

**DEPARTMENTS OF LABOR, HEALTH AND  
HUMAN SERVICES, AND EDUCATION, AND  
RELATED AGENCIES APPROPRIATIONS FOR  
FISCAL YEAR 2006**

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**TUESDAY, MARCH 15, 2005**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 10:30 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Arlen Specter (chairman) presiding.  
Present: Senators Specter, Cochran, Craig, Harkin, and Inouye.

**DEPARTMENT OF LABOR**

**OFFICE OF THE SECRETARY**

**STATEMENT OF HON. ELAINE L. CHAO, SECRETARY**

**OPENING STATEMENT OF SENATOR ARLEN SPECTER**

Senator SPECTER. Ladies and gentlemen, the hour of 10:30 having arrived, the Senate Appropriations Subcommittee on Labor, Health, Human Services, and Education will now proceed. We have as our witness Secretary Elaine Chao, first Asian-American woman appointed to the President's Cabinet in U.S. history, a very, very distinguished record prior to coming to the position of Secretary of Labor: President and CEO of the United Way Foundation; Director of the Peace Corps; Deputy Secretary of Transportation for President Bush the first; distinguished fellow at the Heritage Foundation; and MBA from the Harvard Business School; an undergraduate degree from Mount Holyoke College.

So the Secretary has brought very distinguished credentials to the job and now she's in her second term, and has gained a lot of experience on how to handle a very tough Department. And in the ante room I asked her how she's going to get along on so little money, and she said she'd rather answer that question only once. So in a few minutes I'm going to ask her that question.

The budget is for \$11.6 billion, \$425 million below the level for fiscal year 2005, which is a 3.5 percent reduction and when you figure in the inflation rate, it'll be somewhere near 6 percent. There is no doubt that we have to economize, but this budget is going to be very, very challenging, Madam Secretary, and we will work with you on the priorities.

## PREPARED STATEMENT

I see that there is \$1.38 billion for worker protection programs and \$250 million to continue the community college initiative. This is most days very busy on Capitol Hill with the budget under consideration, and I am due to offer an amendment to try to get a little extra funding for this subcommittee. So I will ask that my full statement be made a part of the record and will yield to the distinguished chairman of the full committee, Senator Cochran.

[The statement follows:]

## PREPARED STATEMENT OF SENATOR ARLEN SPECTER

This morning, the subcommittee on Labor, Health and Human Services and Education will discuss the President's \$11.6 billion 2006 budget request for the Department of Labor, which is a net reduction of \$425 million below the fiscal year 2005 level. We are delighted to have before us the distinguished Secretary of Labor, the Honorable Elaine Chao, our Nation's 24th Secretary of Labor.

This subcommittee is pleased to see several shared priorities funded in the fiscal year 2006 budget, including worker protection programs, and the Community College Initiative.

However, I am concerned that at the same time, there is \$575 million of program reductions and eliminations. For example, the \$49.4 million program for Responsible Reintegration of Youthful Offenders is eliminated; the \$76.2 million program for Training Migrant and Seasonal Farmworkers is also eliminated; Dislocated Worker State grants are reduced by \$132.5 million, and the Job Corps is cut by \$34.8 million.

I know, Madam Secretary, that you can appreciate the difficult tradeoffs that this subcommittee will need to negotiate in the coming months as we balance the competing pressures of education, biomedical research, worker protection programs and continued investment in our Nation's youth. Madam Secretary, I look forward to working with you to craft an appropriations bill that maintains our commitment to fiscal restraint while preserving funding for high priority programs.

## OPENING STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you very much. Madam Secretary, welcome to the hearing of our Appropriations Committee, specifically the Subcommittee on Labor, Health and Human Services. We appreciate your distinguished service as Secretary of Labor. It's one of the tough jobs in the Government, though we know with your experience you bring a great deal of expertise and knowledge that will be very helpful to not only the President but our country as you carry out the duties of this important office.

## BUDGET REQUEST

We know the budget request is lean and difficult to imagine being implemented as it's presented because there's some tightening of the budget, because we are working hard to control the deficit and make sure that there's room in this economy for continued growth, expansion, and creation of jobs. The Department of Labor, as much as any Department of Government, understands the importance of trying to hold the line on spending. And so some very difficult choices are obvious.

We are looking forward to working with you and getting the benefit of your advice and suggestions as we proceed to review the budget request to make sure that we don't make mistakes and cut programs that we shouldn't, but we know we are going to have to make some tough choices. So we thank you for your being here and your distinguished service.

Senator SPECTER. Thank you very much, Mr. Chairman, Senator Cochran. Secretary Chao, now we look forward to your testimony.

SUMMARY STATEMENT OF HON. ELAINE L. CHAO

Secretary CHAO. Thank you very much. Mr. Chairman, I know that you are pressed for time, so I'm just going to summarize my—

Senator SPECTER. That would be fine, leaving us the maximum amount of time for dialogue, questions and answers.

Secretary CHAO. But I do want to emphasize a couple of points.

Senator SPECTER. Fine.

PRESIDENT'S BUDGET

Secretary CHAO. One is that the President's budget will enable the Department to continue to build upon our precedent-setting record of worker protection, which you have mentioned.

Senator SPECTER. Madam Secretary, would you pull the microphone a little closer to you? Senator Thurmond always used to say, would you pull the machine closer?

Secretary CHAO. I do want to emphasize that the President's budget will enable the Department to continue our precedent-setting record on worker protection, and it will help us implement some bold new training initiatives, which I look forward to discussing. And we are looking forward to reforming the workforce investment system so that it will serve more individuals and achieve even better results.

PREPARED STATEMENT

I've got some—again, some other statements, but I think I can submit that for the record in light of the fact that your time is so tight.

[The statement follows:]

PREPARED STATEMENT OF HON. ELAINE L. CHAO

Good morning Mr. Chairman, Senator Harkin, distinguished Members of the Subcommittee, ladies and gentlemen. Thank you for the opportunity to appear before you today to present the Department of Labor's fiscal year 2006 Budget.

The total request for the Department in fiscal year 2006 is \$54.5 billion and 16,945 FTE, of which, \$14.3 billion is before the committee. Of that amount, \$11.6 billion is requested for discretionary budget authority. Our budget request will allow us to build on the accomplishments achieved in recent years while meeting the President's call to hold Federal programs to a firm test of accountability and to focus our resources on top priorities. In fiscal year 2006, the Department will continue its record-setting enforcement of worker protections and provide innovative and effective training programs to help prepare workers for good jobs in the 21st Century economy.

In his February 2nd State of the Union Address, the President underscored the need to restrain spending in order to sustain our economic prosperity. As part of this restraint, it is important that total discretionary and non-security spending be held to levels proposed in the fiscal year 2006 Budget. The savings and reforms in the Budget are important components of achieving the President's goal of cutting the budget deficit in half by 2009, and I urge the Congress to support these reforms. The fiscal year 2006 Budget includes more than 150 reductions, reforms, and terminations in non-defense discretionary programs, of which 11 affect the Department of Labor's programs. The Department wants to work with the Congress to achieve these savings.

## RECENT ACCOMPLISHMENTS

To set the stage for our fiscal year 2006 budget, I would like to highlight some of the Department's accomplishments over the last year. I am happy to report that our programs have been getting results and we continue to make steady gains in protecting America's workforce.

Under the Department's new Overtime Security Rule, we strengthened overtime protection for 6.7 million workers. Today, more workers are getting overtime pay and the rules are clearer and easier to understand and apply.

We have also set records in enforcing worker protection laws. For example, worker fatalities are at an all time-low, and the Occupational Safety and Health Administration (OSHA) has consistently exceeded its inspection targets. Workplace fatalities among Hispanic workers have fallen by 11.6 percent since 2001. And fatalities in the mining industry have now dropped to the lowest level since records were first kept in 1910.

In 2004, more than 288,000 workers received nearly \$200 million in back wages, including overtime, as a result of the Wage and Hour Division's enforcement.

The Employee Benefits Security Administration achieved more than \$3 billion in monetary results in fiscal year 2004, protecting workers' health, benefit, and retirement plans—a 121 percent increase from fiscal year 2003.

We have also enhanced the transparency and accountability of labor union finances so that union member rights are better protected and they know much more about how their dues money is being spent. Under our union transparency reforms, meaningful information about union financial transactions will be available and easily accessible to union members

## FISCAL YEAR 2006 PRIORITIES

While we are proud of our accomplishments, we realize that more must be done to improve the lives of America's workers. Our fiscal year 2006 budget focuses on four overall priorities: protecting workers' safety and health; protecting workers' pay, benefits and union dues; protecting veterans' reemployment rights; and preparing workers for new opportunities.

## PROTECTING WORKERS

In fiscal year 2006, \$1.4 billion is requested for DOL's worker protection activities. This increase of \$27.6 million will enable the Department to continue our record-setting protection of workers' health, safety, pay, benefits and union dues.

*Occupational Safety and Health Administration*

The fiscal year 2006 budget request for OSHA is \$467.0 million and 2,208 FTE, an increase of \$2.8 million over fiscal year 2005.

OSHA will continue to target inspections on the worst hazards and the most dangerous workplaces, while providing compliance assistance to workers and employers as they create safe and healthy workplaces. The request for OSHA includes an increase of \$1.0 million for expanded compliance assistance activities in the State plan states. These funds, when matched by OSHA's state plan partners, will enable states to establish more Voluntary Protection Program sites, develop new agreements similar to OSHA Strategic Partnerships and Alliances, and provide additional outreach to workers and employers. An additional increase of \$1.0 million is requested to enhance OSHA's data analysis and performance measurement capability.

*Mine Safety and Health Administration*

MSHA protects the safety and health of the Nation's miners through enforcement of the Federal Mine Safety and Health Act of 1977. The fiscal year 2006 budget request is \$280.5 million and 2,187 FTE, representing a funding increase of \$1.4 million over fiscal year 2005.

The Administration will seek to strengthen existing enforcement by asking Congress for higher civil monetary penalties. Legislation will be pursued to increase the fine for mine safety violations from \$60,000 to \$220,000.

## PROTECTING WORKERS' PAY, BENEFITS, AND UNION DUES

The Department will also continue its high priority programs to protect workers' pay, benefits and union dues.

*Employment Standards Administration*

The Department's Employment Standards Administration (ESA) administers and enforces a variety of laws designed to enhance the welfare and protect the rights of American workers. The fiscal year 2006 budget request before the Committee for

ESA is \$610.7 million and 4,282 FTE. This amount excludes and additional \$31.0 million of H1B fees and \$45.0 million in FECA Fair Share funding available to the agency. This represents an increase of \$81.7 million and 162 FTE from fiscal year 2005, primarily due to the additional responsibilities associated with the Energy Employees Occupational Illness Compensation Program (EEOICPA).

#### *Wage and Hour Division*

The fiscal year 2006 budget request for the Wage and Hour Division totals \$167.4 million and 1,346 FTE which excludes \$31.0 million in estimated fee revenue from DOL's portion of an H-1B visa fraud prevention fee authorized by the 2004 H-1B Visa Reform Act. The resources requested will support the Wage and Hour Division's Overtime Security Task Force and its "Off-the-Clock" Initiative to promote compliance through education and enforcement efforts in low-wage industries. It will also support Wage and Hour's YouthRules! Initiative to promote compliance with the youth employment provisions of the Fair Labor Standards Act; enable expansion of enforcement to protect vulnerable workers in low-wage industries; and increase technical assistance and education to encourage compliance with labor laws. The budget also includes a legislative proposal to increase civil monetary penalties for violations causing death or serious injury to youths in the workplace from \$11,000 to \$50,000, and to \$100,000 for repeat or willful violations.

#### *Office of Federal Contract Compliance*

The fiscal year 2006 budget request for the Office of Federal Contract Compliance Programs (OFCCP) totals \$82.1 million and 691 FTE. OFCCP is responsible for ensuring equal employment opportunity and non-discrimination in employment for businesses contracting with the Federal Government. OFCCP carries out this mandate by conducting compliance reviews to discover instances of systemic discrimination, taking appropriate enforcement action, and providing relevant and effective compliance assistance programs. During fiscal year 2006, the implementation of Active Case Management and Functional Affirmative Action Programs will improve OFCCP's results, meaning more workers will be protected.

#### *Office of Workers' Compensation Programs*

The fiscal year 2006 budget request for the Office of Workers' Compensation Programs (OWCP) totals \$341.8 million and 1,758 FTE and supports the Federal Employees' Compensation Act, the Longshore and Harbor Workers' Compensation program, and the Black Lung Benefits program. Included in this request is a \$5 million increase in Fair Share funding to effectively implement the new centralized medical bill processing contract.

The OWCP budget also includes \$96.1 million and 275 FTE to administer Part B of the Energy Employees Occupational Illness Compensation Program, and \$59.9 million and 219 FTE for the Part E program that was established in fiscal year 2005. The two Energy programs provide compensation and medical benefits to employees or survivors of employees of the Department of Energy, and certain of its contractors and subcontractors who suffer from a radiation-related cancer, beryllium-related disease, chronic silicosis or other covered illnesses due to exposure to toxic substances as a result of their work at Department of Energy facilities or those of certain of its contractors.

The 2006 budget also includes two legislative proposals affecting OWCP programs. The first is a proposal to reform FECA to update its benefit structure, adopt best practices of State workers' compensation systems, and strengthen return-to-work incentives. This proposal is expected to generate Government-wide savings of more than \$720 million over 10 years. The second is a proposal to restructure and eventually retire the debt of the Black Lung Disability Trust Fund (BLDTF), a debt that is estimated to exceed \$9.6 billion by fiscal year 2006, absent legislative action.

#### *Office of Labor-Management Standards*

The fiscal year 2006 budget request for the Office of Labor-Management Standards (OLMS) totals \$48.8 million and 384 FTE. OLMS enforces provisions of Federal law that establish standards for union democracy and financial integrity. OLMS conducts investigative audits and criminal investigations for embezzlement and other financial mismanagement; conducts civil investigations of union officer elections and supervises remedial elections where required; administers statutory union financial reporting requirements; and provides for public disclosure of filed reports.

To help restore OLMS after deep cuts during the 1990s, the budget request includes program increases of \$6.0 million and 48 FTE to enhance union financial integrity, union advisory services, and compliance assistance activities. The budget also supports legislation that would authorize OLMS to impose civil money penalties on unions and others that fail to file required financial reports on a timely basis.

*Employee Benefits Security Administration*

The Department's Employee Benefits Security Administration protects the integrity of pensions, health plans, and other employee benefits for more than 150 million workers. The fiscal year 2006 budget includes a \$5.8 million increase to strengthen the retirement security of workers and retirees. These amounts include additional resources for the E-FAST system to maintain current operations.

With regard to pension benefits, this Administration believes that pension promises made to workers and retirees must be kept. The current system does not ensure that pension plans are adequately funded. Underfunded plan terminations threaten workers' retirement security and are placing an increasing strain on the pension insurance system. These underfunded plans also impose an unfair and increasing burden on employers who sponsor healthy pension plans.

The President's Budget for fiscal year 2006 proposes to reform the funding rules, increase disclosures to workers, and protect the pension insurance system, on which 44 million Americans rely to protect their retirement security. The Administration's plan will promote simplicity, accuracy, stability, and flexibility. It will encourage employers to fully fund their defined-benefit pension plans and ensure that benefit promises are kept. It will also expand, and make more timely, disclosures to workers and the public.

The Administration's plan will reform the outdated premium structure to reflect more accurately the cost of the insurance program. The plan proposes to update flat rate premiums and index them to wage growth. We will also propose to shift the emphasis to risk-based premiums for all under funded plans in order to provide greater incentives for responsible funding.

The fiscal year 2006 budget reiterates the Administration's support for Association Health Plan legislation that will allow small businesses and others to pool together through their trade and professional associations to provide health benefits for workers and their families. By joining together, small businesses and other association members would benefit from similar economies of scale, uniform regulation and administrative efficiencies enjoyed by large employers and labor unions. Association Health Plan legislation is a key component of the President's plan to improve access to quality, affordable health coverage for all Americans.

PROTECTING VETERANS' EMPLOYMENT RIGHTS

This Nation's commitment to our veterans must be honored. No veteran should return home without the support that is needed to make the transition back to private life a smooth and successful one.

*Veterans' Employment and Training Service*

For the Department's Veterans' Employment and Training Service (VETS), we are requesting \$224.3 million and 250 FTE to maximize employment opportunities for veterans and protect their employment rights.

The Department recently issued a notice of proposed rulemaking to strengthen and clarify veterans' rights and employers' responsibilities under the Uniformed Services Employment and Reemployment Rights Act (USERRA). The rule is expected to be finalized during fiscal year 2006. Our budget request also includes \$22 million for the Homeless Veterans Reintegration Program, an increase of \$1.2 million. This program will provide employment and training assistance to homeless veterans, with expected job placements and retention of approximately 10,600 veterans.

PREPARING WORKERS FOR NEW OPPORTUNITIES

*Reforming the Workforce Investment System*

Overall, the fiscal year 2006 budget request for the Department's Employment and Training Administration is \$9.2 billion in discretionary funds and 1,216 FTE. Our budget request will allow the Department to fulfill the President's call to improve job training and prepare more Americans for the growing and changing economy, ensuring that no worker is left behind. In 2006, we want to double the number of individuals trained under the Workforce Investment Act's major grant programs—including State formula grants and the new Community College Initiative—from 200,000 to 400,000. Just as important, we want to help provide workers with training that prepares them for the jobs of the 21st century.

Under the President's job training reform proposal, we seek legislation to reform the Workforce Investment Act (WIA) that would consolidate four compartmentalized programs into a single funding stream so that Governors and local officials will be able to utilize resources in a way that best meets their communities' specific needs. This proposal, called "WIA Plus," would provide Governors the option of adding resources from up to five additional federally-funded employment and training pro-

grams to this consolidated State grant. The major goals include providing flexibility to States and localities and reducing overhead so that more workers can receive training.

In return for this increased flexibility, States will be required to develop strategies to meet increasingly rigorous performance standards each year, leading to a goal in the 10th year of placing in employment 100 percent of the workers trained with Federal funds.

The President's WIA reform proposal would also establish Innovation Training Accounts to provide workers ownership over the education and training they pursue by:

- Allowing individuals to access a broad range of public and private training resources through a single, self-managed account;
- Authorizing longer-term training opportunities, since many skills needed for today's jobs require more than just short-term attention and exposure;
- Providing access to improved labor market information to help individuals make training decisions based on the jobs available in their local area;
- Holding training institutions accountable for results;
- Acknowledging the need for incumbent worker training so workers can update their skills and advance their careers; and,
- Promoting the attainment of industry-recognized credentials and certifications.

#### *High Growth Job Training Initiative*

The President's High Growth Job Training Initiative is designed to develop a demand-driven workforce training system. This initiative, which began in 2002, prepares workers to take advantage of new job opportunities in growing industries and sectors of the American economy. The approach is based on grants to partnerships that include the workforce investment system, business and industry, education and training providers, and economic development entities working collaboratively to develop industry-specific workforce solutions. Under this initiative, the Department has awarded \$164.8 million in 88 grants for innovative training programs in high growth industries, such as health-care, biotechnology and advanced manufacturing. By training workers with skills that are in demand, more workers will be able to obtain quality jobs with higher wages and enhanced career opportunities. At the same time, employers will be able to fill critical workforce needs.

#### *Community College Initiative*

The budget also provides \$250 million to continue the President's Community College Initiative, which provides for Community Based Job Training Grants. For 2005, the Congress approved and financed this new initiative, and the first grants will be awarded beginning in the summer of 2005. Eighty percent of the jobs in the fastest growing fields require education and training beyond high school. The Community College Initiative will help fully utilize the expertise of America's community colleges as part of our job training programs and better train workers for jobs in high growth sectors. These competitive grants will build on the High Growth Job Training Initiative and strengthen the role of community and technical colleges as partners of the workforce investment system.

#### *Youthbuild*

The President's Budget includes a legislative proposal to transfer the Youthbuild program from the Department of Housing and Urban Development to DOL. This change was recommended by the White House Task Force on Disadvantaged Youth. The Youthbuild program targets disadvantaged youth ages 16–24. The program provides grants to local organizations that train participants for well-paying construction jobs. Their training also results in the building of affordable housing units. Transferring Youthbuild to DOL would provide the program with better contacts with One Stop Career Centers, stronger ties to DOL's Job Corps and apprenticeship programs, new links to the President's High Growth Job Training Initiative, improved access to the post secondary and community college system, and stronger connections to employers and local labor markets. It also promises to offer greater placement opportunities for the youths involved.

#### *Prisoner Re-Entry Initiative*

In fiscal year 2006, \$75 million is provided for the second year of the President's 4 year, multi-departmental Prisoner Re-Entry Initiative. Of this total, \$35 million is for the Department of Labor, \$25 million is for the Department of Housing and Urban Development, and \$15 million is for the Department of Justice. This initiative is designed to strengthen urban communities through an employment-centered program that incorporates job training, short-term housing, mentoring, and other transitional services to help recently released prisoners make a successful transition

back to society and long-term employment. It taps the unique contributions and capacities of America's faith-based and community organizations.

*Strengthening the Integrity of the Unemployment Insurance System*

Building on previous proposals to strengthen the Unemployment Insurance (UI) system and reduce erroneous UI payments, the fiscal year 2006 budget proposes a \$10 million increase in beneficiary eligibility reviews in One-Stop Career Centers. This is projected to save up to \$225 million annually. In addition, a \$30 million increase is requested to prevent and detect fraudulent unemployment benefit claims using stolen personal information—otherwise known as identity theft—that would result in annual trust fund savings of as much as \$105 million. These two discretionary proposals are part of the Administration's proposal to fund efforts to reduce improper payments across several agencies using a new budget enforcement mechanism of spending cap adjustments. In addition, the Budget includes a package of legislative changes to prevent and recover overpayments of Unemployment Insurance benefits, saving an estimated \$4.7 billion over 10 years. These budget and legislative proposals are not only an important protection for American workers, but are also a responsible use of public funds.

OTHER PROGRAMS

*Bureau of Labor Statistics*

In order to maintain the development of timely and accurate statistics on major labor market indicators, the fiscal year 2006 budget provides the Bureau of Labor Statistics with \$542.5 million and 2,475 FTE, which is an increase of \$13.5 million over fiscal year 2005. This funding level provides the BLS with the necessary resources to continue producing sensitive and important economic data, including the Consumer Price Index, the Producer Price Index, and the Quarterly Census of Employment and Wages.

*Office of Disability Employment Policy*

The 2006 budget request provides the Office of Disability Employment Policy (ODEP) with a total of \$27.9 million and 59 FTE. In past years, the request for ODEP included a large research and grant making function. ODEP has invested these funds in testing a variety of pilot projects, and we now have several years of results to determine which of these pilots work, and which ones don't. ODEP will now focus on improving access by disabled Americans to DOL's programs, and on developing proven approaches to helping Americans with disabilities find meaningful employment opportunities.

*Women's Bureau*

To continue its outreach to working women, the fiscal year 2006 budget includes \$9.7 million and 60 FTE for the Women's Bureau, an increase of \$0.3 million above fiscal year 2005.

*International Labor Affairs Bureau*

The request for the International Labor Affairs Bureau (ILAB) in fiscal year 2006 is \$12.4 million and 95 FTE. The budget returns ILAB to its core mission of developing international labor policy, and performing research, analysis, and advocacy.

The requested funding levels would allow ILAB to implement the labor supplementary agreement to NAFTA and the labor provisions of trade agreements negotiated under the Trade Act of 2002, participate in the formulation of U.S. trade policy and negotiation of trade agreements, conduct research and report on global working conditions, assess the impact on U.S. employment of trade agreements, and represent the U.S. Government before international labor organizations, including the International Labor Organization.

ILAB will continue to implement ongoing efforts in more than 70 countries funded in previous years to eliminate the worst forms of child labor and promote the application of core labor standards, and reduce employment discrimination against persons living with HIV/AIDS.

*President's Management Agenda and Department-wide Management Initiatives*

Before I close today, Mr. Chairman, I also want to highlight the Department's ongoing efforts to implement the President's Management Agenda. In August 2001, President Bush sent to Congress his President's Management Agenda (PMA), a strategy for improving the management and performance of the Federal Government. The agenda called for focused efforts in the following five government-wide initiatives aimed at improving results to citizens: Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded Elec-

tronic Government, and Budget and Performance Integration. DOL is also responsible for three of the PMA initiatives that are found only in selected departments. The first of these three is Faith-Based and Community Initiatives. In the fourth quarter of 2004, DOL began working in earnest on another selected PMA component, Real Property. Also, in the first quarter of 2005, DOL began tracking its status and progress on a new PMA initiative to Eliminate Improper Payments.

The Department is one of only three cabinet departments that earned "green" status ratings on four of the five government-wide scorecards for the first quarter of 2005, without a single red score. For progress during this period, DOL achieved five of five green scores. On the basis of its favorable ratings for status and progress in implementation of these initiatives, DOL was honored with two Presidential Quality Awards and is recognized as one of the best managed Cabinet agencies.

#### CONCLUSION

With the resources we have requested for fiscal year 2006, the Department will continue to improve its protection of workers' safety and health, protect workers' pay, benefits, and union dues, secure the employment rights of America's veterans, and prepare workers for the jobs of the 21st Century.

Mr. Chairman, this is an overview of the programs we have planned at the Department of Labor for fiscal year 2006.

I would be happy to respond to any questions members of the subcommittee may have.

Thank you.

#### MEDICAL LEAVE PROGRAM

Senator SPECTER. Okay. Well, thank you, Madam Secretary. The medical leave program has been challenged with some 68 Federal lawsuits raising issues on the interpretation of when employees are eligible for leave under the 1993 Family and Medical Leave Act. Last December, your Department announced its intention to publish a rule to revise the Act's regulations.

There are many in the labor area who like the way the program is being administered and there are some in the business area who would like to see their restrictions tightened. We have been studying the issue, but we would be very interested in your view as to how the regulations are being administered, whether you intend to put up new regulations, and what your evaluation is as to the equitable balance as you see it.

Secretary CHAO. First of all, let me say that the Family and Medical Leave Act is an important law that basically benefits a lot of workers and their families, and we take our responsibilities under this law very seriously. Let me also say that in the last 10 years that the regulations have been in effect, there have been numerous lawsuits challenging various provisions of the regulations. And some of these provisions in the regulations that were set out have in fact been struck down, including one by the Supreme Court in a decision in 2002, *Ragsdale v. Wolverine*.

So we are mandated by the Court to revisit certain aspects of the Family and Medical Leave Act, and we've, in response to the Supreme Court decision and other case law developments, we have held a number of stakeholder meetings throughout the last 2 years with both employees and employers, with the unions, with non-profit groups. And we have been considering a number of informal comments and the feedback that we have received from these shareholder meetings. We've been reviewing the development in case law and we are looking at a number of areas where we could possibly provide better guidance.

But let me say that no final decision has been made on this issue. We do have outstanding the 2002 Supreme Court decision on *Ragsdale*, and so something needs to be done on that.

Senator SPECTER. Well, let us work together and stay in touch to see how—what you're thinking about, have an equitable balance so that we do our best to strike a balance between what the workers have in mind on leave and what the employers are concerned with.

#### YOUTHFUL OFFENDER PROGRAM

You are again proposing to eliminate the responsible reintegration of youthful offender program, replacing it with a prisoner re-entry initiative. I was with the President and the First Lady in Pittsburgh 1 week ago yesterday, and she has a program to help troubled youth, and we have these programs sprinkled all over the map, Secretary Chao.

This prisoner re-entry initiative, you really need a score card to keep track of what's going on. It's going to be funded through three Departments, \$35 million from the Department of Labor, \$25 million from HUD, and \$15 million from the Department of Justice. Does all this alphabet soup make sense?

Secretary CHAO. I know that the youth offender program is very near and dear to your heart and it's one of your—

Senator SPECTER. Well, it has been near and dear to my heart since I worked with youthful offenders many years ago as district attorney, and it continues to be an atrocious problem. There were 11 murders in Philadelphia over the weekend. The chief of police decried the situation yesterday, noting that there were more murder—more people killed in Philadelphia over the weekend than in Iraq. So there really needs to—we really need to do something. It is a bottomless pit. What do you think?

Secretary CHAO. We know that this is a program that you place a great deal of emphasis on, and in fact we share your concern that there seems to be a great many different venues through which focus on this issue was taken, which was why we took the impetus—we took the initiative initially to try to work the young offenders program into a larger program. And so we have tried to integrate the funding. We have tried to work this program into the prison re-entry initiative.

Our concerns are the same as yours. It's too fragmented. And so we thought that, again, with the young offenders program, if we work together through the prisoners re-entry, along with a more coordinated and coherent approach with other Departments that are also involved in facing this—addressing this challenge, that we would do a better job.

Senator SPECTER. My red light is on, and I like to observe the time, but it would lose continuity if I didn't ask you one more question. We could solve this fragmentation by simply moving the Department of HUD and Urban Development and the Department of Justice under your Department of Labor, under your overall Secretaryship. Would you think that would eliminate the confusion and duplication and overlapping?

Secretary CHAO. I never refuse an offer to expand my empire. I'm only joking, of course.

Senator SPECTER. Madam Secretary—

Secretary CHAO. I think there's a larger issue here: This is very much geared toward training and getting young people together with community and faith-based organizations who support, in a holistic way, the full integration of young people back into the community. And so we thought that a more holistic, coordinated, and comprehensive approach with other Departments that are also doing the same thing would yield actually a better result for these young people.

Senator SPECTER. I want to now yield to the distinguished chairman of the full committee who may be able to solve all of our problems when he makes the allocations.

Senator COCHRAN. Mr. Chairman, thank you very much for your confidence in our decision-making capabilities. I hope that we are able to reach a decision that enables the Department of Labor to carry out its important responsibilities, particularly in job training and their programs in my State.

#### JOB CORPS PROGRAM

I had the pleasure of visiting last year a Job Corps site where they're doing very commendable work in preparing students for real jobs that exist in our State. I noticed there's a decrease in the budget request for the Job Corps program, a decrease of \$29 million below last year, and also a suggestion for rescission of funds in the construction area for the renovation and repair of buildings. I think my State has a backlog of that kind of work as well.

I hope we will be able to work with the Department to identify some changes that we can make in the budget without disrupting the overall goal of holding the line on unnecessary spending. But I mention that program, and I wonder what your impression has been of the Job Corps program, specifically its efforts to train those who don't come to the program with a high level of education, some of them don't, and so this job-training activity may be their only hope for having a good-paying job.

Secretary CHAO. The Job Corps is a very popular program. It is liked by Members across—on both sides of the aisle. It's a very popular program. The specific line item that you're referring to impacts only the construction, the rehabilitation, and acquisition account for buildings. So we do not anticipate any service reductions at all.

We will continue to pursue the acquisition of the new sites in Pinellas Park, Florida, and Milwaukee, Wisconsin. I think what we're talking about here is again, we do not expect that current funding requests will impact the current service level at all.

#### LOAN GUARANTEE

Senator COCHRAN. There is one request I called in the other day by telephone to your office. It has to do with an application for a Department of Agriculture loan guarantee submitted by a company that is planning to build a steel manufacturing plant in Columbus, Mississippi. They've applied for a loan guarantee from the Department of Agriculture under a program that I'm familiar with.

But before the Department can approve that, they're required to submit the application or notice of the application to the Depart-

ment of Labor. And the Labor Department's role is limited to making two findings: That the approval of the loan guarantee does not involve the relocation of jobs; and there will be no adverse impact on competitors in the immediate area.

In the immediate area of Columbus, there is no other steel manufacturing plant. There is no other steel manufacturing plant that will provide the material that this company will provide in the entire Southeastern United States. To my knowledge, and I'm assured that this is the case, there is no question about relocating jobs from some other area.

I had a very difficult time getting information from your office as to what the status of the matter was. I asked for additional information. I was assured that my call would be returned by somebody who could provide me with that information. I haven't received a call yet. Somebody on my staff may have gotten a call, but I haven't been advised about it until now.

I hope that you will look at this request. The company's name is Steelcorr Corporation. It would manufacture steel plates for automobile construction. We have several new automobile construction facilities that have been located in our State, in the State of Alabama, and in that region, but this would be the first plant that would be actually making steel plates to be used in the construction of these automobiles.

If this company is able to get the loan guarantee, they'll build that plant and it will provide a lot of new jobs and a lot of new industries that are compatible with it. Suppliers and the like would also likely move into our area.

So we have a great deal of interest in this, and we hope that the Department of Labor won't just continue to hold this application. It's a matter of some urgency, I'm told, so that they can move forward with the construction of this facility. I'm sorry to have to spend so much of my time talking about the importance of that. It sounds like it's something that the Department could handle very quickly.

Senator SPECTER. Senator Cochran, if you'd like more time, you're welcome to it.

Senator COCHRAN. Thank you, Mr. Chairman. I don't think I need it.

Secretary CHAO. May I answer that? May I just make a few comments about that if I could? First of all, I'm sorry that you have the impression that our Department is not responsive in answering, because when the chairman calls, both chairmen, we answer the calls right away, so again, I don't know what happened. I will check into that.

Second issue, we understand that this is a—we know that you are concerned about this issue, and we're very focused on it. We play only a very small part as you mentioned in the whole process. The Department of Labor is required by law to evaluate the impact of this financial assistance. We have about 30 days. The application was submitted on February 24 with USDA, and it was forwarded to the Department of Labor for consideration—I'm sorry—on February 24. So the Department has about 30 days and we're still in the evaluation process.

Please be assured that your interest in this is noted, and again, we are just responsible for the assessment, and then we go back to USDA and then they, of course, make the final decision.

Senator COCHRAN. I thank you for your response and hope that we will see the timely handling of the Department of Labor's responsibility for this application. Thank you, Mr. Chairman.

PERSONAL RE-EMPLOYMENT ACCOUNTS

Senator SPECTER. Thank you very much, Senator Cochran. Madam Secretary, in fiscal year 2004, Congress did not approve your request for \$50 million to initiate a new personal re-employment account program, but you used transfer authority to spend \$9 million on this program anyway. I think it is very important that when there is a refusal by the Congress on the appropriations process under the Constitution that the funding not be used in any collateral way, and I would be interested in your comments on the matter and your assurances that the Department does not intend to use the collateral way with transfer authority, where there has been an expressed declination by the Congress.

Secretary CHAO. As you know, the administration strongly supports the personal re-employment accounts, and the House passed one version and the Senate did not. Because the original larger scale personal re-employment accounts were not funded, it was decided to test the approach on a smaller pilot basis, through some demonstration projects, and I believe we notified the Appropriations Committee that we were intending to do so. And I think, as you mentioned, there's about \$7.9 million out of a huge project that was the original intended amount.

So we hope that we at least—we will get better information and test this approach on a—with some communities have voluntarily wanted to participate. And we hope that again that will yield better information on whether this works or not.

Senator SPECTER. Well, Secretary Chao, even though it's a relatively small sum of money, although we might discuss whether \$7.9 million is a relatively small sum of money, and even though it's a pilot project, and even though the administration very much wants it, and even though some communities would like to do it, it's really, really beyond the separation of powers.

Listen, you've done such a good job that I'm not going to dwell on the point. But I just want to drop a big red flag.

Secretary CHAO. Okay.

Senator SPECTER. Okay? It doesn't have any stars and stripes on it.

Secretary CHAO. I understand.

APPALACHIAN COUNCIL AND THE WORKING FOR AMERICA INSTITUTE

Senator SPECTER. Big red flag. I appreciate the work of the Department in working through the statutory deadline of January 31 to put grants into effect for several projects, including the Appalachian Council and the Working for America Institute. There have been some differences of opinion as between—these occur inevitably between the executive and the legislative branches, and that's why we have separation of powers.

But I would like you to take a look at those programs, a personal look, and let me know what you think of them, because if there are any problems there, I would like to be personally informed.

Secretary CHAO. Okay.

Senator SPECTER. An effort made to work them out. Those projects have been in effect for a long time, and they provide sort of a classic confrontation in the political field. You and I are both dedicated to service and doing what is good, so that's something that I would like something between Elaine Chao and Arlen Specter. If you would take a look at them, we can see what they're doing and try to work out any problems.

Secretary CHAO. So it's Working for America and the NCEE?

Senator SPECTER. Yes, and the Appalachian Council.

Secretary CHAO. The Appalachian Council, okay.

Senator SPECTER. And the Working for America Institute.

Secretary CHAO. These are sole-source contracts. We can talk more about them, but the main problems are sole source criteria.

Senator SPECTER. Well, we do still use them to some extent.

Secretary CHAO. But we did fund—the committee earmarked and it went out on time.

Senator SPECTER. No, no, I know you've done it, and I started off by thanking you for doing that. This initiative for the black clergy, which Senator Santorum and I were so enthusiastic about, looked like it was all going through until late in October, and we had a problem, which could have had some very serious repercussions. We were able to work it out. And I'd like you to take a look at that one too as to how they are doing.

#### FAITH-BASED INITIATIVE

This goes back to the problem we talked about, juvenile delinquency, and this is a faith-based initiative. These are churches and they've set up six job training programs. And here again is something which reaches the level where I would like the Secretary and the chairman to work together.

Secretary CHAO. I'd be pleased to do so.

#### ASBESTOS VIOLATIONS

Senator SPECTER. Madam Secretary, the issue has arisen on increasing the penalties for a willful violation of the Occupational Safety and Health Act on asbestos violations. And I would be interested—I'm considering legislation on that field. Asbestos is a terrible problem which we all know about, and I'd be interested in your views as to whether you think enhanced penalties would be a good idea there.

Secretary CHAO. I think the current discussions about the asbestos bill, which you have taken quite a leadership position on, is evolving, and we want to thank you for your leadership. It's a difficult issue. There are obviously a great array of different stakeholders. And the administration has not really taken a position on a number of these issues pending these working groups and outside stakeholder groups to come to some kind of an agreement.

Senator SPECTER. Well, we are working very hard on the asbestos bill. I had a chance to talk to the President about it when I traveled with him to Pittsburgh a week ago yesterday, and he's

looking for a bill which he can sign, and we're trying to get bipartisan activity. And your Department has had phenomenal success in administering matters.

The way it works is, if you do a good job, people come back to you and say, you've done such a good job and we'd like you to do more. We find that with this subcommittee and I find that on the Judiciary Committee. And on the legislation which we are working on to create a trust fund, there's not going to be any Federal money going into the fund.

The insurance and manufacturing industries have agreed to put up \$140 billion, which we're projecting will be sufficient. And we're working very carefully on directing it only to the sick people, so that we're not going to have any expanded coverage. It's going to people who really are sick.

The Supreme Court handed down a decision that—5 to 4—that if you were exposed to asbestos you would collect money whether you were sick or not. And thousands of people are dying of mesothelioma and asbestosis. Companies are going bankrupt, can't pay them. Seventy-four companies are going bankrupt. But there's not going to be any extended coverage, and the Department will not be called upon to be a tax collector or banker.

I'm meeting with the Attorney General later today and we're giving him a lot of new jobs too on enforcement. And it is sort of axiomatic that everybody is overworked, but this is a problem which is overwhelming the economy, and we are searching very, very hard for remedies.

I'm delighted to be joined by my distinguished ranking member, also delighted to be joined by Senator Inouye, who beat the ranking member here by 30 seconds. Senator Inouye, with his customary grace and aplomb, has gestured to take Senator Harkin first. Senator Harkin has just acceded.

As I said at the beginning of the hearing, I'm due on the floor to offer an amendment to increase the funding for our subcommittee, so I'm going to—well, we were—we've been cut everywhere, and I want to bring the funding back up to level for education, which would be a little over \$500 million and NIH \$1.5 billion. So I'm going to leave the seamless gavel in the hands of Senator Harkin.

Senator HARKIN. Thank you very much, Mr. Chairman.

Senator SPECTER. Thank you for the very good work you're doing, Madam Secretary.

Secretary CHAO. Thank you.

Senator SPECTER. We'll be working with you to tackle the tough issues which we talked about, and we will have some more questions for the record. Thank you.

Secretary CHAO. Thank you.

#### OPENING STATEMENT OF SENATOR TOM HARKIN

Senator HARKIN [presiding]. Madam Secretary, again, welcome and I appreciate your work at the Department of Labor and your continuing efforts in that regard. I just want to join our distinguished chairman in welcome you again to this committee.

Madam Secretary, I'm just going to make a short opening statement and then we'll get to some questions and I'll yield to Senator

Inouye. Madam Secretary, I know you appreciate frank exchanges. We've had many in the past. So I must tell you up front that I am very disappointed in the administration's 2006 budget request for your Department. I appreciate that you're being a good soldier and going along with the OMB's marching orders, but I must for the record say that the proposed 2006 budget from the Department of Labor is seriously out of synch with the needs of our labor force.

#### UNEMPLOYED

Right now, 7.7 million workers are officially unemployed. Another 1.8 million are too discouraged to look for jobs, so they aren't even included in the official unemployment rate. Long-term joblessness is at record levels. Yet despite these challenges, the administration proposes to cut DOL's budget by \$400 million.

Let me mention some specifics. A 2003 General Accounting Office report found that the employment services, the principal source of employment and training programs for American workers. But the White House proposes to eliminate this proven agency and replace it with a generic block grant to the States.

#### MIGRANT FARM WORKERS

Second, the number of migrant farm workers with immigration issues has increased from 7 percent to 52 percent in the last decade. Yet the White House proposes to eliminate not only the migrant and seasonal farm worker program, but also the source of the information, the national agricultural workers study, where we get the data and the information.

#### VETERANS

Third, our soldiers are coming back from Iraq wounded in record numbers, many with amputations that will affect their employment options for the rest of their lives. Yet the White House has proposed an insignificant increase in the veterans employment and training service, and proposes to cut the Office of Disability Employment Policy by almost half.

Next, the President is promoting both the Central American Free Trade Agreement and the Andean Trade Agreement, both of which will require technical assistance on core labor standards. But this budget proposes to essentially gut the International Labor Affairs Bureau, ILAB, which provides that technical assistance.

#### WORKFORCE CHALLENGES

So as I said, Madam Secretary, these budget proposals, I believe, are out of synch with the needs of our workforce. In some cases, the budget is out of synch with the administration's own professed priorities. Our workforce today faces more challenges than at any time since the Great Depression—globalization, outsourcing, the continuing shift from manufacturing to services. I would argue the Department of Labor needs more resources, not less. Rather than downsizing, the Department should be playing a much more robust role in guiding the American workforce through this period of change.

So I am disappointed with this proposed budget and hopefully through the efforts of Senator Specter on the floor and as we move ahead with the appropriations, I am hopeful that we can provide a more appropriate funding for the priorities in the Department's budget, Madam Secretary.

HALLIBURTON

Now, I had some questions, but I would certainly—first, Madam Secretary, Dresser-Rand employees from Olean, New York, called the Department of Labor 2 years ago with questions about the legality of Halliburton confiscating the early retirement subsidy to their pension when Halliburton sold the Olean plant. To date, these employees have received no response from your Department. So I'd like to ask if you could please submit for the record a timeline of what your Department has done in the past 2 years to respond to these calls and when you anticipate being able to respond definitively. I'm particularly interested in the activities of DOL investigators located in Texas.

Now, the reason I mention this, Madam Secretary, is that I, along with others, have sponsored legislation since 1999 to create an office in your Department to respond to pension participants to be an advocate for them within the Government. Yet your Department keeps saying it's not necessary, that we already respond adequately to pension participants.

Again, Madam Secretary, if that's your position, can you please comment on the experience of the Olean workers in New York?

Secretary CHAO. Actually, EBSA, that's the Employee Benefits Security Administration—

Senator HARKIN. Is that mike on? Okay, now I hear it.

Secretary CHAO. My opening statement, which I submitted for the record, talked about the great—the very strong enforcement record we've had ensuring worker safety and health and also retirement security. In fact in 2004, EBSA has achieved more than \$3 billion in monetary results for workers' retirements and also pension funds. This is a 121 percent increase over the previous year.

I'm not familiar with the case that you mentioned and I will certainly take a look at it. But we have also about 108 of these participants' advocates, benefit advisors, within EBSA, and that's what these people's jobs should be, and that is they're case workers. They're supposed to be helping individuals who call in. And so we don't really think that the advocacy office is necessary, and I think the results speak for themselves. But I'd be very open to showing you what we've been doing, and I certainly will get back to you on the information concerning the case that you mentioned.

Senator HARKIN. Please do so, because evidently it's been 2 years, and according to my information—that's all I can go on—nothing has been done and they have received no response from your Department after 2 years on this issue.

Secretary CHAO. We'll look into it.

Senator HARKIN. So I'd just like to know—

Secretary CHAO. We actually have a good record—

Senator HARKIN. Pardon?

Secretary CHAO. We actually have a good record in recoveries and—

Senator HARKIN. But do you have a record on what's happened with Olean?

Secretary CHAO. We will look into it.

Senator HARKIN. And you will submit that to us then?

Secretary CHAO. Yes.

#### CHILD LABOR VIOLATIONS

Senator HARKIN. Okay, I appreciate that. Next I'm—Madam Secretary, I'm disturbed by reports of an unprecedented agreement, really unprecedented, between the Department of Labor and Wal-Mart in a settlement on child labor violations.

On January 11 of this year, the Department of Labor signed an agreement with Wal-Mart settling a case against the company on violations of child labor laws, in which 85 minors operated hazardous equipment. As part of the settlement, Wal-Mart was granted an unprecedented concession, 15 days advance notice of any future audit or investigation into the company's labor practices.

Well, there's been a lot of stories about this in the press. There was a story printed in the American Progress that DOL had retracted their initial press release on the settlement and re-issued the release with changes that Wal-Mart insisted on. Now these are all in the popular press out there. But again, I must say I'm disappointed the administration is sending the wrong signal on child labor laws, eroding protections by providing advance notification of inspections domestically, while eliminating support for programs to eradicate child labor internationally.

Madam Secretary, are you aware of this agreement with Wal-Mart?

Secretary CHAO. Not initially. This is actually done by—

Senator HARKIN. Are you telling me right now you're not aware of it?

Secretary CHAO. No, I am aware of it.

Senator HARKIN. Oh, you are—you said not initially.

Secretary CHAO. Not initially. This is a—this is consistent with past practices in different regions of Wage and Hour division to enter upon these settlement agreements. In fact, during the previous administration they were called partnership agreements. So claims that this agreement is lenient are totally false. This agreement is consistent with other settlements of other enforcement actions. It is a good settlement. The terms apply company-wide, not just the stores where the violations occur.

Wal-Mart was assessed a higher fine than the average penalty. There was no coordination of any press agreements. The 15 day was actually quite normal and usual. In fact, in the previous administration there have been cases where the previous administration gave up to 90 days of notice. The purpose of the notice is not to allow the company to not comply. The purpose of the period is—of this time period is to allow the—is to remove whatever is the harmful action to occur quickly and then it also benefits the Government to be able to go in and have the company or the employer be prepared to answer questions.

So again, this particular agreement, while I admit is not well written, is consistent with past practices, and the time period, 15 days or whatever given, is quite consistent, in fact is on the lower end of some of the other agreements which we have seen executed under the previous administration. Labor union organizations are also given a period of time in which they are required to compile the necessary documentation so that they can come speak in a more—they can have the documents that they need to be able to speak to the Government. So this is not—this is again—

Senator HARKIN. I'm told—

Secretary CHAO [continuing]. Consistent case. This is consistent with past cases, and it's how it's handled.

Senator HARKIN. I'm told that advance notification has only been given for voluntary enforcements in past agreements, but never in mandatory type of settlements, that this is the first time that this has been done.

Secretary CHAO. This is different from OSHA. This is Wage and Hour. This is not OSHA. This is Wage and Hour and particular—these apply to Wage and Hour infractions. They're very different from OSHA.

And second—

Senator HARKIN. Well, I thought these kids were involved in operating hazardous equipment.

Secretary CHAO. This is not an OSHA issue. This is a Wage and Hour issue, so it's not OSHA.

Senator HARKIN. Well, it was a violation of child labor laws. Eighty-five minors were operating hazardous equipment.

Secretary CHAO. No, the equipment itself is not hazardous.

Senator HARKIN. Oh.

Secretary CHAO. People can—people can operate them, but it was just that these young people operated the—they were bale machines.

Senator HARKIN. Yeah, and kids are not supposed to operate them.

Secretary CHAO. Kids are not supposed to operate that.

Senator HARKIN. I've been through this before with grocery stores.

Secretary CHAO. But this was a—this is not a consistent basis. It was a once—it was an infrequent occurrence which is documented. So when the Government goes in, we need documentation, because it's not as if the child—the young person is standing there at the machine the whole time. It was an infraction at a particular time and a particular day. It was not a consistent pattern of behavior.

But nevertheless, the 15-day notice, or the advance notice, is not unusual. As I mentioned, there were past settlements, in fact—

Senator HARKIN. That involved violations of child labor laws?

Secretary CHAO. Yes. And they also gave much longer periods of—

Senator HARKIN. So there have been past violations of child labor laws in which the Department has agreed to an advance notice of 15 days—

Secretary CHAO. More than that. Under Wendy's and there's another one called Genesis, those are two that come to mind imme-

diately, they were in the previous administration and they gave up to 90 days. This is different from an OSHA violation, because when you have an OSHA violation, there is consistent hazardous behavior. This is—Wage and Hour infractions are intermittent and they're documented much more by paperwork, so it's different. But again, the advance notice has been terribly portrayed in the press. It is not unusual.

Senator HARKIN. So you're saying that Wal-Mart was not given preferential treatment?

Secretary CHAO. No, it was not, and there was no press coordination.

#### INTERNATIONAL LABOR AFFAIRS BUREAU

Senator HARKIN. Okay. When you came before our subcommittee to discuss the 2004 budget, we discussed funding for the elimination of the worst forms of child labor, as you and I often do. This has been a constant communication between us. At that time, you were requesting \$54.6 million in funding for ILAB, the International Labor Affairs Bureau, because you said that more than that amount was then beyond the capacity of one office to absorb. You assured me at the time that we had the same goal, that you wanted to work towards increasing the capacity of the office to administer these programs. I quote, you said, "please be assured that we are not differing at all in the terms of the goal." Further on the record you said, "if you want to build the infrastructure internally, it will take some time. The commitment I assure you is absolutely there." These were your words, Madam Secretary.

Well, what am I to make of the 2006 budget, which proposes a measly \$12 million for these activities? This is an 86 percent reduction from \$54.6 million down to \$12 million. I mean, help me understand this.

Secretary CHAO. We're very concerned obviously with child labor, and I went to Africa, as you know, in December 2003 to review some of the projects which we are in coordination and partnership with the ILO. I have to say, Mr. Chairman, the results of those visits were not very positive.

But nevertheless, the current budget in ILAB does not reflect our reduced commitment to child labor, but perhaps the increasing awareness that we are not the best place to administer these programs, and that the best place for—the best thing for ILAB is to return to its core mission of working on core labor standards and on advocacy, and that's something that this budget reflects.

Senator HARKIN. But I don't see it being picked up anywhere else. I don't see any—you know, it would be one thing if it was cut here but was added some other place and the responsibility was shifted, but I don't see that happening anywhere in the budget.

Secretary CHAO. Well, I think the State Department, AID, and the Peace Corps also does some of these and there are other areas we are told that do have an emphasis on this population as well.

Senator HARKIN. Well, I don't know about that. AID has been focused a lot on disability issues, that's for sure. Mr. Natsios has done a very good job in moving AID towards making sure that U.S. tax dollars are not used to build facilities that are inaccessible. He's done a great job and also the Secretary—I should—also did

that, Secretary Powell, and implemented procedures for disability issues on AID. But I—this is one area though in terms of core labor standards, child labor, worst forms of child labor, where the Department of Labor has had, well, I think some pretty long experience in this area for some time. The State Department hasn't. AID, I think, yeah, in terms of what they're doing for development purposes and responding to issues of disability rights, that's fine.

But in terms of child labor, this is the Department of Labor, not the State Department. And so—I mean, I might argue with you about where it ought to be located, but if the administration wanted to shift it, again, I don't see the money anywhere for it. I don't see any line item authority in the State Department or anywhere else for this to take place. I do see in AID for disability, like I said, but not for these child labor issues.

Secretary CHAO. The other issue is a lot of the monies that were supplemented in the last few years were grant-making, and so I think there was an effort to perhaps bring back ILAB to its original mission of international labor policy, our research, advocacy, and analysis.

Senator HARKIN. Well, I guess that's just a policy difference we have. I mean, I think this Congress, Senate, House, in the past few years, and I think pretty bipartisanly, has spoken strongly both in the previous administration and in this one that we want the Department of Labor to be actively involved in the issue of child labor.

There have been a number of reports from your Department on that that have gone back a number of years. I think it's been recognized in many places that DOL has really moved aggressively on this. Now if you want to say you want to go back to the start, gee, we've come a long way and we still see instances of gross violations, basic decent child labor standards around the globe. And this is leadership. This is the United States of America talking about our role, our moral leadership, our ethical leadership in talking about child labor. And I just hope that it would continue on rather than trying to go back to where we were 10 years ago or 12 or 15 years ago on this.

Secretary CHAO. I think we can still do a great deal. We do take the leadership, for example, we hosted the first worldwide convention of child labor delegates, and through promoting a greater awareness of the problem, through convening the right mix of stakeholders, I think we can do a lot. I'm just not sure that the grant-making part of the resources is something that we can—that we're going to place very much emphasis on as we go forward.

Senator INOUE. Madam Secretary, I'm here to greet you and to welcome you to the committee. I'm trying to save my voice. I just got out of bed with the flu, so I've been advised to maintain a low profile.

If I may, I'd like to submit my questions to you in writing and request some written response.

Secretary CHAO. Of course.

Senator INOUE. Your assignment is a very difficult one, because the policies that you have to work under are oftentimes generated by other Departments, Department of Defense, Department of State, over which your influence may be at best limited. And so,

having served on subcommittees that deal with these two Departments, I'm well aware that oftentimes decisions that you render may have to be determined by our relationship with certain countries. I know that it may not be to your liking, but such are the facts of life, and for that I thank you for your patience and your understanding.

I will be submitting my questions, but I have to save my voice. Thank you very much.

Secretary CHAO. Thank you for coming.

Senator HARKIN. Thank you, Senator. Senator Craig.

Senator CRAIG. Thank you very much, Mr. Chairman. I apologize to the committee and to the Secretary for trafficking late this morning, but there was a bigger billing in a different committee, Elaine. Alan Greenspan was here and we're talking about retiring and the demographics of a workforce. And it's certainly part of your charge and your responsibility, and I understand that.

I think one of the things most significant said, and it will be my only question, I'll review your testimony, and I must tell you I applaud the work you have been doing and the successes you've had in relation to America's workers and the enforcement of law in a clear and transparent way that I think all of us recognize is tremendously important for the credibility of government and for your agency, and you're to be recognized and applauded for that.

I think one of the things the chairman said a few moments ago that I found interesting was really no way to fix the system, and we were discussing Social Security, and look at older Americans' financial security than to keep them a little longer in the workforce. The reality is out there no matter what we do that the demographics are so overpowering as it relates to where we are traveling as a culture. We're going to live longer. We're going to be much healthier living longer. Americans feel much more productive usually if they're in the workforce. And that early retirement is a relatively new phenomenon, that the numbers we're seeing and have seen for the last good number of decades are really products of a difference that 30, 40, 50 years ago was simply not the case.

I found that quite fascinating. He had, as is quite typical of Chairman Greenspan, all the facts, figures, and statistics to back that up. But having said that, in the programs that you look at today in your charge and responsibility, what areas do you believe most effective for those who find the need to stay in the workforce, those that might need some additional training? We may be looking at some, if you will, bumping up, if the skills of 55, 60, 65-year-old people who might choose to stay in the workforce another 5 or 6 years or more, that will be beneficial to them. Is it possible for you to address those programs and what you see in the future?

Secretary CHAO. It's interesting that you mention this topic, because I just—because it's very timely and very relevant. I just got back from the G-8 labor ministers meeting where the theme, interestingly enough, was aging populations. Among the industrialized nations of the world, the graying of the workforce is a huge concern for policy makers.

You are right. Workers these days are living longer, they're in better health, and they don't view retirement as the ending phase of their life, but rather the beginning of a fourth of a fifth phase

of their life. And so we want to ensure that our policies are open and flexible so that individuals who want to remain in the workforce can do so, especially since our workforce is going to be facing a shortage of workers after the—as the baby boom generation retires.

We do have training programs that will re-skill a person to a field in which he or she has not been familiar with. That's all part of the workforce development and training that we are focused upon.

#### HIGH GROWTH JOB TRAINING PROGRAM

Then third, I think with the President's high growth job training program, we have matched resources and individuals with the opportunities that are coming up. We have a need for, you know, 3.4 million health care workers in the next 8 years. We have a need for 1.5 million nurses in the next 10 years. So there are pockets of disequilibrium in our labor market which we've got to address, and older Americans are a very valued segment of our population.

#### UNEMPLOYMENT RATE

By the way, I should mention also the unemployment rate is 5.4 percent nationally this past month. The unemployment rate of seniors is about 3.7 percent. So having said all of that, and given the tremendous interest that the G-8 labor secretaries have on aging workforces, I think it's very timely that our Nation is having this discussion as well on Social Security and also on pension security as well.

Senator CRAIG. Well, I would have loved to have been your travel partner and listened to those discussions, because I've spent a good deal of time looking at what has happened in Japan, and certainly some of the countries of Europe are really well advanced in their aging, if you will, and therefore finding tremendous impact on their social programs within their governments and how they fund them and do all of those kinds of things.

How much of a bias do we still have built in the system to force retirement?

Secretary CHAO. If you're an older American and you want to work, our country had made great progress. We've abolished—we've fought against age discrimination, so that is illegal, and we've done away with mandatory retirement age, and we've raised the Social Security earnings limits.

#### RETIREMENT

But our workforce is still not as flexible as many older Americans would like. Again, retirement is no longer this twilight of one's life where one retires to the veranda and sits on a rocking chair. It is a very active phase of our workforce's life, and people also rebel against—a lot of people are also rebelling against the cliff effect, where one day they're at work and then the next day they're totally disconnected with the only community that they know. So there should be greater flexibility and more openness in our workforce to be more welcoming of those older Americans who still want to—who want to still remain in the workforce.

## SOCIAL SECURITY

Senator CRAIG. Well, I thank you very much for those comments. I think they are very real hurdles for us. We're in the business of trying to get our hands around, and better understand and cause the American people to better understand, the problems of Social Security.

What I think is fascinating about that whole debate that we're now engaging in is that it's—it is a piece of a much larger issue of workforce and aging and all the dynamics of how we keep this country running economically and the security of retirement and the reality of so many other things that now have to be added to it, and the dynamics of the current and future cultures in this country.

So thank you very much. I appreciate you being here.

Secretary CHAO. Thank you.

Senator CRAIG. I guess we're ready to wrap up. Please proceed.

## CHILD LABOR ISSUE

Senator HARKIN. This has been a good discussion listening to Senator Craig, but I want to follow up one last time on the child labor issue, on the \$12 million for all these activities. In the Bipartisan Trade Promotion Authority Act of 2002, it is the statutory obligation of the U.S. Government to: "strengthen the capacity of U.S. trading partner to promote respect for core labor standards." This is the obligation by law of the International Labor Affairs Bureau. So again it's not just research, but this is part of the law, it's an obligation.

So again my question comes back, how do we fulfill this obligation with \$12 million? And do you feel that you can do that with \$12 million? I guess that's really what I'm getting at. I mean, it's not just something we'd like to do. It's now an obligation under law.

Secretary CHAO. We're very concerned about child labor and we will continue to work on that. Again around 1996 ILAB's budget was about \$12 million and then in subsequent years it rose to about \$149 million in 2001. And these were primarily grants, and based on an assessment as to what these grants do and whether they are as effective as they should be, there was some feeling that ILAB should really return to its core mission again of promoting core labor standards, going into research, analysis, and advocacy and more of that.

So there will not be any, for example, any FTE—

Senator HARKIN. I'm sorry?

Secretary CHAO. There will not be large FTE reductions. We expect to have people who will carry on continuing work. But these are—

Senator HARKIN. If there's going to be that big of a cut—

Secretary CHAO. But the ones—but the additional monies are much more grants.

Senator HARKIN. I would think if there was that much of a cut, there ought to be some FTE reductions.

Secretary CHAO. There won't—I don't think there will be.

Senator HARKIN. Again, this is a question I don't know the answer to, but were there assessments made either by your Department or GAO about these grants and the effectiveness of them?

Secretary CHAO. I know that IG has made—

Senator HARKIN. The IG?

Secretary CHAO [continuing]. Has made a study.

Senator HARKIN. Well, maybe I'll get my staff to get a hold of that and see what they said on it, because I'm just not familiar with that. But I just wanted to point out that there is a statutory obligation for ILAB now, and I'm not certain it can fulfill it with \$12 million. If all you were going to do is research, maybe so. But if you have to fulfill this, especially with CAFTA coming up and Andean Trade, all that coming down the pike, I would still think this would be an area where you're going to require more than that.

Secretary CHAO. Well, we want—we want to work with you on it. But it was kind of the assessment that we'd be able to provide this kind of assistance with our in-house Department of Labor employees, that we would be able to offer technical assistance and also coordinating with other grant-making agencies as well.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator HARKIN. Madam Secretary, you've been very gracious with your time. I have some questions I will submit for the record, especially as it deals with the Office of Disability Employment Policy and the veterans employment and training programs. I'll just submit those in writing.

Secretary CHAO. We'll be pleased to answer them. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing.]

#### QUESTIONS SUBMITTED BY SENATOR ARLEN SPECTER

##### SUBSTANCE ABUSE TREATMENT WORKFORCE

*Question.* I have heard from my constituents that in Pennsylvania and throughout the nation, the substance abuse treatment workforce is undergoing turnover rates of 50 percent or higher and there is real question whether the remaining workforce can get the training needed to implement the most effective treatments. This would be a serious problem for any industry but given the alarming public health and public safety issues associated with addiction it is a particularly serious workforce development issue.

I know that your department has initiated effective workforce development programs in several industries such as agriculture, mining and nursing. Do you have any plans to implement such programs for the substance abuse treatment industry?

*Answer.* Health care has been targeted as one of the high growth industries in the President's High Growth Job Training Initiative, and through that initiative the Department has funded a broad array of occupational workforce solutions. This includes such occupations as direct support specialists and paraprofessionals, and we would consider the substance abuse treatment workforce to be a component of this industry. The Department welcomes the contributions of the substance abuse treatment industry as part of the High Growth Job Training Initiative.

Additional opportunities are available to address local workforce shortages through the Community-Based Job Training Grants, which target high growth industries in local communities. Community colleges, as grant applicants, in partnership with industry, the workforce investment system, and the continuum of education providers, including K-12, can submit applications to meet local workforce challenges like the shortage of substance abuse workers under the formal Solicitation for Grant Applications.

## JOB CORPS MANAGEMENT FEE

*Question.* The Workforce Investment Act provides for a management fee of not less than 1 percent for each Job Corps operator and service provider. How much is budgeted for such fees for program year (PY) 2006 compared to 2005? What is the process for determining management fees, and what is the range of percentages currently being provided?

*Answer.* We estimate that management fees in Job Corps will cost about \$44.1 million in PY 2006, which is a very slight increase above the PY 2005 estimate of \$43.9 million. As a percentage of the expenditures under contracts in which management fees are included, such fees represent roughly 4 percent of the costs. In the framework of total Job Corps operating expenditures, fee payments represent only 3 percent of costs.

The fee amounts in individual contracts are determined during the procurement process. The greatest share of Job Corps contracts, in terms of dollar expenditures, contains performance-based fees. The fees in these contracts are structured so that the contractors are guaranteed a fee payment of 3.6 percent and then can earn as much as 2.4 percent above that based on objectively determined performance excellence. These types of performance-based fees are used in our center operating contracts and contracts for post-center career transition services.

## PROGRAM ADMINISTRATION

*Question.* Your budget justification material states that consolidated job training programs will save \$300 million in administrative costs, yet you are not proposing any reduction in Federal staffing. Please explain.

*Answer.* The \$300 million in administrative costs savings created by consolidating job training programs relates to savings realized at the State and local levels, not at the Federal staffing level. Savings realized by States and local areas will enable them to increase training enrollments and provide improved services to their participants.

The Program Administration account was reduced by \$842,000 to reflect program efficiencies created by the consolidation. The reduction in FTE associated with these efficiencies was offset by the anticipated need for FTE to administer the new H-1B job training grant program and the YouthBuild program, which is proposed for transfer from the Department of Housing and Urban Development, resulting in an equal need for FTE staffing in 2006. If the job training grant consolidation were enacted, we would expect further long-term Federal administrative savings would be possible.

## COMMUNITY COLLEGE GRANTS

*Question.* According to GAO, the Labor Department plans to obligate only \$13 million of the \$250 million requested for the Community College Initiative during fiscal year 2006, because unobligated funds from fiscal year 2005 can be used for most of its expected needs through September 30, 2006. Even though the funds are available for the program which extends through June 2007, how do you justify the need for the full \$250 million during this funding cycle?

*Answer.* The Department of Labor has provided GAO with information on the allocation of funds for this program pursuant to the Congressional appropriation process that is utilized for the Department's "forward funded" programs. The \$248 million appropriated in fiscal year 2005 for the Community College Initiative are program year funds and accordingly, none of the funds are available for Federal obligation until July 1, 2005, with a large portion of the funds only becoming available for obligation on October 1, 2005. In preparation to utilize fully these resources during the period of obligational authority, the Department is publishing two solicitations for grant applications—one in April 2005 and the second later during the 2005 calendar year. Each of these competitive solicitations will be for \$124 million. The purpose of these solicitations is to promote the development of strategic partnerships between business and industry and community colleges, and to train workers for the industries creating the most new jobs.

Businesses in high-growth, high demand industries face increased difficulty in finding workers with the skills they need as a result of globalization, the aging of America's workforce, and the fact that technology and innovation are continuously changing the nature of work. As a result, community colleges will be increasingly critical providers for workers needing to develop, retool, refine, and broaden their skills. The initial investment of \$248 million will be an important first investment and allow community colleges to train at least 100,000 workers. The fiscal year 2006

Budget proposes another \$250 million to continue this important new initiative and train at least another 100,000 workers.

One of the purposes of these resources is to build the capacity of community colleges to train workers. The accelerated pace of innovation and technology continuously require new sets of skills in the workplace, calling for a continued focus on capacity building. We must continue to support community colleges in their effort to ensure that workers have and maintain the skills they need to be competitive in a 21st century innovation economy.

#### ONE-STOP SYSTEM ELECTRONIC TOOLS

*Question.* Page ETA-12 of your Budget Justification Material lists a request of \$48,294,000 for “One-Stop System Electronic Tools.”

What exactly is being funded with this request, and how does it compare to the fiscal year 2005 funding level?

*Answer.* Although there appears to be a significant decrease in this line item in the fiscal year 2006 request as compared to the fiscal year 2005 enacted level (\$48,294,000 compared to \$97,974,000), the actual decrease is approximately \$10 million. Funding for this line item reflects the movement of the \$39,690,000 in funding to States for workforce information activities (Core Products & Services and LMI Research & Development) formerly housed in this budget line item into the WIA Plus State Consolidated Grants.

This line item has traditionally been utilized to support national electronic tools such as America’s Job Bank, America’s Career Information Network, America’s Service Locator, and the Occupational Information Network (O\*NET). These electronic tools help in the preparation of a competitive workforce to keep the United States viable in the global economy and support the President’s Temporary Worker Program. In addition, other funds in this line item were targeted to system building activities designed to enhance the delivery of services through the nation’s One-Stop Career Centers and to provide national infrastructure for performance accountability. The approximately \$10 million reduction in the 2006 request is in the system building activities.

DOL has been actively evaluating this line item to ensure that it provides the critical workforce information products and tools necessary to support the workforce investment system and the President’s Temporary Worker Program. We have also been actively identifying mechanisms to control the costs for the current tools. This has resulted in strategic changes to the suite of tools that are supported. For example, DOL now supports a new Web site—Career Voyages ([www.careervoyages.gov](http://www.careervoyages.gov))—that is designed to provide young adults and transitioning workers with a career exploration tool for careers in high growth, high demand industries. We have also developed a new Web space to promote the transformation to a demand-driven workforce investment system called Workforce One ([www.workforce3one.org](http://www.workforce3one.org)) where we feature new and innovative approaches to workforce development. We are currently in the process of developing a clearinghouse for industry developed competency models and skills standards.

Below is a brief description of each of the current electronic tools supported by this line item:

- The CareerOneStop (COS) Electronic Tools—a suite of Internet-based tools that consists of:
  - America’s Job Bank.*—An electronic job board where businesses can search for candidates and post job listings and job seekers can search for jobs and post their resumes;
  - America’s CareerInfoNet.*—A site that provides access to occupational projections and other workforce information for career exploration;
  - America’s Service Locator.*—A site that provides location information for One-Stop Career Centers and other workforce services;
  - CareerOneStop Portal.*—The home page that provides a central access point to all the content of the COS sites, by topic and customer group;
  - Workforce Tools of the Trade.*—A Web site designed to support the professional growth of workforce investment professionals that help business and citizens meet their workforce needs;
  - On-Line Coach.*—A tool that is integrated into the COS to help individuals not as familiar with the COS sites to navigate through the numerous resources available based on common issues or problems they may be facing—the tool then walks them step-by-step through the appropriate resources; and
  - Toll Free Help Line.*—The TFHL (1-877-US2-JOBS) provides telephone access to job seekers and businesses on a wide-range of workforce issues.

—*Occupational Information Network (O\*NET)*.—An occupational classification system that provides detailed information on occupational characteristics and skill requirements and serves as the common occupational language for the COS as well as the workforce investment system as a whole.

LEGISLATIVE SAVINGS

*Question.* The Administration is proposing legislation to save both unemployment compensation and workers’ compensation funds. Provide an estimate of savings from each component of these proposals for each year, from fiscal year 2006 through 2015 (10 years). Provide the legislative text for these proposals.

*ETA’s Response*

Answer. The unemployment insurance (UI) integrity proposal is made up of five amendments. Amendment 1 would allow States to use up to 5 percent of recovered overpayments for benefit payment control. Amendment 2 would allow States to permit collection agencies to keep up to 25 percent of recovered overpayments and delinquent taxes. Amendment 3 would require a minimum 15 percent penalty on fraud overpayments, to be used for benefit payment control. Amendment 4 would prohibit non-charging benefits when an overpayment is the employer’s fault. Amendment 5 would allow intercept of Federal income tax refunds for recovery of overpayments. The savings breakdown, in millions of dollars, for this proposal is as follows:

[In millions of dollars]

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006–15
Amendment 1 .....	.....	12	23	24	25	26	28	29	30	32	229
Amendment 2 .....	.....	4	9	9	10	9	10	11	12	13	87
Amendment 3 .....	.....	39	80	84	88	93	97	101	105	111	798
Amendment 4 .....	.....	10	22	24	25	26	28	29	31	32	227
Amendment 5 .....	.....	281	282	284	288	302	317	331	347	362	3,082
Total Proposal .....	.....	281	347	418	429	436	456	480	501	525	4,423

These are our best estimates of the savings and delinquent tax collections which would result from this proposal. However, of the total 10-year savings, only \$3.082 billion is scorable under CBO and OMB scoring rules. We also estimate that the proposal would produce tax reductions of \$2.856 billion over 10 years.

Draft legislation for these proposals was sent to Congress in June.

*ESA’s Response*

Answer. The 2006 Budget includes two reform proposals affecting Federal workers’ compensation programs: Federal Employees’ Compensation Act (FECA) reform, and Black Lung Disability Trust Fund debt restructuring.

*FECA Reform.*—The Budget proposes to reform FECA to improve program fairness, speed claims processing, adopt best practices of State workers’ compensation programs, and implement recommendations of DOL’s Inspector General. Attached is a spreadsheet that shows the FECA Reform savings by provision and fiscal year. Legislation is expected to be transmitted to Congress this fall.

*Black Lung Trust Fund Debt Restructuring.*—The proposed legislation seeks to restore solvency to the Black Lung Disability Trust Fund, which currently has a \$9 billion debt to Treasury. The Administration’s legislative proposal would: (1) refinance the debt to take advantage of current, low interest rates; (2) extend until the debt is repaid the Fund’s excise tax levels, which are set to revert to lower levels in January 2014; and (3) upon enactment of the bill, provide a one-time appropriation for a payment to the U.S. Treasury to cover the forgone interest payments. Because this is an intragovernmental transfer, there is no net government-wide budgetary effect until the 2014 (when the current excise tax rates are extended). The following chart provides the year-by-year estimates:

	Approp	Advances	Excise tax effect
2006 .....	\$3,808	(\$452)	.....
2007 .....	.....	(443)	.....
2008 .....	.....	(433)	.....
2009 .....	.....	(429)	.....
2010 .....	.....	(430)	.....
2011 .....	.....	(433)	.....

	Approp	Advances	Excise tax effect
2012 .....	.....	(434)	.....
2013 .....	.....	(436)	.....
2014 .....	.....	(700)	\$261
2015 .....	.....	(833)	378

Legislation is expected to be transmitted to Congress this fall.

For FECA Reform:

The following chart provides the year-by-year estimates for each provision:

	Conversion benefit	Three-day waiting period	Eliminate augmentation	Survivor cap at 70 percent	Concurrent schedule award and disability compensation	Subrogation rights for COP (savings to Gov't)	Increase burial benefit	Increase maximum disfigurement award	Net savings to special fund/ Government
2006	.....	(\$4,909,020)	(\$12,015,616)	(\$106,496)	.....	(\$1,903,104)	\$640,000	\$345,000	(\$17,949,236)
2007	(\$1,548,747)	(5,026,836)	(31,803,310)	(305,136)	\$2,385,956	(1,948,778)	640,000	345,000	(37,261,852)
2008	(4,546,223)	(5,147,480)	(39,920,647)	(492,847)	4,759,088	(1,995,549)	640,000	345,000	(46,358,659)
2009	(7,431,599)	(5,271,020)	(48,033,265)	(671,802)	7,255,545	(2,043,442)	640,000	345,000	(55,210,584)
2010	(10,260,326)	(5,397,524)	(56,146,377)	(841,047)	7,429,678	(2,092,485)	640,000	345,000	(66,323,082)
2011	(13,085,659)	(5,527,065)	(64,263,845)	(1,003,042)	7,607,990	(2,142,705)	640,000	345,000	(77,429,325)
2012	(15,908,472)	(5,659,715)	(72,392,698)	(1,156,980)	7,790,582	(2,194,130)	640,000	345,000	(88,536,412)
2013	(18,731,097)	(5,795,548)	(80,537,429)	(1,304,431)	7,977,556	(2,246,789)	640,000	345,000	(99,652,738)
2014	(21,553,774)	(5,934,641)	(88,703,356)	(1,447,152)	8,169,017	(2,300,712)	640,000	345,000	(110,785,617)
2015	(24,380,724)	(6,077,072)	(96,895,409)	(1,583,296)	8,365,073	(2,355,929)	640,000	345,000	(121,942,356)
Ten-year Total	(117,446,620)	(54,745,922)	(590,711,951)	(8,912,228)	61,740,483	(21,223,622)	6,400,000	3,450,000	(721,449,860)

## OSHA RESOURCES TARGET ERGONOMIC HAZARDS

*Question.* What level of funding has been targeted for worker protection from ergonomic hazards for fiscal year 2006 budget request?

*Answer.* The resources utilized to address ergonomics in the fiscal year 2006 budget request are contained within all of OSHA's budget activities and are not separately identified or earmarked to address ergonomics or any other specific issue.

*Question.* For what activities has funding been requested?

*Answer.* OSHA's approach to ergonomics involves focused activity by the entire agency in addressing the four prongs of the ergonomics policy: industry specific and task-specific guidelines, strong enforcement, outreach and assistance, and research.

*Question.* How many FTEs have been assigned to work on ergonomics?

*Answer.* The agency has not specifically identified the number of staff working on ergonomics. The staff necessary to address ergonomic concerns is available as needed within the ongoing enforcement, outreach, and regulatory activities of the agency.

*Question.* How many ergonomists does OSHA employ and what are their responsibilities?

*Answer.* Although there is no formal Federal job classification titled "ergonomist," OSHA currently employ four Certified Professional Ergonomists (CPE), one Certified Industrial Ergonomist, and one Industrial Engineer whose education and experience is Human Factors Engineering. Of these six, two are employed in two different Regional Offices and provide enforcement oversight; one works at our Salt Lake Technical Center; one works in the National Office on guidelines; one is a training and curriculum developer; and one is a Compliance Assistance Specialist whose job is to provide assistance on a broad range of safety and health topics. All of these positions include providing training and assistance to compliance staff and outreach and assistance to the regulated community.

*Question.* How many enforcement actions has OSHA taken pertaining to ergonomic hazards during fiscal year 2004 and fiscal year 2005 to date?

*Answer.* OSHA assessed ergonomic conditions in 707 inspections opened in fiscal year 2004. Of these 707 inspections, 108 were conducted under Regional or Local Emphasis Programs which focus inspection resources on industries in which high rates of musculoskeletal disorders are known to occur.

As of March 31, 2005, OSHA has assessed ergonomic conditions in 151 inspections conducted in fiscal year 2005. Of these, 41 were conducted under a Regional or Local Emphasis Program with a focus on evaluating musculoskeletal disorders.

*Question.* Specifically, how many hazard warning letters have been issued on ergonomic hazards, and how many general duty clause 5(a)(1) citations have been issued, and the date of their issuance?

*Answer.* Since the beginning of the Secretary's four-pronged approach to ergonomics in April 2002 through April 2005, OSHA has issued 380 ergonomic hazard alert letters. Many ergonomic inspections are still ongoing in fiscal year 2005; however, for those that have been concluded we have issued 26 ergonomics-related Hazard Alert Letters (EHALs). In fiscal year 2004, we issued 107 ergonomic hazard alert letters. Each EHAL recommends ways to reduce ergonomic hazards, and indicates that OSHA may conduct a follow-up inspection to assess the extent to which the employer has taken such action.

OSHA issued a total of 11 general duty clause citations between February 2003 and August 2003, and five citations were issued between November 2003 and August 2004.

*Question.* How many inspections on ergonomic hazards does OSHA plan in fiscal year 2004 and fiscal year 2005?

*Answer.* In general, OSHA does not have a pre-determined number of inspections under which we target ergonomics. In fiscal year 2004, OSHA assessed ergonomic conditions in 707 inspections. For fiscal year 2005, we estimate that our compliance staff will evaluate approximately 850 worksites for ergonomic issues.

*Question.* What ergonomic guidelines have OSHA issued to date, and what is planned through fiscal year 2006?

*Answer.* OSHA has issued ergonomics guidelines on nursing homes, retail grocery stores and poultry processing. A draft of the shipyard guidelines will be released for public comment shortly. The agency plans to finalize the shipyards document after considering the public comments. No decisions have been made regarding additional OSHA guidelines.

## FAITH BASED COMMUNITY INITIATIVES

*Question.* You are requesting a \$2,100,000 increase for a "Faith Based and Community Initiatives," for a total of \$37,432,000 (pg. DM-12). What distinguishes these

projects from faith-based initiatives of the Employment and Training Administration?

Answer. The total you refer to is for the entire Program Direction and Support budget activity in the Departmental Management appropriation. This activity includes funding for the Office of the Secretary as well as other Departmental policy organizations such as the Center for Faith-Based and Community Initiatives. For fiscal year 2005, approximately \$600,000 of the \$26,618,000 appropriated for this budget activity is used to fund the Center for Faith-Based and Community Initiative. This amount does not even fully cover the administrative needs for a staff of seven. Thus the entire amount in fiscal year 2005 is used to pay for the staff to implement the President's Faith-Based and Community Initiative.

The Center for Faith-Based and Community Initiatives does not have a program budget. The Center works with the Employment and Training Administration and other DOL grant-making agencies to improve funding opportunities for grassroots faith-based and community organizations. This includes implementing new pilot and demonstration programs as well as assisting agencies in simplifying grant application and reporting procedures.

DOL's request of \$2,100,000 in fiscal year 2006 will be used for State and local implementation of the Initiative by providing technical assistance to State and local workforce development entities undertaking projects that integrate faith-based and community organizations in workforce development service delivery.

*Question.* How much do you expect will be available for new starts and how many new projects in fiscal 2006?

Answer. Of the amount requested, one third of the funds will be used to provide the administrative costs of employing staff. The remaining two thirds of the requested increase will be used to provide technical assistance to fiscal year 2005 and fiscal year 2006 grantees. This funding will be used to ensure the success of ongoing projects.

New fiscal year 2006 grants will be funded from appropriations provided to the Employment and Training Administration for program purposes. The Center for Faith-Based and Community Initiatives is working with the Employment and Training Administration to determine the level of funding to be allocated for this purpose and the number of new grantees that these funds will allow.

#### MSHA COST DUST MONITORS

*Question.* What is the status of the Personal Dust Monitor being tested by the Mine Safety and Health Administration?

Answer. MSHA is currently participating in a collaborative study with the National Institute for Occupational Safety and Health (NIOSH) to examine the long-term mechanical, electrical, accuracy, and precision performance of the PDM in a variety of underground coal mine environments. As of May 26, 2005 MSHA and NIOSH completed all of the 10 detailed in-mine studies. For the special area sampling portion of the study, 47 of the 180 mechanized mining units remain to be sampled. MSHA expects the study will be complete by August 2005 and that NIOSH will issue a report by October 2005.

*Question.* Do you expect to issue new mine safety enforcement regulations as the result of this new technology being utilized?

Answer. On June 24, 2003, MSHA issued a News Release announcing its intention to suspend all work in the finalization of the proposed *Single Sample (SS)* and *Plan Verification (PV)* rules and to pursue accelerated research on the PDM. MSHA also declared its commitment to "move forward in a new and positive direction with a final rule" that incorporates new requirements for monitoring dust exposures that reduces miners' risk of black lung disease" upon successful completion of in-mine performance verification testing of the PDM units. The Department will review the various options, including rulemaking, for the eventual application of this novel monitoring technology in our Nation's coal mines.

#### OVERTIME REGULATIONS

*Question.* You are not asking for any increase in staffing for enforcement of Wage and Hour Standards, despite the major overhaul in overtime regulations that went into effect August 23, 2004. What is the Department doing to enforce compliance with the new overtime regulations?

Answer. The final rule went into effect on August 23, 2004. Since the final rules were published in April 2004, ESA staff has participated in over 630 compliance assistance seminars reaching some 63,000 employers, employees and others. ESA also launched the new FairPay web site, which provides online training seminars, model salary basis policy, numerous fact sheets and frequently asked questions. Recently,

the agency has updated its interactive on-line elaws advisor to include the new overtime rule. The advisor averages 35,000 users a month.

ESA's ongoing Overtime Security Task Force initiative involves 162 targeted investigations of employers with low-salaried employees. The initiative was designed to secure overtime protections for the 1.3 million salaried workers who are now entitled to overtime because of the salary increase. Five planned regional employer forums have already been conducted in connection with this initiative.

*Question.* What has been the experience to date with complaints and litigation?

*Answer.* Contrary to the dire predictions of some, the new rule has proved to be a catalyst for compliance. Media reports from around the country confirm that as employers have reviewed how they classify employees, many workers who should have been paid overtime under the old rules have gained overtime protection for the first time, in addition to the many workers who have gained overtime protection as a result of the higher salary level test. The new overtime security rules have put in place much needed overtime protections for millions of workers, especially lower-wage workers.

For example, a Wall Street Journal article published April 18, 2005, notes that more workers gained overtime protections than lost them under the new rules, citing recent surveys and consultations with employers to suggest that few employers reclassified any employees as exempt from overtime while many more employers gave overtime protection to some workers who did not have it before.

The few Federal courts that have considered the new rules have concluded that the duties tests are essentially the same as under the old rules and that the outcome of the cases would be the same as under the old rules.

#### CIVIL MONETARY PENALTIES FOR VIOLATIONS OF FLSA

*Question.* You are proposing legislation to increase penalties for violations of child labor and health and safety laws. How many additional resources do you estimate would be collected in fiscal year 2006 from these higher penalties?

*Answer.* The proposal, which would increase civil monetary penalties for violations of the Fair Labor Standards Act's youth employment provisions that result in the death or serious injury of a young worker, would provide ESA with stronger deterrents and more effective penalties to address the most serious of the youth employment violations.

The Department estimates it would receive no additional resources as a result of the increase in child labor civil monetary penalties. The proposal specifies that civil monetary penalties collected for youth employment violations are to be deposited in the general fund of the Treasury, as they are currently. The funds are not now, and will not be, returned to the Department as means to augment its enforcement efforts.

#### ASSOCIATION HEALTH PLAN LEGISLATION

*Question.* Is the Labor Department's fiscal year 2005 budget sufficient to effectively administer Association Health Plan (AHP) legislation, or would additional resources be necessary?

*Answer.* The Department's fiscal year 2005 budget that has already been enacted does not include resources specifically allocated for AHP administration. This is due to the fact that the legislation has not been finalized, and we do not know the extent of the Department's jurisdiction, authority, or workload.

The Department will make determinations about any additional funding and staff requirements when the legislation becomes law.

#### H-1B SKILLS TRAINING GRANTS

*Question.* Madame Secretary, while the Department of Labor's budget request identifies a number of proposed competitive grant programs, such as Prisoner Re-Entry and Community College/Community-based Training grant programs. The Department's fiscal year 2006 budget request does not identify the H-1B skills training program, which is financed through employer paid H-1B fees, as one of those competitive grant programs.

With roughly \$125 million available in fiscal year 2006 for these H-1B skills training grants, can I have your assurance that these grants will continue to be awarded on a competitive basis, as they have been in previous iterations of the H-1B grant program, and coordinated through the workforce investment boards?

*Answer.* The implementation plan for the new H-1B job training grant program is currently under development. As you know, the new grant program and the fees on employers submitting H-1B applications that will be the source of funding for the grants were authorized by amendments to the Immigration and Nationality Act

that were contained in the fiscal year 2005 Consolidated Appropriations Act enacted last December. ETA anticipates that the vast majority of investments of new H-1B job training grants will be awarded on a competitive basis. The competitive investments will be strategic partnerships that develop solutions-based approaches to workforce challenges identified by industry. ETA will look to fund mature partnerships between the workforce investment system, education, and employers to implement activities, including job training. These services and activities are designed to prepare workers, unemployed and employed, to take advantage of new and increasing job opportunities in high-growth/high-demand and economically vital industries and sectors in the American economy.

#### OVERHEAD

*Question.* Madame Secretary, the President's budget request states that the President's job training reforms would increase the number of workers trained in large part by eliminating unnecessary overhead. The fiscal year 2006 budget builds on the President's April 2004 proposal for job training reform that sought to "double the number of workers trained." Please define precisely what the Department means when it uses the term "overhead".

*Answer.* Part of the problem lies in the lack of an appropriate statutory definition in WIA of overhead or administrative costs. As a result, too many WIA dollars are spent on overhead and non-training services, such as management studies, travel, and other infrastructure costs. In Program Year 2003, the largest share, or 30 percent of WIA funds, was spent on "Infrastructure." Nineteen percent of funds were spent on employment placement activities while 23 percent was spent on core and intensive services and 28 percent was spent on training. Many of the infrastructure activities are necessary and appropriate, but it is difficult to justify spending more WIA funds on infrastructure activities than on training.

Part of the solution is to more accurately define administrative costs. Through WIA reauthorization, the Administration proposes to specifically define administrative costs, while emphasizing the relative importance of training. The new definition would clarify that administrative cost limits apply to subrecipients and vendors just as they do to primary grant recipients.

More broadly, the consolidation of four separate programs proposed by the Administration will reduce overhead costs by eliminating duplication in the provision of services, taking advantage of gains in economies of scale, and promoting a more effective and efficient use of Federal dollars. Continuation of the four programs—the WIA Adult program, the WIA Dislocated Worker program, the WIA Youth program, and the Wagner-Peyser Employment Service program—promotes "silos" of duplicative government systems providing identical services such as job search assistance and career counseling. By continuing duplicative service delivery systems, taxpayers pay more for administrative costs, overhead, and government bureaucracy, and receive fewer services. Furthermore, States that opt for WIA Plus State Consolidated Grants will be able to eliminate even more duplication.

#### NATIONAL FARMWORKER JOBS PROGRAM

*Question.* Madame Secretary, the Department has once again proposed to eliminate the Migrant and Seasonal Farmworker Program, rating it "ineffective" in an Office of Management and Budget PART assessment. The OMB materials go on to note the program's poor performance accountability. However, the Department's own budget materials indicate that the Program Year 2003 goal was achieved—84 percent of program participants were employed at program exit; 80 percent were still employed 6 months after initial entry into unsubsidized employment and average earnings gains for those employed was over \$4,300. Importantly, 84 percent of farmworkers who participated in education or training under the program received an education or occupational credential or certificate, enhancing their ability to compete for better jobs.

*Answer.* The performance results for the National Farmworkers Jobs Program (NFJP) appear high, but these performance levels only reflect how successful the program is for those participants who receive employment and training services. The majority of the approximately 20,000 farmworkers served through the NFJP—about two out of three—receives related assistance services only (such as emergency assistance, transportation or child care) and do not receive any employment and training services. Therefore, NFJP is providing employment and training services to a very small proportion of the estimated 2 to 3 million farmworkers, and it is difficult to justify the program's overall impact on improving the economic opportunities of farmworkers.

In addition, the PART review found that the NFJP was duplicative of other programs and services available through the WIA Title I programs and that farmworkers would be served better by accessing those services through the One-Stop system. Many NFJP grantees are already partners in the One-Stop delivery system at the State level. Yet, many localities rely on NFJP grantees almost exclusively to serve farmworkers outside the better-suited One-Stop delivery system.

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

ODEP MOU WITH SBA

*Question.* I was very pleased to see that the Department of Labor (DOL) recently signed a Memorandum of Understanding (MOU) with the Small Business Administration on the development of programs and policies to encourage self-employment for people with disabilities. Unfortunately, no DOL funds have yet been committed to this MOU, and the 2006 budget proposes to drastically reduce funding for the Office of the Disability Employment Policy (ODEP). Part of this proposed savings is to come from the elimination of \$16 million worth of grants to enhance employment opportunities for Americans with disabilities. Please provide a list of the \$16 million worth of grants and a justification for why you believe they have outlived their usefulness. In addition, I'd like to know how much of the proposed million in the budget will be allocated toward programs associated with this MOU.

*Answer.* In fiscal year 2006, ODEP will continue, with the Small Business Administration (SBA), to implement the Memorandum of Understanding through the allocation of staff resources (Full Time Equivalents) in order to develop specific activities related to Small Business Development. This includes providing information, technical assistance, and policy guidance to the workforce development and small business development systems, to increase participation of people with disabilities in entrepreneurship training, financing, accessing needed capital, and increasing capital for individuals with disabilities who desire to start their own businesses. ODEP is working with SBA, DOL agencies, and business associations to develop the capacity of small businesses to recruit, hire, retain, and promote people with disabilities by documenting and disseminating effective practices to the small business community.

In addition, the fiscal year 2006 Budget will enable ODEP to continue its core mission of policy analysis, technical assistance and dissemination of effective practices to increase the employment opportunities for people with disabilities. ODEP plans to refocus its research emphasis from a reliance on using externally-grant funded public and private organizations, to a stronger internal emphasis on policy development, analysis, and dissemination.

NATIONAL AGRICULTURAL WORKERS STUDY (NAWS)

*Question.* The President's budget for 2006 proposes a \$13 million increase in the Bureau of Labor Statistics and yet a stop work order went out in January on the \$2 million National Agricultural Workers Study (NAWS). This study determines the distribution of more than \$1.3 billion in government spending. Departmental statements in the past have been that the study was cancelled in an effort to get other Federal agencies to fund the contract. Can you provide a record of DOL attempts to ask other agencies to fund the contract prior to terminating it? What is the status of the contract right now? Have other agencies stepped forward and if not, what are DOL plans with respect to this study?

*Answer.* Let me begin by clarifying that the Department of Labor has not cancelled the NAWS. The Department and this Administration recognize that, although the wages, income, and working conditions for migrant and seasonal farm workers have improved in recent years, these important workers face unique challenges as they continue contributing to the success of the agricultural industry.

As part of the Department's ongoing effort to improve programs that benefit both workers and employers, we have been consulting with other Federal agencies that use the data collected by the NAWS to determine the most suitable host agency for this survey. The Department issued a partial stop-work order to the NAWS contractor on January 12, 2005, but that stop-work order has been lifted and the NAWS contractor is again collecting data and will continue to do so periodically in the future. During the stop-work order, the contractor was instructed to cease survey work but to continue three NAWS-related task orders, one each for the Department's Employment and Training Administration (ETA), the Environmental Protection Agency (EPA), and the Centers for Disease Control and Prevention, National Institute for Occupational Safety and Health (CDC NIOSH). Under these task or-

ders, the contractor is analyzing data, writing reports, testing new questions, and providing special data sets.

The Department continues to evaluate survey options for the future. We recently produced the ninth NAWS Report, which is based on information collected in fiscal years 2001–2002. We are in the process of analyzing NAWS data from fiscal years 2003–2004, which will be presented in a future report.

#### SANITARY FACILITIES AND FEMALE EDUCATION

*Question.* Madam Secretary, research has repeatedly shown that the health and survival of children improve in direct proportion to the mother's level of education. The education of girls leads to major benefits: higher incomes and smaller families for the girls themselves and more productive economies in the countries that support the education of girls. Despite these statistics, UNICEF has found that girls represent 70 percent of children ages 6–11 who are not attending school worldwide. There are many reasons for this but one simple intervention is making a big difference—girls are more likely to be kept out of school if there are no sanitation facilities. When we put girls' bathrooms in schools, parents are more likely to send their daughters to school rather than to work.

This is why grants have been made from the Basic Education program in the International Labor Affairs Bureau to organizations that build girls bathrooms in schools, primarily in Africa. However, I have recently become aware of reports that the Department of Labor is warning these organizations that for some administrative reason, they cannot leave the toilets in the school after the grants have expired.

If this is true, it is just ridiculous. The whole purpose of the funding was to put the bathrooms in the schools so that generations of girls would get educated and improve their families and their countries—why would we spend additional dollars to take them out after 3 years or 5 years, or whatever the length of the grant?

If the Department is indeed requiring the organizations to remove the equipment, can you please provide the rationale behind this requirement to the committee along with your plan for how you intend to fix this situation?

*Answer.* The Department of Labor (DOL) believes that projects which expand access to quality educational opportunities are a vital tool in combating child labor. Moreover, we strongly agree that the construction of latrines and other sanitary facilities as part of such projects is an effective means of encouraging parents to send their children, especially girls, to school, rather than to work in often exploitive forms of labor. To date, DOL has not directed any grantee to remove latrines from schools, and it is not our intention or desire to do so. However, Federal grant regulations governing the acquisition and use of items of property may require the removal of these sanitary facilities upon the conclusion of the grant, in such cases we are obligated to advise the Bureau of International Labor Affairs (ILAB) grantees of their responsibilities regarding property acquired with Federal grant funds.

You can be confident that the Department will work very closely with its grantees to assist them in retaining any sanitary facilities even after direct grant funding ends, by encouraging them to continue to use the property to support the grant's goals of improving educational opportunities and decreasing exploitive child labor. We believe that such uses of the property will allow indefinite retention of the sanitary facilities under the Federal grant regulations, and we are committed to ensuring the sustainability of these critical projects. Given the nature and value of latrines being funded by ILAB, we believe Federal property regulations would require removal of the facilities or compensation to the United States for the facilities' value only in the rare circumstance that the educational project closes down, or the project seeks to sell or dispose of the facilities.

#### NATIONAL EMERGENCY GRANTS

*Question.* Secretary Chao, at your last appearance before us, you and I spoke about the National Emergency Grant program. I am very concerned that this remains a problem. A majority of States in a recent GAO report stated that they had to delay or deny services to workers as a direct result of the backlog in NEG applications at the Department of Labor. Is it as a direct result of the backlog in NEG applications at the Department of Labor? Is it true that your Department now plans to stop counting the number of days elapsed if there is a problem with an application? If so, will that include routine clerical errors or must there be a significant lack of information for the application to stop being counted?

*Answer.* The Department of Labor is committed to reviewing National Emergency Grant (NEG) applications as quickly as possible, and we have made significant progress in resolving any backlog. When the issue was raised initially, we imposed a goal on ourselves of making award decisions within 30 working days of receiving

a completed application. Further, we have taken steps to simplify and automate the application process through an electronic application system. The GAO study you refer to was based on data from a couple of years ago, prior to these actions.

Phase 1 of the e-application system was operational on July 1, 2004. We are already enhancing this system for State use with a Phase 2 system that will be fully implemented on July 1, 2005. Preliminary testing of Phase 2 with State users received a uniformly positive reception. Additional design enhancements will be developed and implemented next year.

The new NEG e-application system ensures that all necessary information is provided and eliminates the possibility that applications could be rejected purely for clerical errors.

Since the introduction of the e-application system, the Department has seen a reduction in the amount of time required for review and approval of NEG applications, and we expect to improve upon this response time in the future. We have been within our self-imposed timeframe of 30 working days. Further, we will continue to track the application award period. States have not been complaining about NEG timeliness in the past year due to our proactive reform of the program.

Finally, the Department believes that States and localities have sufficient funds to initiate services to workers who may subsequently be served under a National Emergency Grant. Services should not be denied or delayed while awaiting a decision on a NEG award. States carried in almost \$550 million in unexpended Dislocated Worker formula funds—roughly two times the amount available for NEGs.

#### NATIONAL LABOR MARKET INFORMATION

*Question.* The National Labor Market Information programs provide State-by-State information on employment, unemployment, earnings, occupational information, skills trends by industry, worker displacement, and job openings. Policy makers, including those of us in Congress, utilize this information to make decisions on allocation of Federal funds, program planning and evaluation as well as labor market dynamics. Why does the President's budget propose to eliminate the national labor market information programs? What measures will you put in place to ensure that State information is reported in a consistent, timely, and accurate manner?

*Answer.* It is important to clarify that the funding for workforce and labor market information within DOL occurs in two different agencies. The Bureau of Labor Statistics (BLS) funds States to collect a wide array of information, including the information mentioned in the question. That information is available on a State by State basis and is also used as the foundation for national labor market statistics.

The Employment and Training Administration (ETA) provides funding to States to develop workforce information as a service to businesses and job seekers. The data and statistical information that States collect on behalf of BLS is an important foundation for the workforce information funded by ETA. However, supplemental workforce information may come from many other sources including census data, State economic development data, educational data, data collected by industry trade associations, and information received from direct contact with the business community. The goal of ETA's investments is to transform these BLS and supplemental data sources into workforce intelligence through analysis and the development of user-friendly tools and products.

The U.S. Department of Labor fiscal year 2006 budget proposal for ETA does not eliminate the national labor market information programs. As part of the proposed WIA Plus State Consolidated Grants, \$39,680,000, which was previously provided to States in a stand alone grant, would be moved from the One-Stop Career Center/Labor Market Information line item into the consolidated grants to support State development and dissemination of workforce information. The consolidation of the workforce information funding into the WIA Plus Consolidated Grants will serve as an additional catalyst for transforming the silo system of the past into a demand-driven workforce information system that provides more and better information products and services that consumers will need in making strategic and tactical workforce investment and critical career decisions.

The consolidation proposal does not affect funding for BLS or the Census Bureau, where much of the information used in the national allocation of Federal funds, program planning, and evaluation, as well as labor market dynamics information is provided.

#### JOB CORPS

*Question.* Madam Secretary, this Subcommittee has demonstrated a long-standing support for the Job Corps program. That support has been based on proven results working with disadvantaged youth. Despite the fact that 74 percent of Job Corps

enrollees are high school drop outs and 32 percent come from families on public assistance, 90 percent of Job Corps graduates are placed in full-time employment. The average hourly wage for Job Corps graduates at 6 months after initial placement is \$8.95 per hour. This is a real opportunity for kids who are headed down a tough road.

In the current economy, however, this figure does not adequately reflect the benefit of Job Corps to graduates because it does not address the health and pension benefits. Please submit data to the Committee on the availability of health and pension benefits to Job Corps graduates 6 months after initial placement, the estimated value of those benefits, and other significant benefits such as the opportunity for continuing education or ongoing training. Madam Secretary, these benefits are getting more valuable by the day and I strongly urge you to incorporate this question in your 6 and 12 month follow-up surveys.

Answer. Both the 6-month and 12-month follow-up surveys ask initially-placed graduates (who indicate that they were employed during the week prior to the survey) whether any benefits are available to them through their job. Specifically, the survey asks whether the employer offers a health insurance plan, paid sick leave, paid vacation, childcare assistance, or a retirement or pension plan. The 6-month and 12-month surveys do not collect information in regard to the value of these benefits.

The table below depicts the percentage of graduates, employed at 6 months and/ or 12 months during PY 2003, who responded to the survey that their employer offers one or more of the listed benefits.

Benefits offered by employer	Percent of employed graduates offered benefits	
	at 6 Months	at 12 Months
Health Insurance Plan .....	62.0	61.7
Paid Sick Leave .....	49.2	51.2
Paid Vacation .....	61.0	61.0
Childcare Assistance .....	15.5	17.2
Retirement or Pension Plan .....	42.2	45.6

Not included in these data are the over 1,581 Job Corps students placed in the military during PY 2003, all of whom, as service members, receive benefits such as medical, dental, 30 days paid vacation, an automatic \$32,000 Montgomery GI Bill, and 100 percent tuition assistance for college education.

*Question.* In addition, while I am a strong supporter of the benefits of online learning for rural areas and I am certainly always appreciative of budget savings, I am concerned about the suggestion in your budget documents that you want to move toward relying more heavily on online learning in Job Corps Centers. The kids in these programs are difficult to reach and Job Corps does a fantastic job of turning them around. At the heart of the program is the personal connection that highly qualified instructors make with these kids, cheering them on and giving them a real sense of accomplishment. Can you provide a 5 year plan for Job Corps curriculum? Please include information on the manner in which online learning will be utilized to deliver services to Job Corps participants.

Answer. Since 2002, Job Corps centers have increasingly provided online and server-based courses to students to enable them to complete their high school programs and receive diplomas. These programs are particularly beneficial in situations where the Job Corps centers are in rural locations and/or cannot make arrangements with local high schools to allow students to attend classes.

In Job Corps classrooms with online learning opportunities, an instructor circulates among the students to answer questions and provide one-on-one assistance. Group instruction and written materials are often incorporated with the delivery of online courses. Currently Job Corps centers do not use a single online curriculum. Operators of multiple centers tend to have contracts with online course and software providers to enable cost-effective delivery to several centers.

In PY 2005, however, the Job Corps National Office plans to undertake a major effort to establish standards and curriculum for foundation courses in reading, math, and writing and to establish core standards for high school programs with recommended curricula. These efforts will follow the development of strategic education and instructional technology plans. Therefore, Job Corps does not currently have a 5-year curriculum plan in place. While the specific approaches to incorporating online and other curricula will be based on the planning process, Job Corps

intends to build on best instructional practices and courses to create a “blended learning” approach involving a mix of face-to-face and online instruction. This approach has been proven effective in engaging students with diverse learning styles and abilities and enabling them to work closely with qualified instructors. The use of online learning will also allow students to have equal access to Job Corps’ newly developed core curricula, based on rigorous standards in both academic foundation skills and high school programs.

#### HIGH GROWTH JOB TRAINING INITIATIVE

*Question.* As a Member of both your Appropriations and Authorizing Committees, I was very interested to read in your testimony about a new program that is not authorized under the Workforce Investment Act (WIA) called the High Growth Job Training Initiative. You cite the fact that you have spent \$164.8 million for 88 grants since 2002. I have a series of questions related to the expenditure of these dollars.

How many of these grants were awarded on a competitive basis?

*Answer.* The High Growth Job Training Initiative was initiated to model new and innovative strategies to create a demand-driven workforce investment system. In carrying out this mission, the Department awarded grants to model programs using discretionary funding for this activity as is authorized under title I of the Workforce Investment Act. Through unsolicited grants, which are not awarded on a competitive basis, the Department has been able to strategically invest in innovative models that address the key issues industry identified and to do so in the context of different sectors for each industry. Unsolicited grants also have allowed the Department to spark transformation of the workforce investment system to a system that is more demand-driven—that is, more responsive to the skill needs of businesses and industry. This innovative approach to workforce investment features partnerships that include the workforce investment system, business and industry, education and training providers, and economic development working collaboratively to develop solutions to workforce challenges. The 88 grants cited, and a subsequent grant awarded on June 3 to the Pennsylvania Workforce Investment Board for a comprehensive statewide strategy for addressing the workforce needs of Pennsylvania’s plastics manufacturing sector, were awarded as non-competitive grants. All of these grants were subject to review and approval by the Department’s Procurement Review Board.

It has been the Department’s intent from the beginning to move to competitive opportunities following the first round of strategic investments by industry. In June 2005, the Department announced 12 grants, in the health care and biotechnology industries, which were competitively awarded in accordance with a Solicitation for Grant Applications. Moving forward, the majority of future investments will be made on a competitive basis.

*Question.* How many of these grants were awarded directly to private sector companies?

*Answer.* Of the 88 grants cited, three were awarded to private sector companies in partnership with non-profit associations, workforce investment boards, and other public sector entities, which was a requirement. These grants were awarded to:

- Catalyst Learning*, in partnership with Anne Arundel Community College
- Hospital Corporation of America (HCA)*, in partnership with Broward County Community College, Dade County Community College, and Palm Beach County Community College
- Management & Training Corporation*, in partnership with City Colleges of Chicago, Cincinnati State Technical and Community College, Sinclair Community College, Luzerne County Community College, Lehigh/Carbon County Community College, the Metropolitan Chicago Healthcare Council, the Paul Simon Chicago Job Corps Center, the Cincinnati Job Corps Center, the Dayton Job Corps Center, and the Keystone Job Corps Center

Two subsequent grants were competitively awarded in accordance with a Solicitation for Grant Applications to private sector companies. They are:

- CVS Regional Learning Center*, in partnership with Detroit Workforce Development Department, ORC Macro, Wayne County Community College District, Goodwill Industries of Greater Detroit, New Galilee Missionary Baptist Church, Perfecting Church, and Little Rock Baptist Church
- United Regional Health Care System*, in partnership with North Central Texas Healthcare Consortium, United Regional Healthcare System, Wilbarger General Hospital, Electra Memorial Hospital, Seymour Hospital, Vernon College, Midwestern State University, Texas Christian University, North Texas Tech Prep Consortium, Partners-in-Education, and Region 9 Education Service Center

*Question.* Can you provide the Appropriations Committee with a complete list of all of the grants awarded under this program and their geographic locations?

*Answer.* Yes. Through the High Growth Job Training Initiative, the Department has made 101 investments in 12 high growth industries. The details on each award follows:

*Grant Recipient and Location:* Henderson-Henderson County Chamber of Commerce/Kentucky

*Partner(s) and Location(s):* Henderson, Union, and Webster County WIBS; Henderson Community College; the Kentucky Community and Technical College System; Employer representatives from targeted industries; County economic development councils; city and county municipal governments and county high school technology centers/KY

*Funding Amount:* \$2,991,840

*Purpose of the Award:* This pilot will design and deliver demand-driven training and placement services in the following industries: industrial technology, engineering technology, manufacturing, hydraulics, pneumatics and IT. We anticipate that this demonstration will train and place 1,265 workers. It is anticipated that at least 63 percent will be placed within four weeks and 71 percent of dislocated workers will be placed.

*Grant Recipient and Location:* Automotive Youth Educational Systems/Michigan  
*Partner(s) and Location(s):* Automotive manufacturers and dealers' associations; local high schools/national

*Funding Amount:* \$600,000

*Purpose of the Award:* The grantee will demonstrate a demand-driven automotive technician curriculum and training process that uses a new blended training delivery model (including on-line features). This new approach to learning, paired with work-based applications in dealerships across the country, will offer access to expanded learning opportunities in urban and rural communities. This pilot project is projected to train 6,250 new participants in year 1, 7,700 in year 2, and 8,600 in year 3.

*Grant Recipient and Location:* Council for Adult and Experiential Learning/Pennsylvania

*Partner(s) and Location(s):* WIBs in local sites; Community colleges in local sites; hospitals at local sites; Department of Labor Office of Apprenticeship/IL, MD, SD, TX, WA, GA, VA, DE, WI

*Funding Amount:* \$2,174,450

*Purpose of the Award:* This pilot is designed to increase the number of CNAs, LPNs, and RNs by building upon a pre-existing career ladder model and adding an apprenticeship component for CNAs and LPNs. It is anticipated that the demonstration will train approximately 300 students per site at 5 sites for a total of 1,500 students served during the pilot.

*Grant Recipient and Location:* Computing Technology Industry Association (CompTIA)/Illinois

*Partner(s) and Location(s):* Northern Virginia Community College; NFL Films; Okidata; Hill International, Keyport Division; Naval Undersea Warfare Center; Henkels & McCoy; Exodux IT Services; Cosmopolitan Chamber of Commerce/national

*Funding Amount:* \$2,818,795

*Purpose of the Award:* This demonstration will support the development and implementation of a National Information Technology Apprenticeship System (NITAS), a competency-based apprenticeship methodology that supports consistent and flexible credentialing for the career development and advancement of IT workers. It is anticipated that through this demonstration approximately 384,000 IT workers will become registered apprentices and approximately 6,700 employers will register as on-the-job learning providers. The seven-track NITAS career matrix allows workers to progress through all or part of the apprenticeship program using a combination of classroom instruction and on-the-job training. Standardized, industry-recognized certifications are earned as each apprenticeship tier is completed and the certifications are transferable from employer to employer.

*Grant Recipient and Location:* The National Retail Federation Foundation (NRFF)/Washington, D.C.

*Partner(s) and Location(s):* Local WIBs involved in multiple project sites; local community colleges involved in multiple locations; Toys "R" Us; Saks, Inc.; CVS/pharmacy; the Home Depot; seven major shopping center developers; hundreds of large and small retail employers and businesses; NRFF's State and Local Affiliate Network; State and Government Agencies; Community-based organizations/DC

*Funding Amount:* \$2,250,000

*Purpose of the Award:* Grantee will demonstrate a model for creating a comprehensive cross-industry career ladder from sales associate through senior level management. For each level in the career ladder, a core competency and training curriculum model will be developed for distribution throughout the industry and the public workforce system. In addition, the demonstration will train a significant number of incumbent and new workers in the retail sector in partnership with employers and the public workforce system. The curriculum will be disseminated broadly to retail employers across the country through the public workforce system.

*Grant Recipient and Location:* The National Retail Federation Foundation/Washington, D.C.

*Partner(s) and Location(s):* Local WIBs involved in multiple project sites; seven major shopping center developers and hundreds of large and small retail employers and businesses; Montgomery College; NRFF's State and Local Affiliate Network; State and Local Government Agencies; and community-based organizations/national

*Funding Amount:* \$2,815,000

*Purpose of the Award:* This Project will demonstrate the use of retail skills centers' at eight sites that provide retail and customer service education and training services for mall employees and area job seekers. Located in shopping centers, these "skills centers" help retail employers recruit, retain, and advance workers through a range of training options, from language and employability skills classes to customized seminars. This pilot project is projected to train and place over 3,000 individuals in the retail sector.

*Grant Recipient and Location:* National Restaurant Association Educational Foundation/Illinois

*Partner(s) and Location(s):* State Restaurant Associations in each State; International School Licensing Corporation's America's Schools Program/national

*Funding Amount:* \$1,765,000

*Purpose of the Award:* NRAEF will demonstrate the value of creating a national system of State hospitality partnerships through the HBA/ProStart project. These partnerships, in 19 States across the country, are dedicated to the establishment of 900 high school hospitality School-to-Career programs and industry mentoring programs that lead to an industry-recognized national certificate. The goal of the project is to offer work-based learning opportunities for 6,700 students at approximately 6,000 work sites. By increasing student worksite experience and increasing industry involvement in workforce issues through this project, NRAEF will have the ability to cultivate new sources of talent and thus strengthen the hospitality industry by attracting, supporting, guiding, training, and teaching current and future workers.

*Grant Recipient and Location:* National Institute for Metalworking Skills (NIMS)/Virginia

*Partner(s) and Location(s):* Employer partners are mentioned but not specifically named/national

*Funding Amount:* \$1,965,700

*Purpose of the Award:* This demonstration is designed to create a more economical, rational, effective and efficient competency-based apprenticeship model that builds on the time-tested NIMS skill standards credentialing system. Under this demonstration, NIMS will develop a competency web for metalworking occupations consistent with NIMS skill standards.

This includes developing apprenticeship programs and curriculum development for the six competency-based apprenticeship programs with portable, nationally-recognized credentials for these occupations complete with a curriculum guide and implementation guide. It is anticipated that this demonstration will train ATELS staff and industry partners on the apprenticeship programs to better serve the over 500 apprenticeships under way at any one time by employers and associations.

*Grant Recipient and Location:* Community Learning Center, Inc. (CLC)/Texas (two grants)

*Partner(s) and Location(s):* Tarrant County Workforce Development Board; Tarrant County College; Lockheed Martin-Aero; Bell Helicopter-TEXTRON; Interconnect Wiring and Southwest Airlines/TX

*Funding Amount:* \$4,028,400

*Purpose of the Award:* This demonstration project will continue the Aerospace Industry Training Project (AITP) for preparing and placing dislocated workers in aircraft assembly and will provide incumbent workers with advanced training. It is anticipated that 1,024 dislocated workers will receive training and wage increases and that 802 workers will be placed in unsubsidized employment.

*Grant Recipient and Location:* Downriver Community Conference—AutoAlliance International/Michigan

*Partner(s) and Location(s):* Michigan Works Association; Monroe County Community College; Henry Ford Community College; Wayne County Community College; Davenport University; Baker College; AutoAlliance International (joint venture of Ford and Mazda); UAW; Downriver Career Technical Consortium; Flat Rock secondary schools/MI

*Funding Amount:* \$5,000,000

*Purpose of the Award:* It is anticipated that the grantee will demonstrate methods for training and preparing automotive workers for new advanced manufacturing production processes. Grantee will map, track, and analyze transferable manufacturing skills sets and competencies required for the new positions and provide training, assessment and employment for 1,400 worker

*Grant Recipient and Location:* Alameda County Workforce Investment Board/California

*Partner(s) and Location(s):* San Mateo County WIB; Skyline Community College; Ohlone Community College; Genetech; Alza; Baxter; Chiron; Adecco; Gruber and Pereira Associates; Opportunities Industrialization Center West/CA

*Funding Amount:* \$2,000,000

*Purpose of the Award:* Under this pilot, it is anticipated that the grantee will develop career pathways in bio-tech manufacturing, facilities management, quality control, and product engineering. Additionally, the program will work with area community-based organizations to create a "bridge" program to prepare lower skilled individuals for entry-level employment. This pilot project is expected to train up to 150 workers and place them in employment at wages of \$35,000–\$40,000 per year. In addition the grantee is expected to train 40 dislocated engineers and place them in employment at wages of \$50,000–\$80,000 per year.

*Grant Recipient and Location:* Forsyth Technical Community College/North Carolina

*Partner(s) and Location(s):* Forsyth Tech has a local JobLink One-Stop Career Center on campus; grantee is Community College; Syngenta, Targacept, Orthofix and Wake Forest University School of Medicine (WFUSM); North Carolina Biotechnology Center; Wake Forest University; Winston-Salem State University; University of North Carolina-Greensboro; Winston-Salem Chamber of Commerce; Winston-Salem/Forsyth County Schools/NC

*Funding Amount:* \$754,146

*Purpose of the Award:* Forsyth Tech will demonstrate a program designed to implement a biotechnology associate degree training program for the region's dislocated manufacturing workers. Forsyth Tech will retrain workers who have been dislocated from declining industries so that they are qualified for employment in the emerging biotechnology field. The Forsyth Tech curriculum will focus on training laboratory technicians in biotechnology and related pharmaceutical occupations and can be broadly replicated in community colleges across the country.

*Grant Recipient and Location:* Indian Hills Community College/Iowa

*Partner(s) and Location(s):* Iowa Workforce Development; Des Moines Area Community College; Biotechnology Association; Iowa Renewable Fuels Association; Cargill, Inc.; Genencor; Pioneer Hybrid International; Garst Seed; Phytodyne; Kemin Industries; Iowa Biotechnology Association; Iowa Renewable Fuels Association/IA

*Funding Amount:* \$996,250

*Purpose of the Award:* Under this demonstration project, the grantee will establish a comprehensive State-wide approach to growing the biotech industry as a part of the Iowa economic base; Create a skilled workforce through community colleges and workforce investment system partnerships; Educate middle and high-schoolers about biotech career options and skills needed. The grantee anticipates they will train 100 high school teachers and counselors, 100 unemployed and underemployed biotech workers, 600 incumbent biotech workers and provide career awareness training activities to over 6,000 students during the life of the grant.

*Grant Recipient and Location:* Lakeland Community College/Ohio

*Partner(s) and Location(s):* STERIS Corp.; Athersys, Inc.; Lakeland's BioTech Council and its employer members; school systems in Mentor, Ashtabula, and Mayfield, Ohio; Tech Prep Consortium; Ricerca Biosciences; BioEnterprise; Association for the Advancement of Medial Instrumentation; NeoBio; Lakeland Community Learning; Lakeland Center for Quality and Productivity/OH

*Funding Amount:* \$333,485

*Purpose of the Award:* The grantee will develop demonstration training programs that are designed to recruit new workers, beginning at the high-school level and up through a Master's Degree level in northeast Ohio. The grantee will partner with industry to create training and curriculum; develop a BioCenter and a national biotechnology career coaching model. This curriculum will be deseminated broadly ex-

panding the availability of industry-based curriculum and articulating career ladders and competency models designed to industry standards. It is expected that the grantee, as part of their activities, will expand internship and training opportunities through the pilot Bio Center.

*Grant Recipient and Location:* Pittsburgh Life Sciences Greenhouse/Pennsylvania

*Partner(s) and Location(s):* Three Rivers Workforce Investment Board; Community College of Allegheny County; Renal Solutions, Inc. and six additional employers in the area; the Pittsburgh Technology Council; The Allegheny County Job Link/PA

*Funding Amount:* \$2,433,160

*Purpose of the Award:* In this pilot project, the grantee will match trained workers with local area biotechnology companies with the goal of rapidly deploying professionals into biotechnology employment through customized training programs and biotechnology curriculum. The grantee anticipates that they will train and place 200–400 workers in biotech business jobs. As a part of its efforts to support the growth of greater Pittsburgh life sciences employers, the project will provide training for new entrants into biotech as well as retraining for workers affected by declining industries.

*Grant Recipient and Location:* The Workforce Alliance, Inc./Florida

*Partner(s) and Location(s):* the Workforce Alliance; Treasure Coast Workforce Development Board; Indian River Community College; Workforce Florida, Inc.; Palm Beach County Business Development Board and Economic Development Council; Regional Biotechnology Employers; Florida Atlantic University; Office of the Governor; Scripps Research Institute; Palm Beach County's Government; school boards; the Agency for Workforce Innovation; Business Development Board; Economic Development Council/FL

*Funding Amount:* \$2,325,303

*Purpose of the Award:* This demonstration project is designed to retrain employed and unemployed workers to build careers in biotech in the Palm Beach County, Florida area. Through this demonstration project, the grantee anticipates enrolling 110 workers. The grantee estimates that 80 percent of employed and 65 percent of unemployed participants will complete their training with a certification or degree. FAU's Biotech Training Program will establish a biotech career ladder and develop curriculum as well as a program for participants to obtain a postgraduate level certificate in Biotechnology and Bioinformatics. The learning's from this program will be disseminated broadly for replication.

*Grant Recipient and Location:* American College of the Building Arts/South Carolina

*Funding Amount:* \$2,750,000

*Purpose of the Award:* The grantee will demonstrate the development and testing of an innovative, industry-driven curriculum that focuses on the traditional building arts, such as carpentry, ironwork, masonry, timber framing, plasterwork, and stone carving through the first of its kind school, the American College of Building Arts (ACBA). ACBA also will establish partnerships with industry organizations for future internship programs based on this piloted curriculum. The inaugural class of 100 students will be recruited from across the nation to attend this unique restoration training college and will return to local communities for work-based learning opportunities and employment.

*Grant Recipient and Location:* SkillsUSA-VICA/Virginia

*Funding Amount:* \$142,000

*Purpose of the Award:* Grantee will demonstrate methods for increasing the pipeline of skilled trade workers by building advanced competency models and career ladders and provide secondary students interested in the skilled trades with more post-secondary training alternatives, such as the opportunity to continue their skills development in advanced community college programs.

*Grant Recipient and Location:* Oklahoma Department of Career and Technology Education/High Plains Technology Center/Oklahoma

*Partner(s) and Location(s):* Northwest Workforce Development Council; Workforce Oklahoma; Marathon Oil Company; Mid-Continental Oil; Mid-Continental Oil and Gas Association of Oklahoma; Unit Drilling; Patterson-UTI Drilling; BP America Production Company/OK

*Funding Amount:* \$1,546,463

*Purpose of the Award:* In this demonstration project, the grantee will develop a bilingual training curriculum in gas and energy based on the skills needs of local employers. The grantee estimates they will train approximately 500 workers, including 125 workers new and 325 incumbent workers. As part of the demonstration, the grantee will develop and provide training for new and incumbent workers in the oil and gas industry and better integrate the industry with existing workforce development resources in Northwest OK, Southwest KS and the TX Panhandle. This model

will be disseminated to the public workforce system for replication across the country in areas in need of a skilled energy workforce.

*Grant Recipient and Location:* San Juan College Regional Training Center/New Mexico

*Partner(s) and Location(s):* Farmington WIB; local One-Stops in other participant recruitment States (CO, NM, UT, WY); Key Energy Services; Navajo Nation; Church of Jesus Christ of Latter-Day Saints/NM

*Funding Amount:* \$2,113,127

*Purpose of the Award:* This pilot project is designed to develop a regional energy training center with initial recruitment and screening conducted at one-stop centers to provide training to three targeted groups: minorities, predominately Spanish-speaking and Native Americans, underemployed and dislocated worker populations and underemployed incumbent workers. The grantee anticipates training 50 workers to complete applied basic education to attain required literacy level and training 400 workers in a certificate-based training program. The grantee anticipates that 320 candidates will complete the training, with 300 projected placements. In addition, the grantee anticipates that 240 will be retained after 30 days and 210 after 180 days of employment. In addition, the grantee will design a skills-based, competency model curriculum by mapping key occupational skills and benchmarking against the skills of current incumbent workers. This curriculum will be used as the basis for safety training certifications. To support efforts to reach under represented populations, the grantee will also develop video assessment tools, training videos with supportive curriculum written in Navajo and Spanish language. These recruitment tools will be made available to the public workforce system for use in providing career guidance to workers.

*Grant Recipient and Location:* University of Southern Mississippi (USM)—Geospatial Development Center/Mississippi

*Partner(s) and Location(s):* Local WIBs and One-Stop Career Centers; Mississippi Gulf Coast Community College; Pearl River Community College/MS

*Funding Amount:* \$1,565,227

*Purpose of the Award:* In this demonstration project, the grantee will develop a registered apprenticeship program in Geospatial Technology based on a competency model that will be designed as part of the pilot. The grantee anticipates that as part of the project, 30 apprentices will be trained. In addition, training materials, tests for related classroom instruction, and assessments for structured OJT will be developed. Some curriculum modules will be made available through web-based distance learning tools to allow for easy replication by the workforce system in partnership with employers in the Geospatial sector.

*Grant Recipient and Location:* American Health Care Association Foundation/Washington, D.C.

*Partner(s) and Location(s):* George Washington University's Center for Health Services Research and Policy and Wertlieb Educational Institute for Long Term Care Management/DC

*Funding Amount:* \$113,296

*Purpose of the Award:* This research and demonstration project is designed to support the workforce challenges faced by the over 16,000 long-term care facilities across the country. In this project, the grantee will develop an infrastructure of "Best Practice" models to build partnerships for combating the nursing shortage in long-term care that can be expanded, evaluated, replicated, and transported to other areas of the country. This project is designed to support addressing the nursing shortage in long-term care and offer a model designed to be replicable by workforce systems across the country, meeting this critical workforce shortage.

*Grant Recipient and Location:* Berger Health System/Ohio

*Partner(s) and Location(s):* Ohio University/OH

*Funding Amount:* \$200,000

*Purpose of the Award:* This demonstration project is designed to meet the needs of the rural community hospital by holding all classes and clinical rotations at the Berger Hospital facilities for the 3-year, university-based Associate Degree nursing program. The grantee anticipates that through this project, 30 incumbent employees and non-traditional students will enroll in credentialed programs. This project will serve as a model for replication in rural communities across the country, offering employee and opportunity to grow in their careers while remaining in their rural community.

*Grant Recipient and Location:* Capital IDEA/Texas

*Partner(s) and Location(s):* Worksource-Greater Austin Area Workforce Development Board; Austin Community College; in Austin: Seaton Healthcare Network; St. David's Healthcare Partnership; Austin Heart; in San Marcos: Central Texas Medical Center/TX

*Funding Amount:* \$224,088

*Purpose of the Award:* This demonstration project is designed to enable students and lower-skill hospital employees to advance to career training courses by providing tutoring in a key pre-requisite anatomy and physiology course. Tutoring begins the first week of class in order to: (a) increase the success rate of students, thereby reducing the extra expense of tuition, counseling, child care, and time associated with students repeating the course; (b) accelerate graduations; and (c) increase the success rate of disadvantaged students. Rather than take remedial action after students fall behind, the tutoring will raise their chances of enrolling in training for and successfully completing a nursing or allied health occupation.

*Grant Recipient and Location:* Catalyst Learning/Kentucky

*Partner(s) and Location(s):* Anne Arundel Community College/FL, IL, IN, KT, MD, MI, MO, NC, OH, PA, TN, TX, VA

*Funding Amount:* \$3,176,000

*Purpose of the Award:* Make basic skills and work-related education more accessible to adults in low-wage jobs and more feasible for employers by combining interactive television broadcasts in the workplace with additional coursework through printed materials and interactive online exercises.

*Grant Recipient and Location:* Columbia Gorge Community College/Oregon

*Partner(s) and Location(s):* Region 9 Workforce Investment Board; Columbia Gorge Community College; eight area hospitals and health care providers; K-12 school districts; Oregon Health and Science University; and city and county governments/OR, WA

*Funding Amount:* \$1,250,000

*Purpose of the Award:* This pilot project is designed to create a Health Occupations Career Ladder Nursing Program to train 200 new workers and expand CGCC's offerings and opportunities for an Associate Degree in Nursing and a distance learning option for a Bachelor Degree of Nursing Program. The grantee anticipates they will train 200 new healthcare workers. It is expected that forty nurses of 200 total trainees will have the opportunity to earn a BSN through Columbia Gorge's dual admission agreement with Oregon Health and Science University. In addition, the grantee will expand Certified Nursing Assistant/Certified Medication Aide training to fill vacancies created from the pilot project. The grantee anticipates they will offer 7-9 classes per year to train an additional 60 students and to develop opportunities for training including 10-20 CMAs per year.

*Grant Recipient and Location:* Excelsior College/New York

*Partner(s) and Location(s):* Excelsior College; fourteen hospices in New York State, along with one each in Montana, North Carolina, Rhode Island, South Carolina, and Texas; WINs demonstration project in various local areas/MT, NY, NC, RI, SC, TX

*Funding Amount:* \$516,154

*Purpose of the Award:* In this pilot project the grantee is expected to expand the number of registered nurses and create a stable, highly skilled RN workforce for hospices by developing a Hospice and Palliative Care Online Certificate Program (HPCC) that includes a period of practical experience and training supervised by an expert or specialist. The grantee is expected to development of a recruitment strategy designed to attract nurses to end-of-life care. Emphasis will be placed on the recruitment of RNs who are no longer employed in nursing but are interested in re-entering the field, nurses planning to leave the acute care arena, and new graduates. As part of the career awareness, the grantee will establish a website that will give hospices across the nation free access to discuss best practices, announce job openings, and publicize trainings and conferences. The grantee will also develop a 12-month end-of-life nursing training program that will be disseminated broadly to employers and community colleges for replication. The grantee anticipates serving 60 interns and approximately 30 preceptors affecting the quality of care of over 17,000 patients from its 212 hospice partners.

*Grant Recipient and Location:* Florida International University School of Nursing/Florida

*Partner(s) and Location(s):* Florida International University School of Nursing; Hospital Corporation of America/FL, TX

*Funding Amount:* \$1,421,639

*Purpose of the Award:* This innovative demonstration is designed to train 100 baccalaureate-prepared nurses from a pool of foreign educated physicians who are currently unemployed or underemployed, offering a new model for addressing the critical shortage of nurses in this country. As part of the demonstration, the grantee will pilot test a synchronous distance education component utilizing interactive television, offering an opportunity and method of replication for other areas of the country.

*Grant Recipient and Location:* Hospital Corporation of America (HCA)/Tennessee  
*Partner(s) and Location(s):* Broward County Community College; Dade County  
Community College; Palm Beach County Community College/FL, TX

*Funding Amount:* \$4,000,000

*Purpose of the Award:* Under this demonstration, the grantee will address the lack of experienced nurses and set standards that can be replicated across the country by creating a distance learning model and a fellowship program that will create an intensive, hands-on, accelerated learning setting similar to a medical residency. The grantee anticipates that 100 students will enroll in the critical care core program during the first year of the grant. During the second year of the grant, these 100 students will specialize in either critical care specialties or emergency department specialty and an additional 100 students will enroll in the critical care core. In addition to this training, the grantee anticipates that at least 30 students annually will receive sponsored scholarships. This demonstration will also allow for the development of a competency based Basic Arrhythmia challenge examination for experienced nurses as well as various forms of blended e-learning curriculum modules for additional topics in the critical care core curriculum. The project is designed to enhance the basic critical care core on-line curriculum with e-learning course content and didactic and laboratory activities. The model will develop critical care clinic courses for new nursing graduates and experienced med-surg and telemetry nurses and includes a teaching manual that provides course outlines, course syllabi, and clinical assessment instruments.

*Grant Recipient and Location:* States of Georgia, Colorado, Texas, and Florida

*Partner(s) and Location(s):* WIBs in all local areas, HCA, Inc.; community colleges in local sites

*Funding Amount:* \$4,541,205

*Purpose of the Award:* Grantee will demonstrate a program designed to assist workers dislocated since 9/11 by providing training scholarships for employment in high-growth nursing careers, LPN, radiology technologists, surgical technicians and certified nursing assistants. Over 875 individuals along the healthcare career ladder will receive scholarships.

*Grant Recipient and Location:* Johns Hopkins Health System/Maryland

*Partner(s) and Location(s):* Baltimore City WIB; Baltimore City Community College, Community College of Baltimore County (CCBC)/MD

*Funding Amount:* \$3,000,000

*Purpose of the Award:* In this demonstration, the grantee will develop and execute an Incumbent Worker Career Acceleration Program, including five components: (1) an initiative for addressing retention and growth of at-risk workers; (2) a GED and diploma preparation program; (3) an initiative for retraining of employees in declining jobs for emerging jobs; (4) a high-potential worker assessment and skills training program; and (5) an initiative to upgrade training of incumbent workers into critical skills shortage positions. The grantee anticipated that they will have an 80 percent retention rate for 100–150 employees participating in the Retention and Growth of At-Risk Workers Initiative as well as a 70 percent retention rate among 50 incumbent workers receiving a GED or diploma through the initiative; they expect that at least 25 of these individuals will go on to further skills training and higher-skilled positions. They anticipate that 75 participants to receive skills assessment, career counseling, and skills-based training and that 200 incumbent workers will receive assessment and training leading to the staffing of more critical skilled positions.

*Grant Recipient and Location:* Management & Training Corporation/Utah

*Partner(s) and Location(s):* In Illinois: City Colleges of Chicago; the Metropolitan Chicago Healthcare Council; in Ohio: Cincinnati State Technical and Community College and Sinclair Community College; In Pennsylvania: Luzerne County Community College and Lehigh/Carbon County Community College. Also, the Paul Simon Chicago Job Corps Center, the Cincinnati Job Corps Center, the Dayton Job Corps Center, and the Keystone Job Corps Center in Drums, Pa./IL, OH, PA

*Funding Amount:* \$1,500,000

*Purpose of the Award:* The focus of the grant is to unite the efforts of Job Corps Centers with community colleges to address the health care workforce challenges in Illinois, Ohio, and Pennsylvania. This demonstration is expected to train 210 youth over a 2-year period span at three different Job Corps Centers. The grantee is expected to measure retention and completion rates, percent of students who complete training in the project and become employed in the healthcare industry (job-training match), average wage of students employed, long-term attachment to the workforce, and promotions or lateral moves in the healthcare fields. As part of their activities, the grantee will develop outreach materials that are designed to attract low income,

out of school youth between the ages of 16–24 targeting out-of-school youth and Hispanic worker populations.

*Grant Recipient and Location:* Maryland Department of Labor, Licensing, and Regulation and Governor's Workforce Investment Board/Maryland

*Partner(s) and Location(s):* WIB is the grantee; a MOU will be developed among the community college system, the university system and the health care industry/MD

*Funding Amount:* \$1,500,000

*Purpose of the Award:* This demonstration is designed to address the faculty capacity problem by implementing a scholarship program for nurses who pursue credentials to teach nursing and allied healthcare professions. The grantee anticipates offering forty \$10,000 scholarships to nurses selected to obtain teaching credentials in healthcare. In addition, the grantee will offer forty \$10,000 scholarships will be provided to incumbent healthcare workers seeking to become Registered Nurses to replace those who have left to teach nursing. This model is designed to demonstrate partnerships that help backfill RN positions by implementing a scholarship program for Licensed Practical Nurses (LPNs) and other incumbent workers that are seeking their Registered Nurse (RN) credentials.

*Grant Recipient and Location:* North Carolina Department of Commerce Commission on Workforce Development/North Carolina

*Partner(s) and Location(s):* North Carolina WIBs; North Carolina Community College System; NC Hospital Association; University of North Carolina System; NC Department of Health and Human Services; NC Area Health Education Centers/NC

*Funding Amount:* \$1,500,000

*Purpose of the Award:* This demonstration is designed to address North Carolina's critical nursing and direct care worker shortages by targeting the State's pool of dislocated workers. The grantee anticipated training up to 450 displaced workers to enroll in Human Resource Development Plus pilot sites, 300 workers are expected to enroll in additional training with 200 placed in jobs including 120 as direct care workers. In this model, H.E.A.L.T.H. will work to enhance health career development and employability of dislocated workers and provide the needed support for an education and training institution for nursing. In addition, the grantee is building capacity to meet future training needs by training teachers and mentors, including adding MSN faculty with Master's Degrees in the Community College System, to meet on-going demand for healthcare workers.

*Grant Recipient and Location:* Paraprofessional Healthcare Institute/New York

*Partner(s) and Location(s):* Workforce Investment Board of Lancaster County, Pennsylvania; community colleges; Lehman College of New York; North Carolina Foundation for Advanced Health Programs/NY, PA, NC

*Funding Amount:* \$999,902

*Purpose of the Award:* The grantee will provide a range of technical assistance, training initiatives, and materials for the long-term care workforce. Emphasis will be placed on assisting Hispanic caregivers and supporting the nation's Workforce Investment Boards and community colleges in recruiting and training. As part of their activities, the grantee will create a coaching approach to supervision model for front-line supervisor with a curriculum designed specifically for employer-based community colleges and demonstrate the "Four Ps" problem solving training curriculum in partnership with Workforce Investment Board of Lancaster, PA. As part of this demonstration, the grantee will develop an apprenticeship career-lattice model based on work with home care agencies employing Hispanic and African-American workers as home health aides. To allow for replication of the model, the grantee will author a full series of guidebooks, curricula and teaching manuals-written in both Spanish and English-on a range of effective paraprofessional workforce development practices targeted to the home care workforce.

*Grant Recipient and Location:* Pueblo Community College/Colorado

*Partner(s) and Location(s):* Pueblo Work Link (One-Stop Career Center); Pueblo Community College; Trinidad State Junior College; Colorado Community College System; Parkview Episcopal Medical Center/CO

*Funding Amount:* \$715,402

*Purpose of the Award:* This demonstration is designed to bring healthcare training opportunities to outlying areas, and help volunteer medical personnel secure paid employment. As part of the grantee's activities they will create a multi-disciplinary curriculum based on competency models that is facilitated by Distance Learning modalities. As a result of their activities, the grantee expects to increase by 50 percent the efficiency of preparing under-represented minorities to take advantage of health career opportunities by developing a partnership between Pueblo Community College and Pueblo Work Link. The grantee expects that by the end of the grant, the project will increase the number of minority/disadvantaged EMT-I/Respiratory Care

training enrollees by 35 percent at Trinidad State Jr. College and 20 percent at Pueblo Community College.

*Grant Recipient and Location:* Rio Grande Valley Allied Health Training Alliance/Texas

*Partner(s) and Location(s):* Cameron County Workforce Development Board; Lower Rio Grande Valley Workforce Development Board; South Texas Community College; Texas State Technical College; Tech Prep of the Rio Grande Valley; Mission Hospital Harlingen Medical Center; Starr County Hospital; Brownsville Medical Center; Dolly V infant Memorial Hospital; Knapp Medical Center; Rio Grande Regional Hospital; South Texas Health System; Valley Interfaith; Valley Initiative for Development and Advancement/TX

*Funding Amount:* \$4,000,000

*Purpose of the Award:* It is expected as part of this demonstration that the grantee will assist area businesses and community leaders to develop, attract, and retain local talent by enrolling candidates, retaining them through tuition assistance, and developing a High School Concurrent Enrollment program and comprehensive Faculty Sharing Program while drawing from Alliance hospitals' supply of Masters of Science in Nursing. The grantee estimates that 135 participants enrolled in Post Licensure Specialties with a completion rate of 95 percent; 70 students annually prepared in academies; 90 high school juniors and seniors have the annual opportunity to take college classes; 360 participants receive comprehensive case management with 90 percent student retention rates. In this model demonstration, online coursework will be used as part of the Faculty Sharing Program for one allied health specialty and 400 students' clinical rotations coordinated via on-line, regional scheduling.

*Grant Recipient and Location:* State of Oregon/Oregon

*Funding Amount:* \$300,000

*Purpose of the Award:* This demonstration model will support the use of innovative technology to increase the capacity to train students for the health care industry by helping to purchase seven SimMan®, real-time interactive human patient simulators. The simulation technology will be integrated into health care curricula for use by well-prepared and networked faculty, available over the State's broadband Internet network, and affordable for all education and service groups in the State, increasing the capacity of the State to meet training needs for the industry. At least 90 instructors will receive training in using the patient simulators and will provide simulator-based training to at least 225 students.

*Grant Recipient and Location:* Tacoma/Pierce County Workforce Development Council/Washington

*Partner(s) and Location(s):* Bates Technical College; Clover Park Technical College; Tacoma Community College/WA

*Funding Amount:* \$762,659

*Purpose of the Award:* This demonstration is designed to improve and expand the pool of qualified professionals in high-demand health care jobs by training invasive cardiovascular technologists, creating a Comprehensive Career Coaching Program, establishing connections through a Healthcare Educator Network, and reaching out to minorities and youth. The grantee anticipates that 10 participants will complete the Health Unit Coordinator Pre-Apprenticeship Program and 50 healthcare workers will have access to the Comprehensive Career Coaching Program to access and complete high demand healthcare training programs. As part of the demonstration, the grantee will enroll 8 students in the Medical Rotation Program, implement a Health Summer Camp for 15 youths, and enter 15 students per year into a 2-year distance learning program. This grant will increase minority youth participation in job shadow and volunteer programs by 10 percent.

*Grant Recipient and Location:* Healthcare Workforce Network/Wisconsin

*Partner(s) and Location(s):* Northwest Wisconsin Workforce Investment Board, Ashland; Burnett Medical Center, Grantsburg; Flambeau Hospital, Park Falls; Memorial Health Center, Medford; Memorial Medical Center, Ashland/WI

*Funding Amount:* \$215,600

*Purpose of the Award:* This project will demonstrate the use of distance learning to train healthcare workers in rural areas and establish ongoing, collaborative relationships among rural health care providers and the One-Stop Career Center system. The grantee will pool financial, material, and human resources of small, remote hospitals and clinics for the purposes of increasing the supply and retention of health care professionals, and develop distance learning materials, including web-based training modules and satellite broadcasts. At least 300 incumbent workers will successfully complete at least one skills-upgrade module. The project will also increase the local pool of interested healthcare workers by 25 percent.

*Grant Recipient and Location:* The 1199 SEIU League Grant Corporation on behalf of the League 1199 SEIU Training and Upgrading Fund/New York

*Partner(s) and Location(s):* NYC Department of Education; the Consortium for Worker Education/NY

*Funding Amount:* \$192,500

*Purpose of the Award:* As part of this demonstration the grantee expects to expand the Contextualized Literacy Pre-LPN Program, which combines literacy and job training in preparation for LPN programs. This pre-LPN program has been designed for low-level health-care workers who have been out of school for a long period of time and have had difficulty passing entrance exams. The grantee expects to implement 10 pre-LPN classes of 25 students each (250 students) who will enroll in a 35-week contextualized course of study that will prepare them to pass the C-NET exam and lead to enrollment in an accredited LPN program. It is expected that 90 percent of the 250 workers pass the C-NET test and enroll in an LPN program, supporting meeting this critical workforce shortage. As part of the demonstration, the grantee will develop an easily replicable demonstration model of contextualized literacy for similar programs within the adult education and health care industries, allowing for replication throughout the workforce system in partnership with health care employers across the nation.

*Grant Recipient and Location:* The Evangelical Lutheran Good Samaritan Society/South Dakota

*Partner(s) and Location(s):* In South Dakota: Lake Area Technical Institute, Watertown; Sioux Valley Hospitals and Health System; University of South Dakota; South Dakota State University, Brookings; in Nebraska: Bellevue University, Bellevue; pullUin software/South Dakota Health Technology Innovations Inc./MN, SD, ND

*Funding Amount:* \$1,877,517

*Purpose of the Award:* In an effort to increase the pool of qualified workers, this demonstration is designed to raise public awareness of health care career opportunities by recruiting from high schools and non-traditional labor pools such as displaced workers. As part of the project, the grantee will produce a video/CD entitled "It's Happening in Healthcare!" that will be distributed to schools, the workforce investment system and other entities to promote healthcare careers with a specialized target of nontraditional workers. The grantee will also develop an online "virtual caregiver" that will provide a realistic view of career options in this field. The demonstration also is designed to increase healthcare worker retention by starting a mentor project to support entry-level workers and providing various support services. Finally, the grant will develop and pilot methods for providing supervisory and management training by delivering nursing programs through the Master's degree level, both online and through local community colleges. At least 110 participants will receive training under this grant.

*Grant Recipient and Location:* Delaware Valley Industrial Resource Center/Pennsylvania

*Partner(s) and Location(s):* Local WIBS; Delaware County Community College; Drexel University; Local Manufacturing Companies: AGF Manufacturing Co.; Kingsbury, Inc.; Philadelphia Coca Cola Bottling; PA's Industrial Resource Network/PA

*Funding Amount:* \$3,000,000

*Purpose of the Award:* This pilot project is designed as a model for helping the advanced manufacturing sector develop and recruit students for new technical education programs that will produce a steady and predictable supply of skilled and educated individuals for key technology-intensive industries. This project will train over 500 workers, serve over 300 companies and will establish a Regional Industrial Leadership Coalition to provide public policy leadership and outreach to better serve the manufacturing community. The goal of the grantee is to produce an annual pipeline that contains 1,000 skilled and educated individuals to support the region's advanced technology and manufacturing businesses over 3-5 years and to train 95 incumbent workers and 455 entry-level workers (100 percent placement) over the 2-year course of the grant.

*Grant Recipient and Location:* Greater Peninsula Workforce Investment Board/Virginia

*Partner(s) and Location(s):* Greater PA WIB; Thomas Nelson Community College; Northrop Grumman Newport News (NGNN); PA's regional Advanced Manufacturing Consortium; Consortium of Seven Cities and Counties; the PA Alliance for Economic Development; Pennsylvania Worklink; Virginia Employment Commission/VA

*Funding Amount:* \$1,965,000

*Purpose of the Award:* This demonstration will implement a 10-part program that will deliver a highly skilled workforce for a growing, high-performance manu-

facturing sector. The grantee estimates they will train over 5,000 workers for advanced manufacturing jobs covering a variety of industries in Southeast Virginia. The services are targeted to youth, incumbent workers, and career-transitioning individuals. As part of their activities, the grantee will develop or adapt education and training curricula to produce required skill sets for new, transitional, and incumbent workers. The grantee will offer opportunities for work-based experience will be developed as well. Instructors will have the option of expanding their skills through externships and a regional Advanced Manufacturing Instructor Training Institute. As part of the demonstration, the grantee will create detailed task analyses and training curriculum for more than 30 advanced manufacturing jobs and train 30 community college personnel to replicate the program and deliver curriculum content statewide. To support the recruitment of prospective employees, the grantee will develop realistic job action videos on locally-available jobs for posting on One-Stop Career Center computers and available.

*Grant Recipient and Location:* Illinois State University/NCIST/Illinois

*Partner(s) and Location(s):* Local WIBS; local community colleges; local/regional manufacturers and representatives from NAM/CWS local affiliate groups/IL, OH, PA, TX, WY, NC

*Funding Amount:* \$5,774,420

*Purpose of the Award:* The grantee will pilot a program curriculum to create an associate's degree in integrated systems technology, enhance the highly successful apprenticeship model, develop career awareness materials, and create a comprehensive career ladder and lattice standardizing the career competencies. This pilot will then be replicated in four additional States through the creation of regional centers of excellence to train more workers, new and incumbent, for careers in the advanced manufacturing sector. Approximately 420 workers will receive training under this demonstration grant.

*Grant Recipient and Location:* Lancaster County Workforce Investment Board/Pennsylvania

*Partner(s) and Location(s):* Lancaster County WIB; Stevens College of Technology; Viking Cabinetry Group; Lancaster County Career and Technology Center/PA

*Funding Amount:* \$1,354,585

*Purpose of the Award:* This demonstration is designed to address the issue of narrowing skill gaps in manufacturing through incumbent training. The Lumber & Wood Consortium, the Food Manufacturing Consortium, the Plastics Consortium, and the Powdered Metals Consortium want to develop curriculum and provide incumbent training. The grantee anticipates conducting 70 train-the-trainer sessions and placing 105–170 incumbent workers into training.

*Grant Recipient and Location:* Lower Rio Grande Workforce Development Board/Texas

*Partner(s) and Location(s):* Local WIBS; Texas State Technical College; Texas Southmost College; South Texas Community College; Texas Manufacturing Association (STMA); Brownsville Area Manufacturers Association; Harlingen Manufacturers Association; McAllen Economic Development Corporation; McAllen Independent School District; Valley Initiative for Development and Advancement/TX

*Funding Amount:* \$2,000,000

*Purpose of the Award:* This demonstration project will develop a curriculum and a 5-year Apprenticeship Strategic Plan with multiple programs for tool and die, industrial maintenance, and plastic process technicians. As part of their activities, the grantee expects to train 225 youth in advanced manufacturing trade skills; train 200 adults through the Skill Enhancement, Pre-Apprenticeship and Post Secondary Dual Credit Programs; train 213 adult apprentices over 2 years; and attain Journeyman Certification for 20 adult apprentices. The partnership will attain credentialing from NIMS for apprenticeship trainers. It will also develop program study guides and curriculum for Industrial Maintenance, Tool and Die and the Youth Apprenticeship Career Pathway.

*Grant Recipient and Location:* National Association of Manufacturers/Washington, D.C.

*Partner(s) and Location(s):* Undetermined/MO, TX and four other States

*Funding Amount:* \$498,520

*Purpose of the Award:* The grantee will pilot launch the national "Dream It, Do It" Career Campaign in Kansas City, Missouri, to increase career awareness for young people exposing them to high wage job opportunities in the manufacturing industry. The program will then be replicated throughout the county.

*Grant Recipient and Location:* National Center for Integrated Systems Technology (IL)/Illinois

*Partner(s) and Location(s):* Local WIBs in each of the 8 OH and IL sites; IL: Elgin, Moraine Valley, Richard J. Daley, Rock Valley; OH: Cuyahoga, North Central State, Owens, Sinclair; Caterpillar, Amatol, local manufacturers/IL

*Funding Amount:* \$9,142,496

*Purpose of the Award:* In this demonstration, the grantee will provide advanced manufacturing training in integrated systems technology for dislocated workers in 8 community colleges in Ohio & Illinois. The grantee anticipates training 288 dislocated workers in each State and placing 80 percent in full-time employment within six weeks of completion of training.

*Grant Recipient and Location:* National Institute for Metalworking Skills (NIMS)—2/Virginia

*Partner(s) and Location(s):* 25 pilot companies/national

*Funding Amount:* \$939,815

*Purpose of the Award:* As part of this pilot project the grantee will develop flexible yet structured training delivered “just-in-time” on the shop floor. Separate training models will be developed for, and piloted with, five targeted sub-sectors, including: machine tool builders, tool shops, contract stamping and mold making companies, Computer Numerical Control (CNC) job shops, and CNC high volume machining companies. The grantee anticipates piloting the project by training new and incumbent workers at 25 companies.

*Grant Recipient and Location:* Nebraska Central Community College/Nebraska

*Partner(s) and Location(s):* Six State community colleges; three Colleges/Universities; 10 core businesses and industry affiliates; 10 High Schools; Nebraska DOL; NE Department of Economic Development; Bureau of Apprenticeship and the NE Department of Education/NE

*Funding Amount:* \$1,639,403

*Purpose of the Award:* The demonstration will train 834 individuals with industrial training for high skill, high wage manufacturing jobs. The pilot will develop curriculum and competencies for mechatronics technicians and will include manufacturing seminars for 145 high school and college instructors annually. This curriculum will also be made available to community and technical colleges across the country to increase the number of workers trained as mechatronics technicians.

*Grant Recipient and Location:* Oregon Manufacturing Extension Partnership (MEP)/Oregon

*Partner(s) and Location(s):* The Northwest Food Processors Association; Oregon, Idaho, and Washington MEPs, not-for-profit teams of manufacturing professionals who help small-to-medium-sized manufacturers transform the way they do business/OR, WA, NV, ID

*Funding Amount:* \$3,199,709

*Purpose of the Award:* This pilot is designed to implement lean manufacturing training comprised of classroom and workplace-based activities during work hours, with a strong “English as a Second Language” (ESL) component. The grantee expects to train at least 2,026 workers at 48 companies in Oregon, Washington, Idaho, and Nevada. This model for implementing training for ESL students in a Lean environment will be promoted to the public workforce system as an effective model to pair ESL with high-growth jobs in the manufacturing sector.

*Grant Recipient and Location:* San Bernardino Community College District/California

*Partner(s) and Location(s):* WIBs; Business Alliance Partnerships; Regional Occupational Centers and Programs (ROOP, NACFAM, SMI, SMAC, OCBC, RCMIC, and IVMA); Manufacturing Skills Standards Council; and Centers for Applied Competitive Technologies (CACTs)/California

*Funding Amount:* \$1,618,334

*Purpose of the Award:* This demonstration will assess and train new and incumbent workers to MSSC skill standards, a nationwide industry-based skill standard, with assessment and certification system for all sectors of manufacturing. Workers’ skills will be documented and individuals certified for hire and promotion, allowing for new job opportunities and/or further training and education. Revised education and training for advanced manufacturing will also be incorporated into technical programs at high schools, WIBs, and community colleges throughout Southern California. The grantee expects to train 180 currently employed lower skill workers wishing to advance to a competency level of manufacturing certified by MSSC assessment. In addition, the grantee expects 80 job requisitions will be created and 100 clients identified who wish to pursue manufacturing careers at a certified skill level. To support efforts to reach under-served populations, the grantee will develop brochures, literature and CDs describing, in English and Spanish, the new jobs and career ladders in manufacturing. The grantee will also develop brochures, literature

and CDs describing the value of manufacturing careers and the process and qualifications needed to obtain certification.

*Grant Recipient and Location:* St. Louis WIB/Missouri

*Partner(s) and Location(s):* St. Louis City WIB; St. Louis Community College; Ford Motor Company; Daimler Chrysler Corporation; General Motors Corporation; UAW International—Region 5/MO

*Funding Amount:* \$1,499,998

*Purpose of the Award:* As part of this demonstration, automotive manufacturing workers will receive state-of-the-art training in: (1) integration of automated systems; (2) predictive maintenance for advanced manufacturing systems; (3) enhanced mechanical technology; and (4) enhanced electrical technology. This training will allow St. Louis area auto manufacturers to remain globally competitive while giving employees portable skills and job advancement opportunities. The grantee expects to train 430 workers.

*Grant Recipient and Location:* The Workplace, Inc./Connecticut

*Partner(s) and Location(s):* Connecticut WIB; Hurosatonic and Norwalk Community Colleges; ASML; Westport Precision; Jurman Metrics; Nerjan Development Co.; Nordex, Raym-Co.; Hurosatonic; State of CT Department of Education; State of CT Dept. of Economic and Community Development (DECD); The CT Employment and Training Commission (CETC)/CT

*Funding Amount:* \$2,000,000

*Purpose of the Award:* This demonstration is designed to address the training needs of small and medium-sized manufacturers of new and incumbent workers (mainly engineers and technicians) in the areas of innovation, soft skills and ESL. At a minimum, the grantee anticipates assessing and enrolling over 500 workers over the 3 year life of the grant. At least 75 percent of those enrolled will complete one or more training courses that will result in technical certification and a minimum of 90 percent of course completers will acquire technical skills that can advance them on a career ladder.

*Grant Recipient and Location:* Brevard Community College in partnership with American Technical Education Association/Florida

*Partner(s) and Location(s):* The Brevard Workforce Development Board; National Science Foundation's SpaceTEC, a national center for aerospace technical education; the Florida Space Authority; Florida Space Institute; and the U.S. Air Force 45th Space Wing/FL

*Funding Amount:* \$98,560

*Purpose of the Award:* The grantee will provide students the opportunity to assist in the operation of launch facilities and conduct six sub-orbital launches at Cape Canaveral Air Force Station, to demonstrate the usefulness of hands-on learning opportunities for students in developing technical aerospace skills and improving awareness of the skills required for aerospace careers.

*Grant Recipient and Location:* Edmonds Community College/Washington

*Partner(s) and Location(s):* Snohomish Workforce Development Council; Everett Community College; Manufacturing Industries; Boeing; Boeing Aerospace Suppliers; the Snohomish County Workforce Development Council; the Snohomish County Economic Development Council/WA

*Funding Amount:* \$1,475,045

*Purpose of the Award:* The grantee will train new and incumbent workers in a pilot implementation of advanced aerospace technician curriculum, develop career ladders, and demonstrate distance learning approaches to train workers for aerospace industry. The curriculum developed will be broadly disseminated for use by community and technical colleges resulting in an increased number of training workers, meeting the workforce demands of the aerospace industry.

*Grant Recipient and Location:* Florida Space Research Institute/Florida

*Partner(s) and Location(s):* Workforce Florida; NASA; the Civil Air Patrol; Florida School Districts/FL

*Funding Amount:* \$355,628

*Purpose of the Award:* The grantee will demonstrate the benefits to providing aerospace-industry training to school teachers as a means of improving aerospace career knowledge and awareness among youth. Specifically, aerospace mentors will work with 25 teachers in seven counties and provide externships for technology teachers to increase their industry knowledge and their ability to apply the learning's in the classroom. Approximately 5,000 students will be exposed to the Aerospace industry as a viable career path.

*Grant Recipient and Location:* The Houston-Galveston Area Council for the Gulf Coast Workforce Board/Texas

*Partner(s) and Location(s):* Gulf Coast Workforce Board and area One-Stop Career Centers; San Jacinto College; Aerospace Academy; 23 area aerospace employers including NASA Johnson Space Center/TX

*Funding Amount:* \$1,000,000

*Purpose of the Award:* This demonstration is designed to address the issue of narrowing skill gaps in high-tech manufacturing. This project includes piloting a training program in which people will be trained in high-tech automotive manufacturing and/or construction and building trades in addition to other training/curriculum that will be developed. The grantee expects to train an estimated 625 individuals in either aerospace (advanced IT) areas or advanced manufacturing. Nearly all will be incumbent workers. It is estimated that 90 percent of the enrollees will complete training and 90 percent of completers will receive a 3–5 percent wage increase. In addition, 90 percent of unemployed workers will receive job placements and 5 percent will receive a promotion.

*Grant Recipient and Location:* Automotive Retailing Today (ART)/Virginia

*Partner(s) and Location(s):* The National Automobile Dealership Association; National Automotive Technicians Education Foundation; other industry and business stakeholders; Automotive Youth Educational Systems/national

*Funding Amount:* \$150,000

*Purpose of the Award:* As part of this research project, ART and its partners will gather, validate, and deliver information and data about career opportunities in the automotive industry to career-related websites and portals and to workforce development professionals. This information will help promote the industry by describing viable and exciting career opportunities, connecting job seekers to training opportunities and job openings in the field, and dispelling negative presumptions that the general public may have about the industry. This information will be made available to the public workforce system to support their efforts of meeting the needs of local dealers across the country by educating job seekers on career opportunities in the automotive service sector.

*Grant Recipient and Location:* Automotive Youth Education Services/Michigan

*Partner(s) and Location(s):* Members of AYES' Board, including General Motors, DaimlerChrysler, Toyota, Volkswagen, Mercedes, Honda, BMW, Audi, Subaru, Nissan, Mitsubishi, Hyundai, and Kia Motors; Snap-On Tools; SkillsUSA; the National Automotive Technicians Education Foundation (NATEF); the National Institute for Automotive Service Excellence (ASE); Hudson Institute's Center for Economic Competitiveness/national

*Funding Amount:* \$600,000

*Purpose of the Award:* The grantee will demonstrate the expansion of a national automotive technician certification program through the use of on-line testing, which is linked to professional ASE certifications, in high schools. The grantee will also pilot the development of registered apprenticeship standards that can be applied across the nation in programs targeting high school students entering employment in the automotive service sector. The pilot project is expected to test 5,000 students for the credential, offering an industry-based credential to enter employment in the automotive service sector.

*Grant Recipient and Location:* Eastfield College/Texas

*Partner(s) and Location(s):* Workforce Investment Boards in Dallas, Fort Worth & East Texas; Tarrant County College of Fort Worth, TX; Toyota Motor Sales USA; Gulf States Toyota; 20 area Toyota and Lexus Dealers; Automotive Technology Advisory Committee/TX

*Funding Amount:* \$837,424

*Purpose of the Award:* The grantee will demonstrate methods for providing automotive services training to untapped labor pools by offering training to individuals, including support services, internship experiences, and an English as a Second Language component. The demonstration project is expected to train 100 workers to enter employment in the automotive service sector.

*Grant Recipient and Location:* Gateway Technical College/Wisconsin

*Partner(s) and Location(s):* Gateway (a community college); Snap-On Tools, Inc.; WI Automobile and Truck Dealers Association (WATDA); Melior Institute; National Coalition of Advanced Technology Centers (NCATC); Community-based organizations; Automotive Youth Educational Systems; the Workforce System/WI

*Funding Amount:* \$900,000

*Purpose of the Award:* The grantee will demonstrate the use of blended training delivery systems, including the use of on-line features, to provide training toward industry-driven certifications, as awarded by the National Automotive Technicians Education Foundation (NATEF). The grantee expects to train over 1,500 instructors for ASE certification, increasing the capacity of community colleges and career and

technical education institutions to train more students to industry standards for employment in the automotive service sector.

*Grant Recipient and Location:* Girl Scouts of the USA/New York

*Partner(s) and Location(s):* Automotive Insurance Companies; Dealerships; Associations including the Greater NY Automotive Dealership Association; Private Auto Repair Operations; Driving Schools; Girl Scout Local Councils; AAA Offices; High School Drivers' Education Departments/national

*Funding Amount:* \$200,000

*Purpose of the Award:* The grantee will demonstrate methods for reaching out to untapped labor pools (such as young women) to consider careers in non-traditional occupations, such as automotive services, by developing and distributing information geared toward young girls, educating them about automotive services as a career option and building their skills in car repair and maintenance. Girls will be placed in experiential learning programs such as an internship at a dealership or a tour of a training facility. This project is designed to expand the number of youth overall considering careers in automotive services, and particularly young women.

*Grant Recipient and Location:* National Institute for Automotive Service Excellence/Virginia

*Partner(s) and Location(s):* One-Stops; ACT, Inc.; The National Automobile Dealership Association; other industry and business stakeholders; National Automotive Technicians Education Foundation (NATEF); National Automobile Dealers Association/DC

*Funding Amount:* \$300,000

*Purpose of the Award:* The grantee will demonstrate new methods for training Spanish-speaking automotive service technicians by translating some of the most in-demand certification exams into Spanish and by having these exams administered throughout the country. Translation of these exams will allow for limited-English technicians to be industry certified and to enter in and move up the career ladder offering opportunity for greater wage gains in the automotive service sector. The grantee expects approximately 2,000 more Spanish-speaking technicians will take the test than took it in previous years.

*Grant Recipient and Location:* Pennsylvania Automotive Association/Pennsylvania

*Partner(s) and Location(s):* Harrisburg Area Community College; Harrisburg Career and Technology Academy; Snap-On Tools, Inc.; the PA Workforce System; Automotive Youth Educational Systems (AYES)/PA

*Funding Amount:* \$95,000

*Purpose of the Award:* This small grant will demonstrate a model for improving the capacity of local training institutions to provide industry-certified training in automotive services, as a means of increasing the industries ability to train a diverse workforce. To test this model, the grantee will develop a work-training opportunity, or on-the-job mentor/intern program, that strengthens business connections and provides career opportunities to five students facing social and economic barriers. This model will be made available to the public workforce system to partner with State dealer associations across the country to replicate, offering new career opportunities to underserved urban students.

*Grant Recipient and Location:* Shoreline Community College/Washington

*Partner(s) and Location(s):* Workforce Development Council of Seattle, and WorkSource-North Seattle; Toyota Motor Sales USA; General Motors Corporation; Daimler/Chrysler; American Honda; Puget Sound Auto Dealers Association; Hunter Engineering; Chevron Oil Company; Wagonmaster Corporation; Overall Laundry/WA

*Funding Amount:* \$1,496,680

*Purpose of the Award:* The grantee will demonstrate the use of curriculum based on a new set of industry-driven competency requirements by training hard to serve individuals for careers in the automotive service sector. The grant is targeted to train 50 out of school youth and dislocated workers. The curriculum developed will be broadly disseminated for use by community and technical colleges and high schools across the country to train more workers in the automotive service industry.

*Grant Recipient and Location:* U.S. Hispanic Chamber of Commerce Foundation/Washington, D.C.

*Partner(s) and Location(s):* BMW of North America; LLC; Snap-On Tools, Inc./CA, FL

*Funding Amount:* \$136,000

*Purpose of the Award:* This project will demonstrate successful methods for training Spanish-speaking individuals to become skilled automotive technicians while increasing employment opportunities for this untapped labor pool. This will be accomplished through the recruitment, training, and fostering of career paths for 20 His-

panic-Latino automotive technicians within Miami, Florida, and Los Angeles, California, leading to employment opportunities with dealerships in each city.

*Grant Recipient and Location:* Delaware Workforce Investment Board/Delaware  
*Partner(s) and Location(s):* Delaware WIB (State WIB); Delaware Technical and Community College; Agilent Technologies; Delaware Department of Education; Delaware Economic Development Office/DE

*Funding Amount:* \$250,000

*Purpose of the Award:* The grantee will demonstrate methods for engaging the workforce investment system and biotechnology business community in an effort to facilitate collaboration among teachers, school districts, the Department of Education, higher education, and the business community to improve student achievement in science. One key aspect being piloted is the development of mobile science vans that experienced instructors and mentors use to visit local schools. The objective of the mobile van is to transport science equipment for providing laboratory experiences to youth increasing their interest and exposure to Science, Technology, Engineering and Mathematics (STEM) careers in high growth, high demand industries. The project will train 30 mentors and is expected to offer 1,500 students hands-on experiences with the van.

*Grant Recipient and Location:* Forsyth Technical Community College/North Carolina (Partners: New Hampshire, Washington, Iowa, California)

*Partner(s) and Location(s):* Forsyth Tech has a local Job Link One-Stop Career Center on campus; Forsyth Technical Community College; New Hampshire Technical College; Indian Hills Community College; Bellevue Community College; Miracosta Community College; Caldwell Community College and Technical Institute; Catawba Valley Community College; Davidson C; Regional Employers/NH, IA, WA, CA, NC

*Funding Amount:* \$5,000,000

*Purpose of the Award:* The grantees, a group of five community colleges, will form Centers of Excellence in five different biotechnology sectors. They all come together as a National Center for the Biotechnology Workforce, which will: (a) allow workers to learn about the competencies and training availability for biotechnology careers, and (b) allow community colleges and the workforce investment system to access industry skill standards as well as training curricula and methods to implement in their location. Under this pilot, each college will implement various methods for providing biotechnology industry training to workers in this high growth industry. The training methods, skills standards, and curriculum developed from this demonstration project will be broadly disseminated for use by community and technical colleges resulting in an increased number of trained workers, meeting the workforce demands of the biotechnology industry.

*Grant Recipient and Location:* Massachusetts Biotechnology Education Foundation/Massachusetts

*Partner(s) and Location(s):* Massachusetts Workforce Board Association; Commonwealth Corporation; the Boston Private Industry Council (Boston PIC); the Metro Northwest Regional Employment Board; the Metro Southwest Regional Employment Board; Massachusetts Biotechnology Council; Boston University's School of Medicine; Henzyme; other local companies; the University of Massachusetts and the 5-campus Statewide system; local school systems in the urban and high-need areas/MA

*Funding Amount:* \$1,372,250

*Purpose of the Award:* The grantee will research the early-stage (high school) pipeline for biotechnology and health care industries by developing and launching a demonstration model of the BioCareer Lab in 25 urban and high-needs public schools to train and expose students to the emerging biotechnology industry. This pilot model is expected to train 100 science teachers and 2,000 students. The model will include new equipment, ongoing teacher training, a mobile biotech laboratory, access to curricula developed with National Science Foundation funds, and school to career pathways in partnership with workforce investment boards and colleges. This demonstration project will expose more young people to careers in the biotechnology sector.

*Grant Recipient and Location:* San Diego Workforce Partnership/California

*Partner(s) and Location(s):* San Diego Workforce Partnership is the local WIB; Miracosta Community College; BIOC/CA

*Funding Amount:* \$2,510,117

*Purpose of the Award:* This demonstration is designed to support the workforce system in meeting its growing needs for skilled workers in the biotechnology industry. The grantee will create a clearinghouse for local and national biotechnology labor market information and to coordinate student internships (from high-school to post-doctoral levels) and teacher externships for the regional biotechnology commu-

nity. The center will ultimately serve as a national clearinghouse for biotechnology industry labor market and occupational information; competency and skills requirement information; and training, internship, and research opportunities at all levels. As part of the grantee's activities, national and local labor market analyses will be performed; credit and non-credit classes that are flexible, short-term, and that will be recognized by multiple institutions will be developed; and local student internships and teacher externships at biotechnology companies will be provided.

*Grant Recipient and Location:* Associated General Contractors of America/Virginia  
*Partner(s) and Location(s):* Chattanooga State Community College; San Antonio (TX) Chapter of AGC, AGC of East Tennessee; International Brotherhood of Electrical Workers Local 175; Laborers Local 846 (Chattanooga, TN); East Ridge High School; East Tennessee State University/national

*Funding Amount:* \$235,500

*Purpose of the Award:* The grantee will demonstrate the effectiveness of construction career academies by working with its partners to sustain existing construction career academies in Chattanooga and San Antonio, and to develop additional career academies in eight local communities. It is anticipated that the partnership will train 400–500 students to enter employment in the construction industry. Through the Construction Career Academy initiative, AGC will provide local academies with technical assistance in a number of areas, such as developing curriculum and forming partnerships between businesses and educational institutions. AGC also will provide students with materials and equipment and prepare instructors to teach in the academies.

*Grant Recipient and Location:* Chicago Women in Trades/Illinois

*Partner(s) and Location(s):* The Workforce Boards of Metropolitan Chicago; Illinois Community College Board; City Colleges of Chicago; The Builders Association; Construction Industry Service Corporation; Hispanic American Construction Industry Association; Mechanical Contractors Association of Chicago; Federation of Women Contractors; IL Departments of Labor, Employment Security, Transportation, and Commerce and Economic Opportunity; Mayor's Office of Workforce Development; Chicago Building Trades Council; Illinois Center for Professional Support Services/IL

*Funding Amount:* \$2,092,343

*Purpose of the Award:* The grantee expects that nine thousand two hundred women (9,200) will gain awareness of career opportunities in construction through orientations and career fairs. In addition, the grantee expects that seven hundred fifty (750) women will gain acceptance into apprenticeship programs offering an average wage of \$13 per hour during the grant period. Of those entering into an apprenticeship, 80 percent will be retained for a minimum of 90 days.

As part of this demonstration, CWIT will launch an outreach campaign to attract women into the construction industry. This campaign will include professional outreach and marketing materials that focus on women, as well as orientation sessions and job fairs that focus on construction industry careers. CWIT and its partners will help women address their barriers to employment through an array of education, training, and support services, such as career planning, placement, and mentoring by women currently working in the industry. Finally, CWIT and its partners will work with One-Stop Career Centers, apprenticeship information centers, and community colleges to enhance their capacity to serve women.

*Grant Recipient and Location:* Honolulu Community College/Hawaii

*Partner(s) and Location(s):* Oahu Workforce Investment Board; Kauai Community College; Hawaii Department of Education; Eight local high schools; Hawaii Carpenters Union Local No. 745; Sheet Metal Workers' International Association Local Union No. 293/HI

*Funding Amount:* \$1,400,000

*Purpose of the Award:* In this demonstration, HCC partners will create a Construction Academy for providing 500 high school students with an array of construction-specific courses and career opportunities in the construction industry. In addition, 300 students will enter apprenticeship programs, construction associate degree programs, or construction baccalaureate programs. HCC and its partners will also develop and demonstrate a standards-based curriculum that articulates with construction certificate and degree programs that will be utilized by Hawaii's community colleges, increasing the applicant pool for the construction trades in the State. The curriculum developed will be shared broadly with community and technical colleges across the country.

*Grant Recipient and Location:* St. Louis Carpenters Joint Apprenticeship Training Program (CJAP)/Missouri

*Partner(s) and Location(s):* Workforce Investment Board of Southeast Missouri; Workforce Investment Board of St. Louis City; Workforce Investment Board of St.

Louis County; Mineral Area College; St. Louis Community College; Jefferson Community College; Southeast Missouri Regional Industrial Training Group; Hazelwood and Affton School Districts/MO

*Funding Amount:* \$2,187,107

*Purpose of the Award:* As part of this demonstration, CJAP and its partners will train and license high school instructors in skill standard certifications so that they can teach and certify students in advanced manufacturing and construction skills. The grantee expects to train 130 entry-level and dislocated workers and 120 incumbent through the initiative. As a result of this training, the grantee expects that 750 youth will be trained to industry standards during the life of the grant. In addition, CJAP also will work with employers, community and faith-based organizations, and One-Stop Career Centers to identify incumbent workers with a strong interest in advancing their construction or advanced manufacturing careers and help them enhance their academic skills, access support services, and enroll in a maintenance mechanic program or other types of training. CJAP and its partners will also create an eight-week maintenance technician training program for dislocated workers and this curriculum, as well as the training model will be made available to community colleges across the country for possible replication.

*Grant Recipient and Location:* The Home Builders Institute (HBI)/Washington, D.C.

*Partner(s) and Location(s):* York Technical College (SC); community and technical colleges in (FL, KY); American Association of Community Colleges; Home Builders Association of Kentucky; Florida Home Builders Association; Home Builders Association of Charlotte (NC); Building Contractors Association of Wood River Valley (ID); Home Builders Association of South Carolina; Tidewater Builders Association/national

*Funding Amount:* \$4,268,454

*Purpose of the Award:* The grantee will demonstrate the creation of a systemic approach to construction industry workforce development that provides a continuum of recruitment, career exploration, education and training. The demonstration will increase the available applicant pool for the construction industry meeting their workforce shortages by training 2,500 individuals for the construction trade in construction academies in four States.

*Grant Recipient and Location:* Youthbuild USA/Massachusetts

*Partner(s) and Location(s):* local home builders associations; National Council of Churches; juvenile justice system; Home Depot/national

*Funding Amount:* \$12,202,600

*Purpose of the Award:* This demonstration is designed to build on the success of the Youthbuild USA, model, supporting the transition of adjudicated youth into high growth industries. The grantee will participate in an established training program that combines academic instruction with construction skill development and, ultimately, builds affordable housing in their communities. The grantee will develop a national demonstration project in which 325 adjudicated youth will participate full-time for 9–12 months in a YouthBuild education, job training, and service program. Skills training will occur primarily in the construction industry through the building of affordable housing or community facilities. Graduates will be helped in finding placements in post-secondary education or in jobs. The grantee expects that 60 percent of the 325 enrollees will complete the YouthBuild program; 85 percent will be placed in employment or post-secondary education; Program completers will have a recidivism rate of 15 percent or less; 34 percent will attain a GED or high school diploma; and 75 percent will be self sufficient over a 5-year period. Youthbuild USA includes significant support systems, such as mentoring that will continue for at least a year after the program; follow-up education, employment, and personal counseling services; and participation in community service and civic engagement. Youthbuild USA will work with local One-Stop Career Centers to place youth in employment upon completion of the program.

*Grant Recipient and Location:* Institute for GIS Studies (IGISS)/Tennessee

*Partner(s) and Location(s):* Charlotte-Mecklenburg Workforce Development Board; Central Piedmont Community College; Nashville State Community College; Motlow State Community College; Bank of America; Duke Energy; Smart Data Strategies; University of Southern Mississippi/TN, NC

*Funding Amount:* \$2,000,000

*Purpose of the Award:* IGISS will pilot the development of an industry-led, apprenticeship-based career advancement ladder for specialty certificates and degrees in land records management and utilities-based geospatial technical applications. The pilot is expected to train over 500 unemployed and underemployed workers in a variety of learning environments such as apprenticeship and associate degree programs in 13 different community colleges across Tennessee and North Carolina with

the goal of increasing the number of workers in the emerging geospatial technology sector.

*Grant Recipient and Location:* Kidz Online/Virginia

*Partner(s) and Location(s):* NAWB; Los Angeles Trade and Technical College, North Carolina State University; ESRI; American Institute of Aeronautics and Astronautics; Institute of Electrical and Electronic Engineers; Society of Women Engineers; National Council of Teachers of Mathematics; National Science Teach Association; Virginia Space Grant Consortium; Digital Quest; Environmental and Spatial Technology Initiative; National Institute of Technology and Policy Research; North Carolina 4-H; Hampton City Public Schools; Council of Great City Schools; NEC Found of America/VA, CA

*Funding Amount:* \$1,000,000

*Purpose of the Award:* Kidz Online will pilot the creation of a comprehensive youth and adult learner focused image building and career awareness effort by utilizing new distance learning methodologies. Specifically, grantee will deliver learning resources including video programming and live web casts, provide professional development services, and integrate geospatial concepts into existing programming and ETA's Career Voyages web site. Spanish language translation will be done for some content.

*Grant Recipient and Location:* Rancho Santiago Community College District/California

*Partner(s) and Location(s):* Rancho Santiago Community College; St. Louis Community College/CA

*Funding Amount:* \$187,939

*Purpose of the Award:* The pilot project will assess local geospatial workforce needs and use the findings to develop new and innovative curriculum and career ladder workforce development systems for a cross-section of industries. The grantee expects to train 20 community college faculty to teach the newly-developed geospatial curriculum as well as to host a training conference to train 75 teachers from across the country (from schools not directly associated with the grant) in using the new curriculum. As a result of these activities, the grantee expects to train 200 students using the newly-developed geospatial curriculum.

*Grant Recipient and Location:* W.F. Goodling Advanced Skills Center/Pennsylvania

*Partner(s) and Location(s):* South Central Workforce Investment Board; Penn State York; Harrisburg University; Harrisburg Area Community College; Manufacturers Association of South Central Pennsylvania; York County Board of Commissioners; Pennsylvania Department of Conservation and Natural Resources; Pennsylvania Office of Admin; Pennsylvania Department of Community and Economic Development; Pennsylvania Department of Labor and Industry; York County Community Foundation; Oork Counts Commission; York County/PA

*Funding Amount:* \$990,125

*Purpose of the Award:* The project will demonstrate the use of 2+2+2 articulation agreements with high schools, community colleges, and universities to produce imagery analysis technicians through a certificate program in imagery analysis in private and municipal applications. These 2+2+2 articulation agreements will provide over 100 students and/or workers with career and education advancement tracks, enabled by linked curriculum and levels of education, training and certifications at the high school, community college and university levels. The demonstration will also train 100 individuals in specific geospatial applications in homeland security, economic development, and land-use management.

*Grant Recipient and Location:* Geospatial Information and Technology Association (GITA)/Aurora, CO.

*Partner(s) and Location(s):* American Association of Geographers, National Association of Workforce Boards; National Association of State Workforce Agencies; Northrop Grumman, Lockheed Martin, Oracle, Intergraph, TeleAtlas/GDT, BAE Systems, ObjectFX, ESRI, NavTeq, Smart Data Strategies; The University of Southern Mississippi; Jefferson Community College; Lake Land College; City College of San Francisco; Jackson State Community College; Moraine Valley Community College; American Association of Community Colleges; the Philadelphia Community College System; Central Piedmont Community College; Fulton Montgomery Community College; Colorado Community College; Mississippi Community College; and the University of Pennsylvania's Wharton School of Business/national

*Funding Amount:* \$695,362

*Purpose of the Award:* GITA will (1) develop standard definitions for the geospatial industry, vet the definitions through industry leaders, and disseminate the results throughout the industry; (2) develop content for an on-line workforce information clearinghouse on industry jobs, education facilities, and program informa-

tion; (3) create a geospatial career awareness campaign; and (4) work with community colleges, employers, and workforce development organizations in a selected region to test the use of the Geospatial Industry Workforce Information System (an industry-developed and funded information network that houses industry jobs, educational facilities and programs) and career awareness materials to help local One-Stops and educators meet local geospatial industry needs.

*Grant Recipient and Location:* Lorain County Community College/Ohio

*Partner(s) and Location(s):* Lorain County Chamber of Commerce and its Small Business Development Center; The Workforce Institute of Lorain County Lorain County Commissioners and the Lorain County Development Office/OH

*Funding Amount:* \$2,599,979

*Purpose of the Award:* Grantee will demonstrate new methods for training workers in high growth careers, with a special emphasis on entrepreneurship, and for promoting the growth of existing businesses, especially small and medium business sector, as well as new business development—all within identified targeted industries. The first project objective is to develop a comprehensive education continuum and support system that provides a K–12 to master's degree pathway to prepare workers, at all levels, for high demand jobs. The second primary objective is to create a support system that combines economic and workforce development to collectively focus on providing easy access to resources that address the unique needs of existing businesses attempting to transition to the knowledge economy. The third primary objective is to grow and attract new high-growth businesses in the area to create jobs, and enhance objectives 1 and 2 through immersing entrepreneur education and support resources for both workers and businesses to create a pipeline of creative and innovative ideas. This pilot project is projected to train over 5,000 individuals in through a variety of learning opportunities including internships, certificate, and degree programs supporting small business growth in the community.

*Grant Recipient and Location:* City of Los Angeles, Community Development Department/California

*Partner(s) and Location(s):* City of Los Angeles Workforce Investment Board; Cedars-Sinai Medical Center/Kaiser Permanente Southern California Region/White Memorial Medical Center/East Los Angeles Doctors Hospital/Managed Career Solutions, Inc.; Valley Community College; City of Los Angeles Community Development Department; City of Los Angeles Health Care Career Ladder Training Program; Learn2excel/CA

*Funding Amount:* \$1,196,000

*Purpose of the Award:* This pilot project will fund six strategic interventions to provide education and training to out-of-school disadvantaged youth: (1) an Out-of-School to Career Program that creates an articulated pathway through the training process and provides supports to participants during the program; (2) a Health Care Career Mentoring Program in which mentors will assist youth throughout their education and training and into careers; (3) a Hosted Web-Based Portal that will function as an on-line learning community meeting place to facilitate networking, collaboration, and information sharing throughout the Los Angeles healthcare system; (4) a Healthcare Vocational Assessment Tool used to determine vocational interest and aptitudes for specific health occupations; (5) a Bilingual English/Spanish Fast Track Health Care Basics Curriculum that includes basic skills, medical terminology, and introductory health science courses; and (6) a Bilingual English/Spanish Marketing Outreach Program to attract minority, disadvantaged youth to healthcare occupations. As a result of this pilot project the grantee anticipates that 500 youth will go through pre-work and orientation for work experience; 200 youth will go through work experience at partner hospitals; 133 youth will attend medical fast track pre-requisite training; 117 youth will enter training; 80 placements leading up to healthcare tracks will be received; 112 will receive job placements or entry into higher level education at graduation of healthcare tracks; and approximately 4,635 individuals will enter the health care workforce pipeline annually.

*Grant Recipient and Location:* Miami-Dade College/Florida

*Partner(s) and Location(s):* South Florida Workforce; IVAX Corporation; MediVector; Onco-Venctor; BioFlorida; South Florida Biotechnology Consortium; Miami-Dade County Public Schools; Florida Atlantic University; South Florida Manufacturing Association; Greater Miami Chamber of Commerce/FL

*Funding Amount:* \$1,000,000

*Purpose of the Award:* As part of this demonstration, Miami-Dade College and its partners will pursue a number of strategies to build the region's skilled biotechnology workforce. The college will partner with industrial pharmaceutical manufacturing (IPM) experts to develop IPM curricula, train college faculty on the new curricula, and recruit industry experts to serve as adjunct faculty. These three strategies will address challenges related to educational capacity. All curricula developed

will address specialized skills sets in IPM and related specialty areas. Competency models, based on evolving industry standards, will support the mapping of biotechnology career ladders and cross-industry career lattices. Miami-Dade College will expand available labor pools through the recruitment of minority youth, low-income adult minorities, Limited English Proficient individuals, veterans, and individuals with disabilities. The grantee expects to train 800 incumbent and future IPM technicians and related workers.

*Grant Recipient and Location:* United Regional Health Care System/Texas

*Partner(s) and Location(s):* North Central Texas Healthcare Consortium (includes representatives from the workforce investment system, education and training providers, and hospital industry employers); United Regional Healthcare System; Wilbarger General Hospital; Electra Memorial Hospital; Seymour Hospital; Vernon College; Midwestern State University; Texas Christian University; North Texas Tech Prep Education Consortium; Partners-in-Education; Region 9 Education Service Center/TX

*Funding Amount:* \$846,325

*Purpose of the Award:* In this demonstration, the grantee will focus on recruiting, training, and capacity building in post-secondary institution nursing programs: (1) Recruiting—develop a pipeline of young workers for employment in the healthcare industry by recruiting from new and untapped, diverse labor pools; (2) Training—train 35 new and 85 incumbent workers for hospital positions such as patient care associates/medical assistants, nurses, health information technicians, Spanish language hospital interpreters, and surgical technicians; and (3) Capacity Building—increase the pipeline of available workers by training faculty from partner organizations as advanced practice nurses and nurse educators to gain qualification needed to teach in professional nursing programs.

*Grant Recipient and Location:* Claflin University/South Carolina

*Partner(s) and Location(s):* Lower Savannah Workforce Development Board; Zeus Corporation, Albemarle Corporation; SuperSod; Regional Medical Center of Orangeburg and Calhoun Counties; Orangeburg-Calhoun Technical College; South Carolina Department of Education; Orangeburg-Calhoun Tech Prep Consortium; Orangeburg County Economic Development Board/SC

*Funding Amount:* \$750,000

*Purpose of the Award:* As part of this demonstration, Claflin, a historically black college in rural Orangeburg, SC, and its partners will develop a pipeline of skilled biotechnology workers for all rungs of the biotechnology career ladder (high school diploma to Master's degree level). The grantee estimates that they will train 100 students in biotechnology certificates and degrees. In addition, the university will also develop curricula for each ladder of the biotechnology career ladder. As part of its efforts to stimulate youth enrollment in biotechnology training programs, Claflin will implement a comprehensive career development process for high school students, incumbent workers, and dislocated workers, and will also train local K-12 and secondary faculty to co-teach biotechnology modules with industry partners. This model of increasing the pool of minorities into high grow careers in biotechnology will be offered for broad dissemination to community colleges across the country for replication with partner 4-year institutions.

*Grant Recipient and Location:* Orange County Workforce Investment Board/California

*Partner(s) and Location(s):* Life Science Industry Council; Beckman-Coulter Inc.; Edwards Lifesciences Inc.; Allergan Inc.; Saint Joseph Health System; Coast Community College District; University of California-Irvine; Orange County Department of Education; Orange County Business Council; local One-Stop Career Centers; Central Labor Council—Local 441/CA

*Funding Amount:* \$1,000,000

*Purpose of the Award:* The project will implement a regional skills development collaborative that will leverage workforce investment system resources to meet the demands of the biotechnology industry and its related occupations in healthcare sectors. This project will train and advance 75 incumbent workers in allied health occupations such as hospital technicians and technologists in radiology, surgical, ultrasound, and x-ray. Additionally, 75 workers dislocated from declining industries and 75 entry-level workers will receive training for high-growth occupations such as medical equipment repairers, inspectors and testers; pharmacy technicians; medical assistance; biological technicians; and others. The Orange County Workforce Investment Board will target services to minority trainees and economically-disadvantaged residents. The partnership will also work to standardize skill requirements, define biotechnology career ladders, and develop effective strategies for engaging and developing youth interested in biotechnology careers.

*Grant Recipient and Location:* The University of Utah/Utah

*Partner(s) and Location(s):* Utah Department of Workforce Services; Intermountain Health Care; University of Utah Hospitals and Clinics; Veterans Affairs Medical Center/UT

*Funding Amount:* \$871,707

*Purpose of the Award:* In this demonstration project, The University's Clinical Faculty Associate model seeks to address the severe nursing faculty shortage through a number of connected methodologies. The purpose of the project is to promote career advancement for Registered Nurses (RNs) working in clinical settings through a collaborative clinical teaching model and education program that enhances retention and acquisition of the skills needed to teach nursing. Practicing RNs will augment their existing clinical skills and knowledge by acquiring formal education resulting in a Master's degree, post-Master's certificate, or specific coursework related to teaching nursing, clinical instruction, and nursing education. These RNs will then function as Clinical Faculty Associates under the mentorship of university master teachers. By upgrading RNs to Clinical Faculty Associate positions increased numbers of baccalaureate nursing students will be admitted into the program. The grantee expects to enroll 13 Clinical Faculty Associates in the University of Utah's Teaching Nursing Program and enroll 32 students in the Baccalaureate Nursing program. Projected number of students supervised by CFAs is 336 at the end of the second project year.

*Grant Recipient and Location:* Orange County Workforce Investment Board/New York

*Partner(s) and Location(s):* 7 local workforce investment boards in middle Hudson Valley; Orange County Health Care Cluster; Hudson Valley Health Care Consortium; Healthcare Workforce Training Consortium, including NorMet (Northern Metropolitan Hospital Association); Pace University School of Nursing; Dyson College of Arts and Sciences/NY

*Funding Amount:* \$1,048,300

*Purpose of the Award:* This demonstration project will fund a market-driven system trading educational credits for instructor hours. It will provide incentives for health care providers in the region to provide staff holding master's degrees to serve on the faculties of educational institutions in exchange for credits to meet providers' future training needs. As a result of this demonstration, the grantee project is to have 1,000 additional students admitted to healthcare education and training programs in 2 years as a result of the increased capacity of providers. Fifty clinical nurses will be trained as instructors in 2 years and 100 clinical nurses will be trained as preceptors in 2 years. The capacity of educational institutions to provide nurse training will increase with the addition of 70 adjunct instructors and 70 preceptors, offering a unique model for replication by the health care industry.

*Grant Recipient and Location:* CVS Regional Learning Center/Michigan

*Partner(s) and Location(s):* Detroit Workforce Development Department; ORC Macro; Wayne County Community College District; Goodwill Industries of Greater Detroit; New Galilee Missionary Baptist Church; Perfecting Church; Little Rock Baptist Church/MI

*Funding Amount:* \$1,757,981

*Purpose of the Award:* The major components of this pilot project include: a community education and outreach campaign designed to build awareness and interest in pharmaceutical careers; recruitment, screening, and training of 80 candidates to receive training in an apprenticeship program to first become a Pharmacy Service Associate and then a Pharmacy Technician; a peer support group; provision of "wrap-around" services, such as child support and transportation; identification and support of 130 incumbent CVS Pharmacy Service Associates faced with career advancement barriers to become Pharmacy Technicians through occupational English as a Second Language and customer service skill development instruction; and opportunities for both apprentices and incumbent workers to advance their pharmaceutical careers through 2-year or 4-year academic programs.

*Grant Recipient and Location:* State of Wisconsin/Wisconsin

*Partner(s) and Location(s):* Wisconsin workforce investment boards; Wisconsin Department of Workforce Development; private sector health care associations, including the Wisconsin Nursing Redesign Consortium; Wisconsin Technical College System/WI

*Funding Amount:* \$1,365,101

*Purpose of the Award:* In this demonstration, the grantee proposes a two-part strategy to fast-track nurse educators to prepare the next generation of Registered Nurses (RNs) for the State of Wisconsin, including accelerated graduate study programs and a partner-based model for identification, recruitment and preparation of health professionals for nurse educator careers. The grantee will create an accelerated curriculum option and career ladder to facilitate movement of Associate's De-

gree nurses to the Master's degree level. This training model will decrease the time-to-degree by 18–24 months without diluting the quality of the graduate education programs. These efforts will result in fast-track preparation of 70 new and diverse nurse educators in Wisconsin by 2007 as replacement and expansion nurse faculty for all Wisconsin nursing programs, with an additional 50 Associate's degree nurses (ADNs) prepared to enroll in Master's programs Statewide by 2007. Contracts between partnering employers and program participants will result in their contractual commitment as nurse faculty in a Wisconsin nursing school and as clinical care providers in sponsoring health facilities upon their graduation (2–3 years depending on course of study). Recruitment will focus on identifying underrepresented populations in nursing, including racial and ethnic minorities, men, and people with disabilities. The project will produce two major replicable innovations: a streamlined curriculum for rapid progression to the Master's degree along various career ladders and from various start points, and a Statewide partnership model for developing health care solutions.

*Grant Recipient and Location:* Temple College/Texas

*Partner(s) and Location(s):* Central Texas Workforce Investment Board and affiliated Workforce Centers; Scott & White Clinical Laboratory Science Program; Scott & White Hospital Clinics; Central Texas Veterans Health Care System; Cancer Research Institute; Cardiovascular Research Institute; Temple Health and Bioscience District; Temple Independent School District; Central Texas Tech Prep Consortium; Tarleton State University of Central Texas; Texas A&M University College of Medicine; Temple Economic Development Corporation/TX

*Funding Amount:* \$920,495

*Purpose of the Award:* In this demonstration, the grantee will develop a pipeline of skilled biotechnology technician and research workers for all rungs of the biotechnology career ladder (high school diploma to Bachelor's degree level). Working with area tech prep schools, the project will establish an Advanced Technical Middle College for high school students to assist them in preparing for biotechnology careers, and will develop community college curriculum to advance the area's available biotechnology career lattice. This program will be piloted with at least 20 students receiving job placements. The grantee will also work with its industry partners to launch innovative, mentored, on-the-job and apprenticeship opportunities for students. Specific occupations to be targeted include medical laboratory technician, research technician, and genomic technician.

*Grant Recipient and Location:* Indianapolis Private Industry Council, Inc./Indiana

*Partner(s) and Location(s):* Indiana Department of Workforce Development; Wishard; St. Vincent's and St. Francis hospitals; Indiana Health Industry Forum; Roche Diagnostics; Dow Agro-Sciences; Eli Lilly and Company; Baxter Pharmaceutical; Ivy Tech State College; Indiana University School of Medicine; City of Indianapolis/IN

*Funding Amount:* \$1,000,000

*Purpose of the Award:* Under this pilot project the grantee will execute four primary strategies First, work with Ivy Tech, the State community college, to expand the number of seats in the school's programs that prepare persons to become radiological technicians, registered nurses and respiratory therapists. The goal is to graduate and certify 80 people for the three positions. Second, work with Indiana University to develop an accelerated Master's of Science program for registered nurses. Third, expand or create on-site training opportunities for entry level workers at all hospitals, including basic skills training, job readiness and GED prep and testing. At least 120 workers will access these services. Fourth, create state-of-the-art outreach and recruitment material to reach 14,000 area residents over a 2-year period. These materials will provide information about career opportunities in medical manufacturing and biotechnology.

*Grant Recipient and Location:* JobPath, Inc./Arizona

*Partner(s) and Location(s):* BIO5; TGEN; BIOSA; Pima County College; Pima County Superintendent of Schools; University of Arizona; Pima County One-Stop; La Paloma Family Services; Arizona Biosciences Association/AZ

*Funding Amount:* \$276,393

*Purpose of the Award:* This demonstration program will build a pipeline of youth interested in pursuing careers in biotechnology through the development of an Introduction to Biotechnology course taught by community college faculty to high school students in a biotechnology summer institute. The grantee expects to train 50 graduates of Biotechnology Summer Institute; 40 community college students will complete introductory classes and advance to biotechnology prerequisites; 60 graduates of the biotechnology college program will move on to employment or higher education; and 30 graduates from paid internships with bioscience employers. Paid internships with local bioscience employers will be offered to students upon

completion of the program. The program will also recruit and support participants from untapped labor pools enrolled in biotechnology courses and certificate programs at the local community college.

*Grant Recipient and Location:* The Pennsylvania Workforce Investment Board/Pennsylvania

*Partner(s) and Location(s):* Pennsylvania's local workforce investment boards; Ben Franklin Technology Partners; Industrial Resource Centers; Penn State University; Pennsylvania College of Technology/PA

*Funding Amount:* \$3,750,000

*Purpose of the Award:* This demonstration project will develop a Statewide network that supports multiple facets of the plastics industry's development. Specifically, ETA will fund: Incumbent Worker Training, Curriculum Transfer, Occupational Forecasting; Supply Chain Analysis; a Plastics Occupations Toolkit; Internships/Co-ops; Scholarships; and Research & Development Symposiums. The grantee anticipates training over 1,200 incumbent workers in the plastics industry, including machine operators, machine set-up technicians, process engineers and production supervisors. The Pennsylvania Workforce Investment Board will play an oversight role and serve as the clearinghouse for documenting the overall impact of the initiative. Penn State will be involved in technology transfer and Research & Development. Local workforce investment boards will be able to meet employers' needs and provide key support for developing Centers of Excellence. This model will be promoted for replication to the public workforce system.

*Grant Recipient and Location:* RISE Business/Virginia

*Partner(s) and Location(s):* Center for Women's Business Research; Council of Growing Companies, Inc. Business Resources; Kauffman Center for Entrepreneurial Leadership; Edward Lowe Foundation; National Foundation for Teaching Entrepreneurship; National Minority Business Council; National Small Business United/national

*Funding Amount:* \$150,000

*Purpose of the Award:* In this research project conducted by RISEbusiness, RISEbusiness will act as an intermediary between the public workforce system and small business by researching and publicizing the key issues affecting small and emerging businesses. RISEbusiness aims to research the following topics in order to increase small business' support for, access to, and utility of the workforce system: review existing literature; define and refine research questions; launch a research effort; refine the research methodology; collect and analyze qualitative and quantitative data; and disseminate the findings and implications. A final report will be distributed to the State and local workforce system to further support their access to services provided by the public workforce system.

*Grant Recipient and Location:* Jobs for the Future—Workforce Innovations Networks (WINS)/Massachusetts

*Partner(s) and Location(s):* Great Lakes Innovation and Development Enterprise (GLIDE); the Enterprise Ohio Skills MAX Center; Mid-Ohio Securities; KS Associates; Ross Environmental Services; Beckett LogiSync; the Braye Group; JD Munch Integrated Solutions; Cash Strategies; CyStorm; Banyan Technology; Accurate Processing; Catalyst Strategies; Hot Dog Heaven; National Association of Manufacturers- Center for Workforce Success; U.S. Chamber of Commerce, Center for Workforce Preparation/national

*Funding Amount:* \$5,121,777

*Purpose of the Award:* The Workforce Innovations Network—WINS—is a collaboration of the Center for Workforce Preparation of the U.S. Chamber of Commerce, the Center for Workforce Success/Manufacturing Institute of the National Association of Manufacturerers, and Jobs for the Future to accelerate, expand, and broaden employer engagement strategies. The first module provided a comprehensive analysis of employer engagement strategies, and identified approaches and models for the system to replicate for better engagement and involvement of employers. The WINS Module II Project demonstrated three primary strategy objectives: (1) that locally business-based organizations (e.g., Chambers of Commerce, employer's organizations) could effectively serve as "intermediary" agents to establish and strengthen relationships between local businesses and local Workforce Investment Boards and service offices; (2) that these intermediary organizations could work with local businesses and WIBs to develop "talent" supply chains to bring skilled workers to businesses; and (3) that intermediaries could contribute to improved governance of public workforce investment systems. WINS II established 12 local demonstration sites and three State-level sites where the objectives were validated. Among the sites hundreds of businesses have been connected to WIB services and in a few sites the WIB depends upon the intermediary for the majority of business connections. Local demonstration sites have received additional WIB grants to continue and/or extend

the projects thereby leveraging the WINs II grant funds. Beyond the additional WIB funding, the sites have acquired more than \$5 million from State and private funding sources.

*Grant Recipient and Location:* U.S. Chamber of Commerce, Center for Workforce Preparation/Washington, D.C.

*Partner(s) and Location(s):* Lehigh Carbon Community College in Schnecksville, Pennsylvania; National Association of Workforce Boards; American Association of Community Colleges; Chicagoland Chamber of Commerce; Greater Seattle Chamber of Commerce; Greater New Orleans/national

*Funding Amount:* \$1,502,700

*Purpose of the Award:* The Business Coalition for Workforce Development Project will demonstrate the employer benefits of accessing the public workforce system by improving services and relationships between employers and the public workforce system. This will include research identifying areas of successful business engagement with the workforce system, identifying specific issues to retaining and engaging business partnerships, and documenting insight and advice on how systems and services can be improved to support improved outcomes for workers.

*Question.* Since the program has been up and running for 3 years, what performance data from these grants can you share with this Committee?

*Answer.* In an effort to model innovative strategies for investment, the projects funded under the High Growth Job Training Initiative have included both training and curricula development activities. A significant number of these investments are in their first year of performance. As such, we have limited performance outcome data at this time. However, performance data is available for grants that have concluded their activities. The outcomes from these grants are detailed below. Active grantees are in the process of submitting quarterly reports. These reports are presently being analyzed by the Department. In addition, the Department is working to complete an analysis and conduct an evaluation of the grants awarded to date, as well as to refine performance standards for future investments.

OUTCOMES OF GRANTS IN THE PRESIDENT'S HIGH GROWTH JOB TRAINING INITIATIVE

[Expiring by June 1, 2005]

Grantee	Expected outcome	Actual outcome
National Center for Integrated Systems Technology (Illinois and Ohio)—Dislocated Worker Integrated Systems Technology Training Project.	Illinois—Train 288 dislocated workers. Place 80 percent (230) of all participants in jobs with 75 percent (216) placed in small or mid-sized companies. Ohio—Train 288 dislocated workers. Place 80 percent (230) of all participants in jobs with 75 percent (216) placed in small or mid-sized companies.	Illinois—Grant completed. 302 workers were enrolled with 262 completers and 74 percent placed in jobs. Ohio—Grant ongoing. To date, 249 participants have enrolled, 121 completed training, and 95 have received job placements.
National Restaurant Association Educational Foundation.	(1) Increase student worksite experience to 6,000 ..... (2) Add states to the program ..... (3) Increase number of ProStart school to 900 ..... (4) Increase industry involvement in project .....	(1) 9,444 students received experience. (2) 43 States added to program. (3) Increased to 1,075 schools with enrollment of nearly 44,000 students. (4) No increase reported.
Community Learning Center, Inc.	(1) 1,024 dislocated workers will receive training ..... (2) Place 802 workers in unsubsidized employment .....	(1) 1,028 workers served (2) 914 workers placed in unsubsidized jobs.
U.S. Chamber of Commerce—Center for Workforce Preparation.	(1) Develop a research report documenting business needs, providing training services in One-Stop Centers, and developing successful promising practices in these areas. (2) Disseminate grant information through business conferences and development of grant-related promotional materials.	Report and promotional materials developed and delivered to ETA.
RISEBusiness .....	Develop a research report to increase understanding of the workforce needs of small and emerging businesses..	Research report developed and delivered to ETA

## OUTCOMES OF GRANTS IN THE PRESIDENT'S HIGH GROWTH JOB TRAINING INITIATIVE—Continued

[Expiring by June 1, 2005]

Grantee	Expected outcome	Actual outcome
Workforce Innovation Networks—Jobs for the Future Partnership (1) Develop a research report that: (1) Identifies obstacles to employer use of the workforce investment system and proposes solutions. (2) Documents the WINs demonstration projects at nine sites.	Research report developed and delivered to ETA..	

*Question.* Do these grantees perform better or worse than grantees who received awards through a competitive process?

*Answer.* A significant number of these investments are in their first year of performance. As such, we have limited performance outcome data at this time. However, both solicited and unsolicited grants are integral to the goals of the Department in providing services to individuals and to employers, as well as in transforming the workforce investment system. The initial sole source investments under the High Growth Job Training Initiative were made in order to demonstrate and model new approaches to workforce education and investment and are providing learning opportunities that are informing investments as we move forward on a primarily competitive basis. Models and demonstrations, by their nature, are intended to try new approaches, not all of which will be successful. The Department is currently in the process of evaluating the initial High Growth grants and to develop an ongoing strategy for evaluating performance and outcomes for competitive grants as we move forward.

The learning from these initial grants has already provided critical information for the development of criteria for future investments, which will improve the outcomes of these investments.

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 QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

## NURSING SHORTAGE IN RURAL AREAS

*Question.* Please provide a report on the Department's progress in addressing the nursing shortage, specifically within rural communities and ethnic minority populations, such as Native Hawaiians.

What initiatives, such as summer employment opportunities for students, have the Department utilized to foster continued growth of the nursing profession?

*Answer.* We share your interest regarding the training of nurses. The Department of Labor has invested over \$4.3 million through the President's High Growth Job Training Initiative to support projects in rural areas that develop and implement innovative solutions to address shortages in nursing and other health professions. Each of these projects will increase the number of nurses and other health professionals trained, hired, and retained in rural communities throughout the nation, including in Hawaii. Further, it is the Department's vision that rural communities across the country will benefit from these investments for many years to come through replication of the models.

We are aware that Maui Community College is interested in such initiatives, and there have been a number of Congressional earmarks for Maui in the areas of rural development and rural job training, as well as pending proposals. With respect to fiscal year 2004 earmarks, we are near completion of our review of a proposal from the University of Maui for training and employment of Hawaiians living in rural areas. That award should be made shortly. In addition, the Department of Labor's fiscal year 2005 Appropriation includes \$1,500,000 for Maui Community College for the Remote Rural Hawaii Job Training Program. We are working closely with Maui Community College to ensure that they will be able to implement an exemplary project.

It also is worth noting that the Department of Health and Human Services, through the Health Resources and Services Administration, currently invests \$150

million in nursing workforce development activities, including \$31 million for the Nursing Education Loan Repayment and Scholarship Program.

*Question.* Education and job training services programs have provided employment opportunities for Native Hawaiians. How does the Department plan to continue supporting these programs and further develop programs already in existence?

*Answer.* The Department of Labor's fiscal year 2005 Appropriation includes \$1,500,000 for Maui Community College for the Remote Rural Hawaii Job Training Program. We are working closely with Maui Community College to ensure that they will be able to implement an exemplary project.

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QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

H-2A ENFORCEMENT

*Question.* I am concerned about the lack of enforcement of H-2A program requirements by the Wage and Hour division of DOL for migrant and seasonal farm workers. A large farm labor contracting company, Global Horizons recruited and employed Thai nationals in central Washington fruit production under the H-2A guest worker program in 2004 and is planning on doing so again this year.

A number of my constituents have raised serious concerns with respect to Global's compliance with H-2A laws and regulations. I know you agree it is imperative that the DOL fully enforce these requirements to protect both U.S. workers and guest workers who enter our country under the H-2A program. In fact, while the H-2A program has not been used extensively in Washington State, there have been problems with enforcement of program requirements for many years.

It appears that Global routinely violated State and Federal employment laws by:

- Refusing employment to qualified U.S. workers under the Federal H-2A guest worker program,
- Failing to provide the work promised in the employment contract,
- Failing to pay the wage rate required by the H-2A program and contract; and
- Providing substandard, unlicensed housing, with workers sleeping on the floor or two to a bed, with no cooking or washing facilities and no drinking water.

Washington State's Department of Labor and Industry has denied Global's application for renewal of its State farm labor contractor's license. I also understand that there are outstanding complaints to the DOL from my State alleging various H-2A program violations by Global.

Can you please provide a status report on DOL's investigation of these complaints?

*Answer.* On February 10, 2005, the Wage and Hour Division of the Employment Standards Administration issued a notice of determination to Global Horizons under the H-2A program assessing civil money penalties totaling \$154,700, and back wages totaling \$131,267 for alleged violations occurring in Hawaii from September, 2002 through March 2003. These determinations have been appealed to the Department of Labor Office of Administrative Law Judges for a de novo hearing. Additional investigations involving other locations and periods of time are ongoing. However, because of their continuing nature we can not comment about those investigations at this time.

In addition, on February 25, 2005, ETA issued a letter debaring Global Horizons from the H-2A program for a 3-year period based on Global Horizon's failure to fulfill requirements of its H-2A certifications and the Wage and Hour Division's prior findings of violations. Global Horizons requested a de novo hearing on debarment before an ALJ, and that has been consolidated with a Wage and Hour Division case against Global Horizon. The notice of determination for back wages and civil money penalties and the debarment proceeding have been consolidated and the hearing is presently scheduled for next year.

While debarment is pending, ETA continues to process individual Global Horizon H-2A applications and to reach determinations on the merits of each. ETA continues to examine all applications for compliance with H-2A requirements and has rejected some of Global Horizons applications while certifying others. As one example, in January 2005, ETA denied Global Horizon's application for a new H-2A certificate for Eastern Washington based on the fact that Global Horizon at that time did not have a State-issued farm labor contract certificate, which is required by the State of Washington. Global Horizon appealed, and an ALJ upheld the denial on February 25, 2005.

Washington State is taking its own actions involving Global Horizons. While the State had denied Global Horizon's application for renewal of its State farm labor contractor's license, we understand that the State has now extended that license

until September 30, 2005. However, the State is also taking action to discontinue State provision of services to Global Horizons under the Wagner-Peyser Act, which includes such services as recruitment of local workers and placement of job orders in interstate clearance.

*Question.* Please also inform me as to whether DOL is taking any action with respect to Global's Farm Labor Contractor registration under Federal law.

*Answer.* Global is registered as a farm labor contractor under the Migrant and Seasonal Agricultural Worker Protection Act (MSPA). DOL has not initiated action to revoke this registration, but has pursued debarment action under H-2A. The Wage and Hour Division has an open investigation of Global. As with all such investigations, the Division will consider appropriate action at the conclusion of the investigation.

*Question.* Are you willing to work with me to closely examine whether increased enforcement efforts are needed, including the imposition of penalties real deterrence?

I know you agree with me that those who benefit from the H-2A program should do their part to make sure that the program operates lawfully. I also hope you will commit to work with me to educate growers who hire farm labor contractors for recruitment under the H-2A program to ensure that those growers monitor the contractor's compliance with the law.

*Answer.* The Department of Labor is charged with two essential duties with respect to the enforcement of the H-2A program. First, the Department of Labor ensures that employers follow established rules and regulations for bringing foreign workers into the United States. Second, the Department of Labor vigorously enforces applicable labor standards. Guest worker programs cannot succeed without strict adherence to these responsibilities, and the Department takes them very seriously. In addition, the Department has an active H-2A compliance assistance program, which is designed to educate employers and employees of their responsibilities and rights under the law. The Department works with all interested parties to ensure that participants of the H-2A program are in full compliance with the law.

PBGC

*Question.* I commend you for tackling in the budget proposal the difficult issue of shoring up the Pension Benefit Guarantee Corporation. The PBGC insures the pensions of about 44 million American workers and is in danger of defaulting on those promises. Reforming this grossly under-funded insurance plan is long overdue. I am concerned, however, about the feasibility of some of your suggestions. For example:

- You propose to increase fees on the corporations at the very time they are less likely to be able to pay them—once they are preparing to file for bankruptcy.
- Your proposal would impose restrictions on pension benefits for rank-and-file workers, without restricting the pensions of executives.
- The American Benefits Council (a group representing some of the country's largest corporations on their employee benefits program) predicts the Administration's plan could have the effect of encouraging companies to dump their defined benefit plans.

Could you please explain why the plan discriminates against companies already in trouble and against rank-and-file workers?

*Answer.* We appreciate your support for restoring the solvency of the PBGC. The Administration is committed to strengthening the pension insurance program and keeping defined benefit plans as a viable option for employers and employees. This requires a careful balancing of interests and inevitably will require trade-offs among various stakeholder interests. The Administration proposal strikes a necessary balance that will best protect the pension benefits earned by workers and retirees and alleviate the possibility that taxpayers will be called upon to rescue the insurance program.

As you stated, the insurance program is grossly underfunded. Reform of the plan funding rules, by itself, will not eliminate PBGC's \$23 billion deficit. Premiums must be increased. The Administration's proposal is reasonable. It would increase the flat-rate premium for wage inflation since the last increase in 1991, and require a risk-based premium for all pension underfunding. We believe that the Administration's proposal equitably distributes the cost among employers and does not put too great a burden on financially weak companies.

With respect to your question about benefit restrictions, the proposal is based on the principle that employers should pay for what they promise and not make promises to their workers and retirees that cannot be funded. Employers with severely

underfunded plans would not be allowed to divert funds from rank-and-file pensions to deferred compensation plans for executives. If a financially weak employer has a severely underfunded plan, the employer would be prohibited from funding any nonqualified deferred compensation for executives. In addition, funding would be prohibited for executive compensation at any time within 6 months before or 6 months after the termination of an underfunded plan.

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QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

WORKER OVERTIME PROTECTION

*Question.* An amendment to the bankruptcy bill that was on the Senate floor last week that would have marginally increased the minimum wage, but would have also eliminated the 40 hour work week and the overtime benefits of thousands of workers.

This scheme would create an 80 hour, two week work period that would allow employees to work up to 50 hours one week and 30 hours the next week without receiving one dime of overtime pay.

The amendment's sponsors said the plan is voluntary, but how voluntary is it when your boss threatens to hire someone else who will agree to his 50 hour/30 hour week schedule? This is an assault on workers, and it comes on top of the administration's elimination of 6 million workers from overtime pay eligibility last year.

Can you provide the Administration's perspective on such proposals to weaken overtime protection?

*Answer.* The Administration has not taken a formal position on this specific legislation. However, the President has called on Congress to pass legislation to help working families juggle the demands of work and home through comp-time and flex-time and give private-sector workers the same flexible scheduling options that Federal employees now enjoy. Providing choices like whether to receive overtime pay as cash or as paid time off would allow workers to balance the demands of the workplace and the needs of their families.

The minimum wage amendment to the bankruptcy bill would have doubled the scope of so-called small businesses that would be exempt from paying the minimum wage, but by doing this, he would also be stripping workers in those companies from other Federal protections, like equal pay, overtime pay and child labor safeguards under the Fair Labor Standards Act.

The amendment would end individual worker protections under the FLSA, and expand the size of businesses that need not apply the Act from those grossing \$500,000 annually to those grossing \$1 million annually. This would exempt about 700,000 businesses from providing worker protections, and cover a total of about 10 million fewer workers than we do today.

*Question.* In light of the work that has been done in this country to ensure that children are not working and that women are paid the same as men for the same work, why would we want to rollback these protections?

*Answer.* The Administration has not taken a formal position on this specific legislation. However, the President has indicated that he is willing to work with Congress on a sensible proposal to increase the minimum wage in a way that does not price people out of jobs or hurt small businesses. In addition, the President has called on Congress to pass legislation to help working families juggle the demands of work and home through comp-time and flex-time and give private-sector workers the same flexible scheduling options that Federal employees now enjoy. Providing choices like whether to receive overtime pay as cash or as paid time off would allow workers to balance the demands of the workplace and the needs of their families.

PERSONAL REEMPLOYMENT ACCOUNTS

*Question.* You talked about the Administration's proposal to consolidate four programs authorized by the Workforce Investment Act (WIA) into a single \$4 billion block grant. You suggest this is done for flexibility, but even with the community colleges funding, the Department's job training funding is more than \$300 million short of current year funding.

The House Committee approved a WIA reauthorization bill that creates a nationwide pilot program to give unemployed workers considered at risk for long-term unemployment a \$3,000 voucher they can spend on training. There is no specific budget request for this, but the Labor Department has already diverted funds from other discretionary programs to initiate a seven-State pilot. I understand we have no results yet from the Department's pilot program.

How do you reconcile the House plan for expanding these untested personal accounts nationwide before your Department has completed its pilot study?

Answer. The current seven-State Personal Reemployment Account (PRA) demonstration project builds upon the positive findings of earlier demonstrations by offering reemployment bonuses, targeting them using the Worker Profiling Reemployment System (WPRS), and increasing consumer choice through flexible worker accounts. PRAs are similar to current practice under the Workforce Investment Act, where workers can choose their training through Individual Training Accounts. PRAs give workers more opportunities and choices.

Mathematica Policy Research Inc., a firm with wide experience in employment and training program evaluation, including the evaluation of the reemployment bonuses and individual training account experiments, is the evaluation contractor for the PRA demonstration. Although results from the demonstration are not yet available (accounts were first made available in March 2005), States are reporting some initial successes in implementing PRAs. For example, Minnesota has offered accounts to 301 individuals, and so far 188 individuals have accepted.

*Question.* The Economic Policy Institute has said that the accounts are “too small to purchase meaningful training but just large enough to discourage workers from pursuing cost-effective short-term services that could help them get back to work more quickly.” To get the \$3,000 accounts workers would have to forfeit about \$10,000 in other worker training programs. What kind of training and education does the Department anticipate an unemployed worker “purchasing” with a \$3,000 training voucher.

Answer. First, this question assumes that all workers can access \$10,000 in training when, in fact, most cannot. The estimated WIA unit cost for all types of services an individual would receive (in Program Year 2005) is \$3,200 for dislocated workers and \$2,064 for adults; no where near \$10,000. Further, information in a recent GAO report, based on a survey of local workforce investment boards across the country, indicates that the average amount spent on training for adults and dislocated workers was slightly less than \$2,300.

Second, as you know, the community college system has and continues to be an important provider of training to our system, and the \$3,000 account level is based upon the average cost of 2 years of instruction at a community college. We believe that Personal Reemployment Accounts will provide individuals with opportunities to connect more directly with meaningful training at a community college or from another training provider.

*Question.* With less money available, no data yet on a seven-State pilot, and a \$7,000 reduction in investment per worker, it’s hard for me to see how we are helping move people back into the workplace. Can you explain how we will gain \$7,000 in “administrative efficiencies” per worker? Or how \$330 million in funding cuts will not lead to less opportunity for unemployed workers?

Answer. As described earlier, the worker’s forfeiture of \$7,000 is not correct, as the average cost of 2 years at a community college is \$3,000 and the unit costs for the WIA Adult and Dislocated Worker programs are \$2,064 and \$3,200, respectively. (Additionally, ITAs under WIA offer more limited choices in training, with no opportunity for a reemployment bonus). The Department of Labor anticipates that evaluation data will show that:

- PRAs are significantly less staff-intensive than traditional forms of service delivery (reducing program overhead costs by directing resources directly into the hands of workers);
- The time spent collecting Unemployment Insurance will likely decrease; and
- The nature of placement into and retention of good jobs will remain constant or even increase as a result of more consumer choice and the ability to manage and customize one’s plan for employment.

#### PROPOSED CHANGE TO CES SURVEY

*Question.* The Bureau of Labor Statistics recently announced a decision to stop collecting data on women who work from its Current Employment Statistics program, claiming it is trying to reduce the paperwork burden on employers. By the agency’s own admission, this survey takes only seven minutes to fill out.

This data on women in the workforce is invaluable to researchers and policy-makers in their efforts to understand gender inequality. At a time when women’s employment may be changing in fundamental ways due to the economy, we should be expanding our ability to understand the evolving role of women in the labor force, not reducing it.

I sent a letter, along with Senator Kennedy, to the Department about this issue on February 9. In your response, which I just received, you acknowledged that the

Current Employment Statistics program is superior to the Department's other data collections programs for analyzing month-to-month trends. Help me understand why the Department would agree to eliminate a program that serves a valuable policy purpose and that experts agree is working?

Answer. The BLS believes that its proposal to discontinue the Current Employment Statistics (CES) series on women workers is in the best interest of public policy. The discontinuation of the women workers series is part of a larger set of changes that the BLS has proposed for the CES survey. The BLS' decision to discontinue the women workers series is based on three factors: (1) the availability of extensive information on women's employment from the CPS, (2) the public's lack of use of the CES data, and (3) a desire to reduce respondent burden for a voluntary survey.

Data on women's employment, occupations, earnings, and other labor force statistics will continue to be available from the Current Population Survey (CPS), a monthly survey of about 60,000 households. From the CPS, users have access to a rich source of data on women's employment, unemployment, and earnings by industry, occupation, education, age, marital status, and other characteristics. These data are used extensively in the study of women in the labor force.

The BLS recognizes that one of the main concerns expressed about the proposed discontinuation of the women worker series is that the CES is superior to the CPS for analyzing month-to-month trends. However, the agency believes that such short-term measures are not appropriate for most assessments of the changing status of women (or any demographic group) in the labor market. When examining longer term trends, the advantage the CES has in sample size declines in importance. The two surveys have displayed similar trends for women's employment growth over the past several years.

CPS data are used extensively in the study of women in the labor force. By contrast, CES women workers series are little used. In an effort to gauge the impact of the proposal to terminate the women workers series, the BLS undertook an analysis of the extent to which this data series is used by researchers and the general public. The BLS found that, while there was an average of 130,000 requests per month for CES national estimates through the BLS public use website, only about one-half of one percent of those requests were for the women worker employment series. Additionally, an informal literature search by BLS found almost no usage of CES women worker series. Articles that addressed women's employment and earnings issues nearly all used data from the CPS as their source.

In addition, although the data it produces are used but rarely, the series imposes a significant reporting burden on some survey respondents because payroll records do not typically include gender identification. It is important to consider the context in which the women worker data is collected. The BLS relies upon the voluntary cooperation of approximately 155,000 businesses each month (representing about 400,000 individual worksites) in providing information from their payroll records on the employment, hours, and earnings of their workers. In an increasingly difficult data-collection environment, survey response burden is a crucial factor in survey design. We must minimize this burden to ensure the continued accuracy and integrity of the payroll data on which we rely to produce the Employment Situation, which is a principal Federal economic indicator and represents some of the nations most closely watched economic data. The individuals who complete the CES report often have indicated that gender information is not present on their standard payroll records and that they do not have ready access to the data. As an example of this burden, although 100 percent of employers who respond provide their total employment count, approximately one out of every six declines to provide data on female employment. In addition, the BLS proposal stems from a view that it is poor public policy to continue burdening several hundred thousand respondents each month to produce a data series with only a small handful of users.

The BLS' proposed elimination of the women worker series in the CES survey is a part of a larger agency effort to improve the survey's relevance to the needs of data users and its value as input to other key economic statistics. For example, in mid-2005, the CES is changing its current policy of collecting data only for production and non-supervisory employees and will begin collecting data for two new series: hours and regular earnings of all employees, and a total earning series (including both regular and irregular pay) for all employees. These changes are designed to make the survey more responsive to the needs of data users and increase its value in relation to other key economic statistics. For example, the Bureau of Economic Analysis has long sought more timely data on all-employee earnings in its construction of national income statistics. The new all employee hours and earnings series will provide more comprehensive information than the present series for analyzing economic trends. They also will provide improved input for other major eco-

conomic indicators, including series on non-farm productivity, as well as eliminate a potential source of bias in BLS estimates of the productivity growth rate.

The Department believes that accurate data on women's employment are crucial to understanding the economic opportunities that are available to women today. As we have indicated, the BLS will continue to collect timely and accurate data on women workers through the CPS, which is an overall richer source of data for women workers than the CES.

#### FEWER WORKERS TRAINED

*Question.* Page 41 of your Budget Justification Material states that, with the Fiscal 2005 appropriation, you expect to serve 870,000 participants in the Dislocated Worker Programs; 475,200 participants in the Adult Block Grant program; and 329,000 participants in the Youth Block Grant program. Yet you estimate that only 400,000 persons will be trained when these programs are consolidated as you are requesting for 2006. Why is it that the current level of more than 1.6 million participants will only lead to 400,000 trainees next year?

*Answer.* The estimated participant levels for fiscal year 2005 for the Adult and Dislocated Worker programs reflect the number of individuals receiving all types of employment assistance—not just those receiving job training. Also, the figure of 870,000 for the Dislocated Worker program was included in error—the correct participant level is 368,700.

The Employment and Training Administration's fiscal year 2006 Budget request emphasizes the Administration's commitment to increasing employment and training opportunities by funding new Consolidated State Grants that merge the WIA Adult, Dislocated Worker, and Youth programs and the Wagner-Peyser Employment Service program into a single base grant. The fiscal year 2006 Budget estimates that between 18,535,700 and 18,960,000 participants will be served through the consolidated grants.

The President's proposal for job training reform would double the number of workers receiving job training through major WIA grant programs, from approximately 200,000 to 400,000 annually. By eliminating unnecessary overhead costs and simplifying administration through the consolidation of duplicative employment and training bureaucratic structures, we project an overall savings of at least \$300 million, which can be used by States for training an additional 100,000 workers annually. In addition, the President has requested \$250 million for Community Based-Job Training Grants for fiscal year 2006. This new initiative, which will begin July 1, 2005, will utilize our nation's successful community colleges to train 100,000 more workers annually.

#### SUBCOMMITTEE RECESS

Senator HARKIN. Thank you very much, Madam Secretary.

The subcommittee will stand in recess to reconvene at 10:30 a.m. on Wednesday, March 16, in room SD-138. At that time we will hear testimony from the Honorable Michael O. Leavitt, Secretary, Department of Health and Human Services.

[Whereupon, at 11:37 a.m., Tuesday, March 15, the subcommittee was recessed to reconvene at 10:30 a.m., Wednesday, March 16.]