the DOL Regulatory Process
- Advancing Financial Practices

Employees

- Strengthening the DOL Workforce

Programs

- Reforming the Workforce System and Preparing Workers for 21st Century Jobs
- Reinvigorating Worker Protection Agencies

Transparency to the Public

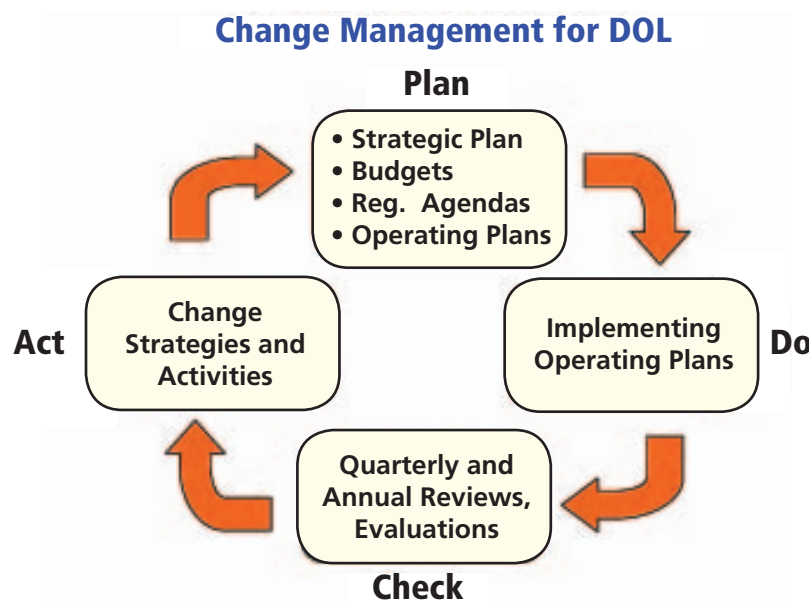
- Promoting Open Government

Systems and Structures

Linking Resources to Outcomes

This strategic planning process provided a critical platform for translating the Secretary's vision into a series of quantifiable long-term goals. Even before this strategic planning process unfolded, the Department took steps to identify near-term goals through FY 2010 performance agreements between each Agency Head and the Secretary, thereby providing an important performance bridge to the publication of this Plan. The FY 2011 Congressional Budget Justification reflects the Department's initial efforts to implement the Secretary's vision within a new goal framework.

With the publication of this Strategic Plan, DOL agencies will continue to explain their role and success in meeting the outcome goals of this Plan through performance budgeting and reporting processes. Recognizing the vital role of budgets in linking the work of the Department – the resources supporting those activities – and the Secretary's outcome goals, DOL has worked to strengthen its budget and planning processes. These activities, however, require extensive coordination to be truly effective. To that end, DOL has undertaken an aggressive change management agenda to drive the budget and performance activities with the aim of affecting change in the strategies tied to the goals in this Plan. The *Change Management for DOL* graphic demonstrates the overall cycle.



By design, this Plan represents the planning phase of the cycle. Implementing the Secretary's priorities requires coordination across DOL functions, including the budget process, agency operating plans, and the regulatory agenda. Quarterly and annual reviews provide regular checks on progress, with an emphasis on tracking workload activities (such as inspections and grant awards) assumed to lead to certain outcomes. It is important to note that this process aims to identify opportunities for improving or refining

strategies, while emphasizing the need to achieve planned levels of outputs and outlays of resources. Acting on these findings is an important step in realizing the Department's outcome goals. The measures contained within this Plan represent the outcomes that agency strategies and resources are working to achieve. In addition to these Government Performance and Results Act (GPRA) performance measures, the Department monitors workload, outputs, productivity, and other types of data. The review process reinforces this data collection and monitoring at the Departmental level, thus informing subsequent budgets and evaluations of program strategies.

At every level within the DOL organization, a common understanding of how the Secretary's goals factor into the work of the Department is required for success. The budget process will provide the foundation for developing agency-specific operating plans that clearly define the steps each agency will undertake to fulfill its promise to the American public, as outlined in the DOL Congressional Budget Justification. The strategies identified in the budget are then subject to ongoing reviews in order to determine whether those strategies are leading to the intended outcomes. Justifications can no longer solely attest to the benefits of funding increases, but should account for the entirety of the agencies' resources. This ambitious change management agenda will require extensive coordination, effective communication, and astute analysis throughout the Department, but in the end, will produce a stronger, more capable Department of Labor.

Improving Organizational Structures

An organization's ability to effectively execute its mission depends on many variables – but how it is structured is clearly fundamental to the way it operates. Agencies encumbered by inefficiencies, such as unnecessary layers of review or duplicative functions, consequently have challenges in executing the key initiatives of the Secretary. Reorganization, therefore, emerged as an immediate priority if the Department was to fulfill the Secretary's ambitious agenda at a time when the work of the Department was more critical than ever.

Employment Standards Administration

As an enforcement and benefit delivery agency, the Employment Standards Administration (ESA) was composed of four major programs that enforce and administer laws to enhance the welfare and protect the rights of American workers. The Department fashioned a reorganization to improve the efficiency of its four programs – the Wage and Hour Division, the Office of Federal Contract Compliance Programs, the Office of Workers' Compensation Programs, and the Office of Labor-Management Standards – and provide some cost savings to the federal government.

The crux of this reorganization was to eliminate the Office of the Assistant Secretary for Employment Standards and have the four ESA programs report directly to the Secretary of Labor. This action eliminated a layer of review and decision-making and allowed policy issues to reach the Secretary in a more timely manner. This also eliminated the current reporting arrangement of the layering of two Presidentially-appointed, Senate-confirmed (PAS) positions (Wage and Hour Director and the ESA Assistant Secretary), which has been a cause of personnel and budgetary friction in the past.

As the Department is reinvigorating its enforcement of worker protection laws, this reorganization supports the Administration's effort by elevating the program issues directly to the Secretarial level. It has also elevated the visibility of the individual program heads as they promote their increased enforcement efforts.

Wage and Hour Division

A restructuring of the Wage and Hour Division (WHD) is designed to achieve greater efficiencies and improve organizational results. WHD has established key leadership positions in planning, policy, and operations that will create a clear chain of command, improve regional and field office management, and strengthen the management of new responsibilities. The Office of Program Operations will direct and support the field enforcement program and implement the national WHD enforcement strategy. The Office of Policy will provide direction and oversight in the planning, development, and implementation of all WHD policy activities and coordinate the activities related to legislation, regulations, and enforcement policy. The activities of the Office of Policy will be clearly differentiated from the operations side, thereby eliminating the bifurcation of field operations supervision between policy and operations. Strategic planning, communications, and information technology will be housed under the Office of Planning, Performance Evaluation, and Communication.

Office of Labor-Management Standards

The Office of Labor-Management Standards (OLMS) is restructuring to reduce staff while continuing to maintain timeliness and quality of its core services. Beginning in FY 2009, the agency undertook a comprehensive review of its structure and staffing allotments, identified unaffordable positions, and made the necessary adjustments for a downsized structure that still supports the agency's mission. The new service delivery model includes strategies for improving cost-effectiveness such as making better use of technology (electronic filing of reports and better access to Web-based data) and developing techniques to identify for audit those organizations most likely to be in violation of the law.

Office of Job Corps

In FY 2006, Congress directed DOL to move the Office of Job Corps (OJC) to the Office of the Secretary, with the Director of Job Corps reporting directly to the Secretary of Labor. The Congressional interest in this issue was a bipartisan response to complaints at the time from the Job Corps community about the management decisions made in the Employment and Training Administration (ETA) regarding the program. In FY 2010, Congress authorized the Department to transfer the administration of the Job Corps program back to ETA. The Department has completed this transfer of administration and the Job Corps Director now reports to the ETA Assistant Secretary. This realignment of OJC in ETA will enable better integration of strategies for service to at-risk youth among the various programs that serve these youth, and will allow the Job Corps program to benefit from the collaboration and coordination with other youth programs. This will result in better service to the young people served in this residential program.

Office of the Assistant Secretary for Policy

A reorganization in FY 2010 benefitted the operations of the Office of the Assistant Secretary for Policy (OASP). The core mission of OASP is to provide advice to the Secretary, Deputy Secretary and Department on matters of policy development, program evaluation, regulations, budget and legislation. Integral to this role, OASP leads special initiatives and manages cross- and inter-Departmental activities to advance the mission of

the Department of Labor. The reorganization strengthened these core functions while transferring other functions to more appropriate Departmental offices. For example, the Office of Information and Technology Management was transferred from OASP to the Information Technology Center in the Office of the Assistant Secretary for Administration and Management (OASAM). Also in 2010, a new office, the Chief Evaluation Office, was established to implement, manage, and coordinate robust and systematic evaluations of program strategies, outcomes, and measures of performance across the Department (see *Program Evaluations*). To better support reinvigorated regulatory and programmatic policy within the worker protection agencies, the Office of Regulatory and Programmatic Policy was divided into two offices. These changes promote a more robust OASP that is better positioned to provide Department-wide leadership in support of the Secretary's policies, programs, and objectives.

Office of Small and Disadvantaged Business Utilization

DOL also sought to improve the efficiency and effectiveness of its small and disadvantaged business policy function by aligning it with the Department's overall procurement policy function. DOL created the Office of Small and Disadvantaged Business Utilization within the OASAM, led by an official who has more immediate access and accountability to the Secretary. In conjunction with this reorganization, a new service delivery system to link these businesses with opportunities was rolled out at the local level through the more than 3,000 One-Stop Career Centers located in all 50 States, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

Improving the DOL Regulatory Process

Central to the success of reinvigorating DOL's worker protection agencies, especially the Plan/Prevent/Protect strategy discussed further in this chapter's *Reinvigorating Worker Protection Agencies* section, are recent reforms to the development and implementation of the Department's rulemaking and regulatory processes. Regulations are government agency statements (or parts of government agency statements) that implement, explain, or prescribe law or policy, or describe an agency's organization, procedure, or practice requirements. The Department's regulatory agenda,²⁵ published twice annually in the *Federal Register*, is a list of all regulations expected to be reviewed or developed in the next year. Through the Regulatory Agenda, DOL recommits itself to the important work of achieving *good jobs for everyone*. The regulations cannot serve to protect the health, safety, or wages of America's workers until they are in effect, and the steps required for an item that is included in the Regulatory Agenda to become an effective regulation – referred to as a “final rule” – are technically complex, lengthy, and time-consuming. The Department has developed a detailed process to hold agencies accountable for more efficiently developing and implementing regulations. Aspirations are no longer sufficient. Concrete production schedules with clear deadlines have been established around common milestones in the regulatory development process. One example of where efficiency has been built into the regulation development process is DOL's internal clearance process. This process, which typically required from 30-60 days for completion, will now be completed in five days.

²⁵ The DOL Regulatory Agenda is available at <http://www.dol.gov/asp/regs/agenda.htm>.

To further increase accountability, relevant DOL agency heads meet with DOL leadership on a quarterly basis to discuss progress and success in achieving what they have agreed to and meeting the new, aggressive timeliness targets for developing regulations.

Advancing Financial Practices

The Office of the Chief Financial Officer (OCFO) supports the Secretary's vision of *good jobs for everyone* by upholding strong financial management principles and accountability, providing timely, accurate, and reliable financial information, and enhancing internal control. These principles reinforce the Department's commitment as a prudent steward of American taxpayers' resources in order to create good jobs for everyone. To that end, OCFO is committed to delivering services that transform complex information into practical knowledge for its internal and external stakeholders following several key initiatives:

New Core Financial Management System

During the strategic planning process, OCFO implemented a state-of-the-art financial management system designed to significantly enhance DOL's ability to deliver core services by:

- Providing financial managers with timely, relevant information and real-time reporting capabilities, enabling more innovative and strategic decision-making;
- Acting as a single, trusted source of reliable financial information, enhancing transparency and accountability; and
- Linking finance and performance throughout the planning, analysis, reporting, and management processes.

Improper Payments

Simply put, accurate payments lower program costs. The OCFO monitors and assesses current programs and improper payment reduction efforts to ensure that taxpayer money is being spent wisely and efficiently. Reducing improper payments in key assistance programs – such as the Unemployment Insurance and Workforce Investment Act Programs – directly supports the Secretary's vision and program goals by ensuring resources are directed to the correct recipients.

Internal Controls and Audit Resolution

DOL's comprehensive internal control program and audit resolution process provide reasonable assurance that all financial, non-financial, performance, statistical, and related reports are reliable. These efforts support agencies' delivery of effective services to their constituents by ensuring that information used to make decisions is relevant, accurate, and transparent, and that safeguards are in place to prevent waste, fraud, and abuse.

Employees

Strengthening the DOL Workforce

The employees of the Department of Labor are its greatest resource. Over 16,000 employees carry out the DOL mission through activities such as inspecting workplaces, responding to wage violation complaints, administering workforce development grants, and producing economic data. Through reinvigorated labor-management relations, a strengthened leadership corps, and an emphasis on diversity, DOL employee values will define their work and drive performance. These steps represent necessary components of how the Department of Labor will achieve the goals within this Plan.

The Department has made significant progress in restoring worker protection programs to their FY 2001 staffing levels. Between FY 2009 and FY 2010, close to 1,000 enforcement personnel have been hired in the WHD, the Occupational Safety and Health Administration (OSHA), the Office of Federal Contract Compliance Programs (OFCCP), the Mine Safety and Health Administration (MSHA), and the Employee Benefits Security Administration (EBSA). This level of enforcement staff will enable the Wage and Hour Division to fully support its enforcement priorities in the three priority enforcement areas: protecting the most vulnerable workers in the workplace; promoting sustained and corporate-wide compliance among employers; and boosting customer satisfaction among workers seeking DOL services and other entities that share the goal of improving the lives of working men, women, and children. DOL's worker protection efforts touch the lives of nearly every worker, and the Department will continue to ensure that workers are protected by the law.

Hiring Today — and Building a Better Tomorrow

Soon after this Administration took office, steps were taken to address hiring needs that had long been neglected. These efforts were targeted at strengthening DOL's enforcement and programmatic efforts while, at the same time, maximizing opportunities to close the Department's diversity gaps. The goal was to hire 2,310 new employees in DOL agencies with the most immediate needs.

As of July 2010, DOL is at 101 percent of its permanent hiring goal for the period between April 2009 and September 2010. Subsets of these efforts include filling over 100 positions that required foreign language proficiency – and making clear strides to close workforce diversity gaps that include the hiring of Hispanic males and females and Asian males.

Agencies accounting for the majority of permanent hires include the Wage and Hour Division, the Bureau of Labor Statistics (BLS), OSHA, OFCCP, and EBSA. In addition, ETA, Veterans' Employment and Training Service (VETS), and Office of Disability Employment Policy (ODEP) have all met their permanent hiring goals.

Agencies are using a variety of approaches to recruit and retain diverse employees. For example, EBSA is working to increase its visibility among historically black and predominantly Hispanic colleges, universities, and professional organizations through coursework and guest lecturers. ODEP, in partnership with the Office of Personnel Management and Equal Employment Opportunity Commission, among others, conducted a government-wide Disability Hiring Expo in April 2010. WHD hiring has emphasized hiring individuals with language proficiency skills in Chinese, Korean, Polish, Russian, and Spanish.

Executive Order 13552: Labor-Management Forums

On December 9, 2009, President Obama issued Executive Order 13552, *Creating Labor-Management Forums to Improve Delivery of Government Services*. The purpose of this Executive Order was to increase the efficiency and effectiveness of the federal government by creating cooperative and productive labor-management relations throughout the Executive Branch. Specifically, the Executive Order envisioned a partnership among managers, employees, and employees' union representatives to jointly assess workplace challenges and collaboratively formulate effective and suitable solutions.

At DOL, partnership efforts are underway. For instance, DOL Agency Heads are required to:

- Establish contact and create a recurrent channel of communication with their agency's Local Agency Vice President or other appropriate union official;
- Determine who in their agency will be responsible for partnering with the union; and
- Identify pertinent issues on which they will work with the union.

DOL's efforts support the government-wide goal of the Executive Order: engender a non-adversarial environment that could reduce the demand for third party adjudication of Departmental and Agency matters which is often contentious, unproductive, and time-consuming.

Results-Driven Leaders

Ensuring the alignment of organizational goals and employee performance plans has been and continues to be an important management practice at DOL – where DOL has instituted performance management systems and appraisal programs designed to support the fulfillment of organizational performance goals through individual employee accountability. These efforts were strengthened by a renewed vision for an elite corps of Senior Executive Service (SES) members.

The SES was established by Title IV of the Civil Service Reform Act (CSRA) of 1978. The CSRA envisioned a corps whose members have shared values, a broad perspective of government, and solid executive skills. Its stated purpose was to “ensure that the executive management of the Government of the United States is responsive to the needs, policies, and goals of the Nation and otherwise is of the highest quality.”

To support the key tenets of the SES, in October 2009, the Secretary reconstituted the Department's Executive Resources Board (ERB) and named new members from DOL's SES Corps. The ERB advises the Secretary with respect to matters relating to career SES and Senior Level employees. In that role, the ERB was tasked with developing recommendations regarding four subject areas: the performance rating and bonus process; communications and cohesion of DOL's SES corps; the allocation of SES positions across all of the agencies in the Department; and in-service training for incumbent members of the SES. In response, the ERB constituted four subcommittees:

- Communications/Esprit de Corps;
- Training;
- Appraisal/Performance Awards; and
- SES Allocations.

Working with and through the ERB, these subcommittees have already developed and sponsored required training for all SES members regarding performance assessment and improvement and proposed a system for reevaluating the allocation of SES positions across DOL's agencies. The ERB will continue to identify opportunities to support DOL's SES corps and report regularly to the Secretary on its efforts.

DOL has also implemented changes to its performance evaluation system to assure a tighter focus on the goals articulated in this Strategic Plan. It has required all officials rating their employees to certify on every employee performance plan – SES and General Schedule – a direct linkage to specific goals of the Secretary, agency, and/or organization. It has also created standardized managerial competencies that are designed to hold SES and managers/supervisors accountable for ensuring that organizational goals are achieved.

DOL was the first agency to obtain Office of Personnel Management (OPM) certification of its performance management program for senior executives – and was one of the first agencies to attain a score of 80 points or higher on the OPM Performance Appraisal Assessment Tool – an evaluation tool built around ten key success criteria for effective performance management. In addition, DOL was one of the first agencies to develop competency models for all mission-critical occupations and to implement a biennial competency assessment process.

Programs

Reforming the Workforce System and Preparing Workers for 21st Century Jobs

Using the American Recovery and Reinvestment Act (Recovery Act) funding as the impetus, the Department is implementing several reforms with the goal of refocusing the One-Stop Career Center system and other workforce system functions to support unemployed and underemployed workers in the context of economic recovery and future economic growth. Highlights of these reforms include:

- Focusing resources on the populations that need DOL services the most: the unemployed, low-skill/low income adults, and at-risk youth;
- Bringing a renewed emphasis to reemployment services and dramatically redesigning those services to be robust, integrated, data-driven, and grounded in best practices; and
- Emphasizing training as the key service strategy to support economic recovery and pathways out of poverty, encouraging the workforce system to train significantly more customers, and to help customers access longer-term training by providing supportive services and needs-related payments.

The Department has also proposed a Workforce Innovation Fund (WIF). The WIF would be comprised of five-percent contributions each from the WIA Adult program and the WIA Dislocated Worker program. The WIF is part of the new Partnership for Workforce Innovation, in which the Departments of Labor and Education will cooperate with other federal agencies to award grants that encourage states and localities to work across program silos to improve outcomes for participants.

The WIF would finance grants to be awarded competitively through Solicitations for Grant Applications to states or localities for the demonstration of new ideas and for the replication of proven practices. This effort will test innovative approaches to training and reemployment services, especially for vulnerable populations, and promote rigorous evaluation of practices that already show promise, such as “learn and earn” strategies like apprenticeships and on-the-job training, and regional and sectoral collaboration. The tested approaches also will make use of technology to expand or improve service delivery.

The Department has enhanced and promoted an e-learning, knowledge-sharing Web-space for the national delivery of technical assistance to further reform the workforce system. DOL continually explores interactive and blended learning strategies that include not only Webinars (online learning events), but which could also include expert blogs, wikis, podcasts, and threaded discussions. Through this Web-space, the Department is communicating with workforce professionals, providing training to the system that is stored and retrievable at any time, and creating “communities of practice” for generating new services and/or solutions. For examples of knowledge sharing, please visit the www.workforce3one.org site.

Reinvigorating Worker Protection Agencies

Through its worker protection agencies DOL enforces laws and regulations governing wages, workplace safety, work flexibility, discrimination, pension benefits, and other rights and benefits guaranteed to the Nation's workers. At the direction of Secretary Solis, worker protection agencies are undertaking strategies focused on innovation, evaluation, and improved implementation in an effort to reform how they operate. These reform principles are guiding their efforts to more effectively carry out the Secretary's vision of *good jobs for everyone*.

Evaluation

- Target the most egregious and persistent violators;
- Protect the most vulnerable populations while assuring broad-based compliance;
- Regulate to eliminate or reduce the hazards with the broadest and most serious consequences based on sound science; and
- Establish regular processes for evaluating the success of enforcement and regulatory strategies in helping to achieve the desired outcomes.

Innovation

- Foster a culture that emphasizes continuous improvement in DOL's regulatory and enforcement programs;
- Shift the burden of compliance to the employer or other regulated entity rather than relying exclusively on enforcement interventions. No more "catch me if you can" regulation and enforcement;
- Emphasize corporate-wide or enterprise-wide enforcement and other strategies for leveraging limited resources to accomplish the broadest possible compliance; and
- Use openness, transparency, and effective press and communications strategies as means of ensuring broad-based and continuing compliance.

Improved Implementation

- Implement collaborative enforcement strategies with other DOL, federal, state, and local agencies to leverage limited resources and ensure compliance throughout the workplace;
- Impose penalties and other remedies that are consistent with the seriousness of the violation and act as effective deterrents, including identifying and aggressively pursuing appropriate cases for criminal prosecution;
- Partner with worker and community-based organizations to identify likely violations and educate workers, small businesses, and others about the applicable legal requirements;
- Involve workers and worker organizations in the workplace to prevent, identify, and remedy violations; and
- Provide meaningful compliance assistance and engage the regulated community in designing and implementing compliance assistance.

These principles are reflected in the strategies and performance measures presented in the preceding strategic goal chapters.

Establishing and maintaining an effective partnership between the worker protection agencies and the Office of the Solicitor (SOL) in all aspects of regulation and enforcement leads to improved implementation. The Department considers this partnership essential to achieving the Secretary's vision of *good jobs for everyone*. SOL plays a pivotal role in supporting this vision by providing a wide range of essential legal services to the Secretary and the Department's agencies. Working in close coordination with Department agencies enables SOL to carefully target legal support and to anticipate changes in both program emphases and the emergence of new initiatives. As a result, SOL can more effectively reallocate resources to meet evolving program needs. These close working relationships enable SOL to align its strategic and budget planning priorities with agency and Departmental goals. SOL also frequently represents the Secretary as *amicus curiae*²⁶ in federal courts in cases raising important issues that have a broader impact for laws enforced by DOL. Through *amicus* participation, the Secretary leverages her resources to enhance the protective scope of the law without resource-intensive enforcement litigation.

Plan/Prevent/Protect

The *Plan/Prevent/Protect* regulatory agenda is based on the principle that employers and others must "find and fix" violations – that is, assure compliance – before a DOL investigator arrives at the workplace. Employers and others in the Department's regulated communities must understand that the burden is on them to obey the law, not on DOL to catch them violating the law. This principle is at the heart of this new DOL worker protection strategy. DOL is going to replace "catch me if you can" with Plan/Prevent/Protect.

This strategy begins with the premise that Congress directed employers and the other entities regulated by DOL to achieve and sustain compliance with the law. Congress placed the burden of compliance on employers, and expected they would obey the law, in most cases, without government intervention. Fortunately, many employers and other regulated entities have a culture of compliance. DOL does not need to send enforcement personnel to those workplaces to force compliance because they already obey the law as a part of their business model.

Some employers have difficulty complying because they lack an understanding of the laws and regulations that govern America's workplaces. For them, the Department of Labor provides extensive compliance assistance materials on its Web site and in print. Many of these materials are available in several languages. Some DOL agencies even send consulting teams to workplaces to help employers determine how to comply. For those who need help understanding their responsibilities, DOL educational efforts should be sufficient to achieve compliance.

There are other employers and enterprises regulated by DOL, however, that rely on luck or coincidence to avoid their violations of workers' rights to be detected. Perhaps worse, they make a calculated decision whether to comply with employment laws. They assess the benefits of refusing to comply with the law and compare them to the costs of complying with the law. Then, they weigh these costs and benefits against the likelihood they will be caught and the penalty they might suffer if caught. These employers wait to see if

²⁶ "Amicus curiae" is one (as a professional person or organization) that is not a party to a particular litigation but that is permitted by the court to advise it in respect to some matter of law that directly affects the case in question.

the Department of Labor enforcement personnel will intervene to force compliance rather than taking the responsibility to comply on their own. They are playing a dangerous game of “catch me if you can.” And they are putting workers’ rights (and, in some cases, even their own lives) at risk.

DOL has a few thousand inspectors struggling to enforce dozens of employment laws protecting 140 million workers in some nine million workplaces. As discussed in the strategic goal chapters, these inspectors cannot be in every part of every workplace every day, and this is not the desired system. The Department cannot abide an economic calculus that exploits the fact that the DOL inspectors cannot and should not look over every employer’s shoulder.

Plan/Prevent/Protect aims to change the calculus so that employers and other entities regulated by DOL will take responsibility for employment law compliance.

In this regulatory agenda, OSHA, MSHA, OFCCP, and WHD will propose regulatory actions that require employers and others to develop programs to address certain employment law compliance issues within each agency’s area of responsibility. This is a Departmental priority, and DOL is applying this strategy across its worker protection agencies.

Although the specifics will vary by law, industry, and regulated entity, this *Plan/Prevent/Protect* strategy will require regulated entities to take three steps to ensure compliance with the laws DOL administers:

- “Plan” means DOL will propose to require employers and other regulated entities to create a plan to find and fix violations of the law and other risks to workers;
- “Prevent” means DOL will propose to require employers and others to thoroughly implement their plans in a manner that actually prevents violations of the law and other risks and hazards; and
- “Protect” means DOL will propose to require that employers and others assure that the plan does what it is supposed to do – protect workers.

Employers who fail to take these steps to comprehensively address risks, hazards, and inequities in their workplaces will be considered out of compliance with the law and, depending upon the agency and the substantive law it is enforcing, subject to remedial action. Employers, unions, and others who follow the Department’s *Plan/Prevent/Protect* strategy will assure compliance with employment laws before DOL inspectors arrive at their doorsteps. Most importantly, they will assure that workers get the safe, healthy, diverse, family-friendly, and fair workplaces they deserve. Agency-specific strategies under *Plan/Prevent/Protect* are discussed in the strategic goal chapters of this Plan.

Transparency to the Public

Promoting Open Government

OASAM and the Office of Public Affairs (OPA) are partnering to implement President Obama's first executive action – assuring openness and transparency in the government. The Open Government Initiative is built around the principles of transparency, participation, and collaboration – which form the cornerstone of an open government:

- Transparency promotes accountability by providing the public with information about what the government is doing.
- Participation allows members of the public to contribute ideas and expertise so that their government can make policies with the benefit of information that is widely dispersed in society.
- Collaboration improves the effectiveness of government by encouraging partnerships and cooperation within the federal government, across all levels of government, and between the government and private institutions.

In response to President Obama's call for "an unprecedented level of openness in government...to strengthen our democracy and promote efficiency and effectiveness in government," DOL in April 2010 issued its first-ever Open Government Plan: <http://www.dol.gov/open/OGDplan.pdf>. This Plan is an important tool in carrying out the Secretary's vision of good jobs for everyone and its themes, elements, and details were developed through a collaborative process which utilized the diverse skills of employees from across the Department, leveraged buy-in from senior leadership, and invited input from all DOL employees, stakeholder groups, and the general public. DOL's open government plan has been ranked among the strongest by open government experts, including OMB Watch and openthegovernment.org.²⁷ To implement its Open Government policy the Department has taken a number of steps, including:

- Developing an internal communications strategy to educate and engage employees on the impact and benefits of open government;
- Committing to an infrastructure that better supports internal information sharing,
- Developing an open government speaker series;
- Using periodic all-staff e-mails to share milestones and success stories;
- The creation of a Secretary's Award for Open Government;
- Launching an external blog to share highlights and invite feedback; and
- Incorporating open government into human resources practices.

An example of the Department's progress toward openness and transparency is the development and launch of an online Enforcement Database that allows the public to access enforcement data collected by EBSA, OSHA, OFCCP, MSHA, and WHD. Working with DOL agencies, OASAM and OPA are identifying opportunities to publish additional government information online and improve the quality of that information. Follow DOL progress at <http://www.dol.gov/open/progress.htm>.

²⁷ The review was conducted through openthegovernment.org, and the audit is available at: <https://sites.google.com/site/opengovtplans/>.

In addition, the Chief Financial Officer serves as the Department's Senior Accountable Official over the Quality of Federal Spending Information – and is charged with ensuring the accuracy and reliability of financial data posted to www.USASpending.gov, www.recovery.gov, and other publicly available reporting venues. Correct and complete data reporting is a cornerstone of President Obama's Open Government Initiative and supports the Secretary's vision by demonstrating a tangible connection between the Department's programmatic activities and its expenditures.

Information Technology - A 21st Century Foundation to Strategic Planning

Information Technology – or IT – plays a fundamental role in Department-wide efforts to modernize the way DOL agencies perform their work and engage with stakeholders. OASAM partners with agencies to assist in business transformation activities by providing insight, research, and knowledge of how new technologies can be leveraged for better customer service and optimized business process performance. Accomplishments to date include:

- The development of a productivity tool to provide an enterprise-wide platform of online meetings and collaboration;
- The deployment of video Web casting in the Department, supported by a partnership between OASAM and OPA, that affords the Secretary and agencies with the ability to communicate directly with DOL employees and the public regarding the Strategic Plan, the budget, and the promulgation of regulations; and
- Establishing a shared information environment, thereby creating one-stop shopping to DOL customers for data across DOL – and, at the same time, further reducing the information technology silos that have developed over a number of years.

Conclusion

The reforms presented in this chapter represent a commitment to effectively managing the resources of the Department and fulfilling the outcome goals supporting *good jobs for everyone*. The activities presented in this chapter covered the major aspects of DOL program operations necessary for affecting significant change. By taking a comprehensive approach that includes budget development, regulatory reform, and improvements in DOL management, the Department is better positioned to advance the goals of the Secretary. The Department will continue to refine these efforts as part of its ongoing planning and reporting activities, including publication of the DOL Congressional Budget Justifications.

Appendices

1. Stakeholder Outreach

The Department of Labor's mission is broad and diverse, touching the lives of working men and women, as well as organizations that support workforce information, training, security, benefits, and working conditions. Stakeholders also include unions, other worker organizations, employers and employer groups, other federal and state agencies, various Advisory Committees, professional organizations, public interest groups, and the Congress.

The Government Performance and Results Act (GPRA) requires agencies to consult with Congress and to solicit and consider the views and suggestions of those entities potentially affected by or interested in a Strategic Plan. Previous DOL Plan updates involved little more than publication of the draft Plan in the *Federal Register*. This approach did not yield many comments, probably because it occurred so late in the process – signaling that formulation of the Plan was essentially complete. Also, many of DOL's stakeholders are not regular readers of the *Federal Register*.

Secretary Solis is committed to providing more opportunities for stakeholders who have been left out of such decisions in the past to participate in the Department's decision-making processes. This year, to solicit input from a diverse array of stakeholders, the Department added a development phase to the stakeholder outreach process. These activities, which took place in March and April 2010, were led by the Office of the Secretary (OSEC), the Office of the Assistant Secretary for Administration and Management (OASAM), the Office of Public Affairs (OPA), the Office of Public Engagement (OPE), and the Office of Congressional and Intergovernmental Affairs (OCIA). Agencies conducted separate efforts that contained common elements identified by the Department, but tailored them to their own goals and audiences.

DOL directly engaged its own employees, Congress, and stakeholders via DOL.gov and through agency outreach. DOL collected and considered the suggestions and concerns of these groups in order to refine goals, measures, and strategies consistent with the Secretary's vision of *good jobs for everyone*. It was important to the Department to share the concepts, ideas, and performance goals and measures while they were still under consideration for potential inclusion in the Plan. This allowed the Department to consider stakeholder comments while drafting the Plan. Concurrent with this initial stakeholder outreach period, input from Congress was solicited via briefings with staff and subsequently during the public comment period. Comments were distributed to the relevant agencies for consideration and changes were made to the Plan as appropriate.

Thirteen DOL agencies (those contributing directly to the 14 outcome goals) provided highlights of their measures and strategies in user-friendly slideshows available on the DOL Web site. These agencies also held listening sessions with employees working in the DOL national office and their regional offices, the general public, stakeholders, and Congress. Employee and public outreach included Web chats; public versions are archived on the strategic planning Web site. The Department supplemented agency outreach with an email address for public comments.

Prior to publication, OMB reviewed a draft of the Strategic Plan; and staff from the Office of the Deputy OMB Director for Management reviewed and provided detailed comments on the performance measurement sections of the Strategic Plan during its development stage.

DOL published a complete draft of the Plan on the strategic planning Web site in March 2010 to allow time for stakeholder review, and solicited comments via a notice in the *Federal Register* posted in August 2010 and other communication with stakeholders.

2. Department of Labor Strategic, Outcome, and Performance Goals

The Strategic Plan is organized around five strategic goals that support the Secretary's vision of *good jobs for everyone*, 14 outcome goals that represent the Department's core values, and agency-specific performance goals which support the outcome goals.

1. Prepare workers for good jobs and ensure fair compensation

- 1.1 Increase workers' incomes and narrow wage and income inequality.
 - ETA 1.1 – Increase the average earnings of individuals served through the Workforce Investment Act, Job Corps, Trade Adjustment Assistance, and Community Service Employment for Older Americans Programs.
 - VETS 1.1 – Improve employment outcomes for veterans who receive One-Stop Career Center services.
 - WHD 1.1 – Issue timely and accurate prevailing wage determinations.
- 1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high growth and emerging industry sectors like "green" jobs.
 - ETA 1.2 – Increase skill attainment, certification, and work preparedness of individuals served through a range of programs to prepare them to compete in a knowledge-based economy featuring emerging industries such as green jobs.
 - ODEP 1.2 – Increase the number of people with disabilities served by WIA-funded programs who receive job-related training or education.
- 1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle-class jobs.
 - ETA 1.3 – Provide workers with the resources necessary to increase their likelihood of obtaining middle-class jobs.
 - VETS 1.3 – Improve veterans' access to training and employment opportunities.
- 1.4 Help middle-class families remain in the middle class.
 - ETA 1.4 – Ensure that those workers adversely affected by foreign and domestic economic conditions can remain in the middle class.
 - VETS 1.4 – Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.
- 1.5 Secure wages and overtime.
 - ETA 1.5 – Maintain oversight to ensure that employers are compliant with wage and overtime laws with respect to certified foreign laborers.
 - WHD 1.5 – Ensure that vulnerable workers are employed in compliance and secure sustained and verifiable employer compliance, particularly among the most persistent violators.
- 1.6 Foster acceptable work conditions and respect for workers' rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.
 - ILAB 1.6 – Improve worker rights and livelihoods for vulnerable populations.

2. Ensure workplaces are safe and healthy

- 2.1 Secure safe and healthy workplaces, particularly in high-risk industries.
 - MSHA 2.1 – Prevent death, disease, and injury from mining and promote safe and healthful workplaces for the Nation's miners.
 - OSHA 2.1 – Improve workplace safety and health through the enforcement of occupational safety and health regulations and standards.
 - WHD 2.1 – Ensure basic safety and health protections for young workers and farmworkers.

3. Assure fair and high quality work-life environments

- 3.1 Break down barriers to fair and diverse work places so that every worker's contribution is respected.
 - ODEP 3.1 – Reduce barriers to fair and diverse workplaces for workers with disabilities.
 - OFCCP 3.1 – Ensure diversity and fairness in federal contractor workplaces.
- 3.2 Provide workplace flexibility for family and personal care-giving.
 - WB 3.2 – Promote workplace flexibility through technical assistance, partnership development, and encouraging the use of effective practices.
 - WHD 3.2 – Promote flexible workplace policies through enforcement of the Family and Medical Leave Act.
- 3.3 Ensure worker voice in the workplace.
 - MSHA 3.3 – Improve the timeliness of discrimination complaint investigations.
 - OLMS 3.3 – Ensure union financial integrity, democracy, and transparency.
 - OSHA 3.3 – Improve workers' knowledge of health and safety rights and requirements and their ability to report violations.

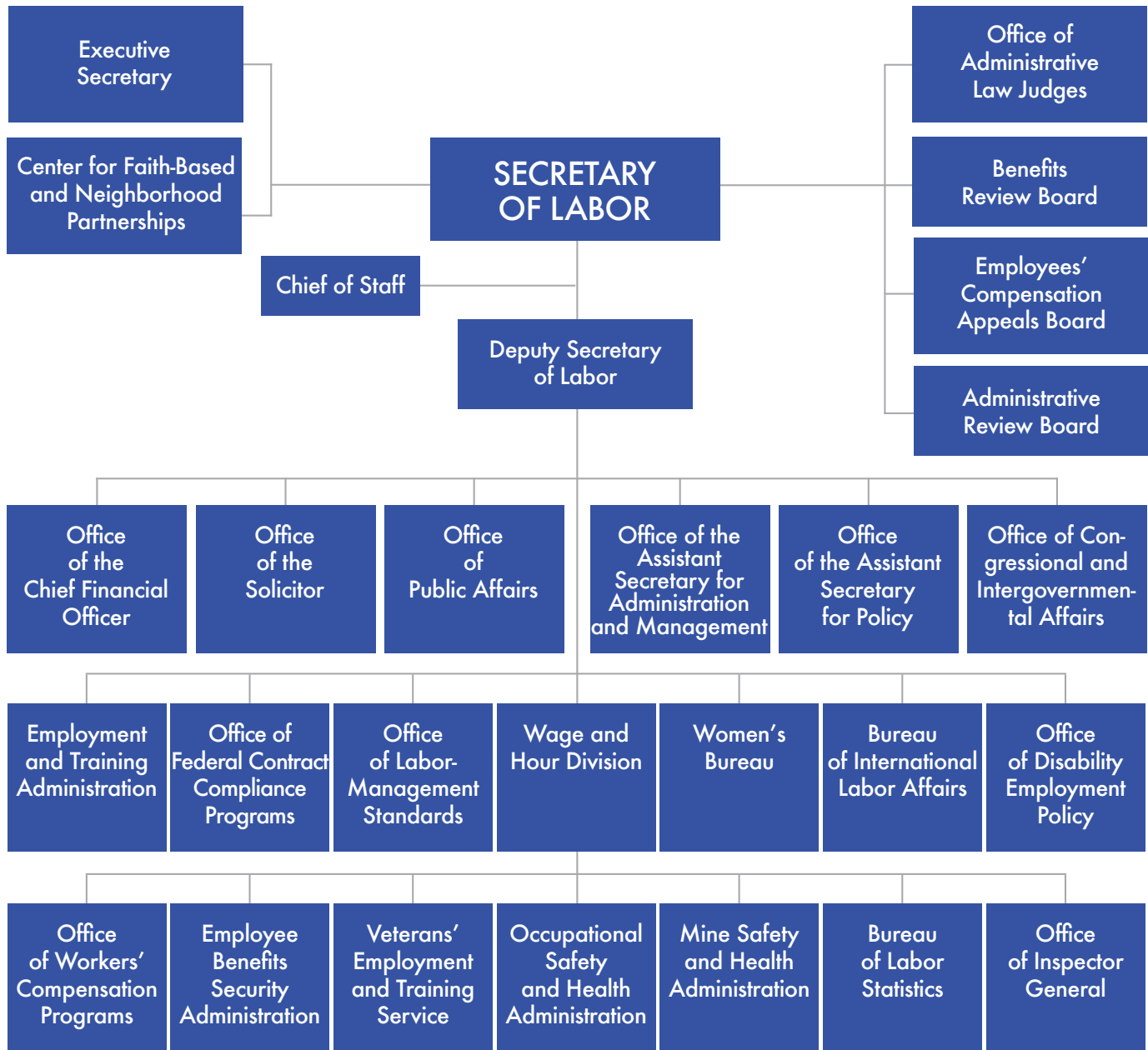
4. Secure health benefits and, for those not working, provide income security

- 4.1 Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work.
 - OWCP 4.1 – Improve workers' ability to return to work after an injury or illness.
- 4.2 Ensure income support when work is impossible or unavailable.
 - ETA 4.2 – Facilitate timely and accurate payments to unemployed workers.
 - OWCP 4.2 – Reduce the consequences of work-related injuries.
- 4.3 Improve health benefits and retirement security for all workers.
 - EBSA 4.3 – Improve health benefits and retirement security for all workers.

5. Produce timely and accurate data on the economic conditions of workers and their families

- 5.1 Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.
 - BLS 5.1 - Improve the timeliness, accuracy, and relevance of information on labor market activity, working conditions, and price changes in the economy.

3. Department of Labor Organizational Chart



The Pension Benefit Guaranty Corporation, which appears in this Strategic Plan, is a federal corporation headed by a Director who reports to a Board of Directors consisting of the Secretaries of Labor, Commerce and Treasury, with the Secretary of Labor as Chair.

4. Department of Labor Mission Statements

Bureau of International Labor Affairs (ILAB): The Bureau of International Labor Affairs leads the U.S. Department of Labor's efforts to ensure that workers around the world are treated fairly and are able to share in the benefits of the global economy. ILAB's mission is to use all available international channels to improve working conditions, raise living standards, protect workers' ability to exercise their rights, and address the workplace exploitation of children and other vulnerable populations.

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

Employee Benefits Security Administration (EBSA): The mission of the Employee Benefits Security Administration is to assure the security of the retirement, health, and other workplace related benefits of American workers and their families. EBSA will accomplish this mission by: developing effective regulations; assisting and educating workers, plan sponsors, fiduciaries and service providers; and vigorously enforcing the law.

Employment and Training Administration (ETA): The Employment and Training Administration, in partnership with states, localities, and community organizations, assists adults and youth in transitioning to good jobs by administering effective, value-added programs that expand opportunities for employment, continuous learning, business competitiveness and community prosperity.

Mine Safety and Health Administration (MSHA): The purpose of the Mine Safety and Health Administration is to prevent death, disease, and injury from mining and to promote safe and healthful workplaces for the Nation's miners.

Occupational Safety and Health Administration (OSHA): The purpose of the Occupational Safety and Health Administration is to ensure safe and healthful working conditions for working men and women by setting and enforcing standards, and by providing training, outreach, education, and assistance.

Office of Congressional and Intergovernmental Affairs (OCIA): The Office of Congressional and Intergovernmental Affairs promotes the good jobs for everyone principles to policymakers both in Washington and throughout state and local governments. OCIA assists the Secretary, Deputy Secretary, agency heads, and departmental staff to develop effective programs and strategies to achieve the Department's legislative goals and objectives. OCIA also coordinates with Departmental leadership to educate policymakers about the Department's programs and federal labor issues.

Office of Disability Employment Policy (ODEP): The Office of Disability Employment Policy provides national leadership by developing and influencing disability employment-related policies and practices affecting an increase in the employment of people with disabilities.

Office of Federal Contract Compliance Programs (OFCCP): The purpose of the Office of Federal Contract Compliance Programs is to enforce, for the benefit of job seekers and wage earners, the contractual promise of affirmative action and equal employment opportunity required of those who do business with the federal government.

Office of Inspector General (OIG): The Office of Inspector General serves the American worker and taxpayer by conducting audits and investigations that result in improvements in the effectiveness, efficiency, and economy of the Departmental programs and operations. The OIG also: detects and prevents fraud, waste, and abuse in DOL programs; conducts investigations into labor racketeering in the American workplace; and provides advice to the Secretary and Congress on attaining the highest possible program performance.

Office of Labor-Management Standards (OLMS): The Office of Labor-Management Standards: enforces standards for union democracy, including provisions for union officer elections; protects union funds and assets; and ensures financial transparency by enforcing public reporting requirements. OLMS also administers employee protections under federal transit law, ensuring that fair and equitable arrangements are in place to protect the interests of employees affected by federal assistance.

Office of Public Affairs (OPA): The Office of Public Affairs develops and implements policies, guidelines and standards governing information and public affairs activities carried out by the Department of Labor. OPA provides the Secretary of Labor and Departmental agencies with advice and guidance on all matters pertaining to public affairs. OPA plans and carries out comprehensive national and regional public affairs programs and activities in support of the Secretary's goals and departmental programs and activities. OPA provides liaison with the electronic and print media, all segments of the private sector, and the general public. OPA is responsible for the management, coordination, and control of the Department's audiovisual program. OPA also provides leadership, innovation, and management of the Department's enterprise communications channels, including Internet, Intranet, National Contact Center, e-correspondence, and language translation services.

Office of the Assistant Secretary for Administration and Management (OASAM): The Office of the Assistant Secretary for Administration and Management provides the Departmental leadership a foundation for: effective business operations and procurement; performance budgeting; information technology solutions; human resources and civil rights; security and emergency management; environmental sustainability; and long-term planning with a focus on results – so that the Department of Labor accomplishes its mission on behalf of America's workers.

Office of the Assistant Secretary for Policy (OASP): The Office of the Assistant Secretary for Policy provides advice to the Secretary, Deputy Secretary, and Department on matters of policy development, program evaluation, regulations, budget, and legislation that will improve the lives of workers, retirees, and their families. Integral to this role, OASP leads special initiatives and manages cross- and inter-Department activities to advance the mission of the Department of Labor.

Office of the Chief Financial Officer (OCFO): The Office of Chief Financial Officer is responsible for the financial leadership of DOL and its primary duty is to uphold strong financial management and accountability while providing timely, accurate, and reliable financial information and enhancing internal control.

Office of the Solicitor (SOL): The Office of the Solicitor provides legal enforcement, regulatory, and advisory services to advance the Department of Labor's goals on behalf of America's workers.

Office of Workers' Compensation Programs (OWCP): The Office of Workers' Compensation Programs implements four federal workers' compensation statutes providing monetary, medical, and return-to-work benefits for work-related injuries and illnesses for federal employees and certain other designated employee groups, and responsibly administers the benefit funds authorized for these purposes.

Pension Benefit Guaranty Corporation (PBGC): The Pension Benefit Guaranty Corporation safeguards the retirement security of the American people by guaranteeing benefits for those covered by insured defined-benefit pensions.

Veterans' Employment and Training Service (VETS): The Veterans' Employment and Training Service proudly serves Veterans and Service Members. VETS provides resources and expertise to assist and prepare them to obtain meaningful careers, maximize their employment opportunities, and protect their employment rights.

Wage and Hour Division (WHD): The Wage and Hour Division's mission is to promote and achieve compliance with labor standards to protect and enhance the welfare of the Nation's workforce.

Women's Bureau (WB): Women in the workforce are vital to the Nation's economic security. The Women's Bureau develops policies and standards and conducts inquiries to safeguard the interests of working women, to advocate for their equality and economic security for themselves and their families, and to promote quality work environments.

5. Regression Adjustment Model for Workforce System Program Performance Targets

The technical report, “Methodology for Adjusting GPRA Workforce Development Program Performance Targets for the Effects of Business Cycles” explains the model in detail.²⁸ This appendix presents a few features that may help readers with interest in an outline of the method.

The model:

- Estimates the relationship between performance measures and unemployment rates of local labor markets within which participants are attempting to find employment.
 - Data: Individual participant data are obtained from the Workforce Investment Act Standardized Record Data (WIASRD), Trade Adjustment Assistance (TAA) administrative records, or state administrative records.
 - Time Period: Data are obtained quarterly from roughly 2000 to 2008, depending upon the program and performance measure.
- Uses the estimates to adjust performance targets according to the effect of OMB’s official projected unemployment rates on the various performance measures.
- Uses ordinary least squares regression to relate the performance measures to individual participant characteristics and local labor market conditions as measured by local unemployment rates. The model is written as:

$$Y_{isq} = B_0 + B_1 * X_{isq} + D_s + D_q + U_{sq} + \text{error}$$

Y_{isq} : outcome variable for individual i in WIB’s (counties) in year-quarter q

X_{isq} : personal characteristics, including employment history

D_s : state or WIB dummy

D_q : quarter dummy

U_{sq} : quarterly unemployment rate by WIB or state

B_0 and B_1 : estimated coefficients

- Unemployment rates are entered in three ways.
 - For all performance measures, unemployment rates are entered as the unemployment rate in the quarter within which the measure is recorded.
 - For retention rates, the change in the unemployment rate from the first to the second quarter after exit and from the second to the third quarter after exit is used, reflecting the effect of local labor market conditions on the ability to retain a job. The two changes in the unemployment rate are added together to obtain the estimate.
 - For earnings, the unemployment rate in each of the quarters in which earnings are measured are entered into the equation and the coefficients are then added together.
 - For credentials, unemployment rates for the quarter of exit and for the three subsequent quarters are used and the coefficients are added together.

²⁸ Available at: http://www.doleta.gov/Performance/pfdocs/GPRAMethodology_Adjusting_GPRA_Performance_Targets_051109.pdf.

- Personal characteristics are entered as categorical variables with one of the categories omitted from the equation as the reference group.
- The equation shows the effects of personal characteristics and the unemployment rate on performance measures.
 - For example, the estimate of the effect of the unemployment rate on entered employment rate is interpreted as the percentage point change in the entered employment rate with a one percentage point change in the unemployment rate.
 - Therefore, an estimate of -1.8 means that a one percentage point change in the unemployment rate, say from 6 percent to 7 percent, is expected to reduce the entered employment rate by 1.8 percentage points. If the entered employment rate was 70 percent at an unemployment rate of 6 percent, then an increase of the unemployment rate was 6 to 7 percent would lower the expected entered employment rate from 70 percent to 68.2 percent.
- Personal characteristics are estimated with respect to a reference group.
 - For age, the youngest age group is omitted. Therefore, the estimates related to the other age groups show the effect of age on the performance measure relative to the youngest age groups. For example, a coefficient of -8.5 for the 56-65 age group suggests that the entered employment rate of individuals within that age group, holding all other factors in the equation constant, is 8.5 percentage points lower than that of the youngest age group.
 - For ethnicity/race, the omitted variable is white.
 - For education, the omitted variable is high school graduate only.

6. Acronyms

BLS	Bureau of Labor Statistics	OASAM	Office of the Assistant Secretary for Administration and Management
CFO	Chief Financial Officer	OASP	Office of the Assistant Secretary for Policy
COBRA	Consolidated Omnibus Budget Reconciliation Act	OCFO	Office of the Chief Financial Officer
CSEOA	Community Service Employment for Older Americans	OCIA	Office of Congressional and Intergovernmental Affairs
CSRA	Civil Service Reform Act	ODEP	Office of Disability Employment Policy
DOL	U.S. Department of Labor	OFCCP	Office of Federal Contract Compliance Programs
DBA	Defense Base Act	OFLC	Office of Foreign Labor Certification
DBRA	Davis-Bacon and Related Acts	OIG	Office of Inspector General
DCMWC	Division of Coal Mine Workers' Compensation	OLMS	Office of Labor-Management Standards
DVOP	Disabled Veterans' Outreach Program	OMB	Office of Management and Budget
EARN	Employer Assistance and Resource Network	OPA	Office of Public Affairs
EBSA	Employee Benefits Security Administration	OPM	Office of Personnel Management
EEOICPA	Energy Employees' Occupational Illness Compensation Program Act	OSHA	Occupational Safety and Health Administration
ERB	Executive Resources Board	OWCP	Office of Workers' Compensation Programs
ERISA	Employee Retirement Income Security Act	PBGC	Pension Benefit Guaranty Corporation
ETA	Employment and Training Administration	PY	Program Year
FECA	Federal Employees' Compensation Act	REA	Reemployment and Eligibility Assessment
FLSA	Fair Labor Standards Act	SES	Senior Executive Service
FMLA	Family and Medical Leave Act	SOL	Office of the Solicitor
FPB	Francis Perkins Building	TAA	Trade Adjustment Assistance
FY	Fiscal Year	TAP	Transition Assistance Program
GPRA	Government Performance and Results Act	UI	Unemployment Insurance
HVRP	Homeless Veterans' Reintegration Program	VA	U.S. Department of Veterans Affairs
ICSP	Interagency Council on Statistical Policy	U.S.	United States
ILAB	Bureau of International Labor Affairs	USERRA	Uniformed Services Employment and Re-employment Rights Act
IT	Information Technology	VETS	Veterans' Employment and Training Service
JAN	Job Accommodation Network	WB	Women's Bureau
JVSG	Jobs for Veterans State Grant	WHD	Wage and Hour Division
LMRDA	Labor-Management Reporting and Disclosure Act	WIA	Workforce Investment Act
LPD	Lost Production Days	WIF	Workforce Innovation Fund
LVER	Local Veterans' Employment Representative		
MSHA	Mine Safety and Health Administration		

7. Internet Links

Strategic Planning and Related Information

Strategic Plans, Annual Reports, and Budgets

<http://www.dol.gov/dol/aboutdol/main.htm>

DOL Regulatory Agenda

<http://www.dol.gov/asp/regs/agenda.htm>

Research and Evaluation Inventory and Documents Library

<http://www.dol.gov/asp/programs/REIDL/index.htm>

Employment Information (For Workers and Employers)

America's Career InfoNet

<http://www.acinet.org/acinet/>

Occupational Outlook Handbook

<http://www.bls.gov/oco/>

Job Corps

<http://jobcorps.dol.gov/>

DOL Jobs

<http://www.dol.gov/dol/jobs.htm>

Disability.gov

<http://www.disability.gov/>

Job Accommodation Network (JAN)

<http://www.askjan.org/>

Employer Assistance & Resource Network (EARN)

<http://www.earnworks.com/>

CareerOneStop

<http://www.careeronestop.org>

America's Service Locator

<http://www.servicelocator.org/>

Auto Worker ReEmployment

<http://www.careeronestop.org/reemployment/auto/>

Competency Model Clearinghouse

<http://www.careeronestop.org/competencymodel/>

Deepwater Horizon Response

<http://www.careeronestop.org/DHR/default.aspx>

Disaster Recovery Services

<http://www.careeronestop.org/drs>

O*NET OnLine

<http://online.onetcenter.org/>

Worker ReEmployment

<http://www.careeronestop.org/reemployment/>

Workplace Laws and Related Information

DOL Compliance Assistance

<http://www.dol.gov/compliance>

Employment Laws Assistance for Workers and Small Businesses

<http://www.dol.gov/elaws/>

State Labor Laws and Offices

http://www.dol.gov/whd/contacts/state_of.htm

Minimum Wage Q&A

<http://www.dol.gov/whd/minwage/q-a.htm>

Fair Labor Standards Act

<http://www.dol.gov/compliance/laws/comp-flsa.htm>

Family & Medical Leave Act

<http://www.dol.gov/whd/fmla/>

Small Business Compliance Assistance

<http://www.dol.gov/osbp/sbrefa/>

Union Reporting and Public Disclosure

<http://www.dol.gov/compliance/laws/comp-lmrda.htm>

Statistical Information

Bureau of Labor Statistics Most Requested Data

<http://www.bls.gov/data/>

Current Population Survey

<http://www.bls.gov/cps/>

Employment, Hours, and Earnings

<http://www.bls.gov/ces/>

Employment Projections

<http://www.bls.gov/emp/>

Consumer Price Indexes

<http://www.bls.gov/cpi/>

Workplace Injury, Illness & Fatality Statistics

<http://www.osha.gov/oshstats/work.html>

Safety and Health Information

OSHA's Partnership Page

<http://www.osha.gov/dcsp/partnerships/index.html>

Teen Workers' Page

<http://www.osha.gov/SLTC/teenworkers/>

OSHA Regulations and Compliance Links

<http://www.osha.gov/comp-links.html>

OSHA Standard Industrial Classification (SIC) Search

<http://www.osha.gov/oshstats/sicser.html>

OSHA Reading Room

<http://www.osha.gov/readingroom.html>

MSHA's Accident Prevention Program

http://www.msha.gov/Accident_Prevention/appmain.htm

Health Hazard Information (MSHA)

<http://www.msha.gov/hhcm.htm>

MSHA's National Hazard Reporting Page

<http://www.msha.gov/codeaphone/codeaphonenew.htm>

Labor Department History

History at the Department of Labor

<http://www.dol.gov/oasam/programs/history/main.htm>

Annals of the Department of Labor

<http://www.dol.gov/oasam/programs/history/webannalspage.htm>

Labor Agencies

Bureau of International Labor Affairs

<http://www.dol.gov/ilab/>

Bureau of Labor Statistics

<http://www.bls.gov/>

Employee Benefits Security Administration

<http://www.dol.gov/ebsa/>

Employment and Training Administration

<http://www.doleta.gov/>

Mine Safety and Health Administration

<http://www.msha.gov/>

Occupational Safety and Health Administration

<http://www.osha.gov/index.html>

Office of Disability Employment Policy

<http://www.dol.gov/odep/>

Office of Federal Contract Compliance Programs

<http://www.dol.gov/ofccp/>

Office of Labor-Management Standards

<http://www.dol.gov/olms>

Office of Workers' Compensation Programs

<http://www.dol.gov/owcp>

Veterans' Employment and Training Service

<http://www.dol.gov/vets/>

Wage and Hour Division

<http://www.dol.gov/whd>

Women's Bureau

<http://www.dol.gov/wb>



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U.S. Department of Labor
Hilda L. Solis, Secretary of Labor