

**U. S. Department of Labor  
Employment and Training Administration**

**SUMMARY OF ETA FISCAL YEAR 2003 REQUEST**

The Employment and Training Administration's (ETA) Fiscal Year (FY) 2003 budget builds on existing programs designed to assist Americans financially during times of unemployment, help them improve their skills, and get them back to work. These programs, delivered primarily by states through local One-stop Career Centers, provide unemployment insurance, job training, counseling, labor market information, and, if needed, special assistance for some workers, to pay for transportation or for relocation. It focuses on the programs and initiatives already in place and on reforms and strategies that improve program performance and financial accountability to ensure the most effective and efficient use of the American taxpayers' money. The budget supports fully ETA's mission and principles for preparing workers for the 21<sup>st</sup> Century workforce and the changing nature of work and the workplace. The budget request invests in programs that are successful and reduces spending on, or eliminates, those not yet proven effective, or that are considered duplicative or overlapping. For example, resources are requested to continue expansion of the highly successful Job Corps program, a residential job training program for disadvantaged youth. In contrast, the request would end H-IB Skills Training Grants, Migrant and Seasonal Farmworker national programs, and new Youth Opportunity Grants.

The request totals just over \$10.3 billion, \$893 million less than what is available in FY 2002. Of this total, \$9.29 billion is available for discretionary programs and \$1.06 billion is for mandatory spending. A primary focus of this budget will be to bring about much needed reforms in the Unemployment Insurance and Employment Service programs.

In the **TRAINING AND EMPLOYMENT SERVICES ACCOUNT**, our request is \$4.98 billion, \$682 million below FY 2002.

- ✓ **YOUTH FORMULA FUNDS** - A funding level of \$1.001 billion (\$127 million decrease) would enable grantees to serve an estimated 456,000 youth, the same number as are expected to be served in FY 2002.
- ✓ **YOUTH OPPORTUNITY GRANTS** -A funding level of \$44.5 million (\$180.6 million decrease) would complete the funding for the existing grantees.

- ✓ **ADULT EMPLOYMENT AND TRAINING ACTIVITIES** - A funding level of \$900 million (\$50 million decrease) would enable grantees to serve an estimated 414,800, the same number as are expected to be served in FY 2002.
- ✓ **DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES** - A funding level of \$1.383 billion (\$166 million decrease) would enable grantees to serve 902,200 dislocated workers, the same number as are expected to be served in FY 2002.
- ✓ **JOB CORPS** - The request of \$1.54 billion (\$78.2 million increase) includes program increases of \$4 million for high school diploma initiative, \$25 million for new center construction, \$15.6 million for operating costs for 4 new centers coming on line, \$28.7 million for salary parity in Job Corps centers, \$27.9 million for inflation, and \$4.8 million for the government wide legislative proposal to standardize accounting procedure for handling federal retiree benefits.
- ✓ **NATIVE AMERICANS** – Funding at the request level of \$55 million (\$2 million decrease) will serve approximately 22,200 adult Native Americans
- ✓ **MIGRANTS AND SEASONAL FARMWORKERS** – No funds requested for this program. This population will continue to be assisted through state and local WIA programs.
- ✓ **WIA NATIONAL ACTIVITIES** - Incentive Grants, Technical Assistance. Pilots, Demonstrations and Research, and Evaluation activities are being requested at the FY 2002 level without Congressional earmarks (\$62.4 million) and emergency funds for terrorist attacks (\$32.5 million). We will not be requesting funds for the Responsible Reintegration for Young Offenders. The lessons learned from this demonstration can be incorporated into the basic WIA formula grants.
- ✓ **NATIONAL SKILL STANDARDS BOARD** – We will not be requesting funds for NSSB. The voluntary partnerships created will transition to self-sustaining operations.
- ✓ **WOMEN IN APPRENTICESHIP** - This activity is administered by the Women’s Bureau. Funding is requested at the FY 2002 level.

In the **COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS** account, we are asking for \$440.2 million (\$4.9 million below FY 2002). We expect that funding at this level will be sufficient to assist 92,000 older Americans with employment opportunities. The FY 2002 funded level is \$445.1 million.

For **STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS**, Our request for SUIESO is \$3.687 billion, a decrease of \$93 million.

- ✓ **UNEMPLOYMENT INSURANCE PROGRAM** - The request is \$2.73 billion and includes the program increases noted above. The request includes program increases for the detection of fraud and collection of overpayments (\$10 million) and for administrative costs relating to the Administrations Economic Security package with will establish a temporary extended unemployment benefit program (\$76.2 million).
- ✓ **EMPLOYMENT SERVICE ALLOTMENTS TO STATES/RE-EMPLOYMENT SERVICES GRANTS** – The request is at same as the President’s FY 2002 level for both Allotments to States (\$761.7 million) and Re-employment Services Grants (\$35 million).
- ✓ **FOREIGN LABOR CERTIFICATION PROGRAMS** - The Administration will propose legislation that will redirect \$137.5 in H-1B fees to be used to eliminate the backlog in the permanent foreign labor certification program. These funds would be used for primarily for state and Regional staff. The request for appropriated funds is \$5.54 million with the balance of state program activities financed with redirected H-1B fees.
- ✓ **ONE-STOP CAREER CENTERS** - For One-Stop Career Centers, we request \$113 million, \$7 million below FY 2002.

For **FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES** - we request is \$461.7 million, \$46 million above the FY 2002 funded level for Trade Adjustment Assistance and NAFTA-Transition Adjustment Assistance.

In the **PROGRAM ADMINISTRATION** account - We request \$179.8 million for the ETA Program Administration account (1,328 from direct appropriations), \$18.4 million above FY 2002. The request includes 60 FTE (to be financed with redirected H-1B fees), \$1.9 million to address program performance and financial accountability, \$5.5 million for 75 FTE for National Emergency Grants which are contingent up enactment of the Administration Economic Security package. ETA is proposing several restructuring changes that involve redirecting existing staff for increased oversight and performance accountability activity. The staffing proposal redeploys 38 FTE to program performance and financial management activities from staff activities in less critical activities. Also, ETA is proposing a reduction in staffing (29 FTE) and proposes to use the dollar resources to out-source trade petition investigations and audit/closeout activities.