



Highlights of [GAO-08-1140T](#), a testimony before the Subcommittee on Employment and Workplace Safety, Committee on Health, Education, Labor, and Pensions, U.S. Senate

Why GAO Did This Study

Since 2001, Labor has spent nearly \$900 million on the High Growth Job Training Initiative (High Growth), Community-Based Job Training Initiative (Community Based), and the Workforce Innovation in Regional Economic Development (WIRED). This testimony addresses 1) the intent of the grant initiatives and the extent to which Labor will be able to assess their effects; (2) the extent to which the process used competition, was adequately documented, and included key players; and (3) what Labor is doing to monitor individual grantee compliance with grant requirements. This testimony is based on GAO's May 2008 report (GAO-08-486) and additional information provided by the agency in response to the report's recommendations. For that report, GAO reviewed Labor's strategic plan, documents related to evaluations of the initiatives, internal procedures for awarding grants, relevant laws, and monitoring procedures, and conducted interviews.

What GAO Recommends

In May 2008, GAO recommended that Labor take steps to ensure that it can evaluate the initiatives' impact, document compliance with statutory program requirements for noncompetitive grant awards, and develop and implement a risk-based monitoring approach for WIRED grants. Labor documented steps to implement the last two recommendations. This statement contains no new recommendations.

To view the full product, including the scope and methodology, click on [08-1140T](#). For more information, contact George Scott (202)512-7215, scottg@gao.gov.

EMPLOYMENT AND TRAINING PROGRAM GRANTS

Labor Has Outlined Steps for Additional Documentation and Monitoring but Assessing Impact Still Remains an Issue

What GAO Found

According to Labor officials, the grant initiatives were designed to shift the focus of the public workforce system toward the training and employment needs of high-growth, in-demand industries, but Labor will be challenged to assess their impact. Under the initiatives, Labor awarded 349 grants totaling almost \$900 million to foster this change. However, the grant initiatives were not fully integrated into Labor's strategic plan or overall research agenda, so it is unclear what criteria Labor will use to evaluate their effectiveness. Labor lacks data that will allow it to compare outcomes for grant-funded services with those of other federally funded employment and training services. GAO recommended that Labor take steps to ensure that it could evaluate the initiatives' impact, but its response to our recommendation suggests that conditions remain much as they were when GAO did its audit work.

While grants under all three initiatives are now awarded competitively, the initial noncompetitive process for High Growth grants was not adequately documented. Community Based and WIRED grants have always been awarded competitively, but more than 80 percent of High Growth grants were awarded without competition. Labor could not document criteria used to select the noncompetitive High Growth grants or whether these grants met internal or statutory requirements. In response to the report recommendation, Labor modified review forms used in its noncompetitive process to include documentation of statutory requirements; however, GAO has not evaluated the sufficiency of these changes. Another issue related to the process was that meetings Labor held to identify solutions for industry workforce challenges did not include the vast majority of local workforce investment boards.

Labor provides some monitoring for grantees under all three initiatives and uses a risk-based monitoring approach for the High Growth and Community Based grants. However, when GAO conducted its audit work there was no risk-based monitoring approach for WIRED, and therefore recommended that Labor establish one. In response to the report recommendation, Labor documented steps it has taken to put a monitoring approach in place for WIRED grants. GAO has not reviewed the sufficiency of these steps.

Number of Grants and Funds Awarded Competitively and Noncompetitively, Fiscal Years 2001- 2007 (Dollars in millions)

Grant Initiative	Competitively awarded amount	Noncompetitively awarded amount	Totals by grant initiative
High Growth	166	\$31.8	\$263.8
Community Based	142	250.0	0
WIRED	41	324.0	0
Total	349	\$605.8	\$263.8
			\$869.6

Source: GAO analysis of U.S. Department of Labor grants data.
 Note: Total dollar amount varies from Labor's reported figure due to rounding.