

F. Office of Inspector General Accomplishments

During the past eight years there has been increased financial accountability required of the Federal government. The Chief Financial Officers Act, the Federal Managers' Financial Integrity Act, and the Federal Financial Management Improvement Act have resulted in a great deal of emphasis being placed on the Office of Inspector General's (OIG) audits of the Department of Labor's financial statements. The OIG is firmly committed to working with the Department to improve DOL programs and operations, and ensure that all programs are administered in a cost-effective manner. During the period from 1993 through 2000, the OIG has worked closely with the Department on issues such as financial management organization structure, timeliness of financial processing, financial management systems development, financial policies and procedures, and external issues which impacted the financial statements over which the Department had no control, e.g., lack of audit assurance for tax revenues for the Unemployment Trust Fund.

In FY 1997, the OIG was pleased to report that the Department received its first "clean" opinion on its consolidated financial statements and the financial statements of the Unemployment Trust Fund and Black Lung Disability Trust Fund. Further the OIG's Report on Internal Control reflected no material weaknesses. Since that time, the Department has continued to receive a "clean" opinion on its consolidated financial statements although the OIG continues to identify reportable conditions which need to be addressed.

Welfare-to-Work funds The Welfare-to-Work (WtW) program was intended to move hard-to-employ welfare recipients into unsubsidized employment and economic self-sufficiency. From the beginning, the OIG believed that the success of the program would hinge not only on the effectiveness of the Department's stewardship and the quality of services provided, but also on its ability to capture and report the results of its efforts on behalf of eligible individuals. Therefore, the OIG actively provided oversight early in the implementation process to ensure the overall efficiency and effectiveness of DOL's WtW system. Its strategy was to identify weaknesses before they became problems, and to identify grantees needing further guidance.

Formula-funded WtW program. In 1999, following an audit of seven state formula grantees, the OIG found that a number of issues were slowing the implementation of the program and that weaknesses in key areas could undermine the success of the program. To accelerate the progress in implementing the WtW formula grant program, the OIG recommended that ETA seek legislative changes to permit the Secretary to amend the length of time the states have to spend their WtW formula funds; work with the Department of Health and Human Services to develop a strategy that effectively integrates TANF and WtW; continue to pursue legislative changes to simplify and expand the definition of eligible recipients; explore whether the matching requirement is an issue that affects implementation; and continue to take an active role in assisting states and local agencies that are having problems implementing the WtW program.

WtW competitive grants/non-traditional service providers. Overall, the OIG found that, although the 35 grantees we audited possessed the capability to adequately deliver their

WtW competitive grant programs, financial and program vulnerabilities existed. Among the recommendations sent to the Assistant Secretary for Employment and Training were those to ensure that grantees (1) follow prescribed cash management requirements; (2) comply with applicable laws and regulations; (3) develop formal agreements with sub-recipients and service providers; and (3) submit required documentation in a timely manner. Also, the OIG found that some grantees were unable to administer their grants in accordance with applicable regulations, thereby depriving more qualified applicants from receiving grant funds. Consequently, the OIG also recommended to ETA that two grantees be terminated. ETA generally agreed with the findings and issued termination letters to the two grantees.

Based on a congressional request, the OIG also conducted two evaluations of the competitive grant-making process. In the evaluation of round one, the OIG found that ETA carried out the grant selection process in a timely manner. However, ETA did have problems with the responsibility checks process of potential Federal grantees. In addition, ETA's record storage and record tracking system was deficient and lacked adequate controls. The OIG recommended that ETA set up a process that would ensure updated information on applicant eligibility was received before awarding grants, and that an improved record storage and tracking system be implemented. The evaluation of rounds two and three found that ETA took steps to improve the overall effectiveness of the grant award process based on grantee responses. However, the OIG found that the grant processing time increased between rounds and that further assistance could have been provided to help prospective and actual grantees. A recommendation was made that ETA provide additional and more timely assistance to grantees by coordinating

their relationships with state and local TANF agencies and having Grant Officer's Technical Representatives respond to grantee questions and concerns more quickly.

Y2K. Beginning in FY 1998, the OIG and the Department agreed to work together to ensure that the Department's 61 mission critical computer systems were able to respond appropriately to the Y2K date calculation issue. The objective of the Y2K audit efforts was to ensure that in the Department: (1) all mission-critical systems were Y2K compliant, or (2) there were acceptable contingency plans in place to ensure continuity of operations. Through audit work, the OIG, in agreement with the Department's Chief Information Officer (CIO), established a Y2K baseline developed as a snapshot in time of the Department's 61 mission-critical systems, from which departmental and agency progress was judged.

The OIG worked closely with the Deputy CIO, the Office of Internet Services and Information Management Director and staff, agency Y2K coordinators, and responsible Y2K agency officials. Information related to areas of greatest concern was shared and discussed. This working relationship was aligned with the spirit of the Year 2000 Partnership Agreement between the Department's Chief Information Officer and the Inspector General. As a result, the baseline information was reported the information to the Department as part of the "Y2K Quarterly Progress Report to OMB." This report was the controlling document for providing standard, periodic, high-level reporting on the Department's implementation of Y2K. The OIG gathered information and performed analyses, system- by-system, in accordance with the established Y2K priority areas. The Department's computer systems, and the data they contain,

are crucial in the support and delivery of the nation's economic data, benefit payments, pension information, and employment services. The Department and the individual agencies responded very positively to the audit reports and worked very hard to ensure the compliance of their systems. The OIG worked closely with the Department at all levels. As a result of this cooperative effort, the Department experienced a successful Y2K transition.

Forfeiture of workers' compensation benefits. As a result of a joint Office of Inspector General (OIG) - U.S. Postal Inspection Service study, the OIG raised concerns that some Federal Employees' Compensation Act (FECA) claimants convicted of defrauding the FECA program continued to receive FECA benefits. The OIG was also concerned that individuals incarcerated for any felony offense could also continue to collect full FECA benefits while in prison. As a result of these concerns, the OIG recommended that individuals convicted of defrauding the FECA program should have their benefits terminated and that those claimants incarcerated for any felony offense should have their full benefits suspended during the period of time they were in prison. The Vice President's National Performance Review adopted the OIG's recommendations regarding needed changes to the FECA. As a result, Congress passed two important amendments to the FECA and elevated the penalty for FECA fraud to a felony. In October 1993, Public Law 103-112 was enacted which prohibited individuals convicted of fraud related to claims under FECA from receiving benefits under the Act. On September 30, 1994, the President signed Public Law 103-333, which further addressed the receipt of benefits of those convicted of fraud against the program. Specifically, the law added a new section to the Act (Title 5, U.S. Code, Section 8148), which provides for (1) the termination of benefits payable to

beneficiaries who have been convicted of defrauding the program in violation of Title 18, U.S. Code, Section 1920, and (2) the suspension of benefits to beneficiaries imprisoned as a result of any felony conviction.

The OIG has been aggressively continuing its investigations of alleged FECA fraud, and reporting the resultant convictions to the Department's Office of Workers' Compensation Program (OWCP). Based on the reported convictions, OWCP immediately terminates the benefits of those individuals convicted of FECA related fraud, resulting in the savings of millions of taxpayers' dollars. The OIG has also been actively providing training in conducting FECA fraud investigations to numerous Federal investigative agencies.

Black lung disability program. The OIG evaluation of fraud vulnerability and excessive medical expenditures in the Black Lung Disability Program was initiated based on OIG "Operation Octagon" investigations which revealed substantial fraudulent billing by providers in the areas of home oxygen and arterial blood gas testing. As part of the review, the OIG conducted a best-practices analysis of recent reforms enacted by the Health Care Financing Administration (HCFA) to contain fraud and to lower home oxygen costs. The comparison of the HCFA and Black Lung programs showed significant disparities between the two programs in regard to potential home oxygen allowances.

Based on OIG recommendations, the Employment Standards Administration (ESA) has agreed to implement additional internal controls and monitoring to reduce the program's

vulnerability to fraud and excessive costs in the areas of blood gas tests and home oxygen. In addition, ESA will dramatically reduce automated payment allowances for home oxygen to levels consistent with those established by HCFA. ESA has also agreed to eliminate its \$75-per-item payment allowance for supply costs associated with oxygen delivery. When implemented, these measures should reduce ESA's vulnerability to fraud and excessive billing.

Labor union investigations

Laborers International Union. On January 20, 2000, the Department of Justice (DOJ) reached a new agreement with the Laborers International Union of North America (LIUNA) that requires the union to maintain its efforts in ousting corrupt union members and officials, implement hiring hall reforms, and maintain direct membership election of union officers. In return for LIUNA's agreement to continue its reform effort to the year 2006, DOJ will not implement a signed consent decree that would have placed LIUNA under the supervision and oversight of court-appointed officers through the Racketeer Influenced and Corrupt Organizations Act (Civil RICO) statute. The DOL OIG will provide information through DOJ to assist the monitor in his efforts to reform the union. This agreement is the culmination of several years of negotiations with LIUNA. In late 1994, the government began negotiating with LIUNA to compel it to rid itself of its decades-old history of corruption and organized crime influence. Findings from criminal investigations conducted by the OIG and the FBI were the predicate that supported the government's Civil RICO complaint against LIUNA.

The reform process by LIUNA has resulted in a number of disciplinary actions against

LIUNA officials. To date, 226 individuals, 127 of whom were alleged to have ties to organized crime, have left LIUNA owing to expulsions and suspensions from disciplinary charges, retirement, or resignation. In addition, LIUNA implemented reforms to eliminate abuses in its local hiring halls and financial corruption and mismanagement in the union. This has resulted in the imposition of 40 trusteeships and supervisions of various District Councils and Locals, the removal of approximately 200 officers, and the implementation of better financial management and greater democracy in these Locals. LIUNA has also agreed to court-appointed officers to eliminate corruption in Chicago, Buffalo, and New York City. In 1996, LIUNA held its first direct secret ballot election for the International president and secretary treasurer. This vote was the first contested election for the LIUNA presidency. LIUNA has amended its Constitution to provide for direct secret ballot election by rank-and-file union members of all of its International officers, including vice presidents, beginning in 2001.

New Jersey Teamsters local. On February 12, 1999, the court-appointed monitor of Teamsters Local 560 announced that the newly elected union officers were corruption free, ending an 11-year trusteeship. During this trusteeship, the court-appointed monitor of the Local took actions to remove corrupt officials from office, strengthen the members' pension fund, and elect new officers. The court action came about as a result of a complaint that had been filed in March 1982 against the officers of the International Brotherhood of Teamsters Local 560 of Union City, New Jersey, known as the Provenzano Group, based on the civil provisions of the RICO statute. This was the first time that the government used these provisions to launch a comprehensive attack upon a severe corruption problem within a labor organization in an effort

to restore union democracy. As a result of the joint DOL OIG and FBI investigation, the complaint sought injunctive relief to prevent associates of the Provenzano Group from committing further racketeering violations and sought the appointment of one or more trustees to control and audit the assets of the union and benefit funds and conduct a general election of officers under free and democratic conditions. Through the Provenzano Group, the Genovese Organized Crime Family had maintained control of Local 560 for nearly 30 years through a pattern of racketeering activity involving murder and systematic use of extortion. The Provenzano Group oversaw bookmaking, numbers, gambling, and loan-sharking activities being conducted by Local 560's business agents and shop stewards. Even more lucrative was the widespread pilferage of cargo being trucked through the State of New Jersey. Without a pass from Anthony "Tony Pro" Provenzano, no shipment could be considered to be safe. The 11-year trusteeship of Teamsters Local 560 was implemented by the District Court in June 1986.

New Jersey Hotel Employees local. In March 1997, a Federal judge dissolved the monitorship of the Hotel Employees and Restaurant Employees International Union (HEREIU) Local 54. This was the first time that a union had been returned to the membership after a Civil RICO action was filed by the Government. A Civil RICO complaint was initially filed in December 1990 alleging a 20-year pattern of racketeering by the Scarfo La Cosa Nostra (LCN) Family. Included in the complaint were allegations that the LCN took control, by force, of HEREIU Local 54 in Atlantic City, New Jersey, and maintained control of the union by threatening to kill any members who attempted to run against them in general elections. The following April the U.S. District Court appointed a monitor of Local 54, and eight officers and

employees of the union were forced out of office. Open elections were held in 1993 and 1996 and an entire new group of officers with no organized crime associations were elected to run the union.

G. Secretary's Orders

The following Orders were issues between 1993 and 2000:

1. **Secretary's Order 3-2000**, *Delegation of Authority and Assignment of Responsibility to the Assistant Secretary for Occupational Safety and Health*, July 18, 2000
2. **Secretary's Order 2-2000**, *U.S. Department of Labor Internet Services*, June 22, 2000
3. **Secretary's Order 1-2000**, *Authority and Responsibilities for Implementation of the Paperwork Reduction Act of 1995 (P.L. 104-13) and the Clinger-Cohen Act of 1996 (Information Technology Management Reform Act of 1996) (Divisions E of P.L. 104-106)*, July 28, 2000
4. **Secretary's Order 1-99**, *Authority and Responsibilities for the Regional Executive Committees*, April 19, 1999
5. **Secretary's Order 1-97**, *Authority and Responsibilities for Implementation of the Chief Financial Officers Act of 1990 and Related Legislation*, January 10, 1997
6. **Secretary's Order 5-96**, *Delegation of Authorities and Assignment of Responsibilities to the Assistant Secretary for Employment Standards and Other Official in the Employment Standards Administration*, December 27, 1996
7. **Secretary's Order 3-96**, *Delegation of Authority and Assignment of Responsibilities for the Department of Labor's Internal Equal Employment Opportunity Programs*, April 17, 1996
8. **Secretary's Order 2-96**, *Authority and Responsibilities of the Administrative Review Board*, April 17, 1996
9. **Secretary's Order 6-95**, *Responsibilities of the Office of Small Business and Minority Affairs*, June 7, 1995
10. **Secretary's Order 5-95**, *The Department of Labor's Employee Safety and Health and Workers' Compensation Program*, June 7, 1995
11. **Secretary's Order 4-95**, *Delegation of Authority and Assignment of Responsibilities for Mine Safety and Health Programs*, May 31, 1995
12. **Secretary's Order 3-95**, *Coordination and Director of Department of Labor Programs Affecting Women*, May 16, 1995

13. **Secretary's Order 1-95**, *Delegation of Authority and Assignment of Responsibilities for International Affairs*, April 20, 1995
14. **Secretary's Order 5-94**, *Procurement and Use of Environmentally Preferable Products and Services*, August 19, 1994
15. **Secretary's Order 2-94**, *Redelegation of Authority for Coverage Decisions Under 5 U.S.C. 8331(20) and 5 U.S.C. 8401(17) (Retirement Coverage for Law Enforcement Officers)*, July 1, 1994
16. **Secretary's Order 1-94**, *Cancellation of Secretary's Orders*, April 11, 1994
17. **Secretary's Order 6-93**, *Federal Committee on Apprenticeship*, (no date)
18. **Secretary's Order 5-93**, *Order of Succession to the Secretary of Labor and Continuity of Executive Direction in a National Emergency*, October 13, 1993

H. Department of Labor Personnel Policies

In addition to its efforts in promoting diversity and participating in the Welfare-to-Work program, the Department of Labor (DOL) undertook a number of major human resource initiatives to provide DOL employees with opportunities for life-long learning. Over the course of fiscal year 1999, the Office of the Assistant Secretary for Administration and Management (OASAM) launched a three-pronged approach to career training and professional growth designed to build upon existing talent within DOL. During that year, 3,943 DOL employees participated in a range of continuous learning and career management programs and services, a 42 percent increase over the prior year.

The Department also made significant strides in improving the productivity and preparedness of its staff. DOL's plan to revitalize and to reinvent its management and organization was announced in 1993 by Secretary Reich. The plan encompassed many different efforts. One effort was the implementation of Employee Express, which offers DOL personnel immediate telephone or web-based access to their human resource information. DOL received the Vice-President's Hammer Award in recognition of the success of the Employee Express. DOL also received a Commuter Connections Employer Recognition Award from the Metropolitan Washington Council of Governments in recognition of DOL's Flexiplace Program, under which arrangements can be made for employees to work out of their homes or alternative satellite sites on a full or part time basis.

As an important part of the Secretary Herman's goal to establish DOL as a model workplace, OASAM placed a high priority on expanding employee-friendly programs. In addition to the Leave Bank, Leave Donation, and Leave Recipient programs, a range of other programs have been very effective in helping to establish DOL as a model workplace. For example, through Flextime, many Department employees have established alternative work schedules, thereby allowing them to better balance personal and professional responsibilities. And in 1999, DOL launched a new resource and referral service, Dependent Care Connection (DCC). DCC offers assistance to employees in a number of areas, including prenatal planning, adoption, childcare, and adult dependent care.

Additional employee-friendly accomplishments that helped make DOL a model workplace include: (1) expanding the Department's Child Development Center to accommodate an additional 44 children, addressing a critical need by more than tripling the number of slots for infants, and (2) increasing the transit subsidy for all DOL employees from \$50 to the maximum level of \$65, making the Department a leader in the Federal community both as to the scope and the amount provided to its employees.

DOL also has looked for ways to improve the safety and health of its own workforce and of those participating in its programs. For example, DOL revised the Memorandum of Understanding between OASAM, the Job Corps, and Occupational Safety and Health Administration (OSHA) with respect to the safety and health program in Job Corps and put into full operation its Abatement Tracking System, which tracks deficiencies and abatement plans to

correct hazards noted in the Job Corps Program. DOL also initiated activity in support of what will become a broad ergonomic initiative in the Department.

Regional office improvements. DOL's regional offices also contributed to the efforts to improve the effectiveness of the DOL workforce and its operations. Boston-New York, for example, significantly exceeded its fiscal year 2000 life-long learning goal to increase the number of training opportunities from 500 to 563 -- thus providing training opportunities to 757 regional employees. Dallas-Denver created a pilot Web-based New Employee Orientation Program. Chicago-Kansas City implemented a lockbox for all collections in Chicago, which should greatly enhance its efficiency in handling over 1,300 checks annually.

Regional offices, like the national office, are committed to finding the best possible new employees while increasing the diversity of the workforce, especially for persons with disabilities. OASAM's San Francisco-Seattle office, for instance, hired 207 new workers during fiscal year 2000; over 50 percent of the new hires were minorities and almost 9 percent of these hires were persons with disabilities.

A number of regional offices also had an impact on their surrounding communities. For example, Chicago-Kansas City established a mentoring program with a new Chicago Job Corps Center involving 42 mentors, including 14 from non-DOL agencies, and have thus far collected over 300 books for the school library.

I. Partnerships

One way to work smarter is to leverage resources. The Department of Labor (DOL) has forged partnerships with labor, business and industry, community-based organizations, and State and local governments to develop common-sense regulations, provide services tailored to local needs, demonstrate a strong enforcement presence, implement new approaches to compliance assistance, and employ a strategic mixture of alternative intervention tools that enable the Department to improve workplace conditions and advance opportunities for profitable employment. In addition to the major partnership efforts discussed in the report, the following are important DOL partnership initiatives.

Bureau of International Labor Affairs (ILAB). The significance of labor issues on international and bilateral agendas requires the Department's cooperation and collaboration with other Federal agencies and international organizations. For example, the Department works closely with the International Labor Organization's (ILO) International Program for the Elimination of Child Labor to develop regional, country, and sector-specific projects to reduce the incidence of abusive child labor and develop educational opportunities for children. In the course of these projects, the Department works with U.S. and foreign industry representatives and non-governmental organizations to ensure programs are effective and credible. The cross-cutting cooperation and collaboration on the international front resulted in the negotiation of a new international convention on the worst forms of child labor abuses around the world.

ILAB has many other examples of its cooperative and collaborative efforts. As a result of participation with United States Trade Representative (USTR) and inter-agency processes, for example, ILAB has secured commitments to improve worker rights in Central American countries and Africa. ILAB also played a significant role in the decision-making process for the Caribbean Basin Initiative, African Growth and Opportunity Act and Generalized System of Preferences, and contributed to the negotiations at the World Trade Organization (WTO). The Child Labor Office has built partnerships with international business and labor groups through the ILO to provide alternatives to work for 120,000 children around the world. And since 1998, ILAB has contributed to the development of the increasingly significant work being done by Labor Diplomacy Officers with the Department of State. These posts were intended to highlight the Clinton Administration's promotion of core worker rights -- including freedom of association, the right to organize and bargain collectively, freedom from discrimination, and the prohibition of child and forced labor -- as a key component of U.S. foreign policy.

ILAB also has had formal working relationships in the development of policy and programs with the Department of Treasury, U.S. AID, the U.S. Trade Representative's Office, the International Labor Organization, the World Bank, and the Asian-Pacific Economic Cooperation forum, among others. ILAB has worked with the Departments of Commerce, Treasury and Education to encourage countries to improve core labor standards, and participates in numerous interagency committees and groups, including the National Security Council and the National Economic Council. ILAB consults regularly with the AFL-CIO on trade issues, and participates in the bi-monthly Labor Advisory Committee meetings.

Under the North American Free Trade Agreement (NAFTA) labor side agreement, the National Administrative Offices (NAO) have implemented an extensive cooperative activities program, which has been undertaken with the collaboration of organized labor and business. The NAOs have conducted over 40 programs, mostly tripartite public fora for exchanges of information, best practices, and technical advice on labor issues of mutual concern. Additionally, the NAO maintains a public advisory committee for direction on North American Agreement on Labor Cooperation (NAALC) activities, which is composed of representatives from organized labor and business.

Bureau of Labor Statistics (BLS). A number of interagency work groups have been established to serve as a vehicle for coordinating and improving statistical work among the Federal statistical programs. Below are the more notable collaborative efforts to improve the Federal statistical system in which the BLS has participated.

In 1995, following the reauthorization of the Paperwork Reduction Act, the Office of Management and Budget (OMB) established the Interagency Council on Statistical Policy (ICSP). The ICSP is a vehicle for coordinating statistical work among statistical agencies, particularly when activities and issues overlap and/or cut across agencies; for exchanging information about agency programs and activities; and for providing advice and counsel to OMB on statistical matters. The BLS Commissioner is a member of the Council.

Another major collaborative effort has been the development of the North American Classification System (NAICS), which has been an international effort. NAICS was developed to provide a consistent framework for the collection, analysis and dissemination of industrial statistics. The first iteration of this new classification system replaces the 1987 Standard Industrial Classification System.

There have been a number of collaborative or coordination efforts between BLS and the Department of Commerce. They include the Standard Occupational Classification Revision Policy Committee, established by OMB in 1994 and chaired by BLS and the Bureau of the Census, to develop a unified occupational classification structure to meet the needs of the 21st century. In July 1995, the Commissioner of the Bureau of Labor Statistics and the Director of the Bureau of Economic Analysis established a Coordination Oversight Group. Members of the group work closely on measurement issues to improve the quality of the data produced by both agencies.

In spring 1998, the Inter-Departmental Committee on Employment Related Health Insurance Surveys was created to improve coordination of federal surveys that collect data on employment based health coverage. The Commissioner of BLS co-chairs the committee with the heads of two other agencies and the committee has members from a dozen agencies.

And finally, on October 22, 1999, the Secretary of Labor approved the establishment of the Federal Economic Statistics Advisory Committee to act as an advisory body to the Bureau of

Economic Analysis, the Bureau of the Census, and the Bureau of Labor Statistics. Committee members will be called upon to analyze the issues involved in producing Federal economic statistics and recommend practices that will lead to optimum efficiency, effectiveness, and cooperation among the agencies.

Office of Federal Contract Compliance (OFFCP)/ESA. The Employment Standards Administration's Office of Federal Contract Compliance Programs (OFCCP) established an alliance with the National Industry Liaison Groups and the Regional Liaison Groups to raise awareness and emphasize corporate best practices. The agency has undertaken partnership efforts with approximately 40 women's organizations and other community based organizations to encourage the recruitment and placement of workers to further the goal of quality work places free of discrimination.

Office of Labor Management Standards (OLMS)/ESA. The Employment Standards Administration's Office of Labor Management Standards (OLMS) works with the Federal Bureau of Investigation, the DOL Office of the Inspector General, Pension and Welfare Benefit Administration (PWBA), and other agencies in the conduct of investigations of criminal violations of the Labor-Management Reporting and Disclosure Act (LMRDA) and other laws by union officers, employees, or others. OLMS also works closely with the Department of Justice in the enforcement of the civil and criminal provisions of the LMRDA.

OLMS maintains cooperative working relationships with the AFL-CIO and individual unions at the national, intermediate, and local levels to promote compliance with the LMRDA.

For example, OLMS works with national and international unions to reduce the rate of delinquent reporting by their affiliates. The AFL-CIO and interested unions are also assisting OLMS in the testing of electronic labor organization annual reporting forms, LM-2, LM-3, and LM-4, that are currently under development.

The OLMS Division of Statutory Programs (DSP) coordinates its activities with a variety of Federal, State and local government agencies and private sector trade associations as it administers the transit employee protection program. For example, DSP works with the Department of Transportation's Federal Transit Administration, with the Transportation Trades Department of the AFL-CIO, with individual transportation unions, and with State and local transportation authorities and their trade associations. DSP also works closely with the Department of Justice on cases requiring litigation of the DOL's decisions in the employee protection program.

Wage and Hour Division/ESA. The Wage and Hour Division, which is part of the Employment Standards Administration, actively solicits the views and input of unions, worker advocacy groups and employer associations to develop and refine its strategies – especially for improving compliance in targeted low-wage industries. The Wage and Hour Division also seeks to partner with these organizations to leverage its limited resources and to move more quickly toward achieving its goals. Businesses and employer associations, for example, are partners in the annual “Safe Work This Summer” child labor campaign. In administering the Davis-Bacon

Act and Service Contract Act programs, the Wage and Hour Division routinely coordinates with all of the various Federal agencies contracting for construction and services.

Creating and maintaining partnerships with the States is an important component of the Wage and Hour's enforcement and compliance education efforts. The agency employs a number of strategies aimed at advancing the cooperative efforts between the Federal government and its State counterparts, including conducting joint compliance seminars and coordinating enforcement activities in low-wage industries. The Wage and Hour Division has entered into a number of Memoranda of Understanding and joint resolutions with the States, particularly in the area of child labor. For example, the States and Wage and Hour conducted a joint child labor campaign, "Spring Into Safety," to increase public awareness of Federal and State child labor laws and their impact on safety. The campaign was an outgrowth of the joint Federal-State Task Force on Child Labor that Secretary Herman called for in her Safe Work/Safe Kids initiative to increase access to data on youth employment (including injury/fatality data) and to identify opportunities and avenues for sharing information and coordinating planning.

Office of Workers' Compensation Programs (OWCP)/ESA. The Secretary of Labor chairs the Presidential Initiative, Federal Worker 2000, in recognition of the Department's leadership responsibilities for improving workplace safety and health and in administering the Federal workers' compensation program. Under the leadership of the Employment Standards Administration's Office of Workers' Compensation Programs (OWCP), the initiative has established several performance goals for all Federal agencies to reduce injuries, speed reports of

injuries and compensation claims, and lower the average number of production days lost due to job related injuries and illnesses.

DOL worked closely with the Department of Energy (DOE) and OMB on legislation to provide workers' compensation benefits to certain DOE contract employees in the nuclear weapons complex. An amendment to the Defense Authorization Act for fiscal year 2001 creates a new program entitled the Energy Employees Occupational Illness Compensation Program Act. While the exact administrative specifications are to be determined by Executive Order, it is expected that DOL will administer claims adjudication and benefit payments for the new program. DOL continues to work with DOE, OMB, the Department of Health and Human Services, and the National Economic Council to establish a fair and workable compensation program.

Employment and Training Administration (ETA). The One-Stop Career Center system, authorized under the Workforce Investment Act, has consolidated a fragmented array of employment and training programs into an integrated job service delivery system. Providing more customer-focused services has led to the creation of new partnerships, not only with Federal agencies, but also with numerous stakeholders associated with the one-stop delivery system at the State and local levels. Key features of the system are the unified planning among Federal partner agencies, a menu of common performance measures with standard definitions, and a continuous improvement strategy to be used voluntarily by partners in the workforce system.

Occupational Safety and Health Administration (OSHA). OSHA regularly works together with the National Institute for Occupational Safety and Health (NIOSH), the Food and Drug Administration (FDA), and Centers for Disease Control and Prevention (CDC). In the past several years many issues have been addressed collaboratively, including the proposed Tuberculosis rule, a Safety Alert on glass capillary tubes, a Hazard Information Bulletin on Lyme disease, a Technical Information Bulletin on natural rubber latex allergies, and information sharing on medical waste recycling. Additionally, OSHA consulted with FDA's Center on Medical Devices and Radiological Health on safer needle devices in connection with OSHA's revised Bloodborne Pathogens Standard Compliance Directive.

OSHA and the Environmental Protection Agency (EPA), through the Process Safety Management (PSM)-Risk Management Plan (RMP) Standing Committee, have begun discussing the development of a new MOU, which will address interagency coordination on PSM-RMP issues.

Like OWCP, OSHA is involved with the presidential initiative, Federal Worker 2000. OSHA field staff are promoting the initiative within their regional and area jurisdictions. Using available resources, OSHA will provide assistance to its area and regional offices upon request. OSHA will conduct annual random inspections of 20 percent of the sites that were identified as having high Lost Time Case Rates (LTCRs). To provide easy access to information on the Federal Worker 2000 initiative, a Web page is being developed. Users will be able to access data

regarding how well agencies are achieving their goals. Federal Agency Programs (FAP) will conduct an evaluation and provide feedback on each agency's program. FAP and the Office of Workers' Compensation Programs will then report their findings to the White House.

U.S. Postal Service (USPS) injuries and illnesses contribute disproportionately to the Federal Government's injury and illness rate: the total injury and illness rate among postal employees represents almost half of the rate for the entire federal government, even though fewer than one-third of all federal workers are employed by the USPS. In September 1998, USPS, with its 850,000 employees, became subject to OSHA enforcement. Since then, OSHA, USPS and the postal unions meet several times a year to discuss issues of concern. On April 16, 1999, OSHA published a compliance directive detailing the enforcement policies and procedures when field staff conduct inspections at USPS facilities.

OSHA and the National Park Service (NPS) have entered into a five-year partnership agreement calling for OSHA to provide priority assistance to selected parks and for NPS to develop and implement an effective safety and health program. During the first year of the partnership, NPS saw a 4.53 percent reduction in LTCRs and the total case rate also improved by more than the partnership goal. OSHA's improved relationship with NPS has resulted in employee training and the exploration of new ways to improve their safety and health program.

On August 7, 2000, OSHA entered into a MOU with the Department of Transportation's Federal Aviation Administration (FAA), setting out a process the two agencies will follow to

ensure safe and healthful working conditions for flight attendants. The agreement establishes a joint team of FAA and OSHA staff that will examine whether and to what extent certain OSHA requirements could be applied to flight attendants without compromising aviation safety. The team reported its findings in December 2000.

OSHA, the Department of Energy (DOE) and the Nuclear Regulatory Commission (NRC) have participated in a series of pilot programs to collect information on how external regulation and privatization might affect the agencies involved. In the summer of 2000, a Federal Register notice and an MOU were issued clarifying the jurisdiction and enforcement responsibilities for the occupational safety and health of contractor employees at DOE sites that have been privatized.

The OSHA Strategic Partnership Program for Worker Safety and Health (OSPP), adopted on November 13, 1998, is an expansion and formalization of OSHA's substantial experience with voluntary programs. In a partnership, OSHA enters into an extended, voluntary, cooperative relationship with groups of employers, employees, and employee representatives in order to encourage, assist, and recognize their efforts to eliminate serious hazards and achieve a high level of worker safety and health. OSHA and its partners have the opportunity to identify a common goal, develop plans for achieving that goal, cooperate in implementation, and measure success. OSHA's interest in forging partnerships in no way reduces its ongoing commitment to enforcing the requirements of the Occupational Safety and Health (OSH) Act. Individual employers who fail to voluntarily protect their workers continue to face strong enforcement. Both small

businesses and large corporations are choosing to partner with OSHA. Many partnerships focus on areas of concern addressed in OSHA's Strategic Plan such as silica and lead exposures, and serious hazards in the nursing home, food processing, logging, and construction industries.

Partnership can transform the relationship between OSHA and an employer, a trade association or union, or an entire industry. In OSHA's Strategic Partnership Program (OSPP), former adversaries work together to solve workplace safety and health problems. As an added bonus, a partnership can be much less costly than stiff penalties for OSHA violations and rising workers' compensation premiums. As of October 2000, there were 86 active partnerships.

For example, on February 14, 2000, OSHA and the Associated Building Contractors (ABC) entered into a partnership that will become the industry model for how OSHA works with construction contractors with exemplary safety records.⁴ As a result of this agreement with building contractors who have exemplary safety records, OSHA will be able to spend more of its resources on contractors who do not have such excellent safety records.

The Voluntary Protection Programs (VPP) are designed to recognize and promote effective safety and health management. In the VPP, management, labor, and OSHA establish a cooperative relationship at a workplace that has implemented a strong program. The VPP concept recognizes that compliance enforcement alone can never fully achieve the objectives of the OSH Act. Good safety management programs that go beyond OSHA standards can protect workers more effectively than simple compliance.

VPP participants are a select group of facilities that have designed and implemented outstanding health and safety programs.⁵ Between 1992-1999, participation in VPP has grown from 83 worksites to 395. The following chart shows this annual growth in the Federal VPP.

YEAR	Participants Added
1992	21
1993	16
1994	55
1995	44
1996	62
1997	62
1998	59
1999	76
TOTAL	395

VPP activity in state-plan States⁶ has also swelled during this time period. In 1992, only one state, California, had an approved VPP program with two participants. Today, 17 additional States⁷ have functioning VPP programs with 114 participants. Several additional States are preparing or considering plan changes to include VPPs in their OSHA programs.

OSHA has developed a final policy, published July 28, 2000, describing the agency's treatment of voluntary employer self-audits that assess workplace safety and health conditions, including compliance with the OSH Act. The policy provides that the agency will not routinely

request self-audit reports at the initiation of an inspection, and the agency will not use self-audit reports as a means of identifying hazards upon which to focus during an inspection.⁸ OSHA encourages employers to conduct voluntary self-audits and to promptly correct all violations of the Act that are discovered in order to ensure safety and health in the workplace.

Office of Small Business Programs (OSBP). On May 6, 1998, the Department and the Small Business Administration (SBA) entered into a partnership agreement whereby DOL was given 8(a) contracting authority. The 8(a) program is a development program (named for the relevant provisions of the Small Business Act, as amended) for small disadvantaged businesses certified by the Small Business Administration. This MOU was renewed on September 27, 2000. In March 1999, the Department and the SBA entered into a MOU to increase the participation of women-owned small businesses in Federal procurement.

OSBP leads the Department's Coordinated Compliance Assistance for Business Pilot via partnerships with SBA's Small Business Development Centers and the U.S. Department of Agriculture's Cooperative State, Research Education and Extension Service. The Pilot should significantly help meet businesses' needs for timely and straight-forward information on the more than 180 laws and regulations the Department administers. The focus is on voluntary compliance at early stages of interaction with the Department, thus helping prevent violations by new, growing and existing businesses. This enables the regulatory enforcement agencies to focus finite resources on repeat and serious violators.

OSBP participates with other DOL agencies in cooperative agreements with the National Association of Women in Construction; the National Council of Negro Women; and the National Association of Hispanic Federal Executives (NAHFE). The Department has a MOU with the Hispanic Association of Colleges and Universities (HACU) and the National Association for Equal Opportunity in Higher Education (NAFEO). Cooperative agreements with various entities, and MOU's with minority colleges and universities and other special programs, advance the interests of the organization, foster growth, and encourage ongoing communication between the organization and agencies within the Department. For example, an MOU between the Department and the American Indian Higher Education Consortium was signed on September 25, 2000, to ensure that tribal colleges and universities and American Indian communities participate equitably in the Department's employment, programs, services and resources.

Office of the Solicitor of Labor (SOL). The Office of the Solicitor, through its nationwide network of law offices, plays an integral part in the Department's overall enforcement strategy. The Solicitor's Office works closely with DOL client agencies to focus litigation resources on the most serious offenders, cases of first impression, and cases in which the Department had a significant interest in developing the law. To carry out its mission most efficiently and effectively -- and thereby helping the Department to meet its goals -- the Solicitor's Office coordinated many of its efforts with other Federal agencies.

One of the most notable examples of such a cross-cutting initiative was the President's Worker Exploitation Task Force. Co-chaired by the Solicitor of Labor and the Assistant

Attorney General for Civil Rights, this task force facilitated criminal investigations and prosecutions involving undocumented foreign nationals who were lured to this country and then exploited. This task force consisted of representatives from the Department of Justice's Civil Rights Division, Violence Against Women Office, and Office of Victims of Crime, as well as the Federal Bureau of Investigation (FBI), the Immigration and Naturalization Service (INS), DOL, and the State Department.

Pension and Welfare Benefits Administration (PWBA). Working with partners is integral to much of the work of PWBA. PWBA continued its joint efforts with the Department of the Treasury and the Pension Benefit Guaranty Corporation (PBGC) on Employment Retirement Income Security Act (ERISA) issues. There are many issues where the agencies' authority overlaps and many others that need to be coordinated under ERISA as the three agencies are each responsible for a different title of the Act. The streamlining of the Form 5500, the annual report that plan administrators file, and the creation of an electronic filing system, is a good example of how the agencies work together to create rules and programs that benefit American workers and their families while helping employers in their efforts to establish and maintain benefit plans. This coordination also was key to addressing a number of new complex issues. One example where the Administration worked through a number of agencies was in addressing a sensitive pension issue -- cash balance plans. The Administration, through the Department of Labor, the Department of the Treasury, the Equal Employment Opportunity Commission and the PBGC, worked on a number of fronts to address the various issues raised with respect to cash balance plans, beginning with the development of a legislative proposal to

address the need for additional and timely disclosure to the continuing efforts to address discrimination issues. The Department also helped the many employees angered and concerned by the conversion of their pension plans to cash balance plans. The Department of Labor acted quickly to respond to their concerns -- meeting with the employees numerous times and responding to their questions by putting frequently asked questions and answers on PWBA's website as well as setting up a dedicated mailbox for employees to send in additional questions and comments.

PWBA has also participated in a number of partnerships initiated by the Administration including the President's Advisory Commission on Consumer Protections and Health Care Quality, which was co-chaired by Secretary Herman. The Commission consisted of both public and private sector representatives who worked together to develop the Consumer Bill of Rights. Secretary Herman also co-chaired the Quality Interagency Coordination Task Force (QuIC), which grew out of the President's Commission and consists of those federal agencies involved in health care. Among the issues addressed by the QuIC was medical errors and patient safety. After receiving a private report from QuIC, the President directed the QuIC to report to him on what the federal government could do to decrease medical errors and to increase patient safety. The QuIC presented this report to the President in February 2000, and following the President's direction, began work to implement these actions.

Other Administration-led partnerships include the work of numerous federal agencies participating in the White House Conference on Mental Health. As a result of the conference,

DOL announced a partnership with the American Nurses Association and American Psychological Association to distribute pocket cards on American workers rights under the Mental Health Parity Act.

PWBA has made working with partners an important aspect of its outreach work. Key among these efforts has been the creation of education campaigns on retirement and health education. Both campaigns are based upon working with partners to share, develop and distribute educational information and tools. The health education campaign began with over 70 partners from the federal and state government, as well as private sector, and the number continues to grow. The retirement savings education campaign, which began with over 65 partners, continues to work with new partners to focus on the needs of different segments of the American workforce and their families.

PWBA also works with many federal agencies in carrying out its enforcement and administrative responsibilities. With respect to enforcement, PWBA has seen an expansion in the types of issues arising with the growth of 401(k) plans and health plans. In investigations, PWBA often works with agencies such as the Securities and Exchange Commission (SEC) and the federal banking agencies. PWBA also has seen a significant expansion in the number of criminal investigations where the agency works closely with the Justice Department, as well as the FBI and the Internal Revenue Service (IRS) Criminal Division. When their jurisdictions overlap, PWBA's efforts to provide guidance often involve working with the SEC, Federal banking agencies, and State banking, insurance and securities agencies. Finally, the passage of a

number of new health care laws⁹ created an overlap in the Department's authority and that of the Departments of Health and Human Service (HHS) and Treasury. PWBA has been working closely with these agencies to promulgate guidance and engage in outreach. A good example of the successful coordination among these agencies was the promulgation of the interim final rules under HIPAA within the statutory mandated date of six months from enactment. A newly enacted provision on Qualified Medical Child Support Orders also led to cooperative efforts with HHS to develop a notice on the creation of a working group co-chaired by Secretary Herman. This working group consisted of Federal and State government representatives as well as numerous members of the private sector. The group developed a report of suggestions for future legislation, which was forwarded by Secretary Herman and Secretary Shalala to the appropriate members of Congress.

PWBA has also worked with the benefits community in developing regulations. For example, PWBA utilized a negotiated rulemaking committee to develop a proposed rule for a definition related to collective bargaining. PWBA, cognizant of the voluntary nature of employee benefits, works to hear from all interested parties in developing rules that provide additional protections with minimal additional burdens.

Veterans Employment and Training Service (VETS). VETS, along with the Department of Veterans Affairs (VA), created and led the Federal Interagency Task Force on Certification and Licensing of Transitioning Military Personnel. The Task Force partners with numerous other Federal agencies to advance the interests of transitioning military personnel who

are seeking jobs that require Federal licensing. For example, Task Force involvement led to the development of a program between the Federal Aviation Administration and the military services that will simplify the process for veterans to acquire airframe and power plant licenses needed for employment in the airlines industry.

VETS has also worked with the Communication Workers of America and Cisco Systems to develop and implement an on-line assessment and evaluation system, and has referred over 1,200 veterans to training and over 1,000 to high-tech job opportunities. A similar partnership with the Microsoft Corporation referred over 1,500 veterans to Microsoft proprietary training. Numerous States have joined VETS in projects to help transitioning military personnel and veterans translate their military training and experience into high technology jobs. Over 400 veterans have been placed in good jobs through the ProVet Project in Tennessee, North Carolina and South Carolina. A program established in 2000 will help new veterans find employment in information technology jobs through the CompTIA Project in California, Texas, Virginia and Florida. VETS also partnered with the state of Ohio on a two-year Military to Work pilot program that saw more than 300 veterans enter employment as commercial truck drivers, metalworkers, stationary engineers, and airframe and power plant aircraft mechanics.

The Transition Assistance Program (TAP) is a collaborative effort between VETS, the Departments of Defense, and the Veterans Administration, and since 2000, the U.S. Coast Guard. TAP provides separating military service members valuable job-search preparation. The primary focus of TAP is employment workshops given by VETS at more than 160 military sites.

Since 1992, these workshops have helped over 1,200,000 veterans of the armed forces make a successful transition to civilian employment.

VETS also has actively partnered with VA's Vocational Rehabilitation and Employment (VR&E) Service to provide employment assistance to Title 31 disabled veterans. The agencies work and train together to maximize the services they provide on behalf of disabled veterans and their dependents. The ultimate goal is successful job placement and adjustment to employment for disabled veterans without duplication, fragmentation, or delay in the services provided. This collaboration has helped over 15,000 disabled veterans enter suitable employment since formal implementation of the interagency partnership in 1995.

Women's Bureau (WB). At a White House ceremony on April 23, 1998, President Clinton announced the Department of Labor's Business-to-Business Mentoring Initiative on Child Care. The public/private partnership was designed to increase the nation's supply of quality, affordable, and accessible childcare. Through the initiative, DOL also promotes awareness among industry leaders that affordable and safe childcare is a top concern for working families.

The WB and National Aeronautics and Space Administration (NASA) have joined forces to encourage girls across the country to consider careers in non-traditional fields. The two agencies are providing girls with the opportunity to interact with role model, i.e., women succeeding in high-tech careers. WB and NASA are also working with women's groups,

women's technical associations, girls' organizations, and workforce development professionals to facilitate communication and cooperation. For example, the leaders of national women's groups, women's technical associations and girls' organizations joined NASA and the Labor Department in sharing new and priority initiatives for encouraging girls (and ensuring the recruitment, retention, equal pay and advancement of women) in information technology, math, science and engineering. Participants brainstormed about ways to continue the dialogue and leverage each group's unique strengths. In addition, DOL, through the WB, implemented a Memorandum of Understanding with the National Council of Negro Women to advance the interest of African American women in all aspects of the workforce.

The Women's Bureau has also undertaken a new initiative in coordination with the U.S. Department of Justice and HHS. A Sub-Committee on Victim's Assistance was implemented in August 2000 to find effective ways for utilizing federal resources to provide foreign nationals, who were lured to this country and then exploited, with counseling, shelter, and other social support needed to integrate themselves back into society. The sub-committee is an outgrowth of the Worker Exploitation Task Force, which is an interagency effort headed by the Departments of Labor and Justice.

Under Secretary Reich's and Secretary Herman's leadership, three WB national initiatives have resulted in ongoing partnerships with the business community. The first was in 1994. Through the "Working Women Count!" campaign, the WB established partnerships with 1,600 businesses and organizations to help launch a questionnaire asking working women about their

workplace concerns. In 1995, the second initiative, "Working Women Count!" Honor Roll, was launched by the WB to serve as a catalyst for change in the three areas of most concern to the women who responded to the "Working Women Count!" questionnaire. These concerns are pay and benefits that provide economic security, help in balancing work and family, and more respect and opportunity on the job. Of the 1,300 employers and organizations who pledged programs and/or policies geared to the survey findings, 840 followed-through with their pledges.

The third initiative was the Business-to-Business Mentoring on Child Care initiative that was launched in 1999 to promote awareness among industry leaders that affordable and safe childcare are top concerns for families. Through the project, businesses with existing childcare and family-friendly policies and programs mentor employers interested in implementing similar workplace options for their employees. More than 120 employers have completed their workplace innovations. Many of the employers who participated in the "Working Women Count!" Honor Roll participated as mentors in this initiative.

The Women's Bureau has also established international partnerships. For example, the WB has actively partnered with the Bureau of International Labor Affairs in working with the Costa Rican Ministry to help reduce the incidence of gender discrimination, sexual harassment, and pregnancy discrimination in Costa Rican workplaces. Women's Bureau provided technical assistance and training to the Costa Rican Women's Office in the Ministry of Labor.

In addition, the WB continues its work with Northern Ireland. This partnership began in May 1999 with a Northern Ireland Employers' Study Group tour to Kansas City. The Group was interested in learning how American employers make their workplaces family-friendly. The latest report from Northern Ireland indicates that, as a direct result of their employers' visit to Kansas City, two employers have implemented on-site childcare.

J. National Skills Summit

As discussed in Chapter IV, on April 11, 2000, Secretary Herman and Federal Reserve Chairman Alan Greenspan joined corporate CEOs, small business entrepreneurs, leaders of organized labor, disability and community-based organizations, trade association representatives, academics, workers, and government officials for a National Skills Summit. The daylong Summit was held to exchange innovative, practical, and cost-effective strategies, and to develop partnerships that would satisfy employers' immediate needs for skilled workers. The following are some of the success stories from the National Skills Summit. Additional information can be found in the November 2000 DOL publication, "Building Skills for the New Economy: Innovative Initiatives."

Cisco Systems and the Communications Workers of America (CWA) have been using the Internet to test, evaluate, and refer interested military veterans to telecommunications companies or help them enter training programs to learn high-tech skills. Now telecommunications companies such as AT&T, Lucent Technologies, US West, and numerous smaller cable, security, and alarm companies are tapping into this readily available pool of experienced workers. CWA reports that more than 200 veterans have been placed in jobs and most have starting salaries of about \$14 per hour. At the end of four years, many veterans will be making the top craft rate of about \$56,000 per year.

Northeast Career Planning (NCP), a not-for-profit New York agency that helps people with disabilities join the workforce, asked Bell Atlantic to open its multi-million-dollar training centers to people with disabilities. A team made up of Bell Atlantic employees, NCP employees, community advocates, and independent contractors designed a unique program that allowed persons with disabilities to use Bell Atlantic's Multi-Media Learning Center in Albany side-by-side with Bell Atlantic employees. The pilot program trained 100 people in various computer software applications -- and 90 of them went on to increased wages or upgrades in their current positions. Bell Atlantic absorbed the \$75 per-student per-day expense for the Train for 2000 pilot program. The pilot in Albany proved so successful that the Train for 2000 program will be extended to the Bell Atlantic location in Long Island.

Women Unlimited, a non-profit trade and technical training organization that prepares women living in Maine for non-traditional jobs, joined with the Maine Department of Transportation to recruit, train, and place women in highway, bridge, or mass transit construction jobs. Construction companies in Maine are among the employers looking for new workers and Women Unlimited trains women to fill those jobs. This 14-week program includes certified hands-on skill training, weekly job shadowing, and job readiness training. The Women Unlimited Job Bank connects graduates to more than 80 employers. In 1999, 96 percent of the 122 graduates went on to trade or technical employment, with an average starting wage of \$8.70 per hour. (The average starting wage in private industry was \$9.50 per hour.)

Civic Works is a City of Baltimore program helping young people develop work skills through community service. Partners in this program include the Baltimore Department of Housing and Community Development, the Baltimore Department of Recreation and Parks, the Maryland Department of Natural Resources, the Police Athletic Leagues, and the Baltimore Public Schools. Civic Works offers training to young people between the ages of 17 and 25. About half are high school graduates or dropouts, and half have some experience in college. The program recruits through high school and college career fairs, community organizations, and service fairs. Civic Works organizes community improvement teams to turn vacant lots into parks and gardens, provides landscaping and other services to public housing developments, builds trails in Baltimore County, and provides physical assistance to community residents when a storm, fire, or other disaster strikes. Other teams rehabilitate houses that are then sold or rented to low- and moderate-income families. Education and mentoring teams, which recruit youth with at least two semesters of college, provide tutors to work with children and teens after school at Police Athletic Centers.



U.S. Department of Labor

Alexis M. Herman
Secretary of Labor

Opening Remarks
National Skills Summit
April 11, 2000

Good morning and welcome to the first National Skills Summit.

We are immensely gratified by the reception we have received from all of you, leaders of business, labor, education and community organizations, as well as from individual workers who are here today.

This is America at her finest, when people like you, from many backgrounds, come together selflessly to confront common concerns.

I convened this Skills Summit to seek your help in confronting an unprecedented challenge our nation faces today.

President Clinton commented recently that it is not only in times of adversity that we are challenged.

Prosperity, too, can test us.

As Chairman Greenspan noted at the White House last week, today's economy - with its record length of expansion, its far stronger than expected economic growth, and its subdued inflation despite the tightest labor markets in a generation -- is *without precedent*.

We are in uncharted territory. The very fact of four percent unemployment creates new challenges.

Where, in today's rapidly shrinking pool of available workers, are we to find the new talent we urgently need for continued growth?

Most urgently, where are we to find the *skilled* workers we need?

Because, as I have often said, we do not have a *worker* shortage, we have a *skills* shortage.

There is an important difference.

To say there is a worker shortage is to say the people we need don't exist.

But they *do* exist. I have met them and so have you. They are people who have bills to pay, children to raise, and dreams to pursue, just as you and I do.

What they lack are the skills demanded by today's economy.

Some of them are young people who left school without a skill.

Some are workers whose factory has closed, or whose company has switched to a new technology.

Some are coming off welfare, or are Americans with disabilities.

All of them must be brought into the mainstream of our information-based economy, where *what you know determines how far you go*.

But how are we to impart skills to all those who need them?

Both the President and Vice President believe that the federal government *cannot* and *should not* solve every problem. That is why the Clinton-Gore Administration has so often entered into partnerships with others - leaders like you - who share our commitment to a better America.

We know that corporations, unions, community organizations, foundations and educational institutions have often joined forces. You have invested significant resources not only in providing training but in making sure there is a job waiting for the trainees at the end of the day.

All of you here today represent a vast amount of experience and creativity and good will, and we want to leverage those priceless resources for the benefit of all America.

We will hear today about many innovative strategies that you and others have employed.

We will discuss what works and what doesn't, and how problems can be overcome. We will focus on best practices and new strategies to find and train the skilled workers our nation needs.

Some innovative programs we have identified are described in the best-practices booklet you have been given, and others will be included in the book we will prepare as a follow-up to this meeting.

And speaking of innovations, it is my pleasure to report to you on the signing just a few minutes ago of a new agreement between the Department of Labor and the U.S. Navy, Marines and Coast Guard.

The three services have come together to certify the National Apprenticeship Standards. They will register 107 military occupation specialties under standards recognized by the Department of Labor. We will work together to ensure that private sector employers recognize these standards. This will speed the transition of tens of thousands of skilled military personnel into civilian employment.

My thanks and congratulations to the Navy, the Marines and the Coast Guard for this innovative strategy that will benefit both their personnel *and* our national economy. It is truly in the national interest.

We have a busy day ahead and many outstanding guests. I'm so pleased that my old friend, former Secretary of Labor Ray Marshall, is here from the University of Texas.

And we are honored that Chairman Greenspan will be our keynote speaker.

We also have with us a number of workers who will describe their experiences with the realities of

today's economy. I thank you for being here. You are what this gathering is all about.

These workers may help us knock down some stereotypes about those who are not employed. So will some figures the Department of Labor compiled on the more than 13 million Americans who were not working last year -- those who are looking for work, those who are not looking but want to work, and those who are working part-time but want a full-time job.

I hope we'll learn more today about these potential workers and how they can be brought into the workforce. Because we need them just as much as they need us.

Let me say in closing that I believe in the American Dream -- I have lived it -- but that dream is tarnished when millions of our fellow citizens still live in the shadows, excluded from the sunshine of today's prosperity.

So let this be the start of a new national partnership in which we join hands to make the *promise* of America the *practice* of America.

Thank you and God bless you.

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The Federal Reserve Board

Remarks by Chairman Alan Greenspan

The evolving demand for skills

At the U.S. Department of Labor National Skills Summit, Washington, D.C.

April 11, 2000

I am pleased to have the opportunity to be part of today's National Skills Summit and appreciate the hospitality of Secretary Herman, President Swygert, and Howard University. In my remarks, I would like to offer a macroeconomic perspective on the evolving demand for skills in our economy. That process has been set in motion by the accelerated expansion of computer and information technologies, which in turn has brought, and will continue to bring, significant changes in the workplace. A number of technologies with their roots in the cumulative innovations of the past half-century have now begun to yield dramatic changes in the way goods and services are produced and in the way they are distributed to final users. Your discussions today are an important element in the ongoing dialogue that our nation's leaders in business, labor, education, and public policy must have if we, together, are to be successful in meeting the rising demand for skilled workers and realizing the potential that technological change has to enhance living standards for a large majority of Americans.

The process of innovation is, of course, never ending. Indeed, the substitution of physical capital that embodies new technologies for manual labor is simply an extension of a trend that began more than a century ago when work in craft shops shifted to factories, then to assembly lines. In the initial stages, these shifts required little change in the types of skills that workers used on the job. But when work subsequently moved to more automated continuous-processing and batch-processing manufacturing and electricity was introduced, new skills were demanded of workers who had to interact with an increasingly more complex stock of capital.

More recently, the development of the transistor after World War II appears in retrospect to have initiated a special wave of creative synergies. It brought us the microprocessor, the computer, satellites, and the joining of laser and fiber-optic technologies. By the 1990s, these and a number of lesser but critical innovations had fostered an enormous new capacity to capture, analyze, and disseminate information. Indeed, it is the proliferation of information technology throughout the economy that makes the current period unique. The remarkable coming together of technologies that we label IT has allowed us to move beyond efficiency gains in routine manual tasks to achieve new levels of productivity in routine information-processing tasks that previously depended upon other facets of human input--computing, sorting and retrieving information, and acting on pieces of information. As a result, information technologies have begun to alter, fundamentally, how we do business and create economic value, often in ways that were not readily foreseeable even a decade ago.

The essential contribution of information technology is the expansion of knowledge and its obverse, the reduction of uncertainty. Before this quantum jump in information availability,

businesses had limited and less timely knowledge of customers' needs and of the location of inventories and materials flowing through complex production systems. In that environment, decisions were based on information that was hours, days, or even weeks old. Businesses found it essential, although costly, to carry sizable backup stocks of materials and to keep additional persons on their payrolls for making the necessary adjustments to the inevitable miscalculations and unanticipated shifts in demand for their products and services.

At the macroeconomic level, the major contribution of advances in information technology and their incorporation into the capital stock is to reduce the number of worker hours required to produce the nation's output, our proxy for productivity growth. Echoing a debate that is as old as Adam Smith, some view the investment in new capital or the introduction of innovative production processes as a threat to our economy's capacity to create new jobs. However, because technological change spawns so many opportunities for businesses to expand the range and value of their goods and services, the introduction of new efficiencies has not led to higher unemployment. Rather, the recent period of technological innovation has created a vibrant economy in which opportunities for new jobs and businesses have blossomed.

U.S. businesses and workers appear to have benefited more from these recent developments than their counterparts in Europe or Japan. Of course, those countries have also participated in this wave of invention and innovation, but they appear to have been slower to exploit it. The relatively inflexible and, hence, more costly labor markets of these economies are a significant part of the explanation. Businesses in Europe and Japan face higher costs of displacing workers and reallocating labor to more productive uses. Because the high rates of return offered by the newer technologies are largely the result of a reduction in labor costs per unit of output, the rates of return on investment in the same new technologies are correspondingly less there than in the United States. In the United States, labor displacement and reallocation are more readily countenanced both by law and by culture. Because our costs of dismissing workers are lower, the potential costs of hiring and the risks associated with expanding employment are less. The seeming result of significantly higher job dismissals has been, counterintuitively, a dramatic decline in the U.S. unemployment rate in recent years.

One important lesson we have learned while living through decades of technological advance is that we cannot anticipate with any precision how innovations will be incorporated into our economic systems--what new forms of capital, new processes, and specific skills will be required to apply them. For example, in 1984, when the Bureau of Labor Statistics projected occupational employment for 1995, it correctly foresaw rapid gains in computer-related occupations, broadly defined. However, what it failed to predict was the extent to which advances in hardware and software would make technology so much more versatile, cheaper, and easier to apply that computer users would be able to assume tasks previously performed by programmers, computer operators, and data entry workers. The detailed professional occupational category with the largest *underestimate* of employment, not surprisingly, was computer engineers, computer scientists, and systems analysts.

The demand for new computer applications will no doubt continue to spur demand for those with the creativity and the higher-level conceptual skills that will enable us to increasingly harness technology to produce greater economic value. To be sure, e-commerce is already becoming a potent force within and among businesses and between businesses and

consumers. Perhaps more intriguing are those as yet unrealized opportunities for computers and information technology to further improve the accuracy of medical diagnoses and to complete the mapping of the human genome, or still unimagined opportunities for expanding our scientific knowledge more generally.

The potential contributions of higher-level researchers in the computer and information technology fields for improving the quality of life are exceptional. And they likely will continue to include contributions that raise the productivity of less-skilled jobs and less-skilled individuals. Systems engineers, for instance, can design robots that replace human hands in many routine tasks, though such robots cannot as yet, for example, drive trucks. However, sophisticated satellite communications are now used to make truck drivers more efficient in moving goods to destinations of optimal use. In retailing, the development of bar-coding and scanning has improved the efficiency of salespersons and cashiers while processes that link the information between the checkout counter, shelves of inventories, and the factory floor have reduced businesses' uncertainty about customers' needs and shortened the lead times in satisfying those needs. Office clerical workers have seen an abundance of clever software improve their ability to effectively carry out their scheduling, recordkeeping, and communications tasks, and this in turn has lowered the costs of providing a wide range of business services.

Clearly, technological advances make some wholly manual jobs obsolete--for example, switchboard operators and tenders of typesetting machines. But even for many other workers, a rapidly evolving work environment in which the skill demands of their jobs are changing can lead to very real anxiety and insecurity about losing their jobs. Despite the tightest labor markets in a generation, more workers currently report to a prominent sampling firm that they are fearful of losing their jobs than similar surveys found in 1991, at the bottom of the last recession. Our education and training systems have been feeling the pressures of a great number of these workers striving to keep up.

Those pressures are likely to remain intense because I see nothing to suggest that the trends toward a greater conceptual content of our nation's output and, thus, toward increased demand for conceptual skills in our workforce will end. The rapidity of innovation and the unpredictability of the directions it may take imply a need for considerable investment in human capital. Workers in many occupations are being asked to strengthen their cognitive skills; basic credentials, by themselves, are not enough to ensure success in the workplace. Workers must be equipped not simply with technical know-how but also with the ability to create, analyze, and transform information and to interact effectively with others. Moreover, that learning will increasingly be a lifelong activity.

The heyday when a high-school or college education would serve a graduate for a lifetime is gone. Today's recipients of diplomas expect to have many jobs and to use a wide range of skills over their working lives. Their parents and grandparents looked to a more stable future--even if in reality it often turned out otherwise.

However one views the uncertainty that so many in our workforce are experiencing in their endeavor to advance, an economist can scarcely fail to notice a marketplace working efficiently to guide our educational system, defined in its widest sense, toward the broader needs of our economy. But this is not new. The history of education in the United States traces a path heavily influenced by the need for a workforce with the skills required to

interact productively with the evolving economic structure.

Early last century, advances in technology began to require workers with a higher level of cognitive skills, for instance the ability to read manuals, to interpret blueprints, or to understand formulae. Our educational system responded: In the 1920s and 1930s, high-school enrollment in this country expanded rapidly, pulling youth from rural areas, where opportunities were limited, into more productive occupations in business and broadening the skills of students to meet the needs of an advancing manufacturing sector. It became the job of these institutions to prepare students for work life, not just for a transition to college. In the context of the demands of the economy at that time, a high-school diploma represented the training needed to be successful in most aspects of American enterprise. The economic returns for having a high-school diploma rose, and as a result, high school enrollment rates climbed.

At the same time, our system of higher education was also responding to the advances in economic processes. Although many states had established land grant schools earlier, their support accelerated in the late nineteenth century as those whose economies specialized in agriculture and mining sought to take advantage of new scientific methods of production. Early in the twentieth century, as the educators at Howard doubtless experienced, the content of education at an American college had evolved from a classically based curriculum to one combining the sciences, empirical studies, and modern liberal arts. Universities responded to the need for the application of science--particularly chemistry and physics--to the manufacture of steel, rubber, chemicals, drugs, petroleum, and other goods requiring the newer production technologies. Communities looked to their institutions of higher learning for leadership in scientific knowledge and for training of professionals such as teachers and engineers. The scale and scope of higher education in America was being shaped by the recognition that research--the creation of knowledge--complemented teaching and training--the diffusion of knowledge. In broad terms, the basic structure of higher education remains much the same today, and it has been one that has proven sufficiently flexible to respond to the needs of a changing economy.

Certainly, if we are to remain preeminent in transforming knowledge into economic value, the U.S. system of higher education must remain the world's leader in generating scientific and technological breakthroughs and in preparing workers to meet the evolving demands for skilled labor. However, the pressure to enlarge the pool of skilled workers also requires that we strengthen the significant contributions of other types of training and educational programs, especially for those with lesser skills.

The notion that formal degree programs at any scholastic level or that any other training program established today can be crafted to fully support the requirements of one's lifework has been challenged. We need to foster a flexible education system--one that integrates work and training and that serves the needs both of experienced workers at different stages in their careers and of students embarking on their initial course of study. Community colleges, for example, have become important providers of job skills training not just for students who may eventually move on to a four-year college or university but for individuals with jobs--particularly older workers seeking to retool or retrain. The increasing availability of courses that can be "taken at a distance" over the Internet means that learning can more easily occur outside the workplace or the classroom.

Economists have long argued that a significant proportion of the work knowledge that one acquires in a lifetime is produced on the job. Several decades ago, much of that on-the-job training was acquired through work experience; today, businesses and labor unions are placing greater emphasis on the value of formal education and training programs--ranging from corporate universities to partnerships with community colleges and other providers--as well as relationships with public agencies, including welfare-to-work and school-to-work programs. These efforts recognize that technologically advanced learning must be grounded in real-world curricula that are relevant to changing business needs and that it be provided in flexible venues that open access to development of skills to as many workers as possible. Clearly, investing in human capital to complement physical capital is perceived by many businesses as adding to shareholder value.

We are experiencing an extraordinary period of economic innovation and have witnessed its dynamic effects on productivity, real income, and job creation. During the past several years, workers across the wage distribution--not just at the upper end--have seen noticeable increases in the inflation-adjusted value of their wages. Real wage gains have picked up for workers with less than a college education. These recent gains have not reversed the rise in wage inequality that occurred during the 1980s and early 1990s between workers with a college education and those with a high-school diploma or less. Nonetheless, the leveling off in that disturbing trend is an encouraging sign of what we can achieve if we can maintain strong and flexible labor markets accompanied by low inflation.

To reiterate a point that I made last week at the White House conference on the new economy, it is not enough to create a job market that has enabled those with few skills to finally be able to grasp the first rung of the ladder of achievement. More generally, we must ensure that our whole population receives an education that will allow full and continuing participation in this dynamic period of American economic history.

At the policy level, we must work to configure monetary policies that will foster a continuation of solid growth and low inflation. And we, as a nation, must persevere in policies that enlarge the scope for competition and innovation and thereby foster greater opportunities for everyone. In such an environment, the efforts of businesses, labor leaders, educators, and workers to create practical solutions to the pressing need for skilled labor are most likely to succeed. I trust that your discussions today will further that goal.

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U.S. Department of Labor
Alexis M. Herman, Secretary

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**BUILDING SKILLS
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A Skills Shortage, Not a Worker Shortage

Employers are shouting from the economic hilltops of America. They call from high-tech suites in Silicon Valley, from manufacturing hubs in the Midwest, and from the concrete canyons of Wall Street: We need workers! We need workers!

I hear them and I share their concerns. But we do not have a worker shortage in America. We have a skills shortage. Even at our lowest unemployment in 30 years, there are six million Americans who are unemployed and looking for work. Four million more have stopped looking but want to work. Another three million are working part-time but want a full-time job. That's 13 million people.

The time has come to reach out to these untapped pools of workers - in our cities and rural areas, on our Native American reservations, or coming out of our high schools and community colleges - and give them the skills to succeed.

We are testing innovative solutions to skill shortages all around this country. The examples that follow in this booklet illustrate what we can accomplish. I hope they will inspire you, as they have me.

Building on these examples is not only the right thing to do, it is the smart thing to do. It's smart, because without a supply of skilled workers our economic boom could run out of gas. And it is morally right to invest in our workers because America's core values demand equal opportunity and widely-shared prosperity.

Thank you for joining me at this first ever National Skills Summit. I look forward to working with you to turn America's skills shortage into a skills abundance.

A handwritten signature in black ink, appearing to read "Alexis M. Herman".

Alexis M. Herman
U.S. Secretary of Labor

U.S. Department of Labor
Alexis M. Herman, Secretary
Washington, D.C. 20210

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INNOVATIVE INITIATIVES

Communications Workers of America and Cisco Systems: Military to Work Project

The Challenge

The technology and telecommunications industries' overwhelming demand for qualified workers.

Partners

Communications Workers of America, AFL-CIO, the largest telecommunications union in North America, representing more than 630,000 workers in the U.S. and Canada.

Cisco Systems, a giant in the telecommunications industry, specializing in interactive software and information services.

The Story

A week after sending her resume to the Communications Workers of America, Navy veteran Maria Daloia had a terrific job in the high-tech industry. She is one of the many veterans taking advantage of the "Military to Work" project, which links experienced veterans with employers or helps them get the training they need to land good jobs.

Cisco Systems and CWA use the Internet to test, evaluate, and refer interested military veterans to telecommunications companies or help them enter training programs to learn high-tech skills. Now telecommunications companies such as AT&T, Lucent Technologies, US West, and numerous smaller cable, security, and alarm companies are tapping into this readily available pool of experienced workers.

CWA reports that more than 150 veterans have been placed in jobs and most have starting salaries of about \$14 per hour. At the end of four years, many veterans will be making the top craft rate of about \$56,000 per year.

Secretary Herman is especially pleased that veterans are being rewarded for their service by having the opportunity to become new workers in the new economy. "Our veterans are some of the best workers a company could want and they deserve the best opportunities," the secretary said.

This year, Stanly Community College in North Carolina joined the project to provide applicants with long-distance learning in certified skill programs. Cisco is providing additional lab equipment to meet the growing demand from veterans. Fourteen labs will be installed in CWA facilities in Florida, New York, New Jersey, Washington, Ohio, North Carolina, Texas, and the Midwest.

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INNOVATIVE INITIATIVES

Knowbility and Powershift Group: Accessibility Internet Rally (A.I.R. Austin)

The Challenge

Make the Internet more accessible to people with disabilities and introduce high-tech companies to the potential of employees with disabilities.

Partners

Knowbility, a national non-profit organization providing educational and employment opportunities in information technology to people with disabilities.

Powershift Group, a technology venture developer building sustainable companies by providing management involvement and expertise, financing, and a global network of resources that increase the opportunity for success.

The Story

Josh and Amanda, 18-year-old blind students, worked together as an Internet research team and were looking for experience in Austin's high-tech industry. After attending the Accessibility Internet Rally -- now dubbed "A.I.R. Austin" -- they ended up with internships at a Powershift Group affiliate. In fact, Powershift executives were so impressed by what they saw at A.I.R. Austin they plan to hire more young people with disabilities this summer.

Powershift Group, Austin-based high-tech companies, and Knowbility staged the first Accessibility Internet Rally two years ago so high-tech companies could learn about making the Internet accessible to people with disabilities and widen their employee pool to include people with disabilities. The rally gave Web designers and local high-tech firms a half-day of training on Internet accessibility techniques. On the following day, teams of company personnel and non-profit staff and volunteers competed to design accessible Web sites. Last year they created 22 Web sites in one day. The event costs about \$30,000 and includes corporate sponsors Mitsubishi, Electric America Foundation, IBM, Applied Materials, and Infotec.

"As co-chair of the President's Task Force on the Employment of Adults with Disabilities, I understand how important technology is to people with disabilities," Secretary Herman said. "Technology not only makes their lives better, it offers tremendous opportunities for them to succeed in the workplace. Adults with disabilities are a wonderful source for closing the skills gap."

Knowbility is planning similar accessibility rallies in Dallas and Denver.

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INNOVATIVE INITIATIVES

Bell Atlantic Corporation and Northeast Career Planning: Train for 2000

The Challenge

The information technology industry's need for high-skilled workers.

Partners

Bell Atlantic Corporation, a leading-edge telecommunications company providing telephone, cellular and Internet services to customers from Maine to Virginia.

Northeast Career Planning, a not-for-profit New York agency that helps more than 1,500 people with disabilities join the workforce annually.

The Story

In February 1999, Northeast Career Planning asked Bell Atlantic to open its multi-million-dollar training centers to people with disabilities. Bell Atlantic accepted the challenge.

A team made up of Bell Atlantic employees, NCP employees, community advocates, and independent contractors designed a unique program that allowed persons with disabilities to use Bell Atlantic's Multi-Media Learning Center in Albany side-by-side with Bell Atlantic employees. The pilot program trained 100 people in various computer software applications -- and 90 of them went on to increased wages or upgrades in their current positions. Bell Atlantic absorbed the \$75 per-student per-day expense for the pilot program of "Train for 2000". The pilot in Albany proved so successful that "Train for 2000" will be extended to the Bell Atlantic location in Long Island.

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INNOVATIVE INITIATIVES

Turner Jobs Corps Center and Albany State University: EXPECTS SUCCESS

The Challenge

The technology industry's overwhelming need for skilled workers.

Partners

Turner Job Corps Center, one of the largest Job Corps Center in the United States, providing employment, vocational, academic, and social skills training to disadvantaged youth ages 16 to 24.

Albany State University, a university in Albany, Georgia, offering undergraduate and graduate degree programs and community outreach.

The Story

Albany State University developed the EXPECTS SUCCESS program to help young students and unemployed youth to gain long-term employment, higher entry-level wages, and life skills training. Each year the program serves 300 youth and young adults between the ages of 14 and 21. In addition to middle and high school students, this innovative program serves young adults between the ages of 18 and 21 from Turner Job Corps in an on-campus computer technology laboratory. The Georgia Department of Labor is funding the three-year pilot program.

The five-week Microsoft Office Certificate training program is offered in four sessions throughout the year. To date the program has trained two classes for a total of 30 Turner Job Corps graduates. An additional 30 students are currently enrolled in the third session. Two corporations – Procter & Gamble and Bank of America – have streamlined their application process to graduates. After graduation, students are assigned to work-based learning sites for ongoing training and development and are then eligible for possible employment at the assigned sites.

The EXPECTS SUCCESS program offers additional benefits: 7.5 Continuing Education Units (CEUs), eligibility for scholarships to continue their education, and a streamlined admissions process into ASU.

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INNOVATIVE INITIATIVES

Women Unlimited and the Maine Department of Transportation: Connecting Women to Jobs in Construction

The Challenge

The Maine construction industry's urgent need for skilled workers.

Partners

Women Unlimited, a non-profit trade and technical training organization that prepares women living in Maine for non-traditional jobs.

Maine Department of Transportation

The Story

After years of adversity, Rose Higgins-Brown, former hairdresser and mother of two, signed up for Women Unlimited's training program at the Kennebec Valley Technical College. Rose was so successful that even before she completed the program, which included surveying, fluid-power technology, and blueprint reading, the Maine Department of Transportation hired her. About 18 months later, a private company recruited Rose and later sponsored additional training at the Asphalt Institute at Auburn University in Alabama. Rose now owns Western Maine Paving Company.

Construction companies in Maine are among the employers shouting from the hilltops for new workers. Women Unlimited knows that women can fill those jobs. The organization runs programs to prepare women for nontraditional jobs, including truck driving, carpentry, basic construction, auto technology, drafting and design, electrical wiring, masonry, materials testing, and many others. This program includes entry-level and advanced training. Women Unlimited formed a partnership with the Maine Department of Transportation to recruit, train, and place women for highway, bridge, or mass transit construction jobs.

The fourteen-week program includes certified hands-on skill training, a ropes course, weekly job shadowing, and job readiness training. The Women Unlimited Job Bank connects graduates to more than 80 employers.

Last year, 96 percent of graduates – a total of 122 – went on to trade or technical employment, with an average starting wage of \$8.70 per hour. (The average starting wage in private industry was \$9.50 per hour.)

Karen Dresser is another of Women Unlimited's success stories. Karen joined the Women Unlimited training program at Eastern Maine Technical College and was quickly hired at the Maine Department of Transportation as a temporary engineering aide I, working in materials testing. She was promoted recently to engineering aide II and accepted as a permanent employee. Thanks to Women Unlimited she enjoys a feeling of independence and feels that she is a better role model for her two girls. Karen has also been hired by Women Unlimited on two occasions to instruct other women in materials testing.

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INNOVATIVE INITIATIVES

Home Builders Institute, National Association of Home Builders Women's Council, and Pozzi Window Co.: Cornerstone Project

The Challenge

The intense demand for skilled workers in the booming home building industry.

Partners

Home Builders Institute, the nation's leading source for education and training programs serving the home building industry, training skilled workers in residential construction.

National Association of Home Builders Women's Council, a resource for women in residential construction, helping women develop careers in building.

Pozzi Windows/JELD-WEN, Inc., is a division of JELD-WEN, a leading manufacturer of doors, windows, and specialty millwork, located in Klamath Falls, Oregon.

The Story

Women make up only 10 percent of construction industry employees – and are an untapped pool of potential workers. After working on a two-year program, funded by a Labor Department grant of \$254,000, to increase opportunities for women in the building industry, the Home Builders Institute collaborated with Pozzi to form an innovative mentoring program, called "Cornerstone."

By pairing experienced women in the industry with proteges, the partners hope to increase recruitment of women into the building industry to help meet the need for workers. Cornerstone is funded by \$300,000 in corporate donations. The program has doubled since it started in 1998 and continues to expand, with 40 new mentoring pairs matched already in 2000.

Cornerstone partners produced several guides, a recruiting video and manual, a brochure, and a newsletter to help businesses establish mentoring programs.

As a former director of the Women's Bureau, Secretary Herman is especially interested in seeing women enter non-traditional occupations. "This mentoring program is about women helping women succeed, and in fields that many may never have thought possible," she said. "Non-traditional jobs – and especially those in the building trades – pay a lot more and allow women to be successful and self-sufficient."

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INNOVATIVE INITIATIVES

ELTECH Systems Corporation: Cross-Training Full-Time Employees to Create a More Flexible Workforce

The Challenge

ELTECH's need for a stable workforce with lower employee turnover, increased productivity, and less need for temporary workers.

Partners

ELTECH Systems Corporation, a leader in the manufacturing and marketing of electrochemistry technology and related products.

The Story

ELTECH's challenge was to build its workforce from within, something Secretary Herman has encouraged employers that rely on part-time or temporary workers to do. ELTECH thought it had a labor shortage, but when management officials decided to solve the problem internally they learned that they could have a stable, more flexible workforce by using current workers in ways that benefitted the company and the workers.

By cross-training its full-time employees, hiring more full-time workers, training supervisors, and developing a team-based work environment, ELTECH eliminated the need for a large temporary workforce, frequent training, and high turnover.

The company upgraded its training and developed more efficient work processes. It now has a stable workforce.

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INNOVATIVE INITIATIVES

International Association of Machinists and the Boeing Co.: Quality Through Training Program (QTTP)

The Challenge

A rapidly changing workplace that can increase the number of dislocated workers.

Partners

International Association of Machinists (IAM), AFL-CIO, machinists union representing workers in 200 basic industries.

Boeing Company, the largest aerospace company in the world, manufacturing commercial jetliners and military aircraft, and the largest NASA contractor

The Story

After eight years working at Boeing, worker Vicki Kramer was afraid she would have a hard time finding a new job. Then she heard about the "Quality Through Training Program" and signed up for computer, blueprint reading, and precision measurement classes. Now she's working on a computer as an expeditor at Boeing's Harbor Pointe facility. She says that QTTP gave her "self-esteem and self-confidence to learn something new." Vicki is continuing her education in psychology with tuition assistance through QTTP.

QTTP is part of the collective bargaining agreement between Boeing and IAM to provide IAM-represented workers education assistance, career counseling, and personal development. The program helps IAM-represented employees at seven Boeing sites upgrade their skills to meet new demands in the workplace and helps them cope with workplace changes. Workers can get professional career counseling and skills assessment to help them meet their goals. QTTP covers tuition at local community and technical schools.

Boeing funds the program at \$14 million a year. Increased layoffs in recent years created greater demand for these re-training and employment services. QTTP continues to evolve and grow, by linking with other companies and continually updating its services. An excellent example of labor-management cooperation, QTTP helps hundreds of workers keep pace in a rapidly changing workplace.

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INNOVATIVE INITIATIVES

City of Baltimore, Maryland and Civic Works: Community Improvement Teams

The Challenge

To prepare today's young people for the workforce of tomorrow.

Partners

Civic Works, a City of Baltimore program helping young people develop work skills through community service.

Baltimore Department of Housing and Community Development
Baltimore Department of Recreation and Parks
Maryland Department of Natural Resources
Police Athletic Leagues
Public Schools

The Story

In the fall of 1997, James Harrison went to Civic Works looking for a stable job and an opportunity to earn his GED. He earned the GED, became a crew leader, was promoted to assistant supervisor on the public works team, and went to night classes at Baltimore City Community College. He is working towards his associate's degree in mental health and plans to get a bachelor's degree in psychology.

Civic Works offers training to young people between the ages of 17 and 25. In 1998, 140 young men and women participated. About half were high school graduates or dropouts and half had some experience in college. The program recruits through high school and college career fairs, community organizations, and service fairs.

Civic Works organized community improvement teams to turn vacant lots into parks and gardens, provide landscaping and other services to public housing developments, build trails in Baltimore County, and provide physical assistance to community residents when a storm, fire, or other disaster strikes. Another team rehabilitates houses that are then sold or rented to low- and moderate-income families. Education and mentoring teams, which recruit youth with at least two semesters of college, provide tutors to work with children and teens after school at Police Athletic Centers.

Young people make visible and valuable contributions to the community, not only building work skills but also building their self-esteem, citizenship, and sense of connection to others.

"One of the features I like best about Civic Works is that it introduces young people to the values of public service," Secretary Herman said. "Baltimore is shaping future community leaders as well as workers."

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INNOVATIVE INITIATIVES

WomenVenture, Minnesota Teamsters Service Bureau and Auto Dealerships: Increasing Women's Representation in Automobile Service Jobs

The Challenge

The high demand for skilled workers in auto mechanics and auto service jobs.

Partners

WomenVenture, a Twin Cities non-profit organization that helps women move toward economic self-sufficiency.

Minnesota Teamsters Service Bureau, provides training and workplace transition services for union members, serving thousands of workers.

The Story

WomenVenture and the Teamster Service Bureau are working with the Greater Metropolitan Automobile Dealers Association to establish apprenticeships for women. Women are under-represented in automobile and truck service, parts, and body repair jobs.

WomenVenture and the Minnesota Teamsters Service Bureau will provide technical assistance with personnel policies, recruitment, and apprenticeship policies, and will help identify skilled women who are available to work in the industry. Their goals are to get at least five auto dealerships to create apprenticeships and to break down barriers to women working in the auto repair industry.

This project is funded by a U.S. Department of Labor Women in Apprenticeship and Nontraditional Occupations (WANTO) grant of \$78,000.

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INNOVATIVE INITIATIVES

UPS, State of Kentucky, University of Louisville, Jefferson Technical College, and Jefferson Community College: Metropolitan College Program

The Challenge

UPS's demand for workers in order to expand its Worldwide Air Hub in Louisville.

Partners

UPS, the world's largest package distribution company, transporting more than three billion parcels and documents annually.

State of Kentucky
University of Louisville
Jefferson Technical College
Jefferson Community College

The Story

UPS needed to expand its Worldwide Air Hub in Louisville but couldn't find enough workers. So the company created a new workforce by offering college students part-time jobs and a free education. Created in 1998, the "Metropolitan College Program" now has 1,200 students enrolled in the University of Louisville, Jefferson Technical College, and Jefferson Community College. That's also 1,200 part-time workers for UPS.

The students get a free education at any of the three schools, plus a housing subsidy, along with the job, which includes health benefits and a 401(k) retirement plan. They also have mentors. The student-workers may get their degrees in any subject, are not required to work for UPS when they graduate, and will get help finding jobs.

The program is funded with a \$2 million grant from the state of Kentucky, \$625,000 from the city of Louisville and Jefferson County; and \$100,000 from Greater Louisville, Inc. UPS pays about \$4 million in tuition fees, contributed \$1.1 million in classroom facilities, and \$1.5 million in equipment.

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INNOVATIVE INITIATIVES

Paraprofessional Healthcare Institute and Home Care Associates of Philadelphia: Training and Retention Program

The Challenge

The acute shortage of skilled healthcare paraprofessionals - home health aides, certified nursing assistants, and personal attendants.

Partners

Paraprofessional Healthcare Institute, a non-profit organization in New York, which develops worker-owned cooperatives that offer training and retention programs for healthcare paraprofessionals.

Home Care Associates of Philadelphia, a worker-owned home health care, agency providing paraprofessional job training and employing 70 home health aides serving more than 200 clients monthly.

The Story

Yvette Beatty has gone from welfare to a seat on the board of directors at Home Care Associates. She has been with HCA for six years, having first trained with them as a home health aide. She is highly valued by her clients as well as her supervisors. Yvette was recently elected by her sister worker-owners to HCA's Board of Directors. She and other HCA employees hold the majority of seats on the Board, which makes all the business decisions for the company.

The shortage of home health aides, certified nursing assistants, and personal care attendants is so severe that agencies too often must turn patients away. Paraprofessional Healthcare Institute and Home Care Associates developed a four-week training program to increase the number of skilled workers and also created better jobs for them, hoping to reduce turnover, which runs 40 to 60 percent for the industry.

HCA, unlike most agencies, offers its employees full-time work, full benefits, opportunities for advancement, and the opportunity to serve on the company's board of directors. HCA also provides transportation -- a problem for many low-income workers. HCA has ten cars, which aides can use to get to and from work. Foundations fund the \$3,100 per person cost of training the aides.

"You can't get on the road to success unless you can first get on the road," Secretary Herman said. "I commend Home Care Associates for including transportation as part of their program."

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