

GAO

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EMPLOYMENT AND TRAINING PROGRAMS

Opportunities Exist for Improving Efficiency

Statement of Andrew Sherrill, Director
Education, Workforce, and Income Security Issues



G A O

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Chairman Rehberg, Ranking Member DeLauro, and Members of the Subcommittee:

Thank you for inviting me here today to discuss the findings from our recent work on fragmentation, overlap, and potential duplication in federally funded employment and training programs and our prior work on the Workforce Investment Act of 1998 (WIA).¹ As you know, we recently issued two reports addressing fragmentation, overlap, and potential duplication in federal programs—one that outlined opportunities to reduce potential duplication across a wide range of federal programs² and another that focused more specifically on employment and training programs.³ This work and our larger body of work in the area will help government policymakers address the rapidly building fiscal pressures facing our nation's government—pressures that stem, in part, from our mounting debt and sustained high unemployment.

Our work to examine fragmentation, overlap, and potential duplication in employment and training programs has a long history. As early as the 1990s we issued a series of reports that raised questions about the efficiency and effectiveness of the federally funded employment and training system, and we concluded that a structural overhaul and consolidation of these programs was needed. Partly in response to these concerns, Congress passed WIA. The purpose of WIA, in part, was to transform the fragmented employment and training system into a coherent one, establishing a one-stop system that serves the needs of job seekers and employers. Since WIA was enacted, we have issued numerous reports that have included recommendations regarding many aspects of WIA, such as performance measures and accountability, one-stop centers, and training, among other topics.

GAO's work has continued to find fragmentation, overlap, and potential duplication in employment and training programs. The area is

¹Pub. L. No. 105-220, 112 Stat. 936.

²GAO, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP (Washington, D.C.: Mar. 1, 2011). An interactive, Web-based version of the report is available at: <http://www.gao.gov/ereport/gao-11-318SP>.

³GAO, *Multiple Employment and Training Programs: Providing Information on Colocating Services and Consolidating Administrative Structures Could Promote Efficiencies*, GAO-11-92 (Washington, D.C.: January 13, 2011).

characterized by a large number of programs with similar goals, beneficiaries, and allowable activities that are administered by multiple federal agencies. Fragmentation of programs exists when programs serve the same broad area of national need but are administered across different federal agencies or offices. Program overlap exists when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries. Overlap and fragmentation among government programs or activities can be harbingers of unnecessary duplication. Given the challenges associated with fragmentation, overlap, and potential duplication, careful, thoughtful actions will be needed to address these issues.

My testimony today will discuss (1) what GAO has found regarding fragmentation, overlap, and duplication in federal employment and training programs, (2) the role that WIA activities can play in addressing these conditions, and (3) what additional information could help Congress minimize fragmentation, overlap, and duplication among these programs. In preparing this statement we relied on our previous work in these areas (please see the related GAO products appendix). These products contain detailed overviews of the scope and methodology we used. The work on which this statement is based was performed in accordance with generally accepted government auditing standards. Those standards require that we plan and perform audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provided a reasonable basis for our findings and conclusions based on our audit objectives.

In summary, for fiscal year 2009, GAO identified 47 federally funded employment and training programs administered across nine agencies. Almost all of these programs overlap with at least one other program in that they provide at least one similar service to a similar population, but differences may exist in eligibility, objectives, and service delivery. WIA's structure provides the opportunity to reduce overlap and duplication because it requires that several of these programs provide services through the one-stop system, but they need not be on-site. Increasing colocation at one-stop centers, as well as consolidating state workforce and welfare administrative agencies could increase efficiencies, and several states and localities have undertaken such initiatives. To facilitate further progress in increasing administrative efficiencies, we recommended that the Secretaries of Labor and Health and Human Services (HHS) work together to develop and disseminate information about such efforts. Sustained congressional oversight is pivotal in

addressing issues of fragmentation, overlap, and potential duplication. Specifically, Congress could explore opportunities to enhance program evaluations and performance information and foster state and local innovation in integrating services and consolidating administrative structures.

GAO Identified 47 Federal Employment and Training Programs, and Most Overlapped with at Least One Other Program

For fiscal year 2009, we identified 47 federally funded employment and training programs administered across nine agencies, primarily the Departments of Labor, Education, and Health and Human Services (HHS) (for a list of programs and agencies, see appendix I).⁴ These programs reported spending approximately \$18 billion on employment and training services in fiscal year 2009.⁵ Seven programs accounted for about three-fourths of this spending, including the WIA Adult, Dislocated Worker, and Youth programs, which spent nearly \$6 billion on employment and training services (see table 1). Most participants received employment and training services through one of two programs: Employment Service/Wagner-Peyser Funded Activities (Employment Service) and WIA Adult.⁶ Together, these two programs reported serving over 18 million individuals, or about 77 percent of the total number of participants served across all programs.⁷

⁴We defined an employment and training program as a program that is specifically designed to enhance the specific job skills of individuals in order to increase their employability, identify job opportunities, and/or help job seekers obtain employment. We excluded certain programs that did not meet this definition, did not provide employment and training services, or were components of other employment and training programs. We included programs with broader missions if a primary purpose of the program was to provide employment and training assistance, including multipurpose block grants and career and technical education programs. We did not conduct a legal analysis in order to identify the programs or to determine their objectives, requirements, or goals.

⁵For information on the amount each program reported spending on employment and training services in fiscal year 2009, and the estimated amount spent in fiscal year 2010, see [GAO-11-92](#), appendixes II and III.

⁶For information on the estimated number of participants receiving employment and training services, by program, see [GAO-11-92](#), appendix IV.

⁷Officials provided estimates for the most recent year for which data were available. Reported participant numbers for the Employment Service program are for 2009, and reported participant numbers for the WIA Adult program are for 2008.

Table 1: Seven Largest Programs: Estimated Amount Spent on Employment and Training Activities in Fiscal Year 2009 and Estimated Number of Participants Served

Program (Agency)	Estimated Amount Spent on Employment and Training Activities in FY09 ^a	Estimated Number of Participants	
		Number of Participants	Year Served ^b
Rehabilitation Services –Vocational Rehabilitation Grants to States (Education)	\$2,956,743,700	979,409	2009
WIA Dislocated Worker (Labor)	2,421,340,000	671,786	2008
WIA Youth (Labor)	2,112,069,000	282,426	2008
Temporary Assistance for Needy Families (TANF) (HHS)	1,777,958,939	134,767 ^c	2008
Job Corps (Labor)	1,775,000,000	59,357	2008
WIA Adult (Labor)	1,356,540,000	5,171,158	2008
Employment Service (Labor)	1,203,677,000	13,472,624	2009
Total	\$13,603,328,639	20,771,527	

Source: GAO survey of agency officials.

^aEstimates may include funds provided by the American Recovery and Reinvestment Act of 2009 (Recovery Act).

^bOfficials provided the estimated number of participants for the most recent year for which data were available.

^cThis number represents the monthly average number of individuals receiving TANF cash assistance who were engaged in work activities such as subsidized employment, work experience, on-the-job training, job search and job readiness assistance, community service, vocational educational training, job skills training, and in certain circumstances education directly related to employment. It does not include the number of individuals engaged in unsubsidized employment. Officials were unable to provide an annual estimate.

Almost all programs overlap with at least one other program, but differences may exist in eligibility, objectives, and service delivery. Forty-four of the 47 programs, which include broad multipurpose block grants, overlap with at least one other program, in that they provide at least one similar service to a similar population. Some of these overlapping programs serve multiple population groups, while others target specific populations, and some programs require participants to be economically disadvantaged. The target populations being served by the most programs are Native Americans, veterans, and youth. For example, all 8 programs that target Native Americans provide seven similar types of employment

and training services.⁸ However, some individuals within a population group may be eligible for one program, but not another because program eligibility criteria differ. One of the programs targeting Native Americans, for example, serves only disabled Native Americans residing on or near a federal or state reservation, and another program serves only Native Hawaiians.

Some efforts have been made to address overlap in programs and services. Officials from 27 of the 47 programs reported that their agencies have coordinated efforts with other federal agencies that provide similar services to similar populations. For example, Labor and HHS issued a joint letter encouraging state-administered youth programs to partner together using funds under the American Recovery and Reinvestment Act of 2009 (Recovery Act)⁹ to promote subsidized employment opportunities. In addition, an official from the Department of the Interior reported that the agency works with Labor and HHS to coordinate programs for Native Americans. Under law, Native American tribes are allowed significant flexibility to combine funding from multiple programs.¹⁰ Moreover, as part of its proposed WIA reforms, the Administration is proposing consolidating 4 employment and training programs administered by Education into 1 program.¹¹ The Administration also proposes consolidating Education’s Career and Technical Education – Basic Grants to States and Tech-Prep Education programs, at the same time reducing program funding. In addition, the budget proposal would transfer the Senior Community Service Employment Program from Labor to HHS.

Three of the largest programs maintain separate administrative structures to provide some of the same services. The Temporary Assistance for Needy Families (TANF), Employment Service, and WIA Adult programs provide some of the same employment and training services—such as job search and job referral services—to low-income individuals, although

⁸We also found that five of the six programs that target veterans provide seven similar types of employment and training services, and the five programs that target youth provide seven similar types of employment and training services.

⁹Pub. L. No. 111-5, 123 Stat. 115.

¹⁰25 U.S.C. §3403.

¹¹This is part of the Administration’s broader proposal to consolidate 9 Rehabilitation Act programs administered by Education into 3 programs. Some of these programs do not meet our definition of an employment and training program.

there are differences between the programs (see figure 1).¹² The TANF program serves low-income families with children, while the Employment Service and WIA Adult programs serve all adults, including low-income individuals.¹³ All three programs share a common goal of helping individuals secure employment, and the TANF and WIA Adult programs also aim to reduce welfare dependency. However, employment is only one aspect of the TANF program, which also has three other broad social service goals: to assist needy families so that children can generally be cared for in their own homes, to reduce and prevent out-of-wedlock pregnancies, and to encourage the formation and maintenance of two-parent families. As a result, TANF provides a wide range of other services beyond employment and training, including cash assistance.¹⁴

¹²See [GAO-11-92](#). To identify areas of potential duplication across the 47 programs, we selected the TANF, Employment Service, and WIA Adult programs for more in-depth analysis. We selected these three programs because our prior work indicated they had the potential for duplication based on a high degree of overlap, and they were also among the largest of the 47 programs in terms of the amount spent on employment and training services.

¹³The WIA Adult program gives priority for intensive and training services to recipients of public assistance and other low-income individuals when program funds are limited.

¹⁴To reduce dependency, TANF requires many cash assistance recipients to participate in work activities such as subsidized employment, on-the-job training, or community service.

Figure 1: Employment and Training Services Provided by the TANF, Employment Service, and WIA Adult Programs, Fiscal Year 2009

Program name	Employment counseling and assessment	General Equivalency Diploma assistance	Development of job opportunities	Job readiness skills training	Job referrals	Job retention training	Job search or job placement activities	Occupational or vocational training	On-the-job training	Remedial academic, English language skills, or basic adult literacy	Work experience	Other
Employment Service/Wagner-Peyser Funded Activities (DOL)	○		●	●	●		●					● ^a
Temporary Assistance for Needy Families (HHS)	○	○	●	○	○		○	○	○	○	○	● ^b
WIA Adult Program (DOL)	●	●	●	●	○	●	●	●	○	●		

- Primary services
- Secondary services

Source: GAO survey of agency officials.

^aJob search workshops.

^bSubsidized employment.

Although the extent to which individuals receive the same employment and training services from TANF, the Employment Service, and WIA Adult is unknown, the programs maintain separate administrative structures to provide some of the same services to low-income individuals. Data limitations make it difficult to assess duplication of services, but Labor officials estimate that in program year 2008 approximately 4.5 percent of all WIA Adult participants who received training—about 4,500 of the nearly 100,000 participants who exited the program—were also receiving TANF. However, it is unclear whether the WIA Adult participants who self-identify as TANF recipients have received TANF employment and training services.¹⁵ Nonetheless, the three programs maintain separate administrative structures. At the federal level, the TANF program is administered by HHS, and the Employment Service and WIA Adult

¹⁵Labor’s estimate likely understates the number of TANF recipients served by the WIA Adult program, as the program collects information on TANF receipt only if participants receive intensive or training services. Further, HHS officials told us that data are not available at the federal level on the total number of individuals who receive TANF employment and training services because HHS lacks the legal authority to require such reporting.

programs are administered by Labor. At the state level, the TANF program is typically administered by state human services or welfare agencies, while the other two programs are typically administered by state workforce agencies. At the local level, Employment Service and WIA Adult services are generally provided through the one-stop centers, while TANF employment and training services may be administered through the one-stop or through other structures. Federal agency officials acknowledged that greater administrative efficiencies could be achieved in delivering these services, but also said that other factors, such as the proximity of services to clients, could warrant having multiple entities providing the same services.

WIA's Structure Provides the Opportunity to Reduce Fragmentation, Overlap, and Duplication

Congress passed WIA partly in response to concerns about fragmentation and inefficiencies in federal employment and training programs.¹⁶ WIA authorized several employment and training programs—including Job Corps and programs for Native Americans, migrant and seasonal farmworkers, and veterans—as well as the Adult Education and Literacy program.¹⁷ WIA replaced the Job Training Partnership Act (JTPA) programs for economically disadvantaged adults and youths and dislocated workers with three new programs—WIA Adult, WIA Dislocated Worker, and WIA Youth.¹⁸ The Adult and Dislocated Worker programs provide three tiers, or levels, of service: core, intensive, and training. Core services include basic services such as job search assistance and labor market information and they may be self-service in nature.¹⁹ Intensive services may include such activities as comprehensive assessment and case management—activities that require greater staff involvement. Training services may include occupational skills or on-the-job training. Beyond authorizing these programs, WIA also established one-stop centers

¹⁶Pub. L. No. 105-220, 112 Stat. 936 (1998).

¹⁷David H. Bradley, *The Workforce Investment Act and the One-Stop Delivery System*, a report prepared for the Congressional Research Service (Washington, D.C., Jan.10, 2011). According to CRS, WIA also amended the Wagner-Peyser Act of 1933, which establishes the Employment Service, to make the Employment Service an integral part of the one-stop system.

¹⁸For the repeal of JTPA, see Pub. L. No. 105-220 §199(b)(2), (c)(2)(B), 112 Stat. 936, 1059. For the new WIA Adult and Dislocated Worker programs, see §§ 131 et seq., 112 Stat. 936, 982. For the new WIA Youth program, see §§ 126 et seq., 112 Stat. 936, 971.

¹⁹Unlike the JTPA adult program, WIA imposes no income eligibility requirements for adults receiving any of its core services.

in all local areas²⁰ and mandated that many federal employment and training programs provide services through the centers.²¹

Thirteen Categories of Employment and Training Programs Must Provide Services Through the One-Stop System

Under WIA, sixteen different categories of programs, administered by four federal agencies, must provide services through the one-stop system, according to Labor officials.²² Thirteen of these categories include programs that meet our definition of an employment and training program, and three categories do not, but offer other services to jobseekers who need them (see figure 2). These thirteen program categories represent about 40 percent of the federal appropriations for employment and training programs in fiscal year 2010.²³

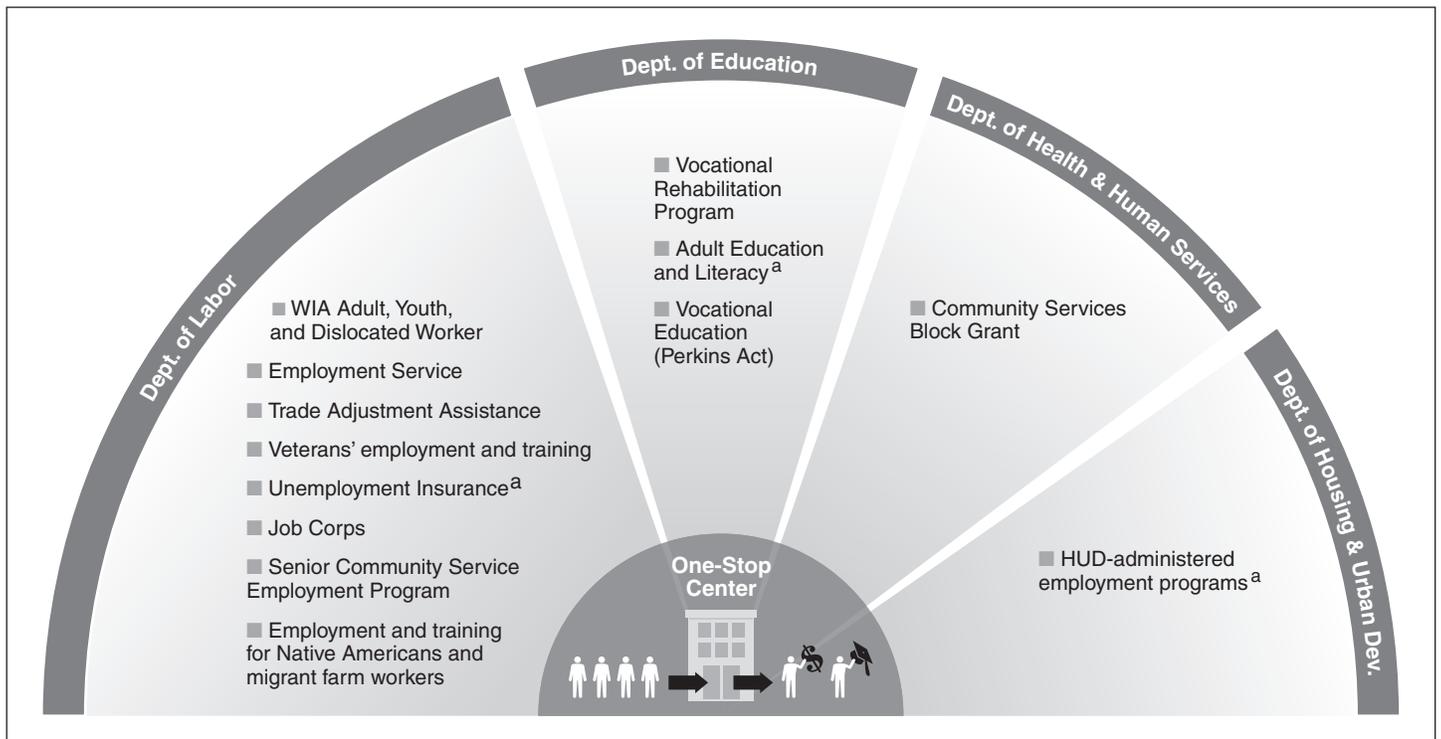
²⁰Pub. L. No. 105-220 §134(c), 112 Stat. 936, 992. WIA required that one-stop centers be established in local workforce investment areas in all participating states. States are responsible for designating local workforce investment areas, and each state must have one or more local areas. As of April 2007, we found that the number of local areas in each state ranged from 1 to 50.

²¹Pub. L. No. 105-220 §134(c)(2)(A), 112 Stat. 936, 993.

²²According to Labor officials, although WIA required 17 categories of programs to participate in the one-stop system, the Welfare-to-Work program has been discontinued, reducing the total to include 16 categories of required programs. For the purposes of this report, we refer to these 16 categories of programs as “required programs.”

²³Fiscal year 2010 appropriations were reported by federal agency officials in GAO’s 2010 survey of employment and training programs. Because the TANF program is not required to provide services through the one-stop system, the appropriations represented by these 13 program categories do not include appropriations for the TANF program.

Figure 2. Categories of Programs Required to Provide Services Through the One-Stop System and Related Federal Agencies



Source: Agency documents.

Note: Vocational Education (Perkins Act) programs include the Career and Technical Education – Basic Grants to States and Tech-Prep Education programs. HUD-administered employment programs include the Community Development Block Grant and Housing Choice Voucher Family Self-Sufficiency programs.

^aProgram did not meet our definition of an employment and training program in our recent study of multiple employment and training programs.

One-stop centers serve as the key access point for a range of services that help unemployed workers re-enter the workforce—such as job search assistance, skill assessment and case management, occupational skills and on-the-job training, basic education and literacy training, as well access to Unemployment Insurance (UI) benefits and other supportive services—and they also assist employers in finding workers. Any person visiting a one-stop center may look for a job, receive career development services, and gain access to a range of vocational education programs. In our 2007 study, we found that a typical one-stop center in many states offered

services for 8 or 9 required programs on-site, and one state offered services for 16 required programs on-site.²⁴

In addition to required programs, one-stop centers have the flexibility to include other, optional programs in the one-stop system, such as TANF, the Supplemental Nutrition Assistance Program (SNAP) Employment and Training Program, or other community-based programs, which helps them better meet specific state and local workforce development needs. The Dayton, Ohio one-stop center, for example, boasts over 40 programs on-site at the 8-1/2 acre facility, including an organization that provides free business attire to job seekers who need it, an alternative high school program that assists students in obtaining a diploma, and organizations providing parenting and self-sufficiency classes. Under WIA, services may also be provided at affiliated sites—designated locations that provide access to at least one employment and training program.

While WIA requires certain programs to provide services through the one-stop system, it does not provide additional funds to operate one-stop systems and support one-stop infrastructure. As a result, required programs are expected to share the costs of developing and operating one-stop centers. In 2007, we reported that WIA programs and the Employment Service program were the largest funding sources states used to support the infrastructure—or nonpersonnel costs—of their comprehensive one-stop centers.²⁵ For program year 2005²⁶, of the 48 states that could provide funding information, 23 states identified WIA programs as the primary funding source and 19 states reported it was the Employment Service program. In addition, 27 states reported using TANF funds to pay for part of their one-stop center infrastructure costs, and 3 states identified TANF as the primary funding source. In 2007, TANF was on-site at a typical one-stop in 30 states.²⁷

²⁴See GAO, *Workforce Investment Act: One-Stop System Infrastructure Continues to Evolve, but Labor Should Take Action to Require That All Employment Service Offices Are Part of the System*, [GAO-07-1096](#) (Washington, D.C.: Sept. 4, 2007).

²⁵See [GAO-07-1096](#). We defined infrastructure costs as the nonpersonnel costs necessary for the general operation of a one-stop center, including the rental costs of the facilities, costs of utilities and maintenance, and equipment (including adaptive technology for individuals with disabilities).

²⁶Program year 2005 ran from July 1, 2005 through June 30, 2006.

²⁷[GAO-07-1096](#).

Increasing Colocation of Services in One-Stop Centers and Consolidating State Administrative Structures May Increase Efficiencies

One-stop centers required under WIA provide an opportunity for a broad array of federal employment and training programs—both required and optional programs—to coordinate their services and avoid duplication. Although WIA does not require that programs be colocated within the one-stop center, this is one option that programs may use to provide services within the one-stop structure. Labor’s policy is to encourage colocation of all required programs to the extent possible; however, officials acknowledged that colocation is one of multiple means for achieving service integration. We previously reported that colocating services can result in improved communication among programs, improved delivery of services for clients, and elimination of duplication.²⁸ While colocation does not guarantee efficiency improvements, it affords the potential for sharing resources and cross-training staff, and may lead, in some cases, to the consolidation of administrative systems, such as information technology systems. Our early study of promising one-stop practices found that the centers nominated as exemplary did just that—they cross-trained program staff, consolidated case management and intake procedures across multiple programs, and developed shared data systems.²⁹ Other types of linkages between programs, such as electronic linkages or referrals, may not result in the same types of efficiency improvements, but they may still present opportunities to streamline services.

Consolidating administrative structures and colocating services may increase efficiencies, but implementation could pose challenges.³⁰ Florida, Texas, and Utah have consolidated their workforce and welfare agencies³¹ and officials said that this reduced costs and improved the quality of services for participants, but they could not provide a dollar figure for cost savings. Even when states consolidate their agencies, they must still follow separate requirements for individual programs. With regard to colocating

²⁸Specifically, we reported that colocating community college staff at one-stop centers can result in these benefits. See GAO, *Workforce Development: Community Colleges and One-Stop Centers Collaborate to Meet 21st Century Workforce Needs*, [GAO-08-547](#) (Washington, D.C.: May 15, 2008).

²⁹See GAO, *Workforce Investment Act: One-Stop Centers Implemented Strategies to Strengthen Services and Partnerships, but More Research and Information Sharing is Needed*, [GAO-03-725](#) (Washington, D.C.: June 18, 2003). As part of this study, we visited 14 one-stop centers which were identified as exemplary by government officials and workforce development experts.

³⁰See [GAO-11-92](#).

³¹In Utah, the workforce agency administers the TANF program in its entirety; in Florida and Texas the workforce system administers only TANF employment and training services.

services, WIA Adult and the Employment Service are generally colocated in one-stop centers, but TANF employment and training services are colocated in one-stops to a lesser extent. Efforts to increase colocation could prove challenging due to issues such as limited available office space, differences in client needs and the programs' client service philosophies, and the need for programs to help fund the operating costs of the one-stop centers.³² While states and localities have undertaken some potentially promising initiatives to achieve greater administrative efficiencies, little information is available about the strategies and results of these initiatives, so it is unclear the extent to which practices in these states could serve as models for others. Moreover, little is known about the incentives states and localities have to undertake such initiatives and whether additional incentives may be needed.

We recently recommended that the Secretaries of Labor and HHS work together to develop and disseminate information that could inform such efforts, including information on state initiatives to consolidate program administrative structures and state and local efforts to colocate additional programs at one-stop centers. As part of this effort, we recommended that Labor and HHS examine the incentives for states and localities to undertake such initiatives and, as warranted, identify options for increasing them. In their responses, Labor and HHS agreed with our recommendations. In addition, GAO is currently examining innovative one-stop strategies to enhance collaboration with employers and economic development partners to better meet local labor market needs.

To the extent that colocating services and consolidating administrative structures reduce administrative costs, funds could potentially be available to serve more clients or for other purposes. For the TANF program alone, GAO estimated that states spent about \$160 million to administer employment and training services in fiscal year 2009. According to a Department of Labor official, the administrative costs for the WIA Adult program were at least \$56 million in program year 2009. Officials told GAO they do not collect data on the administrative costs associated with the Employment Service program, as they are not a separately identifiable cost in the legislation. Labor officials said that, on average, the agency spends about \$4,000 for each WIA Adult participant who receives training services.

³² [GAO-11-92](#).

Congress Needs Better Information on Program Performance to Address Fragmentation, Overlap, and Potential Duplication in Employment and Training Programs

Making informed decisions about where to invest scarce resources requires information about what's working and what's not but, despite improvements, performance data do not provide a complete picture of the employment and training system. Nearly all employment and training programs track multiple outcome measures and many programs track similar measures—most often an “entered employment” rate (the number of participants who found jobs), employment retention, and wage gain or change. We have made a number of recommendations regarding the performance management systems of the key employment and training programs, and Labor has made some progress addressing our concerns. However, two issues remain. First, only a small proportion of job seekers who receive services at one-stops are reflected in WIA outcome data. While customers who use self-services are estimated to be the largest portion of those served under WIA, job seekers who receive self-service or informational services are specifically excluded from performance calculations by the statute. Second, WIA’s performance measurement system contains no provision for measuring overall one-stop performance, relying instead on a program-by-program approach that cannot easily be used to assess the overall performance of the one-stop system.

Information about the effectiveness of these programs can also help guide policymakers and program managers in making decisions about how to improve, coordinate, or consolidate existing programs. However, little is known about the effectiveness of employment and training programs because only 5 of the 47 programs reported that they had conducted any impact studies since 2004.³³ Impact studies, which allow for determining the extent to which a program is causing participant outcomes, can be difficult and expensive to conduct because they take steps to examine what would have happened in the absence of a program to isolate its impact from other factors.³⁴ Such studies may not be cost-effective for smaller programs, particularly in periods of tight budgets, but strategically chosen impact studies can be an important means for understanding where efficiencies can be achieved. Labor has been slow to comply with a requirement to conduct a multi-site control group evaluation of the WIA-funded programs.³⁵ In 2004 and 2007, we recommended that Labor comply

³³However, agencies may currently have impact studies under way.

³⁴The five impact studies identified by officials generally found that the effects of participation were not consistent across programs, with only some demonstrating positive impacts that tended to be small, inconclusive, or restricted to short-term impacts.

³⁵29 U.S.C. § 2917(c).

with the requirements of the law and conduct an impact evaluation of WIA services to better understand what services are most effective for improving outcomes. Since then, Labor has completed a nonexperimental study of the WIA Adult and Dislocated Worker programs and also has an experimental design impact study of these programs currently under way. The nonexperimental study found that the WIA Adult program had positive impacts on average earnings up to 4 years after participant entry, but noted that the magnitude of this effect could have been due to the selection of applicants with greater income prior to participation and better job prospects. The study found that the impacts for participants in the Dislocated Worker program were also positive, but smaller.³⁶ Labor expects that the experimental design impact study currently underway will examine impact by funding stream, but will not be completed until June 2015.³⁷

Understanding how well the one-stop system is reducing fragmentation through coordinated service delivery would be useful in deciding where efficiencies could be achieved, but no study has been undertaken to evaluate the effectiveness of the one-stop system approach. While a few program impact studies have been done or are underway, these studies largely take a program-by-program approach rather than focusing on understanding which approaches are most effective in streamlining service delivery and improving one-stop efficiency. In addition, Labor's efforts to collaborate with other agencies to assess the effects of different strategies to integrate job seeker services have been limited. We previously recommended that Labor collaborate with Education, HHS, and HUD to develop a research agenda that examines the impacts of various approaches to program integration on job seeker and employer satisfaction and outcomes.³⁸ Labor has committed to collaborating with other agencies and has involved them in developing inter-agency initiatives

³⁶Carolyn J. Heinrich, Peter R. Mueser, and Kenneth R. Troske, *Workforce Investment Act Nonexperimental Net Impact Evaluation, Final Report*, December 2008. This nonexperimental study was a net impact evaluation that used a closely matched comparison group design rather than a random assignment design to assess the impact of the programs on participants' postprogram earnings.

³⁷The WIA impact study currently underway uses a random assignment experimental design to assess programs' impacts on participants' post program employment and earnings and their cost effectiveness.

³⁸GAO, *Workforce Investment Act: One-Stop Centers Implemented Strategies to Strengthen Services and Partnerships, but More Research and Information Sharing is Needed*, GAO 03-725. (Washington, D.C.: June 18, 2003).

for certain targeted activities, but has not yet evaluated the effectiveness of the one-stop system.

In January 2011, the President signed the GPRA Modernization Act of 2010 (GPRAMA),³⁹ further amending the almost two-decades-old Government Performance and Results Act of 1993 (GPRA).⁴⁰ Implementing provisions of the new act—such as its requirement to establish outcome-oriented goals covering a limited number of crosscutting policy areas—could play an important role in clarifying desired outcomes, addressing program performance spanning multiple organizations, and facilitating future actions to reduce unnecessary duplication, overlap, and fragmentation. Specifically, GPRAMA requires (1) disclosure of information about accuracy and validity, (2) data on crosscutting areas, and (3) quarterly reporting on priority goals on a publicly available Web site. Additionally, GPRAMA significantly enhances requirements for agencies to consult with Congress when establishing or adjusting governmentwide and agency goals. This information can inform deliberations on spending priorities and help re-examine the fundamental structure, operation, funding, and performance of a number of federal programs. However, to be successful, it will be important for agencies to build the analytical capacity to both use the performance information, and to ensure its quality—both in terms of staff trained to do the analysis and availability of research and evaluation resources.

In conclusion, removing and preventing unnecessary duplication, overlap, and fragmentation among federal employment and training programs is clearly challenging. These are difficult issues to address because they may require agencies and Congress to re-examine within and across various mission areas the fundamental structure, operation, funding, and performance of a number of long-standing federal programs and activities. Implementing provisions of GPRAMA could play an important role in clarifying desired outcomes, addressing program performance spanning multiple organizations, and facilitating future actions to reduce unnecessary duplication, overlap, and fragmentation.

³⁹Pub. L. No. 111-352, 124 Stat. 3866 (2011).

⁴⁰Pub. L. No. 103-62, 107 Stat. 285 (1993).

Sustained attention and oversight by Congress will also be critical. Our work highlights two key areas where congressional oversight could facilitate progress:

- Enhancing program evaluations and performance information; and
- Fostering state and local innovation in integrating services and consolidating administrative structures.

As the nation rises to meet its current fiscal challenges, GAO will continue to assist Congress and federal agencies in identifying actions needed to address these issues. Likewise, we will continue to monitor developments in the areas we have already identified.

Chairman Rehberg, Ranking Member DeLauro, and Members of the Subcommittee, this completes my prepared statement. I would be happy to respond to any questions you may have at this time.

GAO Contact and Staff Acknowledgments

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Appendix I: Federally Funded Employment and Training Programs by Agency, Fiscal Year 2009

Department of Labor

- Community-Based Job Training Grants
- Disabled Veterans' Outreach Program
- Employment Service/Wagner-Peyser Funded Activities
- H-1B Job Training Grants
- Homeless Veterans' Reintegration Project
- Job Corps
- Local Veterans' Employment Representative Program
- National Farmworker Jobs Program
- Native American Employment and Training
- Registered Apprenticeship and Other Training
- Reintegration of Ex-Offenders
- Senior Community Service Employment Program
- Trade Adjustment Assistance
- Transition Assistance Program
- Veterans' Workforce Investment Program
- WIA Adult Program
- WIA Youth Activities
- WIA Dislocated Workers
- WIA National Emergency Grants
- WANTO
- YouthBuild

Department of Education

- American Indian Vocational Rehabilitation Services
- Career and Technical Education – Basic Grants to States
- Career and Technical Education – Indian Set-aside
- Grants to States for Workplace and Community Transition Training for Incarcerated Individuals
- Migrant and Seasonal Farmworkers Program
- Native Hawaiian Career and Technical Education
- Projects with Industry
- Rehabilitation Services – Vocational Rehabilitation Grants to States
- State-Supported Employment Services Program
- Tech-Prep Education
- Tribally Controlled Postsecondary Career and Technical Institutions

Department of Health and Human Services

- Community Services Block Grant
- Refugee and Entrant Assistance – Voluntary Agency Matching Grant Program
- Refugee and Entrant Assistance – Targeted Assistance Grants
- Refugee and Entrant Assistance – Social Services Program
- Refugee and Entrant Assistance – Targeted Assistance Discretionary Program
- Temporary Assistance for Needy Families
- Tribal Work Grants^a

Department of the Interior

- Conservation Activities by Youth Service Organizations^b
- Indian Employment Assistance
- Indian Vocational Training – United Tribes Technical College

Department of Agriculture

- SNAP Employment and Training Program

Department of Defense

- National Guard Youth Challenge Program

Environmental Protection Agency

- Brownfield Job Training Cooperative Agreements

Department of Justice

- Second Chance Act Prisoner Reentry Initiative

Department of Veterans Affairs

- Vocational Rehabilitation for Disabled Veterans^c

Source: GAO analysis.

^aAlso known as the Native Employment Works program.

^bFor the purposes of our study, this program includes several programs administered by Interior's National Park Service: Public Lands Corps, Youth Conservation Corps, Youth Intern Program, and Youth Partnership Program.

^cAlso known as the VetSuccess program.

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