

U.S. Department of Labor Employment and Training Administration Office of Apprenticeship (OA) Washington, D.C. 20210	<u>Distribution:</u> A-541 Headquarters A-544 All Field Tech A-547 SD+RD+SAC+; Lab.Com	<u>Subject:</u> Program Guidance Memorandum: Goals and Objectives for Fiscal Year (FY) 2007 <u>Code:</u> 943
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Purpose: To provide staff with the FY 2007 OA’s goals for their information and use in developing work plans that align with the following:

- Department of Labor’s (the Department) strategic goals: *A Prepared Workforce* and *A Competitive Workforce*;
- Employment and Training Administration’s (ETA) priorities: (1) Work in a regional economic context, (2) Provide higher levels of access to post-secondary education, as well as improved access to alternative pathways for at-risk youth; and (3) Utilize technology-based learning;
- ETA’s specific priorities for OA(see below);
- OA’s Performance Agreement (see Attachment A); and
- Recommendations from the Office of Management and Budget (OMB) and the Government Accountability Office (GAO).

Background: OA will continue to support the Department’s implementation of the Government Performance and Results Act (GPRA) and its related components in its FY 2007 plans, in conjunction with the President’s Management Agenda, to improve the management of employment and training programs. OA continues to improve the Registered Apprenticeship System as it moves forward with implementing 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>) issued in August 2005, and the OMB’s Program Assessment Rating Tool (PART) *Job Training Assessment* (at Expect More.gov, <http://www.whitehouse.gov/omb/expectmore/summary.10003901.2005.html>). In FY 2006, the second year of implementing the Common Measures of Retention, Wage Gain, and Efficiency, OA achieved its performance goal and exceeded the targets of these three measures.

In accordance with GPRA and the related Department’s FY 2006-2011 *Strategic Plan* (at http://www.dol.gov/_sec/stratplan/main.htm), the OA performance goal is now to “*Improve*” instead of to “*Strengthen*” the registered apprenticeship system to meet the training needs of business and workers in the 21st century. This performance goal is aligned with the Department’s outcome goal to “*Increase opportunities for new and re-emerging entrants to the workforce,*” which focuses on developing a pipeline of workers with the skills and credentials necessary to fill the jobs of the 21st century. Also, OA will support the transformation of ETA (and the workforce system) from a social service agency to an economic development agency.

OA will implement ETA's specific priorities for the Registered Apprenticeship System, which include:

- Developing and implementing a strategy that obtains clarification on the administrative, professional, and technical occupations that can be recognized as apprenticeable;
- Integrating apprenticeship with the Workforce Investment Act (WIA)/Wagner-Peyser/Workforce Innovation in the Regional Economic Development (WIRED) Initiative; and
- Revising the Title 29 of the Code of Federal Regulations (CFR) Part 29, regulations for Registered Apprenticeship.

The August 2005 GAO Report reinforces OA's focus to sustain program improvements via equal employment opportunity (EEO) compliance and quality assessment (QA) reviews, particularly reviews of State Apprenticeship Councils/State Apprenticeship Agencies (SACs/SAAAs). OA is re-engineering the Registered Apprenticeship Information System (RAIS) as it continues to implement GAO and OMB's recommendations regarding data validation and utilization. A challenging issue this fiscal year will be the utilization of the Wage Record Interchange System, which is a nationwide system created to facilitate interstate requests of unemployment insurance wage records among states to measure performance indicators. OA will support and facilitate the activities and recommendations of the Secretary's Advisory Committee on Apprenticeship (ACA). The Performance Agreement Goals (Attachment A) have been designed to contribute toward results-oriented accomplishments. As in the past, OA will continue to work with SACs/SAAAs to improve the Registered Apprenticeship System.

Action: All staff should follow the guidance contained in this Bulletin to plan, undertake activities, and report results. FY 2007 Regional Plans should be sent via electronic mail to the national office by December 4, 2006.

NOTE: This bulletin is being sent via electronic mail.

Attachment A: FY 2007 OA Goals

Attachment B: FY 2007 Regional Federal Targets

OFFICE OF APPRENTICESHIP GOALS FOR FY 2007

GPRA AND PROGRAM GOALS:

OA achieved its FY 2006 GPRA Performance Goal, “Improve the registered apprenticeship system to meet the training needs of business and workers in the 21st century.” The targets for the common measure performance indicators of Employment Retention, Wage Gain, and Efficiency were exceeded. During FY 2007, OA will continue to track these indicators’ outcomes. This fiscal year, OA will implement ETA’s three specific priorities and integration efforts as part of the transformation of apprenticeship. EEO compliance and quality assessment reviews will be sustained including reviews of SACs/SAAAs as OA continues its five-year strategic plan cycle to improve services. RAIS will be re-engineered as OA seeks to optimally use data collection efforts to target industries and occupations, especially administrative, professional, and technical occupations, and ensure data accuracy and reliability. OA will continue to increase sponsor utilization of the Apprentice Electronic Registration System (AERS). Pending final approval of the proposed revisions to the CFR Title 29 Part 29, OA will design and implement training for stakeholders regarding revised regulations. The GPRA and program goals are explained below.

GPRA Goals:

The FY 2007 GPRA indicators and FY 2006 results are as follows:

- **Retention** – This measure is based on the apprentice registration date and the status of the apprentice nine months later.

Measure: Percent of those employed in the month after registration still employed nine months later.

FY 2007 target = 83 percent retention.

FY 2006 retention was 82 percent, or 4 percentage points above the target of 78 percent.

- **Wage Gain** – This measure is based on the mean entry or starting hourly wage and the current mean hourly 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 that is captured at a point in time, e.g., nine months after registration or during an update to an apprentice record.

Measure: The average hourly 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 2007 target = \$1.33 hourly wage gain.

FY 2006 hourly wage gain result was \$1.32 (from \$12.16 to \$13.48) and is almost 5 percent greater than the FY 2005 wage gain of \$1.26 (from \$11.92 to \$13.18).

Note: In the Department's Strategic Plan, FY 2006 – FY 2011, OA's long-term target for the average hourly wage gain is \$1.64 by FY 2011.

- **Efficiency** –The fiscal year appropriation is divided into that fiscal year's number of active apprentices in the Federal workload.

Measure: Average cost per registered apprentice.

FY 2007 target = To be determined.

FY 2006 average cost per registered apprentice result was \$97, or \$12 less than the previous year's result of \$109.

Since these performance indicators will be used to measure OA 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.

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

PERFORMANCE AGREEMENT GOALS:

FY 2007 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 2007 Performance Agreement consists of the following:

GOAL 1

- A. OA will develop a plan for the collection, analysis, and clarification of the types of occupations that are administrative, professional, and technical that can be recognized as apprenticeable occupations in the 21st century. Plan will include utilization of the ACA, industry and stakeholders' participation in meetings, forums, and Webinars as a venue for industry consensus in the establishment of a baseline list of these categories of occupations.**

Note: The national office will primarily be responsible for this goal in its initial stages.

- B. In support of the DOL strategic goals of a prepared and competitive workforce and ETA's strategic focus on regional economic development, OA will target continued expansion of registering new programs in high growth industries.**

FY 2007 target = 686 new programs in high growth industries.

In FY 2006, OA registered 606 new programs in high growth industries.

Each region will develop a plan that identifies the industries that will be targeted in the High Growth Job Training Initiative (HGJTI). The plan will incorporate promotional efforts to be conducted with key strategies and key processes. Additionally, plans should continue to expand new and existing partnerships in the HGJTI through coordination of activities with other ETA partners such as workforce investment boards, external groups, community colleges, industry partners, and veterans and youth organizations.

The 13 HGJTI Industries are as follows: advanced manufacturing, aerospace, automotive, biotechnology, energy, financial services, geospatial technology, health care, homeland security, hospitality, information technology, retail, and transportation.

NOTE: Construction, though a HGJTI industry as defined by ETA, will be excluded.

- C. Continue with the registration of new apprentices using the Apprentice Electronic Registration System (AERS). OA will encourage all newly registered OA program sponsors to register their apprentices using the AERS.**

FY 2007 target = 50 percent of all newly registered apprentices.

In FY 2006, 48,850 of 90,491 new apprentices were registered using AERS.

GOAL 2

In support of the DOL strategic goals of a prepared and a competitive workforce and ETA's strategic focus on workforce investment in a regional economy and expansion of access to post-secondary education while improving access to learning pathways for at-risk youth, OA will integrate apprenticeship programs sponsors with WIA and the WIRED Initiative.

Integration with One-Stop Career Centers will be accomplished by connecting 25 percent of the apprenticeship sponsors with five or more apprentices that have apprenticeship opportunities in the coming fiscal year with the local One-Stop Centers so that these opportunities (openings) are promoted broadly within the local workforce investment system. Field staff will visit One-Stop Centers in the area where there is the highest concentration of apprenticeship opportunities.

FY 2007 target = Connect 1,596 programs with five or more apprentices to One-Stop Career Centers.

The FY 2006 baseline of Federal workload programs with five or more apprentices was 6,383.

GOAL 3

In support of the DOL strategic goal of a prepared workforce and ETA's strategic emphasis on expanding access to post-secondary education and improving access for learning pathways for at-risk youth, the Office of Apprenticeship will continue to facilitate increased quality in the National Apprenticeship System.

Note: The FY 2007 targets for EEO and QA reviews were adjusted to account for the reviews completed ahead of schedule based on the five-year plan initiated in FY 2004.

FY 2007 target = 669 EEO compliance reviews.

In FY 2006, 882 EEO compliance reviews were conducted.

Continue with the long-term plan developed in each region that ensures that 90 percent of programs with five or more apprentices are reviewed within a five-year cycle.

Develop a management team in each region to audit a random sample of the EEO compliance reviews completed from 50 percent of the states with Federal workforce oversight responsibility.

Note: Where SACs/SAs received conditional recognition from the compliance reviews conducted in FY 2005 and FY 2006, the Regional Director will provide technical assistance to those states in their respective region to assist and facilitate the SACs/SAs coming into compliance thereby receiving full recognition. These efforts will be reported to the national office.

GOAL 4

- A. In support of the DOL strategic goal of a prepared workforce and ETA's strategic emphasis on expanding access to post-secondary education and improving access for learning pathways for at-risk youth, OA will continue to facilitate increased quality in the National Apprenticeship System.**

FY 2007 target= 1,338 QA reviews.

In FY 2006, 2,026 QA reviews were conducted.

Continue with the long-term plan developed in each region to ensure QA reviews are performed on 90 percent of programs over a five-year period that ensures that 90 percent of programs with five or more apprentices are reviewed within a five-year cycle.

Develop a management team in each region to audit a random sample of the QA reviews completed from 50 percent of the states with Federal workforce oversight responsibility.

B. Data Validation – 85 percent of the RAIS data fields identified and provided to staff will be completed, including overdue apprentices.

REPORTING: RAIS is the source for tracking all indicators. The national office requests that the FY 2007 Regional Plans be submitted electronically by December 4, 2006. 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: OA staff is expected to become familiar with the August 2005 GAO Report, GPRA Performance Goal, goals for common measures, program goals, targets, and strategies in this Bulletin. Regional and state FY 2007 Performance Standards should be based on this information.

OA 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 e-mail to Dana Daugherty with a copy to Don Palmer. Please self-identify the regional submittals in the Subject Heading in the e-mail. 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/SAA counterpart and/or Labor Commissioner.

OA FY 2007
Regional and National Federal Targets

Regions (Reg.)	EEO Compliance Reviews	Quality Assessment Reviews	New Programs (HGJTI)
Reg. 1 Boston	41	82	49
Reg. 2 Philadelphia	85	170	119
Reg. 3 Atlanta	109	218	84
Reg. 4 Dallas	132	264	133
Reg. 5 Chicago	249	498	238
Reg. 6 San Francisco	53	106	63
National Total	669	1,338	686