

U.S Department Of Labor Employment And Training Administration Office of Apprenticeship Training, Employer and Labor Services (OATELS Washington, D.C. 20210	<u>Distribution:</u> A-541 Headquarters A-546 All Field Staff A-547 SD+RD+SAC; Lab. Com.	<u>Subject:</u> Program Guidance Memorandum: Goals and Objectives for Fiscal Year (FY) 2006 <u>Code:</u> 503
Symbols: DPAMS:AV	Action: Immediate	

Purpose: To provide staff with the FY 2006 OATELS goals for their information and use in developing work plans for FY 2006 that align with the Department's strategic goal, A Prepared Workforce, and OATELS Performance Agreement, along with feedback from the Office of Management and Budget (OMB), and the Government Accountability Office (GAO).

Background: OATELS will continue to support the Department's utilization of the Government Performance and Results Act (GPRA) and its related components in its FY 2006 plans, in conjunction with the President's Management Agenda, to improve the management of employment and training programs. OATELS also seeks to continue improving Registered Apprenticeship as it implements the recommendations of the GAO report, *Registered Apprenticeship Programs: Labor Can Better Use Data to Target Oversight* (at <http://www.gao.gov/new.items/d05886.pdf>) and awaits the results of the OMB Program Assessment Rating Tool (PART) review. As stipulated by OMB, baselines were established for the Common Measures of Retention, Earnings Increase, and Efficiency. FY 2006 will be a challenging transitional year for evaluating performance in the Apprenticeship Program.

OATELS GPRA Performance Goal to strengthen the registered apprenticeship system to meet the training needs of business and workers in the 21st Century will be continued. This goal is aligned with ETA's goal to increase employment, earnings and retention. There will be a continued emphasis on the President's High Growth Job Training Initiative (HGJTI). The GAO report reinforces OATELS focus to sustain program improvements via equal employment opportunity (EEO) compliance and quality assessment reviews, particularly reviews of State Apprenticeship Councils/State Apprenticeship Agencies (SACs/SAAAs). FY 2006 program strategies will include coordination and linkages with community colleges, sustained collaboration with state awarded grants, data enhancements to the Registered Apprenticeship Information System (RAIS), and data validation efforts. OATELS will support and facilitate the activities and recommendations of the Secretary's Advisory Committee on Apprenticeship. The Performance Agreement Goals (Attachment A-p. 2) have been designed to contribute toward results-oriented accomplishments. As in the past, OATELS will continue to work with its State Apprenticeship Councils (SACs)/State Apprenticeship Agencies (SAAAs) to strengthen Apprenticeship.

Action: All staff should be guided by the information contained in this Bulletin to plan, undertake activities, and report results.

- Attachment A: FY 2006 OATELS Goals
- Attachment B: FY 2006 Regional Federal Targets

OATELS GOALS FOR FY 2006

GPRA AND PROGRAM GOALS:

OATELS GPRA Performance Goal, "Strengthen the registered apprenticeship system to meet the training needs of business and workers in the 21st Century," continues for FY 2006. Preliminary baselines have been established to align OATELS with the ETA Common Measure performance indicators of Retention, Earnings Increase, and Efficiency. OATELS will continue its endeavors in the HGJTI. EEO compliance and quality assessment reviews will be sustained including reviews of SACs. OATELS will also seek to optimally use the RAIS data to target industries and occupations to improve program services through its five-year strategic plan cycle. These indicators are explained below.

GPRA Goals:

The FY 2006 GPRA indicators and FY 2005 preliminary baseline results are as follows:

- **Retention** – Percent of those employed in the month after registration still employed nine months later.

FY 2005 Baseline Results - Preliminary data indicates that 18,327 apprentices were registered in the RAIS during the first quarter of FY 2005. Of these, 14,251 were listed as active apprentices as of September 19, 2005, for a 77.8% retention rate. (FYs 2006-2008 retention performance targets will be determined at a later date based on further analysis of the data collected in FY 2005.)

- **Earnings Increase** – The average wage gain for tracked entrants (defined as the cohort of apprentices registered and entered into RAIS during a given reporting period) employed in the first quarter after registration and still employed nine months later.

FY 2005 Baseline Results - Preliminary data shows that there was a \$1.26 hourly wage increase from a mean starting wage of \$11.92 to a current mean wage of \$13.18. (FYs 2006-2008 Earnings Increase targets will be determined at a later date based on further analysis and adjustments of final data collected in FY 2005.)

- **Efficiency** - Average cost per registered apprentice.

FY 2005 Baseline Results – Preliminary data reveals that the average cost was \$109 per apprentice. This result is based on the program administration allocation divided by the total active Federal registered apprenticeship program participants. (FYs 2006-2008 efficiency targets will be determined at a later date based on further analysis and adjustments of final data collected in FY 2005.)

For purposes of ensuring consistency in the data entered and reviewed in RAIS, the following definitions and information are provided:

- **Retention**, the first GPRA Performance Indicator, is based on the apprentice registration date and the status of the apprentice nine months later.
- **Earnings increase or wage gain**, the second GPRA Performance Indicator, is based on the mean entry or starting wage and the current mean wage nine months later. Entry wage can be defined as the rate of pay received by the apprentice from his or her employer upon starting into the apprenticeship program as stipulated on the ETA-671 Apprentice Registration Section II. Current wage is the rate of pay received by the apprentice at a point in time. This wage is captured at the point of a review or update to an apprentice record.

Since these performance indicators will be used to measure OATELS success, field data input in the RAIS related to these indicators is mandatory and should be complete, current, and reliable. Field staff should also carefully review National Office reports regarding these indicators to assess and ensure that the information extracted from RAIS is reliable. For example, the starting wage is not listed in the current wage column or the journeyman wage is not transposed into the current wage column. Also, please note that the pre-apprenticeship hourly wage (Item 18a. in ETA-671, Apprentice Registration Section II) is the rate of pay received by the participant before becoming a registered apprentice.

Regional Directors will include in their email transmittals of mid-year and end-of-year reports that the data and information in the reports have been reviewed for accuracy and reliability.

PERFORMANCE AGREEMENT GOALS:

OATELS program priorities will be focused on the areas described below. FY 2006 annual plans should describe and delineate the strategies to be used to achieve results for accomplishing program goals 1, 2, 3, and 4. The FY 2005 Performance Agreement consists of the following:

1. Build a 21st Century Apprenticeship System by networking to develop new and strengthening existing partnerships in the High Growth Job Training Initiative.

The goal is to develop a regional annual plan and describe the methods you will use to achieve the result and submit it to the National Office within 30 days that incorporates the following:

- Identifies the HGJTI industries that the region will target;
- Identifies significant industry events/conferences during the year where marketing and outreach about HGJTI may be conducted;
- Describes efforts to coordinate inclusion/partnership of community colleges, public and private training providers, state and local workforce investment boards, and other ETA offices in events/conferences/meetings;

- Provides a description of implementation and the strategic activities with projected timelines that specify number of events, forums, and conferences that OATELS staff coordinate or participate in; and
 - Promotes the development of career lattice occupations leading toward interim credentials.
2. a. **Continue to implement in each region the long-term plan developed in FY 2005 to ensure that 90% of programs with five or more apprentices are reviewed within a five-year cycle.**

EEO compliance reviews will be completed during FY 2006. Review Attachment B to determine the Regional target.

Targeted national goal is 764.

FY 2005 result was 848.

- Develop a management team in each region to audit a random sample of the EEO Compliance reviews completed from 50% of the BAT states from another region (regional exchange to be assigned by the National Office) and report the findings to the Regional and National Offices.
- b. **Complete the remaining 13 compliance reviews of SAAs/SACs during FY 2006.**
FY 2005 result was 14.

The goal during the first two years of the five-year cycle is to complete 90% of the SAA/SAC compliance reviews at a rate of 45% per year. During the remaining three years of the cycle, SAC reviews will be completed at a rate of 30% per year.

- These reviews will be conducted by a National Office Representative in conjunction/cooperation with the Regional Director.

Conditional SAAs/SACs approvals -

The goal is as follows: where SAAs/SACs received conditional recognition from the compliance review conducted in FY 2005, the Regional Directors will provide technical assistance to those states in their respective regions to assist and facilitate the SAAs/SACs coming into compliance thereby, receiving full recognition. These efforts will be reported to the National Office.

3. **Continue to implement in each region the long-term plan developed in FY 2005 to ensure that quality reviews are performed on 90% of programs over a five-year period.**

Quality assessment reviews will be completed during FY 2006. Review Attachment B to determine Regional targets.

Targeted national goal is 1,528.

FY 2005 result was 2,111.

- Develop a management team in each region to audit a random sample of the quality assessment reviews completed from 50% of the BAT states from another region (regional exchange to be assigned by the National Office) and report findings to the Regional and National Offices.

Data Validation –

The goal is as follows: 85% of RAIS data fields identified and provided to staff will be completed.

4. a. **Continue to register new apprenticeship programs in the 11 HGJTI in FY 2006.** Review Attachment B to determine regional targets.

Targeted national goal is 450.

FY 2005 result was 541.

Regions are to develop a plan that identifies the HGJTI industries that will be targeted. The plan will incorporate promotional efforts to be conducted with key strategies and key processes based upon consultative sales solution training.

The 11 HGJTI Industries are as follows: health care, information technology, biotechnology, geospatial technology, automotive, retail, advanced manufacturing (including aerospace), transportation, hospitality, financial services, and energy.

Construction, though a HGJTI industry as defined by ETA, will not be considered for inclusion in OATELS measurements.

- b. **Continue to increase the utilization of the Apprentice Electronic Registration System (AERS) in FY 2006.**

The goal is as follows: 25 percent of all OATELS newly registered Apprentices in FY 2006 will be registered using the AERS. We will encourage all newly registered OATELS program sponsors to register their apprentices using the AERS.

REPORTING: RAIS is the source for tracking all indicators. During the Regional Directors' meeting in October, they agreed to submit the FY 2006 Regional Plans by December 15, 2005. Progress report submittal and procedures will be provided at a later date. The instructions contained in this document are subject to change due to changing requirements that are beyond our control. These changes, if any, will be forwarded to you as soon as they are evident.

ACTION: OATELS staff is expected to become familiar with the GAO report, GPRA Performance Goal, Common Measures, program goals, targets, and strategies in this Bulletin. Regional and state FY 2006 Performance Standards should be based on this information.

OATELS staff at the regional and state levels should continue to take this opportunity to clean up the database of any erroneous or out-of-date data. Sponsors with inactive programs (those with no registered apprentices for two years or more) should be contacted to determine their status, i.e., to reactivate or cancel. If there is no response to this request, the program should be cancelled.

PROTECH will continue to run the quarterly reports during the first week after the 5th day of the quarter. The reports by the Regional Directors should be sent to the National Office by email to Dana Daugherty with a copy to Don Palmer. Please self-identify the regional submittals in the Subject Heading in the email. The RAIS Performance Score Card will be used to track national and regional progress to goals. A specific date for downloading the RAIS data will be provided later. This data is to be included with the progress report submittals to the National Office. Questions about these instructions should be directed to the Regional Directors.

All State Directors are to share this document with their respective SAC counterpart and/or Labor Commissioner.

**OATELS FY 2006
Regional and National Federal Targets**

Regions (Reg.)	EEO Compliance Reviews	Quality Assessment Reviews	New Programs (High-Growth Industries Training Initiative)
Reg. 1 Boston	67	134	40
Reg. 2 Philadelphia	126	252	74
Reg. 3 Atlanta	97	194	57
Reg. 4 Dallas	133	266	79
Reg. 5 Chicago	267	534	157
Reg. 6 San Francisco	74	148	44
National Total	764	1,528	450