

**TO: Workforce Investment Board**

**DATE: 07/12/07**

**FROM: WIB Staff**

For Action

For Information

For Discussion

**SUBJECT: Government Accountability Report (GAO)**

**PROPOSED MOTION(S): Information only**

**DISCUSSION:** The following “Highlights” was taken from the Government Accountability Office Report GAO-07-1051T, a testimony before the Subcommittee on Higher Education, Lifelong Learning, and Competitiveness, Committee on Education and Labor, House of Representatives. The testimony draws upon Workforce Investment Act reports issued between 2000 and 2007, as well as GAO’s ongoing work on One-Stop infrastructure, and discusses issues raised and recommendations made. The testimony addresses (1) progress made by Federal, State and local officials implementing key provisions of WIA; and (2) challenges that remain in implementing an integrated employment and training system.

**Highlights of the report include:**

- Nationwide, the number of comprehensive One-Stop Centers is decreasing.
- Local areas use about 40% of their WIA funds on training.
- Youth services have been generally focused on in-school youth.
- Funding issues stymie the system.
- DOL has not conducted an impact study to assess the effectiveness of the One-Stop system.

**Recommendations include:**

- Congress take steps to improve the stability of funding.
- Data on people who use the system needs to be enhanced.
- Labor conduct an impact evaluation.

**ATTACHMENT(S):**  
**GAO Highlights**



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# Highlights

Highlights of GAO-07-1051T, a testimony before the Subcommittee on Higher Education, Lifelong Learning, and Competitiveness, Committee on Education and Labor, House of Representatives

## Why GAO Did This Study

Since the Workforce Investment Act's (WIA) enactment in 1998, GAO has issued numerous reports that included recommendations regarding many aspects of WIA, including performance measures and accountability, funding formulas and spending, one-stop centers, and training, as well as services provided to specific populations, such as dislocated workers, youth, and employers. Collectively, these studies employed an array of data collection techniques, including surveys to state and local workforce officials and private sector employers; site visits; interviews with local, state, and Labor officials; and analysis of Labor data and documents. This testimony draws upon the results of these reports, issued between 2000 and 2007, as well as GAO's ongoing work on one-stop infrastructure, and discusses issues raised and recommendations made. Specifically, the testimony addresses (1) progress made by federal, state, and local officials in implementing key provisions of WIA; and (2) challenges that remain in implementing an integrated employment and training system.

GAO is making no new recommendations at this time.

[www.gao.gov/cgi-bin/getrpt?GAO-07-1051T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-1051T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sigurd Nilsen at (202) 512-7215 or [nilsens@gao.gov](mailto:nilsens@gao.gov).

## WORKFORCE INVESTMENT ACT

### Additional Actions Would Further Improve the Workforce System

#### What GAO Found

Seven years after implementing the workforce investment system under WIA, the system's infrastructure continues to evolve. Nationwide, the number of comprehensive one-stop centers has decreased somewhat, but not uniformly across states. States generally reported increased availability of services for some of the mandatory programs at comprehensive one-stop centers. However, despite WIA's requirement that all mandatory partners provide services through the one-stop system, some states have maintained a completely separate system for delivering services for Wagner-Peyser-funded Employment Services. Adults and dislocated workers receive a wide range of services through the one-stop system. Local areas used about 40 percent of their WIA funds in 2003 to provide training services to an estimated 416,000 participants, but the vast majority of job seekers receive services other than training. States and local areas have generally focused their youth services on in-school youth and have found it difficult to recruit and retain out-of-school youth. Most medium and large employers are aware of and use the system and are quite satisfied with its services, but they generally use one-stop centers to fill their needs for low-skilled workers.

Despite the successes state and local officials have had since WIA's implementation, some aspects of the law and other factors have hampered their efforts. Funding issues continue to stymie the system. WIA's formulas that are used to allocate funds to states do not reflect current program design and have caused wide fluctuations in funding levels from year to year that do not reflect actual layoff activity. In addition, Labor's focus on expenditures without including obligations overestimates the amount of funds available to provide services at the local level. Moreover, little is known about what the system is achieving because only a small minority of participants are captured in the performance measures, and Labor has not conducted an impact study to assess the effectiveness of the one-stop system, as required under WIA. Labor has taken some steps to improve guidance and communication, but does not involve key stakeholders in the development of some major initiatives and provides too little time for states and local areas to implement them. We are suggesting that Congress consider taking steps to improve the stability of the funding and enhance the data available on people who use the system. In addition, in our past work, we have recommended that Labor use obligations when estimating states' available funds, that it comply with the requirements of WIA and conduct an impact evaluation, and that it consider alternative approaches in implementing new initiatives that involve ongoing consultation with key stakeholders. Labor has taken little action on these recommendations.