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General Accounting Office
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**Health, Education, and
Human Services Division**

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July 11, 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 Department of Labor's
June 1997 Draft Strategic Plan

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 is our response to that request concerning the Department of Labor (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, this letter includes our analysis of the overview and selected analyses of individual plans. As you requested, we will provide additional detailed analyses on individual plans submitted by the Employment and Training Administration (ETA), the Occupational Safety and Health Administration (OSHA), and the Employment Standards Administration (ESA) by the end of July.

**Objectives, Scope,
and Methodology**

Our overall objective was to review and evaluate Labor's draft strategic plan overview, as submitted to congressional staff on June 11. As you requested, we specifically (1) assessed compliance with the act's

requirements and the strengths and weaknesses of the elements of the plan; (2) described Labor's key statutory authorities and how they relate to the mission and goals in the strategic plan; (3) identified Labor's programs, activities, and functions that are crosscutting in that they are similar to or related to goals, activities, or functions of other agencies and assessed the extent to which the plan reflects interagency cooperation; (4) discussed the extent to which Labor's management challenges were addressed in the plan; and (5) described Labor's capacity to provide reliable information about performance.

As agreed, our assessment of the strategic plan overview was generally based on our previous work. Our overall assessment of Labor's draft strategic plan overview was generally based on our knowledge of Labor's operations and programs, our numerous reviews of Labor, and other existing information available at the time of our assessment. Specifically, the criteria we used to determine whether Labor's draft strategic plan overview complied with the requirements of the Results Act were the Results Act and 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 overview, we used our May 1997 guidance for congressional review of the plans (GAO/GGD-10.1.16) as a tool. To determine whether the plan contained information on interagency coordination and addressed management problems previously identified, we relied on our general knowledge of Labor's operations and programs, and the results of our previous reports. (See Related GAO Products at the end of this correspondence.)

To describe Labor's key statutory responsibilities and how they relate to Labor's mission and goals, we reviewed Labor's overview strategic plan and the supplemental unit plans. As requested, we coordinated our work on Labor's key statutory authorities and capacity to provide reliable information with the Congressional Research Service and Labor's Inspector General, respectively.

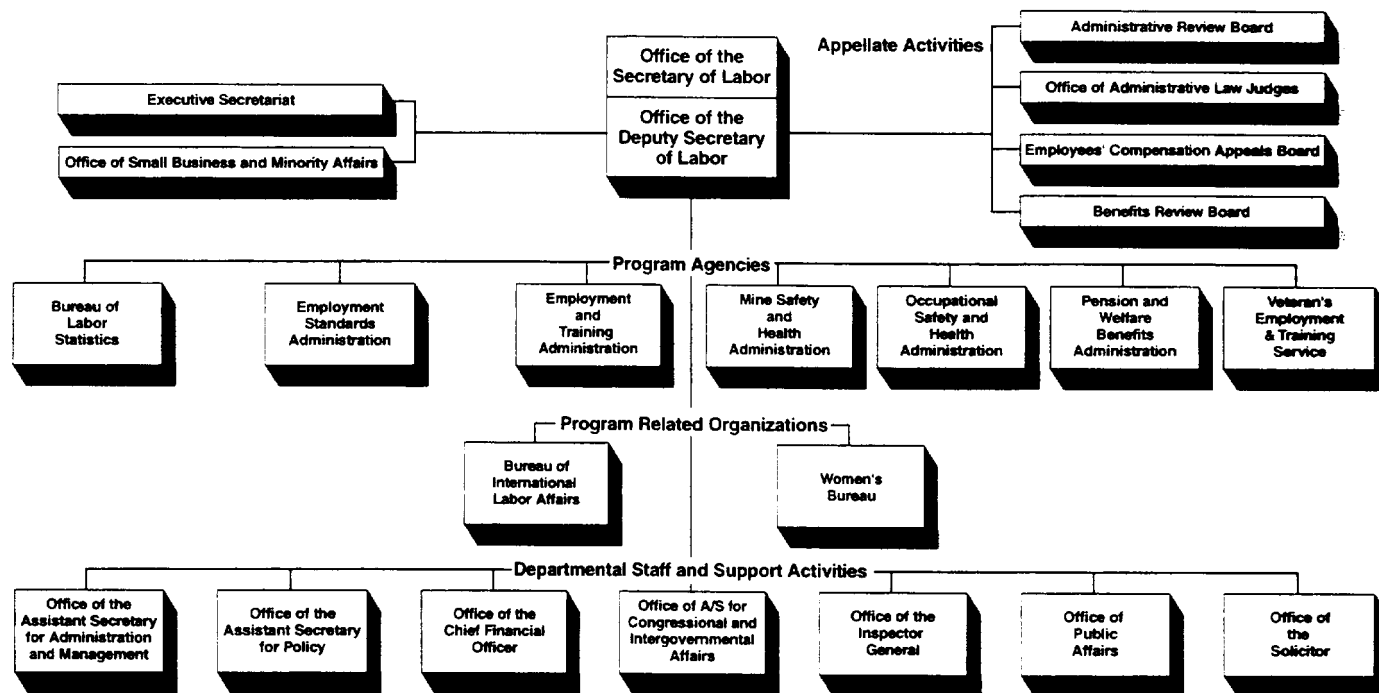
In passing the Results Act, the Congress anticipated that several planning cycles might be need to perfect the process of developing a strategic plan and that the plan would be continually refined. Thus, our comments reflect a "snapshot" of the status of the plan at a particular point. We recognize that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

Background

Labor, established as a Department in 1913, administers and enforces a variety of federal labor laws guaranteeing workers' rights to a workplace 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, with over 1,000 field offices, to support its various functional responsibilities. (Fig. 1 shows the organizational structure of Labor.) However, its many program activities fall into two major categories: enhancing workers' skills through job training and ensuring worker protection. A third category relates to developing economic statistics, such as the Consumer Price Index, which is used by business, labor, and government in formulating fiscal and monetary policy and in making cost-of-living adjustments.

Figure 1: Department of Labor Organization



In fiscal year 1997, Labor has an estimated budget of \$34.4 billion and is authorized 16,614 full-time-equivalent staff-years. About three-fourths of Labor's budget is composed of mandatory spending on income maintenance programs, such as the unemployment insurance program.

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 act is aimed at improving program performance. It requires that agencies, in consultation with the Congress and other stakeholders, clearly define their mission and articulate a comprehensive mission statement that defines their basic purpose. It also requires that they establish long-term strategic goals, as well as annual goals 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 perform

evaluation studies of their programs and to use information obtained from these evaluations to improve the 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 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.

Results in Brief

To meet the Results Act requirement for an agency strategic plan, Labor elected to submit individual plans from various agency component units supplemented by “a strategic plan overview” that addresses some Results Act requirements at the agency level. However, Labor's overview does not meet OMB guidance to provide an agencywide strategic overview that links individual strategic plans. Furthermore, while Labor's strategic plan 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 appear to meet the requirement 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. For example, goals of Labor component units responsible for workplace safety, such as OSHA and the Mine Safety and Health Administration (MSHA), are summarized in the worker protections section of the overview but are not integrated into an overall agency goal.

Although Labor did not include agency goals in its strategic overview, the Department set forth agencywide goals in recent congressional testimony. For example, the Secretary cited as a goals equipping every working American with the skills needed to find and hold a good job, and helping people move from welfare to work. In addition, Labor's strategic plan overview is organized around three major categories—lifelong learning, worker protections, and statistics—that could serve as the basis from which to develop crosscutting departmental goals.

Labor's five areas of major statutory responsibility—employment and training, health and safety in the workplace, pension and welfare benefits, employment standards, and labor statistics—are covered in its draft overview and supplemental unit plans. The goals stated in the overview and in individual unit 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 workplaces. 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 goals 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 Labor plans to 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. 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.

Labor's Agencywide Plan Does Not Contain All Elements Required by Results Act and OMB Guidance

The Results Act requires that strategic plans include six components: (1) a mission statement, (2) goals and objectives, (3) approaches or strategies to achieve the goals and objectives, (4) a discussion of the relationship between long-term goals and annual performance goals, (5) key external factors affecting goals and objectives, and (6) evaluations used to establish goals and objectives. OMB Circular A-11 provides guidance to agencies submitting plans and, in particular, to agencies like Labor that comprise disparate components or programs. As permitted by Circular A-11, Labor elected to submit individual plans from its different components, supplemented by an agency-level document intended to be the strategic plan overview.

Labor's overview does not integrate information from individual strategic plans of its components into a single agencywide strategic overview document, as stated in OMB guidance. Rather it is a compilation of excerpts from individual plans that does not identify strategic departmental goals. The overview plan also does not include the other elements of a strategic plan identified by the act, such as strategies to achieve goals and evaluations used to establish goals. Further, a majority of the individual unit plans did not include all the elements required by the act, such as the approaches or strategies to achieve the goals or key factors affecting goals.

The overview plan could be a more useful document if it included all the elements identified by the act—for example, crosscutting strategies used to achieve departmental goals. According to OMB guidance, strategic plans, because of their scope and importance, may be the best basis for developing a comprehensive and integrated approach to performance management.

The Results Act and OMB guidance require a comprehensive mission statement for the agency. Labor's strategic plan overview articulates its overall mission as helping "assure opportunity and security for American workers and their families in the changing and competitive global marketplace." This mission statement could be improved if it were more descriptive about what the agency does. As pointed out in Circular A-11, the mission statement should define the basic purpose of the agency, with particular focus on its core programs and activities. The mission statement could communicate more about Labor's purpose if it referred to such basic responsibilities as job skills development, job placement, and worker protection.

Labor's plan does not appear to meet the requirement related to agency goals and objectives. Circular A-11 states that strategic plans should set out general goals and objectives of the agency, which should elaborate on "how the agency is carrying out its mission and very often will be outcome-type goals." Labor's overview does not contain departmental strategic goals; instead Labor has excerpted and listed the goals contained in the component unit plans. The overview does not include departmentwide, overarching goals that would facilitate Labor's functioning as a unified organization with central direction. Agencywide goals are important to allow a future assessment of the agency's performance overall, as discussed in Circular A-11.

Although Labor does not include agencywide goals in its strategic overview, it did set forth agencywide goals in congressional testimony. In June 1997, the Secretary of Labor testified before the Subcommittee on Human Resources, House Committee on Government Reform and Oversight, on the issues and challenges facing Labor. In that testimony, the Secretary stated five goals for addressing these challenges:

"One, equip every working American with the skills to find and hold good jobs, with rising incomes throughout their lives; [t]wo, help people move from welfare to work; [t]hree, assure that working Americans enjoy secure pensions when they retire; [f]our, guarantee every American a safe, healthy workplace free of employment-related discrimination; and, [f]ive, help working people balance work and family."

The Secretary further stated that Labor's 1998 budget request included the resources needed to pursue these goals.

In addition, Labor organizes its strategic plan overview around three programmatic categories: lifelong learning, worker protections, and statistics. While identifying these three broad categories as its fundamental areas of activity and responsibility, Labor does not develop them into goals. Instead, each of these three sections in the overview merely summarizes the missions, goals, and activities of individual component units with responsibilities related to the overall category. The Secretary's stated goals and the three categories organizing the plan could serve as the basis from which to develop overarching departmental goals that are results oriented and set out the long-term programmatic, policy, and management goals of the agency.

A few Labor unit-level officials have had preliminary discussions with congressional staff to consult on their individual unit plans. However,

neither officials from the Office of the Secretary of Labor or from the Office of the Assistant Secretary for Administration and Management, the office responsible for implementation of the Results Act, have consulted with congressional staff regarding the strategic plan overview or individual unit plans. This level of consultation would probably be useful in helping the Congress and Labor to ensure a more complete understanding of departmental goals and how those goals guide programmatic, policy, and management decisions.

**Labor's Strategic Plan
Contains 15 Unit/Subunit
Plans**

Labor's strategic plan consists of individual plans for 15 of its component offices or subunits and a strategic plan overview. Although Labor has 24 offices/units, not all submitted strategic plans. Discretion is allowed by Circular A-11, which states that agencies can submit strategic plans that cover only major functions or operations; however, Labor provided no indication as to why certain offices were included and others excluded.

Labor's many program activities are carried out by its seven program agencies. However, only six of these—the Bureau of Labor Statistics, ETA, MSHA, OSHA, the Pension and Welfare Benefits Administration, and the Veterans' Employment and Training Service—submitted strategic plans. The seventh, ESA, submitted separate plans for the four subunits under its responsibility—the Office of Federal Contract Compliance Programs, the Office of Workers' Compensation Programs, the Office of Labor Management Standards (OLMS), and the Wage and Hour Division (WHD). However, it did not prepare an overall comprehensive plan that pulls together the ESA strategy to be followed, as a single organizational unit, in working toward achieving its desired results.

Two of Labor's seven departmental staff and support offices also submitted strategic plans—the Office of the Inspector General (OIG) and the Office of the Chief Financial Officer (OCFO). Another support office, the Office of the Assistant Secretary for Administration and Management (OASAM), which has overall management responsibility for implementing the Results Act, did not submit a strategic plan for its operations. Yet in Labor's overview plan, it was noted that the Department's commitment to the Results Act is specifically reflected in the strategic plans of OASAM, as well as those of OIG and OCFO.

Labor Has Traditionally Operated With Decentralized Management Approach

Labor's draft strategic plan submission reflects the current Department management structure and operations; that is, the plan consists of a number of discrete plans for carrying out Labor's various responsibilities largely independently and without a cohesive, overall plan. Our past work indicates that Labor traditionally has operated as a conglomeration of individual agencies/units, each working largely independently of the other and with limited central direction and control. Our 1985 report on the overall management of Labor pointed out that Labor had no systematic, departmentwide, long-range policy planning process.¹ Instead, departmental plans were essentially compilations of individual agencies' 2-year objectives. Furthermore, due to the lack of strong direction and control, organizational components traditionally operated independently with limited oversight from the Office of the Secretary. We recommended a series of actions to deal with specific management problems, such as developing a long-range planning process to help ensure that desired program and policy decisions are achieved in a planned and orderly fashion.

Labor has initiated actions in the past to develop more comprehensive approaches to departmental management. The follow-up report to our study of Labor's overall management recognized action by the Secretary of Labor to establish a system that integrated agency and departmentwide goals and provided a mechanism for monitoring progress and providing feedback to the component agencies.² It appears that Labor may not have continued this integrated management approach. Our 1996 report containing information on the field offices supporting Labor pointed out that Labor does not centrally maintain information on its components' field office locations, staffing, and costs.³ Instead, each component maintains such information itself and provides OASAM with information as requested. Thus, in responding to our request for information we needed for our 1996 study, OASAM had to go to individual components. To further illustrate the decentralized nature of Labor's management structure, OASAM was uncertain, immediately after the Oklahoma City bombing, whether it had field office staff located in the bombed federal building. To obtain this information, Labor had to query staff in each of the major program

¹Strong Leadership Needed to Improve Management at the Department of Labor (GAO/HRD-86-12, Oct. 21, 1985).

²Department of Labor: Assessment of Management Improvement Efforts (GAO/HRD-87-27, Dec. 31, 1986).

³Education and Labor: Information on the Departments' Field Offices (GAO/HEHS-96-178, Sept. 16, 1996).

divisions to ascertain whether the divisions had field offices in Oklahoma City and the location of the offices.

Labor's Plan Addresses Statutory Responsibilities

We identified the following areas of major statutory responsibility for Labor: (1) employment and training, (2) health and safety in the workplace, (3) pension and welfare benefits, (4) employment standards, and (5) labor statistics. Labor has covered each of these in its draft overview and supplemental unit plans, and the goals stated therein are consistent with its statutory responsibilities.

As noted earlier, the overview plan does not contain agencywide goals or strategies; rather, the goals and strategies in the plan are those of various components of Labor. To determine whether the goals reflected Labor's statutory authority, we reviewed the individual unit plans as well as the overview. We found that some of the goals for each of Labor's component agencies are established by law, either expressly or by implication; others, while consistent with the law, cannot be directly linked to anything in the laws dealing with Labor's responsibilities. For example, OSHA's strategic goal of "securing public confidence through excellence in the development and delivery of its programs and services" is not based on specific requirements in Labor statutes. Similarly, the goals of WHD, which include "increase compliance with the laws and regulations administered and enforced by WHD, increase customer satisfaction with the services provided by WHD, and achieve a high performance workplace which anticipates and is responsive to the needs of our customers and all our employees," are not based on specific statutory requirements.

Overall, the overview plan and supplemental unit plans cover all of Labor's major functions and operations. The enclosure discusses the goals and related statutory responsibilities for each component/unit.

Description of Crosscutting Program Activities

Labor is responsible for a diversity of functions, many of which are also carried out, at least in part, by other federal agencies and involve the participation of state and local agencies as well as private sector organizations. Labor's strategic plan overview recognizes the roles of other organizations and the importance of establishing partnerships in carrying out some of these functions. For example, the overview points out, in the worker protections area, that "OSHA does not have sole responsibility for safety and health in the workplace. The Agency works closely with other

partners in the Department, in the Federal government, with state and local governments, and the private sector.”

Labor’s overview could be improved by recognizing the substantial number of other participants involved in job training. The overview does not acknowledge a key aspect of the nation’s federally funded employment training system, namely, 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, including Labor.⁴ By recognizing in the overview the substantial number of the nation’s job training programs that are outside its purview, Labor could then discuss how its programs could fit in with a broader national job training strategy and the coordination required to develop and implement such a strategy. The coordination strategy could focus on identifying and taking advantage of opportunities to realize efficiencies through coordination and, possibly, consolidation. Passage of the recent welfare reform legislation puts even greater demands on an employment training system that appears unprepared to respond. Labor’s overview does provide a general reference to “working closely with other agencies, states, and communities to leverage our resources to address the special needs of welfare recipients” but does not provide more detailed information on what Labor will be doing.

Labor Management Challenges

The Results Act poses challenges to Labor to become more businesslike in its operations. Labor’s strategic plan overview, however, does not fully address these challenges and how Labor plans to respond.

Managing in the “businesslike” manner envisioned by the Results Act will be a substantial challenge for Labor, but the experiences of one of its component agencies as a pilot could be helpful. OSHA, as one of the Results Act’s pilot agencies, has been involved in a number of activities geared toward making the management improvements intended by the Results Act.⁵ It has been working to develop a comprehensive performance measurement system that will focus on outcomes to measure its own effectiveness. OSHA and state representatives have discussed the application of this comprehensive system to OSHA’s monitoring of state

⁴Multiple Employment Training Programs: Major Overhaul Needed to Create a More Efficient, Customer-Driven System (GAO/T-HEHS-95-70, Feb. 6, 1995).

⁵Under the Results Act, OMB designated approximately 70 pilot projects in performance measurement for fiscal years 1994, 1995, and 1996. The pilot projects were to undertake the preparation of performance plans and program performance reports for one or more of the major functions and operations of the agency participating in the pilot.

safety and health programs. Although not a requirement of the strategic planning process, a discussion in Labor’s overview related to the experiences gained from the OSHA pilot project—including lessons learned and whether best practices or other lessons could be applied agencywide or in units with similar functions—could be helpful in meeting the current challenge of managing under the Results Act.

Labor’s Capacity to Provide Reliable Information for Agency Management Is Questionable

To efficiently and effectively operate, manage, and oversee its diversity of functions, Labor needs reliable data. In past work, we have identified weaknesses in Labor’s information management practices. For example, our review of Labor’s field offices demonstrated the lack of centrally located information on key departmental functions, such as field office locations, staffing, and costs. In our report on Labor’s Davis-Bacon Act wage determination process, we also identified limited computer capabilities as a reason for the process’ vulnerability to use of fraudulent or inaccurate data.⁶ We found a lack of both computer software and hardware that could assist wage analysts in their reviews. The OIG also cited areas in which Labor needed to improve its information management practices, especially those used to support financial accounting systems.

Given these past findings, it is important for Labor to delineate in its plan how it as an agency, along with specific unit initiatives, will produce the requisite information to assess its progress. In its overview plan, Labor recognizes that if it is to ensure timely and sound evaluations to assess agency progress in meeting goals required by the act, additional information may need to be obtained from its stakeholders. However, its statement—“Resources for such information collection and evaluation activities will need to be addressed”—does not describe its strategy for ensuring that information from evaluations and other ongoing systems will be collected and used to assess progress and performance.

Labor has made some efforts to improve its information management systems; for example, it has appointed a Chief Information Officer. However, this individual also serves as the Assistant Secretary for Administration and Management, and questions have been raised about whether an individual can fulfill both responsibilities.

As we have noted in our past work, sound application and management of information technology to support strategic program goals must be an

⁶Davis-Bacon Act: Process Changes Could Raise Confidence That Wage Rates Are Based on Accurate Data (GAO/HEHS-96-130, May 31, 1996).

important part of any serious attempt to improve agency mission performance, cut costs, and enhance responsiveness to the public. Labor's overview plan does not discuss with any specificity how Labor plans to 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.

According to its draft plan, Labor is focusing on "employing innovative uses of technology." The plan states that "DOL [Labor] is expanding the use of the Internet to make standards and interpretations more accessible" and is testing software to allow the public to comment electronically through the Internet. Also, the plan states that Labor is developing expert systems to assist employers in complying with regulatory standards.

In addition, Labor—like many other federal agencies—faces a major challenge in managing information resources to ensure that information technology tools and resources are consistent with the agency's mission. While Labor's draft overview cites information technology initiatives, it does not contain a discussion of Labor's information technology strategy. This strategy should include how Labor plans to address the "year 2000 problem," which involves the need for computer systems to be changed to accommodate dates beyond the year 1999. In addition, the information technology strategy should contain information on how Labor plans to comply with the Clinger-Cohen Act of 1996. The act calls for agencies to implement a framework of modern technology management based on the practices followed by leading private- and public-sector organizations that have successfully used technology to dramatically improve performance and meet strategic goals.

Agency Comments

In commenting on a draft of this correspondence, officials at Labor generally disagreed with our observations. These disagreements related to (1) an interpretation of what Labor's strategic plan overview does or does not include; (2) an interpretation of whether Labor's strategic plan overview adequately addresses what is required by the Results Act and OMB guidance in preparing a strategic plan; and (3) whether it is appropriate to include certain information in the overview, even though such information is not required.

First, Labor officials disagreed with our statement that the overview does not provide an agencywide strategic overview that links individual strategic plans. These officials contend that the plan links individual

strategic plans by presenting its major budget and program themes with the appropriate agencies and their goals listed under each appropriate theme. However, we believe that listing the three broad programmatic categories and excerpting goals from individual plans and inserting them under the appropriate category does not provide a sufficient linkage.

Second, Labor officials disagreed with our statement that the overview does not include all the elements identified by the Results Act. In this connection, Labor officials point out that agencies that use strategic overviews are authorized by Circular A-11 to present them in either of two forms; Labor officials say that although Labor used the second form, we criticized the agency for failing to meet the requirement for the first form. We believe, however, that Labor's overview does not satisfy another portion of Circular A-11 that applies regardless of which form is used: "The overview links individual strategic plans by giving an overall statement of the agency's mission and goals." We modified our correspondence to make clearer the basis for our belief that the overview does not include all the elements required by the Results Act and OMB guidance.

Third, officials at Labor disagreed with the appropriateness of including certain information in the overview even though it is not required. For example, they said that it is inappropriate to include a discussion of management challenges and Labor's capacity to provide reliable information for Labor's management. Our discussion of these two issues is in direct response to this congressional request.

Finally, Labor officials did agree with some of our statements and agreed to take corrective action. For example, they agreed to include an explanation of why some Labor components prepared and submitted strategic plans and others did not. Similarly, they agreed that the overview did not include overarching goals and that these goals would be included in future revisions of the plan.

We have incorporated Labor's comments and made technical changes to our correspondence where appropriate.

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 Ranking Minority Members of your Committees and to 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) 512-7002 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; Robert Crystal, Assistant General Counsel; Julian P. Klazkin, Senior Attorney; David B. Alston, Assistant Director; and Thomas L. Davies, Senior Evaluator.



Carlotta C. Joyner
Director, Education and Employment Issues

Enclosure

Goals and Statutory Responsibilities of Labor's Component Units

Labor's five major areas of statutory responsibility—employment and training, employment health and safety, pension and welfare benefits, employment standards, and labor statistics—are discussed below.

Employment and Training

Labor's major responsibilities in this area are covered by a number of statutes administered by the Employment and Training Administration (ETA) and the Veterans' Employment and Training Service (VETS). Under titles III and IX of the Social Security Act (42 U.S.C. 501, 1101), Labor 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 the Job Training Partnership Act (JTPA) (29 U.S.C. 1651) and other acts. Youth, adults, and specific groups facing serious barriers to employment receive assistance through grants to states under JTPA (29 U.S.C. 1501).

The mission of ETA, as expressed in the plan,⁷ is to provide support to the public and private sectors in response to changes in the labor market, ensure that Americans have access to the information and resources necessary to compete successfully in the job market, and assist businesses in gaining access to skilled workers and training resources to compete successfully in a global economy.

ETA's goals are to (1) “[i]mprove systems to enhance and leverage investments in service delivery for youth, adults and employers, and to improve the functioning of labor markets”; (2) “[a]ssure that America's youth, particularly at risk youth, acquire the knowledge, skills, and abilities they need to earn a decent living”; (3) “[p]rovide adult unemployed, disadvantaged and dislocated workers the services which will help them find and hold good jobs at decent wages with career potential”; (4) ensure that “[e]mployers 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”; and (5) “[i]n partnership with employees and their representatives, achieve greater operating efficiency, provide better services at reduced costs and increase customer satisfaction.”

The first goal is consistent with the purpose of JTPA, as well as with the purpose of the Wagner-Peyser Act, which authorizes funding to establish

⁷The word “plan” as used in this enclosure encompasses both the overview plan and the component plans.

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.

VETS' goals are to provide (1) timely and fair resolution of complaints; (2) employee development opportunities, supportive services, and job openings; (3) timely and accurate information and direction to customers, the Congress, and others regarding agency services and accomplishments; (4) effective referrals of clients whose needs cannot be totally met by VETS and its grantees; and (5) quality training to service provider staff.

VETS' first goal is not based on a specific statutory requirement. The second goal is specifically required under JTPA (29 U.S.C. 1721). Part of the third goal is clearly envisioned in the statutory requirement that the Secretary support outreach and public information activities to inform veterans about services and jobs (29 U.S.C. 1721(a)(3)(c)). Reports of accomplishments are to be included in an annual report to the Congress (29 U.S.C. 1579(d)). The fourth goal appears to come from the requirement that Labor provide employment and training information to veterans that is available under statutes and other provisions of law (29 U.S.C. 1721(a)(3)(C)). This is, in effect, a referral. The fifth goal is not based on a specific statutory requirement.

Employment Health and Safety

The Occupational Safety and Health Act (OSH Act) (29 U.S.C. 651), which is carried out by the Occupational Safety and Health Administration (OSHA), and the Federal Mine Safety and Health Act (FMSHA) (30 U.S.C. 801), which is carried out by the Mine Safety and Health Administration (MSHA), establish Labor's major statutory responsibilities in this area.

The plan quotes the following specific mission from the OSH Act: “Assure so far as possible every working man and woman in the Nation safe and healthful working conditions.” It then sets out separate strategic goals for OSHA and MSHA. OSHA's goals are to (1) “ensure healthful and safe working conditions for all workers, as evidenced by fewer hazards, reduced exposures, and fewer injuries, illnesses and fatalities”; (2) “change workplace culture to increase employer and worker awareness of, commitment to, and involvement with safety and health”; and (3) “secure public confidence through excellence in the development and delivery of its programs and services.” The first goal reflects purposes declared in the

OSH 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.

MSHA's goals are to (1) "reduce the number, rate and severity of accidents and injuries"; (2) "reduce recurring accidents and injuries"; (3) "reduce high incidence miner illnesses"; (4) "address safety and health issues resulting from technological changes in the mining industry"; and (5) "develop and implement site-specific training programs." Although the act does not specifically require any reductions, the first three goals reflect the overall purpose, including declared purposes, of FMSHA. The fourth goal is generally consistent with the act in that it relates to miners' safety and health, but the act does not mention technological changes. The fifth goal reflects various requirements in the act related to training.

Pension and Welfare Benefits

The Employee Retirement Income Security Act of 1974 (ERISA) (29 U.S.C. 1001) establishes Labor's major responsibilities in this area. The Pension and Welfare Benefits Administration (PWBA) administers title I of ERISA. The Pension Benefits Guaranty Corporation (PBGC) administers title IV of ERISA.

Under the plan, the mission of PWBA is to "protect the pension and welfare benefits of the over 150 million participants and beneficiaries in private sector employee benefit plans." The goals of PWBA are to (1) "[e]nsure workers get the information they need to protect their benefit rights"; (2) "[a]ssist plan officials and service providers in understanding the requirements of the relevant statutes in order to meet their legal responsibilities"; (3) "[d]evelop policies and laws that encourage the growth of employment-based benefit plans"; and (4) "[d]eter and correct violations of the relevant statutes." The first and fourth goals of PWBA are statutory requirements. The second, although not specifically required by statute, is consistent with ERISA. The third is stated in the law, which refers only to "policies."

The stated mission of PBGC is to protect participants' benefits and promote a healthy retirement system by encouraging continuation and maintenance of private pension plans, protecting benefits, paying benefits in a timely manner, and keeping costs and premiums low. The goals of PBGC are to (1) "[p]rotect existing defined benefit plans and their participants, and

encourage new plans”; (2) “[p]rovide high quality services, and accurate and timely payment of benefits to participants”; (3) “[s]trengthen financial programs and systems”; and (4) “[i]mprove internal management support operations.” The first and second goals reflect the purposes of ERISA. The latter two are not based on specific statutory requirements.

Employment Standards

The following establish Labor's major statutory responsibilities in this area: the Fair Labor Standards Act (29 U.S.C. 201) and the Contract Work Hours and Safety Standards Act (29 U.S.C. 327), which are 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; and 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.

WHD's goals are as follows: (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.” These goals are not based on specific statutory requirements.

The goals of the Office of Workers' Compensation Programs are as follows: (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 two, three, four, seven, eight, and thirteen 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 five, nine, ten, and fourteen deal with the Black Lung Program, and are not based on a specific statutory requirement. Goals six, seven, eleven, and twelve all relate to the Longshore and Harbor Workers’ Compensation Program. (As noted above, goal seven also relates to FECA.) Although none of the goals is required by law, each is consistent with the Longshore Act.

Labor Statistics

The Bureau of Labor Statistics carries out Labor’s responsibilities for collecting, analyzing, and disseminating labor statistics. The law that establishes Labor’s major statutory responsibilities in this area appears at 29 U.S.C. 1.

The Bureau’s mission, as stated in the strategic plan, is to provide comprehensive and timely labor market information to the American public, the Congress, other federal agencies, state and local governments, business, labor, and every agency within Labor. The Bureau has established two strategic goals: (1) “[p]roduce and disseminate timely, accurate, and relevant information in [the Bureau’s] areas of expertise” and (2) “[i]mprove accuracy, efficiency, and relevancy of [the Bureau’s] program outputs through increased application of state-of-the-art statistical techniques, economic concepts, technology, and management processes.” The first goal clearly reflects a statutory mandate. The second, although not specifically required by the applicable law, is consistent with it.

Related GAO Products

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Managing for Results: Using GPRA to Assist Congressional and Executive Branch Decisionmaking ([GAO/T-GGD-97-43](#), Feb. 12, 1997).

Information Technology Investment: Agencies Can Improve Performance, Reduce Costs, and Minimize Risks ([GAO/AIMD-96-64](#), Sept. 30, 1996).

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Information Management Reform: Effective Implementation Is Essential for Improving Federal Performance ([GAO/T-AIMD-96-132](#), July 17, 1996).

Executive Guide: Effectively Implementing the Government Performance and Results Act ([GAO/GGD-96-118](#), June 1996).

Davis-Bacon Act: Process Changes Could Raise Confidence That Wage Rates Are Based on Accurate Data ([GAO/HEHS-96-130](#), May 31, 1996).

Employment Training: Successful Projects Share Common Strategy ([GAO/HEHS-96-108](#), May 7, 1996).

OSHA: Potential to Reform Regulatory Enforcement ([GAO/T-HEHS-96-42](#), Oct. 17, 1995).

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Multiple Employment Training Programs: Information Crosswalk on 163 Employment Training Programs ([GAO/HEHS-95-85FS](#), Feb. 14, 1995).

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