Maintaining a Departmental Strategic Management Focus

In This Section

IMPLEMENTING THE GOVERNMENT PERFORMANCE AND RESULTS ACT (GPRA)

GPRA has provided a valuable set of tools to enhance the Department's programs. A major challenge in FY 1998 was to set a management framework to use those tools and to establish a process aimed to assure the Department's performance and level of accountability for program results.

- A Management Council, chaired by the Deputy Secretary with members comprising Agency Assistant Secretaries, has been established to provide a forum for discussing substantive management issues, including those with resource implications. The Council is involved in assessing and reviewing the progress of Agency programs, Information Technology strategic planning, the budget process, and the legislative agenda.

- A Strategic and Performance Plan Workgroup was also established as a permanent cross-agency team that prepares the Department's Annual Performance and Strategic Plans. The team develops and updates both plans and responds to opportunities for cross-cutting initiatives among agencies both internal and external to the Department.

- A DOL-wide process to report and monitor Agency performance against performance goals in the DOL Annual Performance Plan has been proposed to meet the Secretary's and Deputy Secretary's management needs.

FY 1998: A YEAR OF TRANSITION IN PERFORMANCE REPORTING

Performance information on the programs of the Department has been aligned with the Department's Strategic goals in this Accountability Report and is consistent with the performance reporting requirements under the Government Performance and Results Act.

FY 1998 is the base year for establishing data to be used to measure progress over the period covered by the Department's Strategic Plan. Some measures that were first developed in the Department's FY 1999 Performance Plan do not have accompanying FY 1998 performance data. Where data is unavailable, progress toward establishing the measure and obtaining the data is provided. When this report is prepared for FY 1999, program data will be reported for all measures in the Department's and Agency performance plans.

DEPARTMENTAL PERFORMANCE MEASURES

This section presents DOL Agency activity for FY 1998 against the FY 1999 performance goals and indicators in the FY 1999 Departmental Annual Performance Plan prepared as a requirement of the

Government Performance and Results Act (GPRA).

- ***Outcome Goal*** -- The larger outcome goal which is supported by the FY 1999 performance goals.

- ***FY 1999 Performance Goal*** -- The specific targets relative to the outcome goal which will be accomplished in FY 1999. Program changes have resulted in some goals included in the FY 1999 being deleted and other goals being added. The notation *add* or *drop* under the number of a goal indicates a deleted or added goal. For most changes an explanation is provided as a footnote to the goal.

- ***FY 1998 Activity*** -- Where the organization has performance data to report for FY 1998 against the performance goal it is reported here. Other information related to the status of goal in terms of progress in establishing baseline data may also be included.

GOAL 1: A PREPARED WORKFORCE: *Enhance opportunities for America's workforce*

Outcome Goal 1.1 Increase Employment, Earnings, and Assistance		
1.1A	*FY 1999*	56% of those completing the welfare to work program will be employed
	FY 1998 (PY 1997)[2] *Activity*	The Welfare-to-Work program is in the early stages of implementation, and no performance data are available for FY 1998/PY 1997 for this goal.
1.1B	*FY 1999 Performance Goal*	64% of JTPA adult disadvantaged terminees will be employed one quarter after program exit with average weekly earnings of $292
	FY 1998(PY 1997) Activity	In PY 1997, 66 percent of terminees of the JTPA Title II-A program were employed one quarter after program exit. The average weekly earnings one quarter after program exit was $322.
1.1C	*FY 1999 Performance Goal*	Assist 300,000 veterans to find jobs: 10,000 will be service-connected disabled veterans, and 1,850 will be veterans who are homeless
	FY 1998 Activity	VETS assisted approximately 297,000 veterans into jobs. Of this number, 13,400 were service-connected disabled veterans and 1,500 were veterans who were homeless.

[2] Most employment and training programs are forward-funded on a program year basis. Appropriations are made nine months in advance of their availability. This report provides information for Program Year 1997 which began in July 1997 and ended in June 1998.

Outcome Goal 1.1 Increase Employment, Earnings, and Assistance (*continued*)		
1.1D Drop[3]	*FY 1999 Performance Goal*	Develop and implement a national Veterans' Employment initiative that will help approximately 25,000 unemployed older veterans into jobs annually for five years
Outcome Goal 1.2 Assist Youth in Making the Transition to Work		
1.2A	*FY 1999 Performance Goal*	77% of JTPA Title II-C youth terminees will be employed or obtain advanced education or job skills.
	FY 1998(PY 1997) Activity	In PY 1997, 55 percent of JTPA Title II-C youth terminees were employed after program exit.
1.2B	*FY 1999 Performance Goal*	75% of Job Corps trainees will get jobs or pursue further education, with those obtaining jobs having an average starting wage of $6.50 per hour.
	FY 1998(PY 1997) Activity	In PY 1997, 80 percent of Job Corps trainees either entered employment or pursued further education. The average starting wage of Job Corps students who entered employment was $6.58 per hour.
1.2C	*FY 1999 Performance Goal*	Engage 1.5 million youth in School-to-Work (STW) activities.
	FY 1998(PY 1997) Activity	Data for PY 1997 are not yet available. For PY 1996, ending June 30, 1997 (the most recent available data), 1,265,549 secondary school students were engaged in STW activities.
1.2D	*FY 1999 Performance Goal*	During the initial year of program operations, 25,000 out-of-school youth will be served in Youth Opportunity Areas.
	FY 1998 Activity	No activity occurred for this program during PY 1997.
Outcome Goal 1.3 Provide Information and Tools about Work		
1.3A	*FY 1999 Performance Goal*	Increase the number of individuals entering employment after receiving labor exchange services beyond registration by 1%.
	FY 1998(PY 1997) Activity	During PY 1997, the number of individuals entering employment after receiving labor exchange services increased by 1.1 percent.
1.3B	*FY 1999 Performance Goal*	Increase the number of operational One-Stop Career Centers to 1,000 (40% of local Employment Service and JTPA SDA offices).
	FY 1998 Activity	By the end of FY 1998, there were 1,000 operational One-Stop Career Centers. Data is not available to report the *percentage* of local Employment Service and JTPA SDA offices operating One-Stop Career Centers.

[3]This performance measure has been dropped, since funding for the Veteran's Employment initiative was not provided in the FY 1999 budget.

	Outcome Goal 1.3 Provide Information and Tools about Work *(continued)*	
1.3C	*FY 1999 Performance Goal*	Increase the number of total job openings listed with the public employment service by 20 percent
	FY 1998(PY 1997) Activity	In PY 1997, there were 8.1 million job postings with the public employment service (6.5 million with the States' ES offices and 1.5 million with the Electronic Labor Exchange on America's Job Bank). The 8.1 million postings represent an increase of 15.7 percent in PY 1997 over the PY 1996 baseline.
	Outcome Goal 1.4 Provide Information and Analysis on the U.S. Economy	
1.4A	*FY 1999 Performance Goal*	Produce and disseminate timely, accurate, and relevant economic information
	FY 1998 Activity	(The measures for this performance goal are the accomplishment of the program deliverables for the five principal economic indicators listed.) All five program timeliness and quality measures were met in FY 1998.
1.4B	*FY 1999 Performance Goal*	Improve the accuracy, efficiency, and relevancy of economic measures
	FY 1998 Activity	(The measures for this performance goal are the significant milestones expected to be completed towards the accomplishment of the improvement objectives listed in the given year.) Three of the improvement activities listed, NAICS, CPI-R, and CPI-I, are multi-year improvement programs and FY 1998 activities were conducted. For example, in the case of NAICS, during FY 1998, all States mechanically assigned NAICS codes to establishments with SIC codes that match unique NAICS codes for the Covered Employment and Wages (ES-202) program. For the JOLTS program, funding started with FY 1999 and in FY 1998 limited planning activities in preparation for receipt of the funding were undertaken.

GOAL 2: A SECURE WORKFORCE: *Promote the economic security of workers and families*

Outcome Goal 2.1 Increase Compliance with Worker Protection Laws		
2.1A	*FY 1999 Performance Goal*	Increase compliance with labor standards laws and regulations by 5% in the San Francisco and New York City garment industries and poultry processing
	FY 1998 Activity	Established 40% compliance baseline in poultry processing. Compliance baselines for garment industries in San Francisco (79%) and New York City (37%) were established in FY 1997.
2.1B	*FY 1999 Performance Goal*	Improve compliance with labor standards laws and regulations by at least 5% over the baseline for employers subject to repeat investigations in targeted health care, garment, and agricultural commodities
	FY 1998 Activity	Established baselines for: reinvestigated garment shops in Los Angeles (25%), reinvestigated assisted living health care facilities (60%), and reinvestigated tomato harvesting operations (59%). Established compliance baselines for reinvestigated nursing homes (76%) in FY 1997.
2.1C	*FY 1999 Performance Goal*	Increase by 2.5% both the number of closed investigations of employee pension and health benefits plans where assets are restored (to 537) and the number where prohibited transactions are corrected (to 241).
	FY 1998 Activity	The FY 1998 increase exceeded 2.5%
2.1D Drop	*FY 1999 Performance Goal*	Ensure that no more than 3% of the 1999 plan year employee benefit plan 5500 filings and 12% of related audits are deficient
2.1E	*FY 1999 Performance Goal*	Increase by 6% (to 85%) the number of unions with over $200,000 in annual receipts which timely comply with union financial reporting requirements
	FY 1998 Activity	Actual performance was 83.4%. To further improve results and meet the FY 1999 objective, OLMS will continue compliance assistance and liaison efforts to promote timely reporting compliance.
2.1F[4] Drop	*FY 1999 Performance Goal*	Reduce by 50% the incidence of union officer election complaints concerning unions whose previous elections were investigated by the agency.

[4] This performance goal was eliminated because the indicator is ambiguous. The result of receiving fewer complaints concerning union officer elections, while possibly an indication that more union officer elections are being conducted democratically in accordance with LMRDA standards, could also be an indication that union members are not exercising their right to file union officer election complaints under the LMRDA.

Outcome Goal 2.2 Protect Worker Benefits		
2.2A	*FY 1999 Performance Goal*	Meet or exceed the Secretary's Standards for promptness in paying worker claims for Unemployment Insurance and deciding appeals
	FY 1998 Activity	The Secretary's Standards were exceeded in FY 1998 for promptness in paying worker claims for Unemployment Insurance and deciding appeals. For FY 1998, 90.3 percent of intrastate payments were paid on time (compared to standard of 87 percent); 79.0 percent of interstate payments were timely (compared to standard of 70 percent); 67.4 percent of lower authority appeals decisions were rendered within 30 days (compared to standard of 60 percent); and 85.2 percent of lower authority appeals were rendered within 45 days (compared to standard of 80 percent).
2.2B	*FY 1999 Performance Goal*	The Average Weekly Benefit Amount (AWBA) in Unemployment Insurance will be $199 by the end of FY 1999
	FY 1998 Activity	The Average Weekly Benefit Amount received by all claimants in FY 1998 was $193.
2.2C Drop[5]	*FY 1999 Performance Goal*	Increase by 20% the number of targeted educational materials distributed which promote pensions for women, minorities, and small businesses
2.2C Add	*FY 1999 Performance Goal*	Increase by 1% the number of workers who are covered by a pension plan sponsored by their employer, particularly women, minority and workers in small businesses.
	FY 1998 Activity	Data unavailable
2.2D	*FY 1999 Performance Goal*	Promulgate final health benefit and regulatory guidance, including technical advice, implementing the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Newborns' and Mothers' Protection Act of 1996, and the Mental Health Parity Act of 1996
	FY 1998 Activity	Not applicable
2.2E	*FY 1999 Performance Goal*	Return Federal employees to work following an injury as early as appropriate, as indicated by a 6% reduction from the baseline in production days lost due to disability for cases in the Quality Case Management (QCM) program
	FY 1998 Activity	The FY 1997 baseline was 189 days. The FY 1998 target was 184 days, which was met during the fourth quarter; however, average performance for the full year was 187 days. While the FY 1998 goal was not achieved, the two day reduction represents a significant start and the office began to make more progress toward the end of the fiscal year as its staff became more familiar with the strategies that are needed to speed return to work.

[5] Replaced by goal 2.2C 'Add' which follows 2.2C 'Drop.'

Outcome Goal 2.2 Protect Worker Benefits (*continued*)		
2.2F	*FY 1999 Performance Goal*	Produce $5.7 million in savings in the Federal Employee's Compensation Act (FECA) Program by expanding the Periodic Roll Management project that reviews the continued eligibility of long-term claims
	FY 1998 Activity	(Savings produced in base year prior to start-up in each office. $6.3 million was saved in FY 1997.) The FY 1998 target was an additional $8 million in compensation benefit savings. The FY 1998 actual performance was a savings of $10.1 million.
2.2G	*FY 1999 Performance Goal*	In the Federal Employees' Compensation Act (FECA) Program, save 5% versus amounts billed for pharmacy and inpatient hospital services and 3% versus amounts billed for physician and other professional medical services through review of bills prior to payment to identify over-utilization of services or improper use of coding by medical providers.
	FY 1998 Activity	The FY 1998 target was to save 10% versus amounts billed for pharmacy and inpatient hospital services.[6]
2.2H	*FY 1999 Performance Goal*	Complete significant intermediate steps in long-term reengineering of the Davis-Bacon Act wage determination and survey processes to improve the accuracy and timeliness of wage determinations.
	FY 1998 Activity	BLS has completed two fringe benefit pilot surveys.
Outcome Goal 2.3 Provide Worker Retraining		
2.3A	*FY 1999 Performance Goal*	Under JTPA Title III for dislocated workers, 74% of program terminees will be employed at an average wage replacement rate of 93% at termination; 76% will be employed one quarter after program exit at an average wage replacement rate of 97%
	FY 1998(PY 1997) Activity	In PY 1997, an estimated 73 percent of terminees of the JTPA Title III dislocated worker program were employed at an average wage replacement rate of 98 percent at termination. One quarter after program exit, 72 percent of program terminees were employed at an average wage replacement rate of 102 percent.
2.3B	*FY 1999 Performance Goal*	Under North American Free Trade (NAFTA) and Trade Adjustment Assistance (TAA) programs, 72% of program terminees will be employed
	FY 1998 Activity	No performance outcome data on employment of program terminees are available for FY 1998 for the TAA and NAFTA-TAA programs.

[6] Achievement of this goal relied upon the finalization of new regulations in FY 1998 which would give FECA the authority to apply a schedule of fees against charges for pharmacy and other (primarily physicians) professional medical services. The regulations did not become final until January 1999, and as a result, FECA was not able to establish the fee schedule and therefore was not able to meet the performance target established for FY 1998. Since annual performance targets are not stated cumulatively, achievement of savings targets in one performance year do not affect achievement of targets in subsequent years.

GOAL 3: QUALITY WORKPLACES: *Foster quality workplaces that are safe, healthy, and fair.*

Outcome Goal 3.1 Reduce Workplace Injuries, Illnesses, and Fatalities		
3.1A	*FY 1999 Performance Goal*	Reduce the number of coal mine and metal and nonmetal mine fatalities and non-fatal injuries (nonfatal-days-lost incidence rate) to below the average number recorded for the previous five years.
	FY 1998 Activity	Mine fatalities decreased from 101 in FY 1997 to 80 in FY 1998--well below the previous 5-year average of 95.8. The nonfatal-days-lost injury incidence rate of 3.76 for FY 1998 is well below the previous 5-year average of 4.29 (as well as below the 5-year average for the end of third quarter of 4.26).
3.1B	*FY 1999 Performance Goal*	Reduce by 5% the percentage of samples out of compliance with the respirable Coal Mine dust standard and reduce by 5%, the percentage of samples taken among the highest risk occupations, that are out of compliance with Metal and Nonmetal Mine dust standard.
	FY 1998 Activity	Establishing the respirable coal dust baseline has been delayed because of a September 4, 1998 court decision on the “single-shift sampling” procedure that was to be used as the basis for future enforcement of the respirable coal dust standard. MSHA is continuing to press for the use of “single full-shift sampling” for checking dust concentrations in the working section of a mine. The silica dust baseline was established from 1995–1997 silica dust data. A baseline algorithm was constructed according to a weighted compilation for the 35 highest risk occupational categories and given a GPRA rating of 100%. Values less than 100% show a positive result. The FY 1998 results show a rating of 68.3%.
3.1C	*FY 1999 Performance Goal*	Reduce three of the most prevalent workplace injuries and causes of illnesses by 3% in selected industries and occupations.
	FY 1998 Activity	OSHA has identified silica, lead and amputations as the three target areas for this measure. Data has been collected on the number of inspections targeted to silica and lead hazards in FY 1998, and the amount of penalties collected. Also identified are the number of inspections and penalties associated with serious silica and lead violations. No data is available as yet on amputations. Percentage change in average silica and lead exposure severity, and percentage change in rate of amputations, will be calculated in FY 1999.
3.1D	*FY 1999 Performance Goal*	Reduce injuries and illnesses by 3% in five industries characterized by high-hazard workplaces.
	FY 1998 Activity	OSHA has collected data on the number of inspections conducted and penalties assessed in all five high hazard industries during FY 1998. Also identified are numbers of inspections and penalties associated with serious violations in these areas. Data on 1999 injury and illness rates will be collected during FY 2000. The Agency will be able to report outcome data in FY 2001.

Outcome Goal 3.1 Reduce Workplace Injuries, Illnesses, and Fatalities (continued)		
3.1E	*FY 1999 Performance Goal*	Reduce injuries and illnesses (LWDII) by 20% in at least 25,000 workplaces where the Agency initiates an intervention.
	FY 1998 Activity	No data are currently available to report for FY 1998 on lost workday injury and illness rates in workplaces where an OSHA intervention has occurred. The methodology to calculate this indicator is being developed.
3.1F	*FY 1999 Performance Goal*	Decrease fatalities in the construction industry by 3% by focusing on the four leading causes of fatalities (falls, struck-by, crushed-by, and electrocutions and electrical injuries)
	FY 1998 Activity	OSHA has collected data on the number of construction inspections and penalties assessed during FY 1998. Also identified are the number of construction inspections and penalties associated with serious violations. The percentage change in the rate of fatalities will be obtained from the BLS Census of Fatal Occupational Injuries beginning in FY 2000.
Outcome Goal 3.2 Foster Equal Opportunity Workplaces		
3.2A	*FY 1999 Performance Goal*	Increase by 5% the number of Federal contractors brought into compliance with the Equal Employment Opportunity (EEO) provisions of Federal contracts
	FY 1998 Activity	Established a baseline of 2,702 federal contractors brought into compliance.
3.2B[7] Drop	*FY 1999 Performance Goal*	Reduce by 2% over the FY 1998 baseline the number of discrimination complaints filed by Federal grant recipients and the disabled in State and local governments.
3.2B Add	*FY 1999 Performance Goal*	Issue final regulations implementing the nondiscrimination provisions of Section 188 if WIA by August 7, 1999.
	FY 1998 Activity	As of the end of FY 1998, an initial meeting was held with the Employment and Training Administration (ETA) to coordinate a timetable for issuing regulations. Meetings have also been held with the Associate Solicitor for Civil Rights to arrange the necessary legal support in the drafting of the regulations and a briefing has been held for staff on the focus of the new legislation.

[7]This measure has been dropped based on GAO's findings in reviewing this measure that 'complaints filed' as a measure of performance places an undue emphasis on the process which may have a inhibiting effect on the number of complaints filed. This measure has been replaced with goal 3.2B add above.

Outcome Goal 3.3 Support a Greater Balance Between Work and Family		
3.3A	*FY 1999 Performance Goal*	By replicating the West Virginia and other successful child care models, increase the number of States with child care apprenticeship programs to 29 and increase the number of child care apprentices by 10% (to at least 2,114)
	FY 1998 Activity	In FY 1998, 19 States had child care apprenticeship programs, and there were 1,914 child care apprentices.
3.3B	*FY 1999 Performance Goal*	Increase by 50% the number of small and mid-sized employers who voluntarily adopt new family-friendly programs or policies
	FY 1998 Activity	Established baseline of 840 employers
Outcome Goal 3.4 Reduce Exploitation of Child Labor and Address Core International Labor Standards Issues		
3.4A	*FY 1999 Performance Goal*	Increase by 33% the number of countries signing MOUs with the International Labor Organization's (ILO) Child Labor International Program on the Elimination of Child Labor (IPEC) program
	FY 1998 Activity	Data unavailable.
3.4B	*FY 1999 Performance Goal*	Increase by 100% the number of IPEC child labor elimination projects funded by ILAB
	FY 1998 Activity	Data unavailable.
3.4C	*FY 1999 Performance Goal*	Increase implementation of core labor standards in five countries
	FY 1998 Activity	Data unavailable.
3.4D	*FY 1999 Performance Goal*	Advance framework for core labor standards in one regional economic integration initiative
	FY 1998 Activity	Data unavailable.
	Indicator	Number of regional economic integration initiatives that adopt framework for core labor standards proposed by the U.S.; number of regional economic integration initiatives that make progress in enhancing implementation of core labor standards

MAINTAINING A DEPARTMENTAL STRATEGIC MANAGEMENT PROCESS

Outcome Goal M.1		**Improve mission performance and communication through deployment of information systems which are secure, compatible, and cost effective**
M.1A	*FY 1999 Performance Goal*	100% of mission critical systems will process Year 2000 dates correctly
	FY 1998 Activity	The Department has 30 compliant mission critical systems and 56 compliant non-mission critical systems. Ninety-five percent of renovation work on mission critical systems has been completed. At the end of FY 1998, 81% of the systems are in compliance.
M.1B	*FY 1999 Performance Goal*	Improve dissemination of DOL regulations, guidelines, and assistance materials, and collection of public comments through an electronic forum
	FY 1998 Activity	ITC, in conjunction with OASP, has been working toward an effective institutionalized solution for improved public access to DOL information. Sophisticated Search Engine software (Verity) has been acquired and implemented to enhance search and retrieval functions across all DOL Internet servers. A project is underway to enhance DOL's implementation of the Government Information Locator System (GILS) improving indexing of available DOL information. Software has been acquired and implemented to facilitate public access to DOL regulations, guidelines and assistance materials allowing public commenting via the Internet (elaws).
M.1C	*FY 1999 Performance Goal*	Implement an integrated payroll and personnel system prior to FY 2000
	FY 1998 Activity	During FY 1998, DOL-wide data relationship and coding structure comparisons completed. DOL employee data has been moved to the new system data base.
Outcome Goal M.2 Maintain the integrity and stewardship of the Department's financial resources		
M.2A	*FY 1999 Performance Goal*	DOL financial systems and procedures either meet the "substantial compliance" standard as prescribed in the Federal Financial management Improvement Act (FFMIA) or corrective actions are scheduled to promptly correct material weaknesses identified
	FY 1998 Activity	Two of seven systems were brought into compliance with the Act in FY 1998. Corrective action plans are in place for the remaining systems over the next two years.

Outcome Goal M.3 Establish DOL as a Model Workplace		
M.3A	*FY 1999 Performance Goal*	Increase by 10% the number of employees utilizing continuous learning/development and career management programs and services
	FY 1998 Activity	FY 1998 data is being aggregated from the following sources to determine a baseline number: - Number of employees who participated in classroom deliveries, facilitated training events and external development programs - Number of employees who completed self-study courses - Number of employees who received career counseling - Number of employees who used the services of the Career Assistance Center and the Continuous Learning Library Exchange.
M.3B	*FY 1999 Performance Goal*	Increase participation in “employee-friendly” programs by 10%
	FY 1998 Activity	Baseline data is being established from the following data sources: For the baseline for flexiplace participation, the Personnel Offices provided the number of employees who are currently on flexiplace arrangements. For part-time workers, data in PERMIS for the number of employees who are part-time will be used. A database will be developed to establish job sharing opportunities and count the number of employees who actually job share in FY 1999. For the leave bank baseline, the number of employees who are currently leave bank members will be used. Usage reports will be used to establish baseline data for the resource and referral service. A baseline of usage on LaborNet will be obtained from the hits recorded.
M.3C	*FY 1999 Performance Goal*	Complete a review of one of the ten major DOL agencies that verify that all DOL agencies have procedures in place to meet the requirements of applicable civil rights laws
	FY 1998 Activity	No FY 1998 activity
M.3D	*FY 1999 Performance Goal*	Increase the number of employees returning to work, thereby reducing charge back compensation costs by 3%
	FY 1998 Activity	Charge back costs for FY 98 totaled $20,378,249 , including death benefits. When the cost of the death benefits are excluded, the FY 98 costs were $18,566,939 – an increase of $1,344,757 over the comparable FY 97 costs. Approximately $900,000 of the increase is attributable to four catastrophic injuries in the Job Corps program.

MANAGEMENT INITIATIVES IN THE FY 1999 PERFORMANCE PLAN

The Department has established long term management initiatives and performance goals to address departmental functions such as financial management, information technology, and human resources management.

INFORMATION TECHNOLOGY

Improve mission performance and communication through deployment of information systems which are secure, compatible, and cost effective

DOL will improve mission performance, productivity, communication linkages, and administrative processes through greater utilization of information technology. The goal is to reduce risks and contain costs through greater internal coordination and integration, while providing DOL employees with quality automated tools and timely information so they can better perform their jobs.

Year 2000 (Y2K) Assessment
The following summary addresses key aspects of DOL Y2K progress. Additional information can be obtained from the Quarterly Report on the *Status of the Department of Labor's Year 2000 Efforts.* The report is prepared by the Office of the Assistant Secretary for Administration and Management's Information Technology Center.

Overall Progress
As of March 31, 1999, all 61 of the Department of Labor's most important computer systems have been repaired or replaced and are compliant and ready for operation in the year 2000. In the coming months, further steps will be taken to assure the readiness of our mission critical systems, to finalize and test our contingency plans, and to complete independent verification and validation activities. These measures will further ensure that DOL core services can be delivered without interruption in the year 2000.

The *validation* process is an important step in preparing DOL mission critical systems to be successfully implemented. Accordingly, project management has emphasized quality and not rushed the completion of validation, which is very nearly complete for all mission critical systems.

Independent Verification and Validation (IV&V) has been performed for over half of the Department's mission critical systems, and all assessed systems are rated at "low risk" for experiencing a Y2k related failure. IV&V evaluations are scheduled to meet the Department's June 30, 1999 IV&V completion milestone.

DOL data exchanges are 80 percent compliant. Compliance is being closely monitored as an integral part of assuring that Departmental systems will function, and that State and private partners meet agreed upon interface responsibilities. The Department is improving its strategy for ensuring the readiness of its systems by verifying that system contingency plans address all data exchanges.

Infrastructure compliance has been emphasized as implementation of mission critical systems has occurred. Assessments are completed for buildings, telecommunications, and information technology systems, including embedded chip devices, and remediation is proceeding as scheduled. The Department strengthened its Year 2000 Team with the recent addition of staff to concentrate on non-IT infrastructure readiness.

Table 1: Summary of Mission Critical Systems

Total Number of Mission Critical Systems	61
Number Compliant	61
Number that were Replaced	4
Number that were Repaired	6
Number to be Retired	0

Business Continuity and Contingency Plans (BCCPs) have been prepared, which identify the Department's seven core business functions. Beginning in January, DOL initiated a rigorous review and refinement process for its BCCPs to ensure that these plans are viable and complete.

DOL non-mission critical systems conversion is progressing, with 62 of 79 (78 percent) of these systems now Y2k compliant.

Overall progress is also indicated by the 53 State Employment Security Agencies (SESAs), which successfully met the unemployment insurance (UI) system's first major Y2k challenge.

Continuity of Business Plans
The Department's approach to Business Continuity and Contingency Plan (BCCP) preparation is guided by the GAO's Year 2000 Computing Crisis: Business Continuity and Contingency Planning, the work and experiences of other agencies, such as the Social Security Administration, and the core business functions and structure of the Department.

The business continuity planning process began in February 1998, when the Assistant Secretary for Administration and Management/CIO requested plans from agencies by July 1998 for all mission critical benefit systems, financial systems and any system that did not anticipate meeting the major OMB milestones. In April 1998, the requirement for BCCPs was expanded to include all core business functions to reduce the risk of Year 2000-induced business failures.

The development of BCCPs is an iterative process. These plans, delivered in July 1998, were revised in September and are scheduled for further review, update, and testing in 1999. DOL has seven high-level core business functions:

- *Labor and employment policy and oversight.*
- *Worker safety and health policy oversight.*
- *Workers' benefits.*
- *Job training programs and employment assistance.*
- *Benefits programs.*
- *Tracking national employment and/or economic conditions.*
- *Program support.*

The review of BCCPs began in January with an executive staff briefing and workshop for core business process managers. This review will focus on verifying core business processes, risks and alternative actions, and increasing where necessary, the level of detail presented in the contingency planning section of the BCCPs. Current plans, call for finalizing BCCPs by May 1999 and completing testing by September 1999.

Table 2:
Y2k Conversion Costs (IT & non-IT)

Fiscal Year (millions)	DOL funding	State pass-through funding	Total
1996	$1.7		$1.7
1997	$5.4		$5.4
1998	$14.5	$205.0	$219.5
1999 (est)	$23.7	$40.0	$63.7
2000 (est)	$10.0		$10.0
Total (est)	$55.3	$245.0	$300.3

Other Information Technology Performance Measures
Implement an integrated payroll and personnel system prior to FY 2000.
During FY 1998, DOL-wide data relationship and coding structure comparisons completed. DOL employee data has been moved to the new system data base.

Improve dissemination of DOL regulations, guidelines, and assistance materials, and collection of public comments through an electronic forum.
ITC, in conjunction with OASP, has been working toward an effective institutionalized solution for improved public access to DOL information. During FY 1998, sophisticated Search Engine software (Verity) has been acquired and implemented to enhance search and retrieval functions across all DOL Internet servers.

A project is underway to enhance DOL's implementation of the Government Information Locator System (GILS) improving indexing of available DOL information. Software has been acquired and implemented to facilitate public access to DOL regulations, guidelines and assistance materials allowing public commenting via the Internet. OASP and ITC will continue to expand these capabilities to provide easier and more robust features for public access to DOL information and interaction with DOL programs.

Audit of EDP Controls
To gain assurance that financial data produced by Electronic Data Processing (EDP) systems is reliable, the Office of the Inspector General reviewed the OCFO’s Department of Labor Accounting and Related Systems (DOLAR$) and the following systems in the Employment Standards Administration:

- Back Wage Collection and Distribution System (BCDS);
- Black Lung Disability Trust Fund System (BLDTF);
- Civil Monetary Penalties System (CMP);
- Federal Employees’ Compensation Act System (FECA), and
- Longshore Special Fund System (LSFS).

The auditors also reviewed prior year recommendations pertaining to other DOL systems. The audit noted several weaknesses that affect one or more of these systems.

Entity-Wide Security

- Independent risk assessments have not been performed or properly documented on a regular basis or at the time systems, facilities, or other conditions change (BCDS, CMP, and FECA).
- An independent group responsible for security administration has not been established (BCDS, CMP, DOLAR$, FECA, and LSFS).
- The FECA system has not been accredited by the program manager.
- FECA's host data center has no security plan, and the security plan for DOLAR$ is incomplete.
- Existing computer security termination procedures are inadequate (BLDTF and FECA).
- There were several instances where security clearances had not been performed for personnel considered critical users (DOLAR$).
- The following disaster recovery/business continuity issues were identified:
    - Lack of disaster recovery/business continuity plans (BCDS, CMP and FECA).
    - Lack of complete inventory listings of items such as computer hardware, software, and telecommunications needed for operations (DOLAR$ and FECA).
    - Lack of documented policies and procedures for performing system backup and tape storage (LSFS).

Access Controls

- Standard system access request forms and authorization procedures are not used. (BCDS, CMP, DOLAR$, and FECA).
- Users share IDs and passwords (BCDS, CMP, and DOLAR$).
- Servers reside in an unsecured location, with a minimally controlled environment (LSFS).
- Lack of review of access logs of sensitive data files (BCDS and CMP).

Application Software Development and Change Control

- Lack of up-to-date change control policies and procedures (BCDS, CMP, DOLAR$, and FECA).
- Lack of a library management system (DOLAR$ and FECA). In addition, FECA program development staff have access to both test and production environments.
- Inadequate documentation of FECA technical programming and user operations, and Job Corps software development and configuration management.

The Office of the Chief Information Officer, the Office of the Chief Financial Officer, and the major agencies are addressing each of these findings in a departmentwide effort to update major system security plans. The Department's Management Control Policy Board is also monitoring Department's Y2k and computer security efforts.

HUMAN RESOURCES

Establish DOL as a Model Workplace

One of DOL's key aims in the area of Human Resources Management is to provide its staff with the knowledge and skills necessary to effectively accomplish the Department's strategic goals. This objective will be achieved through the retooling of DOL's workforce through a series of lifelong learning initiatives. As part of this effort, DOL will be a model workplace and facilitate the recruitment and retention of a diverse, highly-skilled workforce capable of meeting DOL's strategic and performance goals, while creating an "employee-friendly" environment that allows employees to better balance their work and family obligations.

Performance Measures

Increase by 10% the number of employees utilizing continuous learning/development and career management programs and services. Baseline data for the measure has been established for FY 1998.

Increase participation in"employee-friendly" programs by 10%. Baseline data for the measure has been established for FY 1998.

Complete a review of one of the ten major DOL agencies that verify that all DOL agencies have procedures in place to meet the requirements of applicable civil rights laws.

Working Capital Fund (WCF) Cost Allocation for Training Services.

The OIG noted in its FY 1992 audit the need for developing a strategy for allocating DOL Academy costs based on usage of the Academy's training services ensuring cost recoveries which are based on unit pricing of goods and services reflecting the current costs to the WCF for providing such service. WCF has now developed such a strategy. During FY 1999, the OCFO will monitor reporting of recovery data from the Human Resources Center to ensure that the strategy is properly implemented.

FINANCIAL MANAGEMENT

The Department's Strategic and Performance Plans include goals to maintain the Department's clean audit opinion and to bring all financial systems into conformance with the governmentwide standards in the Federal Financial Management Integrity Act (FFMIA).

The Department has again received an unqualified audit opinion on its FY 1998 Consolidated Financial Statements. This accomplishment represents more than maintaining the status quo, since financial management staff throughout the Department met rigorous new managerial cost and other accounting standards that went into effect in FY 1998.

Prompt Payment Act

In FY 1998, DOL agencies made 175,951 payments that were subject to the Prompt Payment Act, with a total dollar value of $500 million. Interest penalties due to late payments were $136,320, down $3,200 from FY 1997, and the percent of late payments which incurred a penalty was also down slightly. The overall on-time payment percent was off from FY 1997 by .4%, due primarily to difficulties in one area. This problem has been resolved. The dollar volume of penalties continues to represent (at less than three-tenths of one percent) a statistically insignificant portion of payments made.

Table 3:

DOL Prompt Pay Performance

FY	On-time percent	Penalty # percent	Penalty $ percent
1995	95.8%	1.16%	.014%
1996	93.0%	1.52%	.022%
1997	93.2%	2.01%	.029%
1998	92.8%	1.92%	.027%

Percent of invoices paid on-time; percent incurring penalties; and the penalty payments as a percentage of total payments

Civil Monetary Penalties

Monetary Penalties are assessed by four DOL program agencies: OSHA; MSHA; PWBA; and ESA. Together, these agencies assess approximately $100 million in penalties, one of the highest among Federal Agencies. The chart below shows recent collection activity.

Table 4:

Civil Monetary Penalty Collections (000's)

Agency	*FY 1996*	*FY 1997*	*FY 1998*
MSHA	***$15,043***	***$13,680***	***$16,948***
OSHA	***$43,743***	***$54,886***	***$54,627***
ESA	***$7,977***	***$6,286***	***$6,635***
PWBA	***$13,142***	***$11,285***	***$11,266***

FFMIA Compliance

Last year, the OIG audit identified seven of 16 financial systems that did not fully comply with the FFMIA. The Department brought two of those systems into compliance with the Act. Four of the systems are expected to be brought into compliance with the Act in 1999 and the remaining system has targeted corrective actions in FY 2000.

FINANCIAL REPORTING

Financial Statement Preparation Process

The Office of the Chief Financial Officer (OCFO) recently implemented a new financial reporting system and fully adopted the new Federal financial statement format required by OMB Bulletin 97-01, as amended. The OCFO still needs to complete documentation that provides an integrated view of the procedures, personnel and systems employed in preparation of the consolidated financial statements.

Cost Accounting Allocation Process

The Department allocated agencies' costs to the respective responsibility segments included in the financial statements. However, the rationale for agency cost allocation methodologies was not adequately documented.

FMFIA Reporting Process

The strategies used by some DOL agencies to determine internal control and financial management system weaknesses, as required by the *Federal Managers' Financial Integrity Act of 1982* (FMFIA), were limited to reviewing the OIG's internal control findings presented as part of the annual financial statement audit. As provided in OMB guidance for FMFIA, agencies should consider other sources and self-assessments. The departmentwide Management Control Policy Board is addressing this issue

Funds With Treasury

The Department continues to have problems reconciling its accounts with Treasury. Unreconciled differences at September 30 increased 36 percent over FY 1997. Further, while Treasury has discontinued the use of Budget Clearing Accounts as of the end of FY 1998, the Department still had unreconciled differences in these accounts. Because of these differences with Treasury, the Department cannot ensure that all deposits and disbursements are accurately recorded. During the audit it was found that several FECA payments had been diverted to an employee's personal bank account. This situation could have been detected if proper reconciliations with Treasury were conducted

Accounts Receivable

As originally noted in an FY 1996 audit, agencies need guidance on the proper identification, accounting, collection, and reporting for accounts receivable. The Acting Chief Financial Officer intends to update departmental policy by providing minimum requirements that all agencies should follow in accounting for accounts receivable balances at year end.

Table 5: DOL Delinquent Debt Data

Delinquent Debt over 180 days	$66,631,370
Debts in Bankruptcy	$2,907,730
Foreign Debts or at Private Collection Agencies	$2,243,265
At or to go to DOJ/in foreclosure	$19,828,015
Available for Cross-Servicing	$41,652,360
Referred for Cross-Servicing	$30,329,682

Debt Management

The Department continues to play a leadership role within the Federal Government in implementing the Debt Collection Improvement Act of 1996 (DCIA), particularly with regard to cross-servicing delinquent debts with the Treasury Department. Although ranking in the bottom third of agencies in terms of dollar volume of debt available to be cross-serviced, DOL has referred over $30 million of delinquent debt to Treasury, ranking fifth among federal agencies. DOL program agencies, particularly OSHA, have also worked closely with Treasury staff to assist them in developing debt management systems that meet the needs of other Federal Agencies.

Although significant progress has been made, with over 70% of all eligible debt having been referred to Treasury, DOL is not fully in compliance with DCIA. Eight DOL program agencies have not referred all receivables that have been delinquent for a period of 180 days to the Department of the Treasury for collection. Written plans have been requested from each agency detailing their timetables for gaining substantial compliance with the Act, as well as procedures for staying in compliance once all of the older debt has been referred.

Electronic Fund Transfer (EFT)

The Department continues to increase the number of EFT payments made, although at a modest rate. DOL continues to lag government averages due to the ESA medical and benefit program payments, which account for 83% of the volume of all payments processed in the Department. EFT capability is expected to be available for FECA payments to medical providers in the year 2000. FECA payments represent 34% of all payments processed, and are the largest portion of ESA payments as well.

Significant improvement was achieved in Travel and Miscellaneous payments, where the percentage of payments made via EFT rose from 23% to 83%.

Table 6:
DOL EFT Payments for 1998

	FY97	FY98
Administrative Vendors	49%	53%
Travel & Miscellaneous	23%	83%
Salary & Awards	91%	96%
ESA Programs	26%	23%
Total	35%	36%