



United States
General Accounting Office
Washington, D.C. 20548

**Health, Education, and
Human Services Division**

B-277573

July 31, 1997

The Honorable Richard K. Armev
Majority Leader
House of Representatives

The Honorable John R. Kasich
Chairman, Committee on the Budget
House of Representatives

The Honorable Dan Burton
Chairman, Committee on Government
Reform and Oversight
House of Representatives

The Honorable Bob Livingston
Chairman, Committee on Appropriations
House of Representatives

Subject: The Results Act: Observations on the Draft Strategic Plans of
Selected Department of Labor Components

On June 12, 1997, you asked us to review the draft strategic plans submitted by the cabinet departments and selected major agencies for consultation with the Congress as required by the Government Performance and Results Act of 1993 (the Results Act). This letter completes our response to that request concerning the Department of Labor.

Labor's strategic plan consists of a Department-level document, which it designates as a "strategic plan overview," supplemented by strategic plans for 15 of its component offices or units. As agreed with your offices, we analyzed Labor's overview and performed selected analyses of individual plans. The results of our analysis of Labor's overview were sent to you in a letter dated July 11, 1997.¹ As you further requested, this letter provides additional detailed analyses on the individual draft strategic plans submitted by the Employment and Training Administration (ETA), the Occupational Safety and Health Administration (OSHA), and the Employment Standards Administration (ESA).

¹The Results Act: Observations on Department of Labor's June 1997 Draft Strategic Plan (GAO/HEHS-97-172R, July 11, 1997).

Objectives, Scope, and Methodology

Our overall objective was to review and evaluate the draft strategic plans for three of Labor's components—ETA, OSHA, and ESA—as submitted by Labor to congressional staff on June 11. Specifically, we (1) determined whether the plans included the elements required by the Results Act and assessed the strengths and weaknesses of the elements contained in them; (2) discussed the components' key statutory responsibilities and how they were addressed in each of the plans; (3) identified each component's programs, activities, and functions that are crosscutting in that they are similar or related to goals, activities, or functions of other agencies and the extent to which the plan reflects interagency cooperation; (4) discussed the extent to which management challenges were addressed in each plan; and (5) described the three components' capacities to provide reliable information about performance.

As agreed, our assessment of the component strategic plans was based generally on our previous work, our knowledge of the components' operations, numerous reviews of Labor, and other information available at the time of our assessment. Specifically, the criterion we used to determine whether the components' draft strategic plans complied with the requirements of the Results Act was the Results Act itself, supplemented by the Office of Management and Budget's (OMB) guidance on developing the plans (Circular A-11, part 2). To make judgments about the overall quality of the plans, we used our May 1997 guidance for congressional review of strategic plans (GAO/GGD-10.1.16) as a tool. To determine whether the plans contained information on interagency coordination, addressed management problems previously identified, and reflected a capacity to provide reliable performance information, we relied on our general knowledge of Labor's operations and programs, and the results of our previous work.

Although we assessed the three Labor components' plans in terms of the Results Act, individual components are not required to submit strategic plans. According to the act and OMB Circular A-11, executive agencies such as Labor are required to submit a plan, and the agencies can use discretion as to which of their component units must submit plans. There is no requirement that the component plans that are submitted include the six elements specified in the act. As you requested, however, we reviewed the component plans in terms of how they address the six elements considered essential to a strategic plan.

To review the key statutory responsibilities of each of the three components and how they relate to their missions and goals, we examined

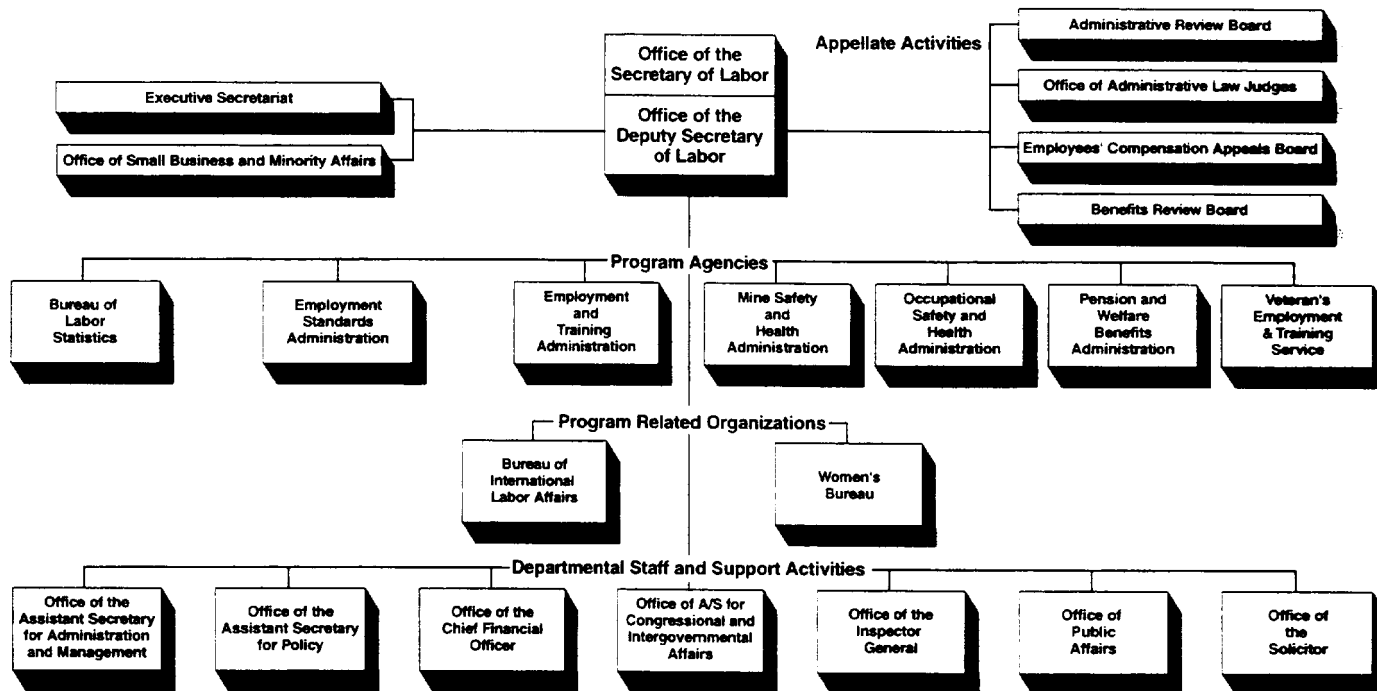
the applicable statutes. As requested, we coordinated our work on key statutory authorities and the capacity to provide reliable information with the Congressional Research Service and Labor's Inspector General, respectively.

In passing the Results Act, the Congress anticipated that several planning cycles might be needed to perfect the process of developing a strategic plan and that the plan would be continually refined. Thus, our comments reflect a "snapshot" of the status of the component plans at a particular point. We recognize that developing a strategic plan is a dynamic process and that Labor and its component units are continuing to work to revise the draft with input from OMB, congressional staff, and other stakeholders.

Background

Labor administers and enforces a variety of federal labor laws guaranteeing workers' rights to a work place free from safety and health hazards, a minimum hourly wage and overtime pay, family and medical leave, freedom from employment discrimination, and unemployment insurance. Labor also protects workers' pension rights; provides job training programs; helps workers find jobs; works to strengthen free collective bargaining; and keeps track of changes in employment, prices, and other national economic measures. Labor's diversity of functions is carried out by different offices in a decentralized organizational structure. It has 24 component offices or units, and over 1,000 field offices to support its various functional responsibilities. In fiscal year 1997, Labor has an estimated budget of \$34.4 billion and is authorized 16,614 full-time-equivalent staff-years.

Figure 1: Department of Labor Organization



Employment and Training Administration

ETA administers a number of statutes related to employment and training services for the unemployed and underemployed, employment security for workers, and other programs that are directed to meeting the employment needs of the nation. A major ETA responsibility is to carry out the Job Training Partnership Act, which established a decentralized structure for the delivery of employment and training services funded through grants and administered predominantly by the states. ETA's employment security functions are carried out by the Unemployment Insurance Service, which administers a nationwide unemployment compensation system, and the Employment Service, which administers a nationwide public employment service system. ETA has an estimated budget of \$31.4 billion in fiscal year 1997; \$6.2 billion of this amount is for employment and training programs. The remaining \$25 billion is for mandatory spending on income maintenance programs, such as the unemployment insurance program, and comes primarily from the unemployment insurance trust fund, which is financed by federal and state employer payroll taxes.

Occupational Safety and Health Administration

OSHA administers policies and programs to ensure safe and healthful working conditions for over 100 million workers covered by the Occupational Safety and Health Act of 1970. OSHA sets and enforces national standards for work places to reduce or eliminate safety and health hazards, encourages employers and employees to reduce work place hazards through voluntary programs, offers training to improve the competence of occupational safety and health personnel, and provides for the development and approval of state occupational safety and health programs. OSHA's estimated budget for fiscal year 1997 is \$325 million.

Employment Standards Administration

ESA is responsible for administering and directing a variety of programs that protect the basic rights of workers. These include programs dealing with minimum wage and hour standards, workers' compensation programs, equal employment opportunity programs, and affirmative action programs for government contract employees, and programs protecting workers' rights as union members. ESA administers these programs through four offices—the Office of Federal Contract Compliance Programs (OFCCP), the Office of Workers' Compensation Programs (OWCP), the Wage and Hour Division (WHD), and the Office of Labor Management Standards (OLMS). In fiscal year 1997, ESA has an estimated budget of \$1.6 billion.

OFCCP is responsible for enforcing requirements governing the employment practices of federal contractors and subcontractors that ensure equal employment opportunity for minorities, women, individuals with disabilities, and disabled and Vietnam Era veterans. OWCP administers three major disability compensation programs by providing cash benefits, medical treatment, vocational rehabilitation, and other benefits to certain workers who have work-related injuries or diseases. WHD administers and enforces a wide range of laws that collectively cover virtually all private as well as state and local government employment. Its activities include ensuring compliance with minimum wage, overtime, child labor, and other employment standards. OLMS collects and makes available for public disclosure union constitutions and financial reports, audits union financial records, and investigates possible embezzlement of union funds.

Results Act Requirements and OMB Guidance on Preparing and Submitting Strategic Plans

The Results Act requires virtually every executive agency to develop a strategic plan covering a period of at least 5 years from the fiscal year in which it is submitted. The plans are to contain the following six elements: (1) an agency mission statement, (2) long-term goals and objectives,

(3) approaches to achieve goals and objectives, (4) a description of the relationship between annual goals and long-term goals and objectives, (5) key external factors that could affect achievement of goals, and (6) evaluations used in establishing the strategic plan and schedule for future program evaluations.

The Results Act is aimed at improving program performance. It requires that federal agencies consult with the Congress and other stakeholders to clearly define their missions and articulate a comprehensive mission statement that defines the basic purpose of the agency. It also requires that they establish long-term strategic goals as well as annual goals that are linked to them. Agencies must then measure their performance against the goals they have set and report publicly on how well they are doing. In addition to monitoring ongoing performance, agencies are expected to evaluate their programs and to use information obtained from these evaluations to improve their programs.

OMB Circular A-11 provides additional guidance on the development of agency strategic plans. The Circular strongly encourages agencies to submit a single, agencywide strategic plan. It states, however, that an agency with disparate functions, such as Labor, may prepare several strategic plans for its major components or programs. When an agency does prepare multiple strategic plans for component units, Circular A-11 further provides that these should not be merely packaged together and submitted as a single strategic plan because the size and detail of such a compilation will reduce the plan's usefulness. Moreover, the agency is to prepare an agencywide strategic overview that will link individual plans by giving an overall statement of the agency's mission and goals.

Summary of Labor's Strategic Plan Overview

As we reported to you on July 11, 1996, to meet the Results Act requirement for an agency strategic plan, Labor elected to submit "a strategic plan overview" that addresses some Results Act requirements at the Department level. It also submitted individual plans for certain agency component units. However, Labor's overview does not comply with OMB guidance to integrate information from individual strategic plans of its components into a single agencywide strategic overview document. Furthermore, while Labor's overview contains a mission statement for the agency, as required, the statement itself does not appear to be sufficiently descriptive of Labor's basic purpose. Labor's strategic plan overview also does not meet the guidance contained in Circular A-11 that it contain an

overall statement of departmental goals. Instead, Labor has excerpted and listed the goals contained in the component unit plans.

Labor's draft overview and supplemental unit plans cover the five areas of major statutory responsibility—employment and training, health and safety in the work place, pension and welfare benefits, employment standards, and labor statistics. The goals stated in the plans are consistent with Labor's statutory responsibilities. In addition, the mission statements cover all of Labor's major functions and operations.

Labor's strategic plan overview recognizes the roles of other organizations, such as other federal agencies and state and local governments, and the importance of establishing partnerships in carrying out such functions as ensuring safe and healthful work places. Labor's overview could be improved, however, by recognizing the importance of other participants, namely the other 14 federal agencies involved in one major area of responsibility—job training. The overview does not acknowledge that the nation's federally funded employment training system is a patchwork of multiple programs, many of which are in departments and agencies other than Labor; nor does it set forth strategies pertaining to the development of a cohesive, integrated, and coordinated system.

Finally, Labor's capacity to provide reliable information for use in its agencywide management is questionable. Its overview plan recognizes the importance of additional information to ensure timely and sound evaluations to assess agency progress in meeting goals. However, its overview does not describe its strategy for ensuring that such information is collected and used to assess progress and performance. In addition, Labor's overview plan does not discuss with any specificity how it will use information technology to achieve its mission, goals, and objectives; nor does the plan describe with sufficient clarity how Labor intends to use information technology to improve performance and reduce costs. The plan also does not include a discussion on the need for computer systems to be changed to accommodate dates beyond the year 1999—the “year 2000 problem.” Furthermore, Labor's strategic overview plan could be improved by including a discussion of its technology investment control process, a process that can help agencies reduce the risk and maximize the net benefits from their information technology investments.

Overview of Three Components' Plans

The strategic plans of ETA and OSHA address most of the elements in the Results Act. Improvement could be made, however, by including more

detailed discussions of evaluation strategies, crosscutting activities, and generating reliable performance information. In addition, both plans could benefit by including more results-oriented goals and objectives. On the other hand, ESA did not prepare an overall strategic plan. Rather, it submitted plans for each of its four program offices. Because ESA did not prepare an overall plan, it may not be in a position to address common themes among its four program agencies, such as better serving customers, relying on information technology, and working with reduced resources.

A more detailed analysis of ETA's and OSHA's plans are included in enclosures I and II, respectively. A review of the statutory requirements of ESA are included in enclosure III.

ETA's Strategic Plan

ETA's draft strategic plan includes five of the six elements delineated in the Results Act, but it does not provide the required information about program evaluations. Furthermore, some of the elements, such as strategies to achieve goals and the factors affecting ETA's ability to achieve the goals, are discussed in greater detail and are developed more fully than others. Other useful information related to crosscutting functions and management challenges is not provided. ETA's mission statement does not cover its key statutory responsibilities, but ETA's goals do reflect these responsibilities.

ETA's plan provides a fairly broad mission statement; for example, it generally focuses on "ensuring that Americans have access to the information and resources they require to successfully manage their job lives." Its mission statement could be improved if ETA combined it with the responsibilities it clearly set out in its vision statement, such as providing high-quality job training, employment, and income maintenance services through state and local workforce development systems.

ETA's description of long-term goals and objectives, strategies to achieve them, and linkage to annual goals could also be improved. The goals of the plan cover the range of ETA's responsibilities and generally allow for the future assessment of whether they are being achieved. But ETA could improve its strategic plan by developing objectives that are more results oriented and measurable. The strategic objectives currently in the plan appear to be strategies to achieve goals rather than objectives. For example, the plan includes the following as a strategic objective: "Through Job Corps provide alternative education and job skills preparation in a

safe living and learning environment, for disadvantaged, low income youth who dropped out of school or who are at risk of dropping out of school.” However, this is essentially a strategy for achieving one of the strategic goals, that is, “Assure that America’s youth, particularly at risk youth, acquire the knowledge, skills and abilities they need to earn a decent living.”

In addition, the plan would be more useful if it provided a schedule for initiating and completing its strategies and described how it would communicate strategic goals throughout the organization and how it plans to hold management accountable for achieving goals.

The plan includes a brief discussion of the relationship of the annual plan to the long-term strategic plan and cites examples of performance measures likely to be included in the annual plan. Some examples cited are “the number of states that demonstrate and pursue one-stop building principles, the number of local communities which will have access to employment and training services through an integrated one-stop career center system,” “the number of job vacancies available on the Internet . . .,” and “the number of Job Corps students who are placed into jobs or other suitable outcomes.” The performance measures it finally selects would be more useful if they included more results-oriented, outcome measures than those now listed as possible measures.

ETA’s draft plan could also be improved by including a more detailed discussion of external factors that could affect it and by including the required information about program evaluations. ETA’s draft plan describes the external factors that could affect its ability to achieve its goals, such as pending legislation to consolidate employment and training programs, resource availability, and changes in the economy. A strengthened discussion of the impact of recently passed welfare legislation would be helpful, however, given its potentially great impact on employment and training programs at the state and local levels. The draft plan makes no reference to program evaluations conducted or planned. It does state that program requirements, with respect to performance measurement information, will be assessed after the strategic plan is completed, but it is not clear whether the reference is to discrete evaluation studies or ongoing performance measures.

Two of the goals outlined in ETA’s plan reflect the requirements of law; the rest do not, but are consistent with the law. For example, ETA’s goal of assuring that America’s youth, particularly at-risk youth, acquire the

knowledge, skills, and abilities they need to earn a decent living reflects a requirement of law in that the very purpose of the Job Training Partnership Act is to establish programs to train youths and adults facing serious barriers to employment.

The draft plan would also be improved by a discussion of coordination about crosscutting issues and acknowledgment of management challenges in implementing the plan, including obtaining reliable information about performance. All of these features are missing from the current draft, even though there are significant crosscutting issues that should be addressed (for example, the fact that multiple agencies are responsible for employment training programs) and a major management challenge facing ETA is the difficulty of producing reliable information to assess program implementation and performance.

OSHA's Strategic Plan

OSHA's draft strategic plan includes all but one of the six elements delineated in the Results Act. It also addresses crosscutting issues and discusses major management challenges such as obtaining reliable information.

OSHA's mission statement—"assure so far as possible every working man and woman in the nation safe and healthful working conditions"—clearly and succinctly describes why OSHA exists and how it carries out its work. The goals OSHA sets forth in its plan convey its principal functions and operations and are directly related to its mission. For example, the first goal in OSHA's plan is to "assure safe and healthful working conditions for all workers, as evidenced by fewer hazards, reduced exposures, and fewer injuries, illnesses, and fatalities.

OSHA's plan presents a broad discussion of the strategic tools that it will rely on to achieve its goals. However, the strategic plan focuses more on describing particular strategies rather than on articulating clear linkages between the individual strategies and the achievement of the plan's goals. For example, although the plan discusses the various types of strategies OSHA will use to achieve its goals (such as increased use of information technology or problem analysis), OSHA did not include information about how these strategies (which strive for improved data collection) can facilitate achievement of its goals.

The plan includes strategic measures to assess whether the related goals and objectives have been achieved. Although some of the plan's

performance measures are clearly outcome oriented, others are ambiguous, posing measurement and interpretation problems. Other performance measures are essentially strategies for achieving the goals, rather than measures. For example, a measure such as “developing and delivering training to workers and employers in the skills necessary for effective worker involvement in safety and health” is more of a strategy for achieving a goal rather than an indicator for measuring progress.

Also, the plan does not include a schedule for initiating or completing significant actions nor the level of resources deemed necessary. Similarly, the plan does not address the process to be followed to communicate goals and objectives throughout the agency and to assign accountability to managers and staff for achievement of objectives. OSHA’s plan does not specifically define the annual performance goals; the plan could be improved by identifying the appropriate data and measures OSHA will use to monitor progress on these goals.

OSHA’s strategic plan includes a discussion of the external factors that could influence the achievement of its strategic goals. As the plan notes, agency performance in improving worker safety and health can be significantly affected by general economic conditions, workforce demographics, and changes in the economy’s job mix. However, it does not convey the extent to which these factors might affect the achievement of the goals. It also does not describe how program evaluations were used in developing the plan or what future evaluations will be used for measuring progress.

Two of the three goals laid out in OSHA’s plan reflect the purposes delineated in the Occupational Safety and Health Act, OSHA’s enabling legislation. For example, the first goal enunciated in OSHA’s plan, which is to ensure healthful and safe working conditions for all workers, as evidenced by fewer hazards and injuries, clearly reflects the purpose of the legislation, which is to “assure so far as possible every working man and woman in the Nation safe and healthful working conditions.” The third goal is a general management goal that does not reflect a specific provision of law.

OSHA’s plan acknowledges the importance of coordinating with agencies such as the Department of Transportation and ETA that have related missions and authority. It also addresses the major management challenge of producing reliable data to measure and track its performance. It

includes as one of its strategic measures the full implementation of an information system necessary to collect and analyze OSHA data.

ESA's Strategic Planning Approach

ESA has not developed a strategic plan or a strategic plan overview for its various functions and responsibilities. Rather, ESA submitted a strategic plan for each of its four offices—WHD, OFCCP, OWCP, and OLMS. While the Results Act and Circular A-11 do not require agency components, such as ESA, to submit strategic plans, it is not clear why Labor chose to submit plans for other component program offices at ESA's level but did not submit one for ESA. Labor indicated that it would explain in its revised strategic plan why some components provided strategic plans and others did not.

ESA's decentralized strategic planning effort, as indicated by its choosing to submit individual plans for its four program operations, mirrors the approach used by Labor to meet the requirements of the Results Act. As we previously reported, Labor's draft strategic plan consisted of separate plans from 15 of its 24 agencies and a strategic plan overview that basically consisted of excerpts from these 15 agencies' plans rather than an agencywide plan reflecting overarching goals and objectives.

From our review of all four plans, it was not evident that ESA provided guidance or direction to its four offices on what should be included in their plans. We found that the plans were uneven in their coverage of the six strategic plan elements called for by the Results Act, with one office's plan omitting several elements. For example, the plans for WHD and OLMS addressed all of the elements; however, the OWCP plan did not address the strategies that would be used to achieve the goals, the key external factors that could affect the achievement of the goals, or the evaluations to be used to establish goals or that would be used to monitor progress.

By using a decentralized approach, ESA may have missed opportunities to improve coordination among its four program offices and ensure that the programs are able to achieve their goals. For example, there appeared to be several common themes across the four offices' plans in terms of

- strategic goals, such as better serving customers;
- strategies to achieve those goals, such as reliance on technology or the development of data systems to increase program efficiency; and
- key external factors that could affect the achievement of those goals, such as reduced resources or diverse stakeholders with differing views.

Because ESA did not prepare an overall plan or provide information that acknowledged these commonalities, ESA may not be in a position to address these common themes strategically and facilitate the achievement of each of the offices' goals.

Similarly, there were commonalities in at least one of the offices' plans—OWCP. However, OWCP's plan appeared to be a compilation of strategic goals developed by the three programs it oversees rather than an overall plan for OWCP as a whole. OWCP stated in its plan that "individual teams were responsible for developing strategic plans for each of the three compensation programs it operated—Federal Employees' Compensation Act, Black Lung, and Longshore and Harbor Workers' Compensation." Perhaps as a result of this approach, OWCP's plan contained similar goals for each of the three programs it oversees instead of delineating a single goal. OWCP's plan contains the following goals related to improving customer service:

- "[Ensure] injured FECA [Federal Employees' Compensation Act] workers are served by a fair, swift, and people-oriented compensation system."
- "Insure fair, swift, cost effective and people-oriented services for Black Lung customers."
- "Provide a secure, effective, efficient and prompt compensation and service delivery system for the Longshore Program."

We recognize that strategic planning is a challenge that is made more difficult when, as with ESA, an organization has diverse functions, is authorized under several separate pieces of legislation, and has programs that traditionally have operated fairly autonomously. However, to derive the value and benefit of a strategic planning process, Labor may want to consider whether the development of an ESA-level plan would enhance its planning efforts. Such a plan could use common programmatic themes as a foundation to help ESA make policy decisions in terms of direction and operations of its programs, to evaluate whether the programs are achieving intended results, and to increase coordination among its program operations.

Numerous statutes govern the various missions of ESA's offices. We found that the strategic goals laid out in the office plans reflect specific requirements or general purposes of statutes, or are not based on specific statutes but are desirable performance goals. For example, WHD's goal to

increase customer satisfaction with the services provided is not based on a specific statute but is a desirable performance goal.

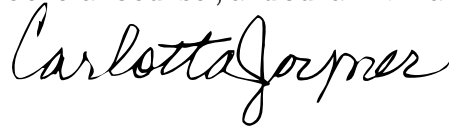
Agency Comments

The Department of Labor commented on a draft of this letter. Labor does not substantially disagree with our observations about the strategic plans. The new Secretary of Labor takes the strategic planning process seriously, acknowledges that Labor has a lot to learn about the process, and expects the later versions of its plans to be significantly improved.

Only one of the three component units—OSHA—provided specific comments on the draft. OSHA stated our observations were insightful and agreed with many of them. In addition, OSHA characterized its comments as “less a rebuttal than an explanation of the approaches taken in formulating OSHA’s Strategic Plan.” Labor did not provide comments on the ETA and ESA portions of our letter but stated that both agencies will consider our input when revising their strategic plans. Labor also stated that ESA was preparing an agency-level strategic plan overview in accordance with the guidelines under the Results Act.

As arranged with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this correspondence until 30 days after its issue date. At that time, we will send copies to the Minority Leader of the House of Representatives; the Ranking Minority Members of your Committees; the Chairmen and Ranking Minority Members of other committees that have jurisdiction over Department of Labor activities; the Secretary of Labor; and the Director, Office of Management and Budget. We will also send copies to others on request.

Please contact me at (202) 512-7014 if you or your staffs have any questions concerning this letter. Major contributors to this letter were Harriet C. Ganson, Assistant Director; Thomas N. Medvetz, Evaluator-in-Charge; Charles A. Jeszeck and Sigurd R. Nilsen, Assistant Directors; Lori Rectanus, Senior Evaluator; Robert Crystal, Assistant General Counsel; and Julian P. Klazkin, Senior Attorney.



Carlotta C. Joyner
Director, Education and
Employment Issues

Enclosures - 3

Observations on ETA's Draft Strategic Plan

Plan Addresses Most Elements in the Results Act

The Employment and Training Administration's (ETA) draft strategic plan addresses five of the six elements required by the Results Act, but it does not contain the required information on program evaluation. Furthermore, other elements are incomplete or could be improved. The draft plan could be improved by providing a more descriptive mission statement, indicating the extent to which evaluations were used in preparing the plan and how they will be used to measure progress, acknowledging the role of other organizations in the employment and training area and indicating how the combined efforts will be coordinated, and recognizing the importance of reliable and integrated data systems in assessing program implementation and performance.

Mission Statement Could Be More Descriptive

The draft strategic plan states that "ETA's mission is to provide critical support to the public sector and the private sector response to changes in the labor market, ensuring that Americans have access to the information and resources they require to successfully manage their job lives and that U.S. businesses have access to the skilled workers and training resources they need to compete successfully in a global economy." ETA's mission statement does not clearly include all aspects of its responsibilities. Instead, ETA's mission statement focuses on its role in providing information to workers and employers to facilitate efficient labor exchange activities—surely one of ETA's responsibilities, but only one aspect of its mission. In addition, its reference to providing information and resources so that Americans can successfully manage their working lives makes the mission statement process oriented rather than results oriented. The mission statement could be both broader—referring to ETA's role of improving incomes for workers through job training and maintaining the incomes of dislocated workers as they search for new jobs—and cover more of the activities in which ETA is involved, such as job training for new and dislocated workers and income maintenance for unemployed workers.

The vision statement included in ETA's draft strategic plan is a more comprehensive articulation of its mission and could be used as a basis to improve the mission statement. The vision statement provides that ETA "promotes more efficient, effectively functioning U.S. labor markets by providing high quality job training, employment, and income maintenance services through State and local workforce development systems." Modifying this statement to include a more results-oriented focus, such as to help individuals obtain jobs, would improve its basis as a mission statement.

Strategic Goals Cover the Range of ETA Responsibilities

The ETA draft strategic plan contains five strategic goals that appear to cover the range of ETA's responsibilities, with a focus on long-term goals. The goals cited in the plan are:

- "Improve systems to enhance and leverage investments in service delivery for youth, adults and employers, and to improve the functioning of labor markets."
- "Assure that America's youth, particularly at-risk youth, acquire the knowledge, skills and abilities they need to earn a decent living."
- "Provide adult unemployed, disadvantaged and dislocated workers the services which will help them find and hold good jobs at decent wages with career potential."
- "Employers value the public workforce development system managed by ETA and its partners as being integral to their competitiveness strategies and are among its primary investors and customers."
- "In partnership with employees and their representatives, achieve greater operating efficiency, provide better services at reduced costs and increase customer satisfaction."

The second and third goals clearly articulate populations to be assisted, the kind of assistance ETA can provide, and the outcomes desired, such as youths earning a decent living, and unemployed, disadvantaged, and dislocated workers finding and holding good jobs at decent wages with career potential. These two goals are expressed in a manner that allows for future assessment of whether they are being achieved. The first and fourth goals appear to be process oriented, specifying the achievement of interim steps believed to be necessary to achieve certain goals, such as improving systems to enhance service delivery, and having employers value ETA's work. The fifth goal deals with internal ETA operating efficiency and customer satisfaction.

ETA could improve its strategic plan by developing strategic objectives that are results oriented. The strategic objectives currently in the plan appear to be strategies to achieve goals rather than objectives. For example, the strategic goal that ". . . America's youth, particularly at-risk youth, acquire the knowledge, skills and abilities they need to earn a decent living" contains objectives that are essentially strategies for achieving that goal, such as:

- "through Job Corps, provide alternative education and job skills preparation in a safe living and learning environment, for disadvantaged,

low income youth who dropped out of school or who are at risk of dropping out of school.”

- “through Job Training Partnership Act [JTPA] year-round, summer and pilot and demonstration programs, provide alternative education and job skills preparation for youth who dropped out of school or who are at risk of dropping out of school.”

Developing more focused, measurable objectives would enhance the usefulness of the plan in communicating what ETA hopes to achieve.

Strategies Describe How Goals Will Be Achieved

Overall, ETA's draft strategic plan outlines the various strategies needed to achieve its goals. The strategic goals, combined with the strategies listed in the plan, provide a fairly comprehensive description of how ETA plans to achieve its goals. However, the draft strategic plan does not provide a schedule for initiating and completing its strategies as discussed in OMB Circular A-11. Furthermore, the draft plan does not discuss how ETA will communicate strategic goals throughout the organization. Also, the plan could be strengthened to better indicate how ETA will hold managers and staff accountable for achieving these goals. Its discussion on management accountability states that ETA will “implement managerial systems . . . and strengthen the relationship between performance and personnel evaluation systems,” but it is not clear how managerial accountability will be achieved through this strategy.

Relationship to Annual Plan Described

The ETA draft plan includes a brief discussion of the relationship of the strategic plan to its annual performance plan. It describes this relationship through a series of examples of performance goals that are likely to be included in the annual performance plan. Although examples of performance goals are not required, it is a positive step toward articulating how ETA will measure progress. We recognize that ETA's annual performance plan is being developed and that the performance indicators listed in its current strategic plan may change. In that regard, we identified several areas in which we believe ETA could improve its presentation of information. For instance, the examples cited in the plan generally are process oriented, such as expanding the number of states that demonstrate and pursue one-stop system-building principles. This may be an important aspect of building a better service delivery system, but outcome measures that focus on the end results, such as reemployment at higher wages, would appear to be a more meaningful measure of performance.

Overall, ETA's articulation of performance measures would be improved by including more results-oriented measures to ensure that ETA can assess the extent to which it has achieved its goals, both long-term and annual. For example, the plan includes output measures that do not focus on what the goal is to achieve; instead, they are process oriented, such as increasing the number of agencies participating in state and local centers, increasing the number of job vacancy listings available on Internet, and increasing students' perception of safety at Job Corps centers. The plan could focus on results by including more measures, such as those included under the job training objective—entered employment rate, follow-up employment rate, average wage at placement, and follow-up weekly earnings.

**Key External Factors
Indicated**

ETA's draft strategic plan describes, in general, the factors outside the agency's scope and responsibility that could negatively affect its ability to achieve its strategic goals. Although these factors were not explicitly linked to a particular goal in accordance with OMB Circular A-11, the draft plan does describe how certain external factors could affect the various entities and individuals involved in the nation's employment and training system, which in turn could affect ETA's programs, activities, and resources. Examples of these factors included pending legislation to consolidate and reform the nation's employment and training programs, changes in the economy that could affect the demand for employment and reemployment assistance, and resource availability.

**Role of Evaluations Not
Adequately Addressed**

The plan did not include a discussion of how evaluations were used in preparing the plan as well as a schedule for future evaluations as required by Circular A-11. Rather, the plan states that ETA will reassess its program requirements to ensure that needed information to measure performance is collected and available timely.

Although a large number of studies on employment training have been conducted or are under way, ETA made no reference to these studies in its plan. For example, the Department of Labor has funded numerous studies of its programs over the years, such as the long-term study of JTPA results,² and we have issued a number of reports on federally funded employment training programs under ETA's purview and the problems resulting from the multiple employment training programs spread across 15 federal departments and independent agencies. In addition, many other studies

²Abt Associates, Inc., *The National JTPA Study: Impacts, Benefits, and Costs of Title II-A* (Bethesda, Md.: Abt Associates, Inc., Mar. 1994).

have been conducted of the assistance provided to dislocated workers under JTPA, the Trade Adjustment Assistance program, and the unemployment insurance system. In addition, another study, aimed at analyzing the net impact of Job Corps, is under way.

Goals Are Consistent With Statutory Responsibilities

The goals set out in ETA's plan reflect requirements of law or are consistent with the law. The first goal is consistent with the purpose of JTPA as well as that of the Wagner-Peyser Act, which authorizes funding to establish local public employment offices. The second and third goals reflect the very purpose of JTPA, which is "to establish programs to prepare youth and adults facing serious barriers to employment for participation in the labor force . . ." (29 U.S.C. 1501). The fourth goal is consistent with various statutes. The fifth goal is not based on a specific statutory requirement.

Under titles III and IX of the Social Security Act (42 U.S.C. 501, 1101), ETA administers the Federal/State Unemployment Compensation Program. The Wagner-Peyser Act (29 U.S.C. 49) provides authority for grants to states to establish and maintain a system of local public employment offices. Workers receive training and retraining under title III of JTPA (29 U.S.C. 1651) and other acts. Youth, adults, and specific groups can receive assistance through grants to states under JTPA.

Crosscutting Activities Not Described

The ETA plan does not acknowledge a key aspect of the nation's federally funded employment training system—that it is not a cohesive, integrated or coordinated system. In 1995, we identified 163 employment training programs spread across 15 federal departments and agencies, one of which is ETA. However, because ETA omitted the fact that many of the nation's job training programs are outside its purview, its plan does not discuss how its programs fit in with the nation's broader job training strategy. While the draft plan notes that the prospect of new legislation could provide a new policy framework, this is not expanded upon nor are its implications acknowledged elsewhere in the plan.

The plan could also be improved by including a discussion of cooperative efforts with other agencies. For example, ETA and the Department of Education jointly administer the school-to-work program. However, reviewing these two strategic plans does not give one a sense that there was coordination in developing the plans because their strategies and measures or indicators are generally different. For example, the Education draft plan cites as a core strategy, to "engage high schools, postsecondary

institutions, and adult high schools in building school-to-work systems by sponsoring a national information center, creating networks that include educators, employers and other key stakeholder groups, and sponsoring efforts to align postsecondary admissions policies with new methods of assessing high school student performance.” ETA’s plan does not include a similar strategy. But it does include a strategy to “support the development, testing, dissemination, and showcasing of successful efforts to serve out-of-school youth in a STW [school-to-work] framework,” which is not included in Education’s plan. Both ETA and Education delineated measures that reflect the focus of the agencies’ roles in the program. Education’s plan focuses on curriculum and number of students participating, whereas ETA’s also includes a focus on skill attainment, unemployment, and starting wage rate. A cooperative effort by ETA and Education in developing measures would ensure that all the outcomes of the program are identified and measured.

ETA also needs to strengthen its discussion of the impact that recently passed welfare reform legislation is likely to have on the structure and delivery of employment training programs at the state and local levels as well as at on other federal agencies, such as the Department of Health and Human Services. In developing strategies to best serve those individuals transitioning from welfare to work, ETA will need to coordinate extensively with state and federal organizations providing services to these individuals to ensure that the appropriate mix of services is provided.

Producing Reliable Performance Information Is a Management Challenge

A major management challenge is to produce reliable information to assess program implementation and performance. ETA has multiple data systems that are not integrated. In its plan, ETA cites different data sources and systems, some of which are not yet developed. However, the plan does not include a discussion of ETA’s strategies for ensuring that these sources and systems provide the type of information it will need to assess programs.

On the basis of previous work, we know that ETA produces a significant amount of information on its programs and undertakes numerous evaluations to monitor and assess program implementation and performance. However, the value of ETA’s data could be improved if the different evaluation systems were coordinated. For example, Job Corps and JTPA both have process- and results-oriented measures associated with their programs. And both programs are focused on training economically disadvantaged individuals and helping them obtain jobs at decent wages.

But the specific indicators used by the two programs are different. For example, JTPA uses employment rates and weekly earnings at 13 weeks following program termination as a measure of program performance and Job Corps uses placement rates, average wage, and job training-employment match at a specific point as a measure. If the programs used similar indicators, ETA would be able to provide an overall common measure of the extent to which its job training programs are achieving common goals and to allow it to compare the relative effectiveness of different strategies.

Another important issue is the need for ETA to obtain information on long-term program outcomes such as job retention. We recognize the difficulty of developing and collecting such information. However, the ultimate value of employment and training programs is in their ability to help individuals obtain and retain jobs. In that regard, the results of our 1996 study showed that while there were some positive effects of JTPA in the years immediately following training, there were no significant effects on participant earnings and employment rates after 5 years.³

Also, our past work has shown that ETA faces a major challenge in obtaining reliable data. For the Job Corps, the reported information did not provide a complete and accurate picture of program activities and results. For example, our survey of employers who were reported as hiring Job Corps participants showed that about 15 percent of the placements in our sample were potentially invalid: A number of employers reported that they had not hired students reported placed at their businesses, and other employers could not be found.⁴

³Job Training Partnership Act: Long-Term Earnings and Employment Outcomes (GAO/HEHS-96-40, Mar. 4, 1996).

⁴Job Corps: High Costs and Mixed Results Raise Questions About Program's Effectiveness (GAO/HEHS-95-180, June 30, 1995).

Observations on OSHA's Draft Strategic Plan

OSHA's Draft Strategic Plan Contains Most Elements in the Results Act

OSHA's draft strategic plan includes all but one of the six elements delineated in the Results Act. The plan's long-term goals are succinct and logically linked to the mission statement. Our review of the three other elements—approaches to achieve goals, relationship between long-term goals and annual goals, and key factors—indicate that these could benefit from more information, clarity, and context. The use of evaluations is not discussed in the strategic plan. The following is our analysis of the plan's major components.

Plan's Mission Statement Is Clear and Succinct

OSHA's stated mission in its strategic plan is to "assure so far as possible every working man and woman in the Nation safe and healthful working conditions." Its vision statement expands on this, stating that OSHA envisions itself to be a "world class leader in occupational safety and health by making America's workplaces the safest in the world." OSHA's mission statement clearly and succinctly describes why it exists and, in conjunction with supporting narrative, explains what it does and how it performs its work. For example, the plan states that its mandate involves OSHA's application of a set of tools (standards development, enforcement, and compliance assistance) that enable employers to maintain safe and healthful work places. Supporting information emphasizes OSHA's shared commitment with workers and employers to fulfill its mission.

Goals Consistent With OSHA's Mission

The goals in OSHA's strategic plan cover its main functions and operations and are consistent with several of our past agency reviews. In addition, the goals are more outcome oriented than those contained in earlier drafts of OSHA's strategic plan. The goals are as follows:

- "Assure safe and healthful working conditions for all workers, as evidenced by fewer hazards, reduced exposures, and fewer injuries, illnesses, and fatalities
- "Change workplace culture to increase employer and worker awareness of, commitment to, and involvement in safety and health
- "Secure public confidence through excellence in the development and delivery of OSHA's programs and services."

OSHA's goals are directly related to its mission of a safe and healthful work place and are consistent with the results from our past work. Two of our previous reports discuss the benefits of work place safety and health

programs and employee involvement.⁵ In addition, three other reports stress the importance for OSHA to develop a greater service orientation while carrying out its mission.⁶

In a recently issued report,⁷ we presented the results of our examination of early progress under the Results Act toward results-oriented goal setting and performance measurement in selected federal regulatory agencies, including OSHA. In that report, we found only one of OSHA's strategic goals to be results oriented "to some extent" and the remaining two "to little or no extent." Using our criteria from this report, we consider the current goal of—"assure safe and healthful working conditions for all workers, as evidenced by fewer hazards, reduced exposures and fewer injuries, illnesses and fatalities"—to be results oriented (for example, "reducing injuries") as well as measurable ("counting the reduced number of injuries and illnesses"). However, the performance measures associated with this goal seem to apply only to certain types of industries and would not include all workers. The second goal, "change workplace culture to increase employer and worker awareness of, commitment to, and involvement in safety and health" is considered to be "somewhat results oriented." It is considered somewhat results oriented because it is not clear how OSHA plans to measure commitment or involvement.

Some of the associated performance measures contained in OSHA's strategic plan are clearly outcome oriented. For example, OSHA's first goal, related to safe and healthful working conditions for workers, includes specific results, such as (1) reducing three of the most prevalent types of work place injuries and illnesses by 20 percent, (2) reducing injury and/or illness rates in at least five high-hazard industries by 20 percent, and (3) decreasing the total number of fatalities in the construction industry by 20 percent.

On the other hand, some of the performance measures are ambiguous, posing measurement and interpretation problems. For example, the plan includes a measure specifying that all proposed regulations and initiatives contain a worker involvement component, but it does not define the

⁵Occupational Safety and Health: Options for Improving Safety and Health in the Workplace (GAO/HRD 90-66BR Aug. 24, 1990) and Occupational Safety and Health: Worksite Safety and Health Programs Show Promise (GAO/HRD 92-68, May 19, 1992).

⁶OSHA: Potential to Reform Regulatory Enforcement Efforts (GAO/T-HEHS-96-42, Oct. 17, 1995), Department of Labor Rethinking the Federal Role in Worker Protection and Workforce Development (GAO/T-HEHS-95-125, Apr. 4, 1995), and Workplace Regulation: Information on Selected Employer and Union Experiences (GAO/HEHS-94-138, June 30, 1994).

⁷Managing for Results: Regulatory Agencies Identified Significant Barriers to Focusing on Results (GAO/GGD-97-83, June 24, 1997).

elements of such a component. Similarly, the plan states that by fiscal year 2002, OSHA will ensure that 50 percent of the employers who are targeted for or request an OSHA intervention will have implemented an effective safety and health plan, but it does not discuss the components of such effective plans nor how they would be assessed for their effectiveness.

The agency's strategic plan also includes performance measures that are essentially strategies for achieving the goals rather than measures. For example, measures such as "develop and deliver training to workers and employers in the skills necessary for effective worker involvement in safety and health" and "develop and disseminate occupational safety and health training and reference materials targeted to small business employers and workers" are strategies for reaching the strategic goals rather than indicators of progress toward achieving those goals.

Link Between Strategies and Achievement of Goals Unclear

Under the Results Act, approaches or strategies should describe the way an agency intends to accomplish its goals and objectives. These strategies should briefly describe the operational process, staff skills, and technologies as well as the human, capital, information, and other resources needed. OSHA's plan presents a broad discussion of the array of strategic tools that it will rely on to achieve its goals. However, the strategic plan focuses on describing particular strategies rather than articulating a clear link between the individual strategies and the achievement of the plan's goals.

OSHA's strategic plan states that it will increasingly use "data driven approaches to direct its resources away from safer workplaces towards more hazardous ones" and will "address the most prevalent types of workplace injuries and illnesses and . . . high hazard industries. . . identified through site specific injury and illness data." Such improved targeting, by facilitating more efficient use of scarce enforcement resources, can contribute to reduced work place hazards, injuries, illnesses, and fatalities as specified in the plan's strategic goals. Improved targeting is also consistent with results presented in our past work. To the extent that stakeholders also perceive improved targeting as more equitable and credible, it can also influence public confidence through better service delivery and change work place culture by increasing employer commitment to health and safety. Yet, the plan does not discuss any of these potential links. The plan could also be enhanced by highlighting the necessary linkages between different strategic tools that can make their use more effective. For example, the plan's discussion of

its information technology and problem analysis strategies does not include how these strategies (for example, improved data collection) can facilitate its enforcement strategy (for example, better inspection targeting).

OSHA's strategic plan does not include a schedule for initiating or completing significant actions, as called for in OMB Circular A-11, part 2. For example, OSHA's plan specifies that it will promulgate a rule on safety and health programs in the work place. But the plan does not provide any schedule for initiating or completing this action nor the level of resources deemed necessary. Similarly, the plan states in its problem analysis section that it will use the data collected in an ongoing manner as part of its own initiatives to guide its program operations to determine the appropriate mix of interventions and strategic tools to use. However, the plan does not contain a description of these data collection efforts, any schedule for their implementation, nor the resources needed for completion.

OSHA's draft strategic plan also does not address another area called for in OMB Circular A-11, part 2—the process for communicating goals and objectives throughout an agency and for assigning accountability to managers and staff for achievement of objectives. OSHA's strategic plan does specify that it will rely on Labor management cooperation, employee participation, and the development of management and information systems to assist OSHA staff in achieving the agency's strategic goals. However, while these initiatives may contribute to communicating goals and objectives throughout the agency and foster staff involvement, the plan is not clear about how these initiatives will facilitate the assigning of accountability to management for achieving objectives.

Annual Performance Goals Not Specifically Defined

OSHA's strategic plan states that OSHA will develop annual performance plans, based on the strategic plan's goals and objectives, that will define the specific programmatic activities to be accomplished such as identification of the standards to be addressed during that year and the national and local emphasis programs to be implemented. The agency also expects that the annual plans will have a cumulative impact on achieving the strategic plan's overall goals and objectives. The plan, however, does not specifically define the annual performance goals, and there is a general lack of detail in identifying the appropriate data and measures OSHA will use to monitor progress on its strategic goals. OSHA acknowledges this lack of specificity, mentioning the general data limitations regarding safety and health, the agency's need for improved data and measurement systems,

and its need to collect the baseline data for those appropriate measures against which future performance will be tracked.

In response to these problems, the plan states that OSHA will review a number of different data and information sources as part of the development of its annual performance plans. These annual efforts will be coordinated with OSHA's data initiative that will be fully implemented by fiscal year 1998. The plan also states that resources will be devoted in the early years of the plan to identifying appropriate performance measures and collecting the baseline data necessary for their use. Although it is not explicit, this wording suggests that OSHA will begin to track interim measures of progress prior to fiscal year 2002. Such actions can facilitate the assessment of progress toward the strategic plan's goals during the early years of the plan and are consistent with the Results Act.

External Factors Could Influence Achievement of Goals

OSHA's strategic plan presents a comprehensive discussion of the factors that could influence the achievement of its strategic goals and the way it measures the impact of its efforts. As OSHA notes, agency performance in improving worker safety and health can be significantly affected by general economic conditions, such as layoffs; workforce demographics, such as employing non-English-speaking workers; changes in the economy's job mix, for example, a shift from manufacturing to service-based employment; and governmental budget decisions (for example, the fiscal year 1996 shutdown). Even its data collection efforts are constrained by external requirements like the Paperwork Reduction Act and difficulties associated with the use of data from the Bureau of Labor Statistics. Finally, OSHA notes that a key component of its strategic plan is the inclusion of partner, stakeholder, and customer needs and requirements, although, in some cases, conflict between these parties may make inclusion or consensus difficult.

The strategic plan does not convey the degree to which achievement of OSHA's goals would be affected by these external factors and the degree to which these factors may limit OSHA's ability to commit itself to making significant progress toward its goals. In some instances, these outside factors may seriously impede or even overcome OSHA's good faith efforts to implement its strategy or may render OSHA's performance measures unsuitable.

Role of Evaluation Not Included in Strategic Plan

OSHA's strategic plan neither describes program evaluations that were used in preparing the strategic plan nor refers to future program evaluations

that go beyond analysis of measured performance, assessment of the external environment, and the needs of its stakeholders. In our view, evaluations could play a particularly helpful role for OSHA in gauging its performance and achieving its goals, given the often limited availability of data for performance measures and the presence of serious external factors that could confound agency program and measurement efforts. For example, evaluations can be used to directly measure agency performance and to develop improved outcome performance indicators, particularly given that many of the agency's specified performance measures would not be in place until fiscal year 2002.

Statutory Responsibilities

OSHA administers the Occupational Safety and Health Act of 1970 (29 U.S.C. 651). The purposes delineated in this act are generally reflected in the goals in OSHA's plan, which are as follows:

- "Assure safe and healthful working conditions for all workers, as evidenced by fewer hazards, reduced exposures, and fewer injuries, illnesses, and fatalities
- "Change workplace culture to increase employer and worker awareness of, commitment to, and involvement in safety and health
- "Secure public confidence through excellence in the development and delivery of OSHA's programs and services."

The first goal reflects purposes declared in the 1970 act. Although the act does not explicitly require Labor to reduce hazards, exposures, injuries, illnesses, or fatalities, such a goal is consistent with the overall purpose of the act. The second goal also reflects purposes declared in the act, and it is driven by the act, but it does not reflect a specific mandate. The third goal does not appear to be based on specific provisions of law.

Crosscutting Issues

OSHA's strategic plan identifies, as a key component, the inclusion and consideration of its partner, stakeholder, and customer needs and requirements. Although OSHA has met with some key stakeholders while developing its draft plan (including Office of Management and Budget (OMB) and congressional staff), the plan does not indicate the input OSHA has received from these groups. For example, while OSHA has met with representatives from among the 25 state-operated health and safety programs, the plan does not indicate the input OSHA solicited and received on its strategic goals or on any other part of the plan. The strategic plan states that the 25 state-operated OSHA programs are "integral partners in

OSHA's mission of assuring the safety and health of the Nation's workers." OSHA's plan also states that the objectives, strategic measures, and strategic tools chosen to guide OSHA's achievement of the three strategic goals may not reflect the focus and emphasis for each state program. However, the plan reports that the goals are reflective of broad generic aspirations for the nationwide occupational safety and health effort, and as such establish the parameters against which the status of the 25 states will be measured. Greater consultation with the state-operated health and safety programs during the development of the strategic plan, rather than in a later, "subsidiary process" might lead to superior strategic goals for OSHA and possibly more inclusive national standards that would facilitate program effectiveness in both the federal- and state-operated OSHA programs.

The plan also acknowledges the importance of coordinating with agencies that may have related missions and authorities. The plan notes that OSHA has in place a number of memorandums of understanding with federal agencies that administer other laws that affect work place conditions. For example, the Department of Transportation has legal authority for rail, air, and water safety and regulates many conditions that affect workers in those industries. The plan also states that as the administration of these laws changes, OSHA will continue to modify its memorandums of understanding to minimize administrative overlap.

Major Management Challenges

As we have identified in past reports,⁸ and as OSHA has acknowledged, a major management issue it faces in conducting its mission is the development of data and information management systems that can facilitate the measurement and tracking of OSHA's performance. The strategic plan acknowledges the central importance of this issue, including as one of its strategic measures the full implementation of the information systems necessary to collect OSHA data and the capacity to analyze its performance measures.

OSHA continues to face a major challenge in developing the data sources and measures necessary to track progress toward its performance goals. As the plan points out, OSHA depends on data from a number of other agencies that must accommodate information needs beyond those of OSHA. Many external factors may also impede OSHA from collecting the necessary data, and from developing meaningful measures themselves, including

⁸See Occupational Safety and Health: Changes Needed in the Combined Federal-State Approach, (GAO/HEHS-94-10, Feb. 28, 1994) and Occupational Safety and Health: Assuring Accuracy in Employer Injury and Illness Records (GAO/HRD-89-23, Dec. 30, 1989).

Enclosure II
Observations on OSHA's Draft Strategic
Plan

external constraints on its information collection efforts, such as legislative and budgetary developments. In many of these cases, the careful use of evaluation can assist OSHA's efforts, but it may not be sufficient for it to make progress toward its goals.

ESA's Statutory Responsibilities

Four offices within the Employment Standards Administration (ESA) carry out the following laws: the Fair Labor Standards Act (29 U.S.C. 201) and the Contract Work Hours and Safety Standards Act (29 U.S.C. 327), carried out by the Wage and Hour Division (WHD); acts such as the Davis-Bacon Act (40 U.S.C. 276a) and the Service Contract Act (41 U.S.C. 351), which establish wage and other labor standards for government contracts, also carried out by WHD; the Federal Employee's Compensation Act (FECA) (5 U.S.C. 8101), the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901), and the Black Lung Benefits Act (30 U.S.C. 901), which are carried out by the Office of Workers' Compensation Programs; and the Labor-Management Reporting and Disclosure Act (29 U.S.C. 400) and related laws, which are carried out by the Office of Labor Management Standards (OLMS). In addition, the Office of Federal Contract Compliance Programs (OFCCP) enforces statutory and nonstatutory nondiscrimination and affirmative action requirements for federal contractors.

WHD's goals are not based on specific statutory requirements, but are desirable performance goals. These goals are to (1) "increase compliance with the laws and regulations administered and enforced by WHD", (2) "increase customer satisfaction with the services provided by WHD", and (3) "achieve a high performance workplace which anticipates and is responsive to the needs of our customers and all our employees."

The goals of the Office of Workers' Compensation Programs are to (1) ensure that "[u]nder the FECA, employees return to work following a work injury at the earliest appropriate moment"; (2) ensure that "[t]he FECA program, employing agencies, and Federal unions work as partners to improve the delivery of Federal employees' compensation benefits"; (3) "[a]pply tools and technology to expand FECA program capabilities and enhance program effectiveness"; (4) "[c]ontinue to organize and support national union/management reengineering teams as vehicles for broad based participation in decisions"; (5) "[p]romote a more efficient Black Lung benefit delivery system"; (6) "[p]rovide a secure, effective, efficient and prompt compensation and service delivery system for the Longshore Program"; (7) "[e]nhance adjudicatory efficiency and quality"; (8) ensure that "[i]njured FECA workers are served by a fair, swift, and people-oriented compensation system"; (9) "create a leaner Black Lung organization that delivers improved program services and eases stakeholder burdens by reinventing and reengineering"; (10) "[i]nsure fair, swift, cost-effective and people-oriented services for Black Lung customers"; (11) "[r]educe the burden of reporting for Longshore's customers"; (12) "[e]nhance public awareness and voluntary compliance with the provisions of the Longshore

Act”; (13) “[m]aintain the fiscal integrity of the FECA system and deliver cost-effective services”; and (14) “[e]xercise fiscal responsibility in Black Lung while accomplishing the mission.”

The first goal is not a specific statutory requirement but is consistent with FECA, which allows Labor to require an injured employee to submit to a physical examination as often as necessary (5 U.S.C. 8123). Goals 2, 3, 4, 7, 8, and 13 are not linked to specific statutory requirements but are consistent with the Secretary's authority to administer the FECA program (5 U.S.C. 8145). Goals 5, 9, 10, and 14 deal with the Black Lung Program, and are not based on a specific statutory requirement. Goals 6, 7, 11, and 12 all relate to the Longshore and Harbor Workers' Compensation Program. (As noted, goal seven also relates to FECA.) Although none of the goals is required by law, each is consistent with the Longshore Act.

OLMS' goals are to (1) “[p]rotect union financial integrity by enforcing safeguards established under LMRDA [Labor-Management Reporting and Disclosure Act] and related laws”; (2) “[r]esolve member complaints concerning union officer elections, union trusteeships, and other matters pertaining to safeguards for union democracy under the LMRDA and related laws and supervise remedial union officer elections as required by law”; (3) “[e]nsure that reports required of unions and others are available for public disclosure in accordance with the requirements of the LMRDA and related laws”; and (4) “[e]nsure protections for transit employees and the timely release of Federal transit grant funds by expeditiously certifying statutory employee protection arrangements.”

All four of OLMS' goals reflect statutory requirements. The first three reflect Labor's responsibility to carry out LMRDA. More specifically, the first goal reflects Labor's statutory responsibility to issue necessary rules and regulations to “prevent the circumvention or evasion” by labor organizations of LMRDA's reporting requirements, which include the submission of annual financial condition reports. Fines may be assessed against those who violate the reporting requirements. (29 U.S.C. 431(b), 438, 439.) See 29 U.S.C. 464, 482, for the statutory requirement relating to the second goal and 29 U.S.C. 435 for the statutory requirement relating to the third goal. The fourth goal, which involves coordination between the Secretaries of Labor and Transportation, reflects a statutory requirement that appears in a transportation statute. (49 U.S.C. 5323(a)(1)(D), 5333.)

OFCCP's goals are to (1) ensure compliance by federal contractors with equal employment opportunity and affirmative action requirements;

(2) secure voluntary compliance by federal contractors with equal employment opportunity requirements; and (3) produce high-quality compliance reviews, complaint investigations, and compliance assistance. The first two goals reflect both statutory and nonstatutory requirements that apply to federal contractors. The statutory requirements come from statutes that explicitly impose requirements on federal contractors and Labor—for example, section 503 of the Rehabilitation Act of 1973 (29 U.S.C. 793), which explicitly requires federal contractors to take affirmative action to employ and advance in employment qualified handicapped individuals and directs Labor to take necessary enforcement action. The nonstatutory requirements come from Executive Order 11246, as amended, which explicitly imposes upon federal contractors nondiscrimination and affirmative action requirements based on race, color, religion, sex, or national origin and directs Labor to enforce the requirements. The third goal is not based on a specific statutory requirement, but is a general management goal.

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000 or by using fax number (202) 512-6061, or TDD (202) 512-2537.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

<http://www.gao.gov>

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**

Address Correction Requested
