

GRANTS TO STATES

BUDGET AUTHORITY BEFORE THE COMMITTEE						
(Dollars in Thousands)						
	FY 2008 Enacted	FY 2009 Enacted	Diff. FY08 Enacted / FY09 Enacted	Recovery Act	FY 2010 Request	Diff. FY09 Enacted / FY10 Req
Activity Appropriation	703,376	703,576	200	400,000	703,576	0

Introduction

Under the Workforce Investment Act of 1998 (WIA), the public employment service (authorized by the Wagner-Peyser Act of 1933) is an integral part of an integrated, Comprehensive One-Stop delivery system for educating and employing a prepared workforce. States provide individuals with core employment and workforce information services, which are accessible with staff assistance in One-Stop Career Centers as well as on-line. Individuals may access job search assistance, workforce and economic information, skill assessments, career guidance, job matching and referrals, as well as the broader range of WIA intensive and training services. In a dual customer approach One-Stops also serve employers seeking workers. These employers can take advantage of critical labor market information, job listing services, referrals of qualified applicants, support for job fairs and mass recruitments, information on tax credits for hiring targeted populations, and other customized services. These funds also support the One-Stop Career Center system's ability to offer universal access to all customers.

In an effort to respond to on-going program improvement plan recommendations for Wagner-Peyser Employment Services, several actions are being taken by the Department. Among these is an internal analysis of service trends, including the proportion of staff-assisted services and referrals to WIA programs.

To measure performance, the Wagner-Peyser Employment Service program utilizes three common performance measures in use for other employment and training programs. These common measures enable the Employment and Training Administration (ETA) to describe in a similar manner the core purposes and results of the workforce investment system – how many people got a job, how many stayed employed, and what were their earnings. The definitions of the measures are as follows:

- *Entered Employment Rate* - Percent of participants employed in the first quarter after exit;
- *Employment Retention Rate* - Percent of participants employed in the first quarter after program exit still employed in the second and third quarters after exit;
- *Average Earnings* - The average earnings six months after placement.

Last year, the Wagner-Peyser Employment Service program achieved a 64 percent Entered Employment Rate; 81 percent Retention Rate; and \$12,763 Average Earnings result. The program intends to meet its upcoming PY 2010 performance targets, in part, by improved technical assistance for Employment Service and Reemployment Service activities, including the sharing of best practices for stronger Unemployment Insurance (UI) / One-Stop Career Center connections.

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Funding Mechanism

The Employment Service funding allotments for states are based on formula provisions defined in the Wagner-Peyser Act. States distribute resources by formula to local employment service offices.

Five-Year Budget Activity Component History

Fiscal Year	Funding (Dollars in Thousands)	FTE
2005	780,592	0
2006	715,883	0
2007	715,883	0
2008	703,376	0
2009	703,576	0

NOTE: Excludes Recovery Act Funding. See budget activity head table.

FY 2010

For FY 2010, ETA requests \$703,576,000 for Employment Service state grants, the same amount appropriated in FY 2009. The Wagner-Peyser funded activities are an integral part of the One-Stop Career Center network that provides an integrated array of high-quality services so that workers, job seekers, and businesses can access the services they need in easy-to-reach locations, as well as offering services through electronic access. In FY 2010, the Department will provide additional guidance and technical assistance to states on how to improve seamless service integration with WIA services, unemployment insurance, and One-Stop Career Center partners to ensure individuals have access to a full array of employment and training services. WIA programs offer additional intensive and training services not available under Wagner-Peyser, while UI and One-Stop Career Center partners offer valuable income supports and other supportive services. The UI application process should also provide a direct link to a local One-Stop Career Center for assistance to reconnect to a job. This integration of services supports seamless transition between services for adults and dislocated workers.

Additionally, ETA's technical assistance to states will include effective approaches to use these funds to support career guidance and counseling services, including in-depth assessments, which are integral to helping unemployed workers assess transferrable skills and skill gaps. To better inform career decisions, ETA encourages states to consider utilizing a portion of Wagner-Peyser funding to enhance labor market information availability and utilization. Such investments are critical to identifying businesses and sectors of the economy still in need of workers and those that will begin to grow as the economy recovers, as well as identifying transferable skills for workers who have lost their jobs and need career transition assistance.

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In developing outreach and service design strategies, states have flexibility to use Wagner-Peyser funds to support targeted services to individuals with disabilities and to purchase assistive technology and other devices to support providing services to individuals with disabilities.

States and local areas must incorporate priority of services for veterans and eligible spouses sufficient to meet the requirements of 20 CFR part 1010, published at Federal Register 78132 on December 19, 2008, the regulations implementing priority of service for veterans and eligible spouses in Department of Labor job training programs under the Jobs for Veterans Act.

FY 2009

In FY 2009, the Recovery Act supplemented state resources for the Employment Service program. In state, regional, and local economies where many industries are in the midst of downsizing, the Department will utilize Employment Service resources to provide universal access to all jobseekers and to assist communities in implementing proactive workforce strategies to ensure economic health in the transitioning economy. As outlined in section 7(a) of the Wagner-Peyser Act, 90 percent of the sums allotted to states may be used for a variety of employment services, including job search and placement services for job seekers, appropriate services for employers, and other services listed in section 7(a)(3)(A) through (F).

ETA is pursuing multiple strategies to support state and local partners in utilizing Employment Service funding to develop and implement new workforce information, career guidance, and skill assessment strategies that better meet the needs of jobseekers and support workforce decisions that position them for economic prosperity and career pathways. ETA strongly encourages states to use these funds to support career guidance and counseling services. Strategies should be designed to support an improved reemployment function within local One-Stop Career Centers, one that supports informed career decisions from training referrals to job placement. Such investments are critical to identifying businesses and sectors of the economy still in need of workers and those that will begin to grow as the economy recovers, as well as identifying transferable skills for workers who have lost their jobs and need to transition to new careers.

Recovery Act

The Recovery Act makes available funding for Employment Services Operations, excluding reemployment services, in the amount of \$150,000,000. These funds are available for states to assist persons in One-Stop Career Centers to secure employment and workforce information by providing a variety of services, including job search assistance, skills assessment, and labor market information services to job seekers and to employers seeking qualified individuals to fill job openings. The Recovery Act also is supporting the following enhancements to services and information: 1) a computerized career information system including access to State Job Bank resources and institutions and organizations that provide training; and 2) the development and distribution of state and local workforce information which allows job seekers, employers, and providers and planners of job training and economic development to obtain information about job opportunities, regional job vacancies, labor supply, labor market or workforce trends, and the market situation in particular industries.

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Migrant and seasonal farmworkers will be impacted by the current economic downturn as well, requiring new strategies to ensure they have access to employment and training opportunities available as a result of Recovery Act funds.

Additional Reemployment Services (RES) funding is provided via the Wagner-Peyser formula to supplement existing RES for UI claimants, and to support integrating Employment Service and UI information technology to identify and serve the needs of such claimants. These funds are to be used to provide RES to UI claimants through the One-Stop Career Centers, in addition to the regular Wagner-Peyser Act funded employment services, in order to accelerate their return to work.

FY 2008

During FY 2008, the Department continued to provide direction and technical assistance to the state and local workforce system to support a flexible and integrated workforce investment system to support state and local areas reemployment efforts. States and local areas were strongly encouraged to develop integrated service delivery strategies for the wide array of populations served through the One-Stop delivery system, and to focus investments and service delivery on skills in demand in order to enable individuals to successfully access career pathways. In particular, the Department supported states and local areas in the development and implementation of core service delivery strategies, including the provision of comprehensive workforce and labor market information and corresponding career guidance for individuals, critical components of assisting individuals in making informed education and training decisions and developing their skills for new careers.

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WORKLOAD SUMMARY (Dollars in Thousands)			
	FY 2008 Actual	FY 2009 Target	FY 2010 Target
Employment Service			
Participants Served	16,049,678*	16,290,424	16,290,424
Cost per Participant	\$44	\$43	\$43
Budget Activity Total	\$703,376	\$703,576	\$703,576

* Participant estimates for FY2008 are based on the PY 2007 participants served result. Target estimates for 2009 and 2010 do not include Recovery Act participants.

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PERFORMANCE GOAL INDICATORS

Improve outcomes for jobseekers and employers who receive One-stop employment and workforce information services											
Performance Indicator	PY 2004		PY 2005		PY 2006		PY 2007		PY 2008	PY 2009	PY 2010
	Goal Not Achieved		Goal Achieved		Goal Not Achieved		Goal Achieved				
	Target	Result	Target	Result	Target	Result	Target	Result	Target	Target	Target
1. Percent of participants employed in the first quarter after exit	58%	64%	61%	63%	64%	60%	61%	64%	60.3%	59.0%	59.7%
2. Percent of participants employed in the first quarter after exit still employed in the second and third quarters after exit. (2003-05 data are for a similar measure)	72%	81%	78%	80%	81%	77%	78%	81%	78.6%	77.7%	78.2%
3. Average earnings in the second and third quarters after exit. (2003-05 data are for earnings change from pre-program services to post-program services.)	N/A	N/A	Base-line	\$1,580	\$10,500	\$11,749	\$11,870	\$12,763	\$10,708	\$10,034	\$10,385
Baseline(s): The baseline for the Average Earnings measure in PY 2005 was derived using the prior definition for Earnings Increase. The methodology for calculating average earnings became effective PY 2006.											
Data Source(s): Quarterly state reports submitted to DOL and UI wage records											
Comments: RNA = Results not available. PY 2008-2010 targets are adjusted estimates based on regression analysis that takes into account participant performance with the conditions of the local labor markets using the unemployment rates collected by local workforce investment area in two states. (Results through PY 2007 are rounded to the nearest whole percentage point).											