

#### Report to Congressional Requesters

January 2014

# WORKFORCE INVESTMENT ACT

Strategies Needed to Improve Certain Training Outcome Data

Highlights of GAO-14-137, a report to congressional requesters

#### Why GAO Did This Study

As the economy recovers, some employers continue to face difficulty finding qualified workers. The WIA Adult and Dislocated Worker Programs provide services, including job training, which aims to help participants acquire skills and credentials employers need. Under WIA, states are required to report data on training participants who obtain credentials and on those who enter employment related to the training they receive. Given that a WIA reauthorization proposal would establish both of these outcomes as performance measures, GAO was asked to examine the capacity of states to report on these outcomes. This report addresses: 1) the extent to which training participants obtained credentials and training-related employment, 2) challenges states face in reporting data on credentials and what steps, if any, they and DOL are taking to address them, and 3) challenges states face in reporting data on training-related employment and what steps, if any, they and DOL are taking to address them. GAO interviewed DOL officials, workforce experts, and state and local officials and employer organizations from a nongeneralizeable sample of six states selected in part on the basis of geographic diversity. GAO also analyzed data on credential attainment and training-related employment for program years 2010 and 2011.

#### What GAO Recommends

GAO recommends that DOL identify and share with states strategies that may ease collection and improve the quality of training-related employment data. DOL agreed with GAO's recommendation.

View GAO-14-137. For more information, contact Andrew Sherrill at (202) 512-7215 or sherrilla@gao.gov.

#### January 2014

#### **WORKFORCE INVESTMENT ACT**

### Strategies Needed to Improve Certain Training Outcome Data

#### What GAO Found

Of the more than two million total participants in the Workforce Investment Act's (WIA) Adult and Dislocated Worker Programs, about 11 percent and 16 percent, respectively, received training in program year 2011, and about two-thirds of the training participants in each program attained a credential. Little is known, however, about how many participants got jobs related to their training. From program year 2006 through program year 2011, the percentages of training participants who earned a credential declined from about 74 percent to 58 percent for the Adult Program and from about 75 percent to 63 percent for the Dislocated Worker Program, according to data from the Department of Labor (DOL). Of those training participants who attained a credential in program year 2011, about 65 percent earned occupational credentials, such as a welding certificate, followed by lower percentages who earned occupational skill licenses and associate's degrees, among others. In contrast, GAO found training-related employment data unreliable primarily because a significant portion of the data was missing.

Workforce officials in four of six selected states cited some obstacles in reporting data on credential attainment, and both DOL and states are taking steps to address challenges. Officials in four states GAO contacted said reporting such data can be resource-intensive, largely because case managers must manually track this information from various sources, including participants, training providers, and third-party organizations. To improve credential attainment and reporting, DOL clarified which credentials should be reported and began measuring credential attainment through an agency-wide goal in 2010. Officials in five states have taken similar steps, such as setting goals and tracking credential attainment, and enhancing data exchange with training providers. Officials in most of the six states GAO contacted noted some obstacles to obtaining such data. For example, officials from several states cited student privacy laws as a barrier in verifying credentials with training providers. Officials in three states told us that they ask participants to sign consent forms allowing training providers to give credential information to local officials.

Workforce officials in most of the selected states identified even greater challenges reporting data on training-related employment, including the high degree of resources required and the subjective nature of determining whether employment is linked to training. DOL has taken only limited steps to address these challenges. To report such data, case managers seek participants' employment information from participants, employers, and wage records. Then they must piece it together to determine whether participants' employment is "substantially related" to their training. Officials in most of the six states described this process as resource-intensive and noted that making such determinations are subjective since one case manager's interpretation of "substantially related" may differ from another's. Given these challenges, officials in all six states have taken some steps to increase access to employment information or make decisions less subjective. DOL has recently stressed the importance of reporting data on training-related employment and shared a few practices with states to increase reporting rates; however, it has not identified and disseminated strategies to address the ongoing challenges states face regarding resource intensiveness and subjectivity, which could improve the quality of such data.

**United States Government Accountability Office** 

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#### **Abbreviations**

DOL Department of Labor

FERPA Family Educational Rights and Privacy Act

OJT On-the-Job Training

O\*NET Occupational Information Network

UI Unemployment Insurance WIA Workforce Investment Act

WIASRD Workforce Investment Act Standardized

Record Data

WIB Workforce Investment Board

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January 31, 2014

The Honorable John Kline Chairman Committee on Education and the Workforce House of Representatives

The Honorable Virginia Foxx
Chairwoman
Subcommittee on Higher Education and Workforce Training
Committee on Education and the Workforce
House of Representatives

The Honorable Joe Heck House of Representatives

The Honorable Howard P. McKeon House of Representatives

During this economic recovery, some jobs go unfilled because employers continue to face difficulty finding qualified workers. The Department of Labor's (DOL) Workforce Investment Act (WIA) Adult and Dislocated Worker Programs provide a variety of employment services, including job training—which aims to help participants acquire skills and credentials required by employers. To assess the performance of these programs, WIA requires that states report on outcome measures in key areas including employment, retention, earnings, and credential attainment. WIA also requires states to negotiate expected performance levels for each of these measures with DOL and allows DOL to hold states accountable for achieving their performance goals through financial incentives and sanctions. In 2005, DOL began allowing states to request waivers to replace the WIA performance measures with a set of common measures to assess multiple employment and training programs. These measures focus on employment, retention, and earnings but do not include credential attainment. DOL still requires states to report data on training participants who received credentials. In addition, while it is not a WIA performance measure, WIA requires states to report the number of

training participants who obtain employment in their field of training.<sup>1</sup> However, DOL's Office of Inspector General has raised questions about the quality of such data. Pending WIA reauthorization legislation includes these two training outcomes as performance measures. You requested that we examine the capacity of states and local areas to report accurate and consistent data on such outcomes. This report addresses:

- 1. To what extent do WIA training participants obtain credentials and secure training-related employment?
- What challenges do states face in reporting data on credential attainment and what steps, if any, are they and DOL taking to address them?
- 3. What challenges do states face in reporting data on training-related employment and what steps, if any, are they and DOL taking to address them?

To address our objectives, we reviewed relevant federal laws, regulations, and DOL's guidance for the Adult and Dislocated Worker Programs. We also interviewed DOL officials and national experts on workforce issues representing six organizations. We identified these experts by reviewing relevant literature and using an iterative process to solicit recommendations from DOL officials and experts. The results of these interviews are not generalizeable, but provided insights about the overall challenges states face in reporting on these outcomes and any efforts by states to overcome them. To more specifically identify the challenges states face in reporting data on credential attainment and employment related to training, as well as to learn about any steps they are taking to address these challenges, we interviewed state and local workforce officials from a nongeneralizeable sample of six states: Alabama, Illinois, Kansas, Rhode Island, Texas, and Washington. We selected the states to reflect a mix of those that had leading edge data practices (as identified by experts) and those with either incomplete data or relatively high rates of reporting errors (as identified by WIA data

<sup>&</sup>lt;sup>1</sup> According to DOL, data on training-related employment are extremely important for program analysis and evaluation of the value of investments in WIA training. U.S. Department of Labor, Training and Employment Notice No. 5-13: *Reporting Training-Related Employment under the Workforce Investment Act (WIA) Programs* (September 4, 2013).

quality reports on credential attainment).<sup>2</sup> We also factored geographic diversity into state selection. In each state, we interviewed state workforce officials and also local workforce officials from at least one workforce investment board (WIB),<sup>3</sup> and at least one American Job Center.<sup>4</sup> In addition, we interviewed at least one employer organization in each state. In selecting these entities, we considered states' input on organizations that could provide us with an employer perspective on the value of credentials and certain types of training for various industries. These employer organizations included statewide business associations, regional business associations, individual employers, and industry-specific representatives.

To assess the reliability of the data DOL collects on credential attainment and training-related employment for participants in the WIA Adult and Dislocated Worker Programs, we analyzed data from DOL's Workforce Investment Act Standardized Record Data system for 2010 and 2011, the most recent program years for which data were available. We reviewed existing documentation related to reporting these data, tested the data electronically, assessed it for factors such as completeness and consistency, and interviewed knowledgeable agency officials. We found the data on training and credential attainment to be sufficiently reliable for reporting overall estimates of participants who entered training, the minimum number of training participants who earned credentials, and the types of credentials they attained. However, we determined that the data on employment related to training were not reliable for the purposes of our report, as discussed in more detail later in this report. See appendix I for more details concerning the objectives, scope, and methodology used in this report.

<sup>&</sup>lt;sup>2</sup> Error rates were not available for training-related employment data so we did not consider this factor in state selection.

<sup>&</sup>lt;sup>3</sup> WIBs govern local workforce areas. Their responsibilities include setting policy for the local workforce area, coordinating workforce investment activities with economic development strategies, and developing relationships with employers.

<sup>&</sup>lt;sup>4</sup> Training and Employment Guidance Letter No. 36-11, *Announcement of American Job Center Network* (Washington, D.C.: June 14, 2012), strongly encouraged states and local areas to refer to the one-stop career centers as American Job Centers, in order to increase jobseeker and employer awareness of available workforce development resources.

We conducted this performance audit from October 2012 to January 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit work 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 provides a reasonable basis for our findings and conclusions based on our audit objectives.

#### Background

### WIA Programs and Administrative Structure

The WIA Adult and Dislocated Worker Programs provide employment services to a wide range of participants. The Adult Program serves all individuals age 18 and older, and the Dislocated Worker Program serves individuals who have been or will be terminated or laid off from employment, among others. The Adult Program prioritizes certain services for recipients of public assistance and other low-income individuals when program funds are limited. To enable individuals to participate, both programs may offer supportive services such as transportation, childcare, housing, and needs-related payments under certain circumstances. WIA requires that the Adult and Dislocated Worker Programs and other federally-funded employment and training programs provide services through one-stop centers—now called American Job Centers—so that jobseekers and employers can find assistance at a single location.

<sup>&</sup>lt;sup>5</sup> A dislocated worker is an individual who: (1) has been terminated or laid off, or has received a notice of termination or layoff from employment; (2) is eligible for or has exhausted unemployment insurance; or (3) has demonstrated an appropriate attachment to the workforce, but is not eligible for unemployment insurance and is unlikely to return to a previous industry or occupation; (4) has been terminated or laid off or received notification of termination or layoff from employment as a result of a permanent closure or substantial layoff; (5) is employed at a facility where the employer has made the general announcement that the facility will close within 180 days; (6) was self employed but is unemployed as a result of general economic conditions in the community or because of a natural disaster; or (7) is a displaced homemaker. See 29 U.S.C. § 2801(9).

<sup>&</sup>lt;sup>6</sup> 29 U.S.C. § 2864(d)(4)(E).

 $<sup>^7</sup>$  29 U.S.C.  $\S$  2864(e)(2) and 2864(e)(3). Supportive services are defined at 29 U.S.C.  $\S$  2801(46).

DOL's Employment and Training Administration administers the Adult and Dislocated Worker Programs and oversees their implementation, which is carried out by states and local areas. At the state level, the WIA Adult and Dislocated Worker Programs are administered by state workforce agencies. Each state has one or more local workforce investment areas, each governed by a WIB.<sup>8</sup> WIBs select the entities that will operate American Job Centers, which provide most WIA services, and oversee the American Job Center network.<sup>9</sup> WIA provides substantial flexibility to states and WIBs to determine how services are provided.

#### Employment and Training Services Provided under WIA

WIA represented a fundamental shift from its predecessor program, the Job Training Partnership Act, by decreasing the focus on job training as the primary means to help adults and dislocated workers get a job. The Adult and Dislocated Worker Programs provide participants three types of services:

- Core services include basic services such as job searches and labor market information, and may be accessed with or without staff assistance.
- Intensive services include such activities as comprehensive
  assessment and case management, which require greater staff
  involvement. Intensive services are available to participants who are
  unable to obtain or retain employment after receiving at least one core
  service.
- Training services include such activities as occupational skills or on-the-job training. To be eligible for training services, participants must:

   (1) be unable to obtain or retain employment after receiving at least one intensive service,
   (2) be in need of training, and
   (3) have the skills and qualifications to successfully complete the training program, among other requirements.

<sup>&</sup>lt;sup>8</sup> 29 U.S.C. §§ 2831 and 2832.

<sup>&</sup>lt;sup>9</sup> 29 U.S.C. § 2832(d).

<sup>&</sup>lt;sup>10</sup> Participants must also: 1) select a training program that is directly linked to employment opportunities in the local area or in another area to which the individual is willing to relocate, and 2) be unable to obtain grant assistance from other sources to pay training costs. 20 C.F.R. § 663.310.

To assess participants' skills and determine whether they need training, WIBs may require them to complete certain activities. We previously found that most WIBs required participants to complete skills assessments or gather information about the occupation for which they wanted training before entering a training program.<sup>11</sup>

DOL requires that participants eligible for training select approved training providers in consultation with case managers, but participants ultimately choose the training programs in which they participate. <sup>12</sup> WIA requires that training be directly linked to in-demand occupations, which DOL interprets to include both currently-available jobs and occupations that are projected to grow in the future. <sup>13</sup>

#### Funding, Performance Measures, and Data Quality

In fiscal year 2013, Congress appropriated a total of about \$1.9 billion for the Adult and Dislocated Worker Programs, roughly 24 percent less than the \$2.5 billion appropriated in fiscal year 2000. 14 In order to ensure that they receive their full funding allocations, states must meet agreed upon levels of performance. WIA requires states to use performance measures that gauge program results for job seekers in the areas of employment, employment retention, earnings, and credential attainment. 15 WIA also requires measures of customer satisfaction for jobseekers and for employers. 16 WIA requires states to negotiate performance levels for each of these measures annually with DOL 17 and provides that DOL may hold states accountable for achieving these levels by tying them to

<sup>&</sup>lt;sup>11</sup> See GAO, Workforce Investment Act: Substantial Funds Are Used for Training, but Little Is Known Nationally About Training Outcomes. GAO-05-650 (Washington, D.C.: June 29, 2005).

<sup>&</sup>lt;sup>12</sup> 20 C.F.R. § 663.440(c).

<sup>&</sup>lt;sup>13</sup> 29 U.S.C. § 2864(d)(4)(G)(iii).

<sup>&</sup>lt;sup>14</sup> Fiscal year 2000 appropriations are presented in nominal dollars and are not adjusted for inflation. Thus, in real (inflation-adjusted) dollars, appropriated funds for WIA have declined by more than 24 percent.

<sup>&</sup>lt;sup>15</sup> 29 U.S.C. § 2871(b)(2)(A).

<sup>&</sup>lt;sup>16</sup> 29 U.S.C. § 2871(b)(2)(B).

<sup>&</sup>lt;sup>17</sup> 29 U.S.C. § 2871(b)(3)(A).

financial sanctions and incentive funding. <sup>18</sup> In addition, WIA requires states to use Unemployment Insurance (UI) wage records to track employment-related outcomes. <sup>19</sup>

In 2005, DOL began allowing states to request waivers to replace the WIA performance measures with a smaller set of common measures that focus on employment, retention, and earnings across multiple programs (see table 1). These measures do not include credential attainment and are calculated differently than the WIA measures.<sup>20</sup>

<sup>&</sup>lt;sup>18</sup> In accordance with WIA, DOL may provide financial awards to states for performance that exceeds negotiated levels and assess penalties for performance that does not meet negotiated performance levels. 20 U.S.C. § 9273 and 29 U.S.C. §2871(g). For all states—those with waivers and those without waivers—incentive or sanction determinations are based only on the following performance measures: entered employment, employment retention, and earnings. See Training and Employment Guidance Letter No. 9-07, *Revised Incentive and Sanction Policy for Workforce Investment Act Title IB Programs* (Washington, D.C.: October 10, 2007).

<sup>&</sup>lt;sup>19</sup> 29 U.S.C. §2871(f)(2). Each state maintains UI wage records to support the process of providing unemployment compensation to unemployed workers. The UI wage records contain basic wage information for about 94 percent of workers. Certain employment categories are excluded such as self-employed persons, independent contractors, federal employees, and military personnel. If wage information for a program participant is not found in the UI wage records, states may use supplemental data sources, such as follow-up with the participant and employer.

<sup>&</sup>lt;sup>20</sup> Common performance measures were developed under an Office of Management and Budget initiative which sought to unify definitions for performance across programs with similar goals.

Table 1: Comparison of Performance Measures for the WIA Adult and Dislocated Worker Programs and Common Measures

WIA program	WIA performance measures <sup>a</sup>	Common measures <sup>b</sup>
Adult	<ul> <li>Entered employment rate <sup>c</sup></li> <li>Employment retention rate at 6 months</li> </ul>	<ul> <li>Entered employment<sup>c</sup></li> <li>Employment retention</li> </ul>
	<ul> <li>Average earnings change in 6 months</li> </ul>	<ul> <li>Average earnings</li> </ul>
	<ul> <li>Entered employment and credential rate<sup>d</sup></li> </ul>	
Dislocated Worker	<ul> <li>Entered employment rate<sup>c</sup></li> </ul>	
	<ul> <li>Employment retention rate at 6 months</li> </ul>	
	<ul> <li>Earnings replacement rate at 6 months</li> </ul>	
	<ul> <li>Entered employment and credential rate<sup>d</sup></li> </ul>	

Source: U.S. Department of Labor.

<sup>a</sup>While not a performance measure, states are required to report the number of training participants who obtained employment related to their training.

<sup>b</sup>While they are not performance measures, states are required to report both the number of training participants who earned credentials and the number of training participants who obtained employment related to their training.

<sup>c</sup>"Entered employment" is defined as the percentage of participants who got jobs by the end of the first quarter after program exit. For the Adult Program, this measure excludes participants who are employed at the time of registration. For the Dislocated Worker Program, it includes those employed at the time of registration.

<sup>d</sup>The Department of Labor's guidance defines the "entered employment and credential" measure as the percentage of trained participants who were employed in the first quarter after exit from the program and received a credential by the end of the third quarter after exit.

As of December 2013, a total of 48 states and territories, plus the District of Columbia, had obtained this waiver and used the common measures for the Adult and Dislocated Worker Programs.<sup>21</sup> Although states and territories are no longer subject to financial sanctions or incentive funding for the credential attainment measure, DOL still requires them to report the number of training participants who earn credentials.<sup>22</sup> In general, credential attainment improves workers' labor market experience through

<sup>&</sup>lt;sup>21</sup> In addition to the 50 states and the District of Columbia, there are eight United States territories. As of December 2013, five of these eight territories had obtained a common measures waiver.

<sup>&</sup>lt;sup>22</sup> States must report data on credentials training participants attained either during WIA participation or by the end of the third quarter after the quarter of exit from WIA services. States with common measures waivers report these data, rather than data on training participants who entered employment and attained a credential, as was required under the WIA performance measures. U.S. Department of Labor, Training and Employment Guidance Letter 17-09, *Quarterly Submission of Workforce Investment Act Standardized Record Data* (March 10, 2010).

higher earnings, greater mobility, and enhanced job security, according to DOL and research studies.<sup>23</sup>

We have previously raised concerns about the accuracy and comparability of DOL's data on credential attainment because DOL's guidance allowed states and local areas considerable flexibility in defining what constitutes a credential.<sup>24</sup> In February 2002, we recommended that DOL more clearly define this term. Since that time, DOL issued guidance to clarify its definition of credential attainment.<sup>25</sup> In addition, to verify that the data states report on credential attainment are accurate, DOL requires WIA programs to collect and retain documentation on participants' credential attainment.<sup>26</sup>

In addition to the performance measures, WIA requires states to report a wide array of data that includes whether training participants find

<sup>&</sup>lt;sup>23</sup> U.S. Department of Labor, Training and Employment Guidance Letter 15-10, Increasing Credential, Degree, and Certificate Attainment by Participants of the Public Workforce System (December 15, 2010); Debbie Reed et al., An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States, Mathematica Policy Research (Oakland, CA: July 25, 2012); W. Norton Grubb, "Learning and Earning in the Middle, Part I: National Studies of Pre-baccalaureate Education," Economics of Education Review (2002).

<sup>&</sup>lt;sup>24</sup> See GAO, Workforce Investment Act: Improvements Needed in Performance Measures to Provide a More Accurate Picture of WIA's Effectiveness, GAO-02-275 (Washington, D.C.: February 1, 2002).

<sup>&</sup>lt;sup>25</sup> DOL defined credential attainment in guidance issued in 2006. In 2010, DOL issued additional guidance stating that the term "credential" refers to an attestation of qualification or competence issued to an individual by a third party, such as an educational institution, with the relevant authority or assumed competence to issue such a credential. U.S. Department of Labor, Training and Employment Guidance Letter No. 17-05, Common Measures Policy for the Employment and Training Administration's Performance Accountability System and Related Performance Issues (February 17, 2006); and U.S. Department of Labor, Training and Employment Guidance Letter No. 15-10, Increasing Credential, Degree, and Certificate Attainment by Participants of the Public Workforce System, (December 15, 2010).

<sup>&</sup>lt;sup>26</sup> U.S. Department of Labor, Employment and Training Administration, Workforce Investment Act Data Reporting and Validation System (DRVS) User Handbook for DRVS 7.2 (April 2009).

employment that relates to their training.<sup>27</sup> A WIA participant's employment is considered to be related to the training received if in the new job the participant uses "a substantial portion of the skills taught in the training."<sup>28</sup> However, DOL does not require that states collect and retain documentation for employment related to training to verify the accuracy of data they report. In a September 2011 report, DOL's Office of Inspector General raised questions about the quality of DOL's data on employment related to training. Specifically, the Office of Inspector General found that these data were "incomplete and unreliable" based on its review of the data DOL maintains in its WIA database.<sup>29</sup> The Office of Inspector General recommended, among other things, that DOL provide guidance on the best methodology for reporting such data as well as provide oversight to ensure that states develop or identify best practices for increasing the rate of training-related employment. DOL agreed with these recommendations.

Federal agencies that work in partnership with states and local areas to administer programs such as WIA must continually balance the competing objectives of collecting uniform performance data and giving program managers flexibility to meet local needs. Our prior work has found that federal agencies have considered key attributes of data quality for performance data, including:

- Completeness—the extent to which enough of the required data elements are collected from a sufficient portion of the target population or sample.
- Accuracy—the extent to which the data are free from significant errors.

<sup>&</sup>lt;sup>27</sup> 29 U.S.C. §2871(d)(2)(A). DOL requires states to report training-related employment only on participants that received training and entered employment in the first quarter after the quarter of exit from WIA services. U.S. Department of Labor, Training and Employment Guidance Letter No. 17-09: *Quarterly Submission of Workforce Investment Act Standardized Record Data (WIASRD)* (March 10, 2010).

<sup>&</sup>lt;sup>28</sup> U.S. Department of Labor, Training and Employment Guidance Letter No. 17-09, *Quarterly Submission of Workforce Investment Act Standardized Record Data* (*WIASRD*)(March 10, 2010).

<sup>&</sup>lt;sup>29</sup> U.S. Department of Labor Office of Inspector General Audit Report No. 03-11-003-03-390, *Additional Information Needed to Measure the Effectiveness and Return on Investment of Training Services Funded Under the Adult and Dislocated Worker Programs* (September 30, 2011).

- **Consistency**—the extent to which data are collected using the same procedures and definitions across collectors and times.
- Ease of use—how readily intended users can access data, aided by clear definitions, user-friendly software, and easy-to-use access procedures.<sup>30</sup>

## Congressional Proposals to Reauthorize WIA Programs

Congress is currently considering legislation to reauthorize the Workforce Investment Act of 1998, which has been due for reauthorization since the end of fiscal year 2003. The Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act (H.R. 803), passed by the House, would establish both credential attainment and training-related employment as performance measures. The Workforce Investment Act of 2013 (S. 1356), introduced in the Senate and reported out by the Committee on Health, Education, Labor, and Pensions, would establish credential attainment as a performance measure, but not training-related employment.

DOL's Data Show
That Most Training
Participants Attained
Credentials, but Data
on Training-Related
Employment Are
Unreliable

### Most Training Participants Attained Credentials

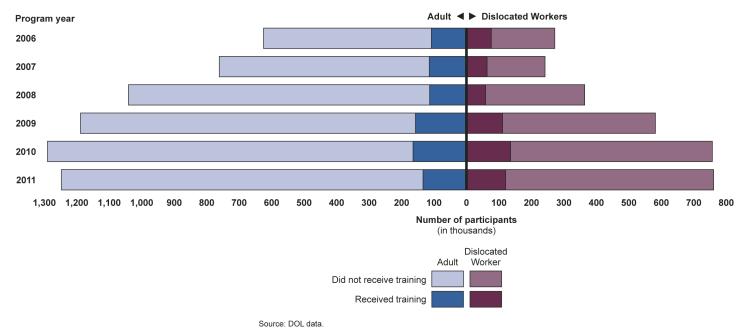
During the time-period from program year 2006 through program year 2011, the total number of participants in WIA's Adult and Dislocated Worker Programs increased significantly.<sup>31</sup> Specifically, in the Adult Program, the number of participants increased from about 625,000 to

<sup>&</sup>lt;sup>30</sup> GAO, Performance Plans: Selected Approaches for Verification and Validation of Agency Performance Information, GAO/GGD-99-139 (Washington, D.C.: July 30, 1999).

<sup>&</sup>lt;sup>31</sup> U.S. Department of Labor, Office of Performance and Technology, Employment and Training Administration, *PY 2008 WIA Trends Over Time* (January 19, 2010); and *PY 2011 WIA Trends Over Time* (December 13, 2012).

about 1.25 million, and in the Dislocated Worker Program, the number of participants increased from about 272,000 to about 761,000. During this same time-period, the number of participants who received training services also increased, but not as dramatically as the number of overall participants (see fig. 1).<sup>32</sup> For example, the number of Dislocated Worker participants who received training increased from about 76,000 in program year 2006 to about 120,000 in program year 2011.

Figure 1: Overall Number of Participants in the Adult and Dislocated Worker Programs and Those Who Received Training, Program Years 2006 through 2011



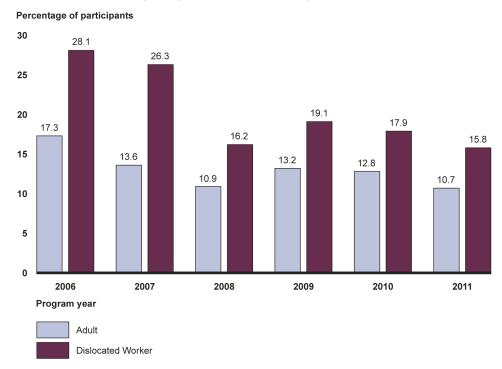
Note: Data are based on participants who exited the Adult and Dislocated Worker Programs. Program Year 2011 reflects data for the time-period from April 1, 2011 through March 31, 2012, not the actual program year, which ran from July 1, 2011 to June 30, 2012.

Since the number of participants who received training services did not increase at the same rate as the number of participants who entered into WIA's Adult and Dislocated Worker Programs, the percentage of

 $<sup>^{32}</sup>$  Throughout the report, "received training" is used to describe participants who entered training, but may or may not have completed it.

participants who received training generally declined, according to DOL reports (see fig. 2).

Figure 2: Percentages of Participants in the Adult and Dislocated Worker Programs Who Received Training, Program Years 2006 through 2011



Source: DOL data

Note: Data are based on participants who exited the Adult and Dislocated Worker Programs. Program year 2011 reflects data for the time period from April 1, 2011 through March 31, 2012, not the actual program year, which ran from July 1, 2011 to June 30, 2012.

There are several reasons that may have contributed to the declining percentage of participants who received training. Beginning in December 2007, the significant increase in the overall number of participants is likely attributed to the downturn in the economy that led to a dramatic rise in unemployment<sup>33</sup> and the subsequent infusion of additional funds to WIA

<sup>&</sup>lt;sup>33</sup> A general slowdown in economic activity, a downturn in the business cycle, and a reduction in the amount of goods and services produced and sold are all characteristics of a recession. The most recent recession began in December 2007 and ended in June 2009. U.S. Bureau of Labor Statistics, *The Recession of 2007–2009* (February 2012).

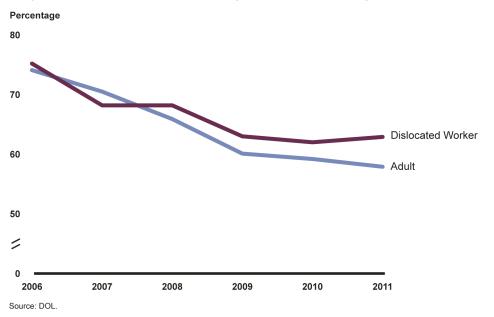
programs from the American Recovery and Reinvestment Act of 2009 (Recovery Act).<sup>34</sup> The Recovery Act provided \$500 million for grants for the Adult Program and \$1.25 billion for grants for the Dislocated Worker Program. By spring of 2009, DOL began allocating these funds to states to supplement existing WIA funds. DOL encouraged states to use Recovery Act funds to increase training in an effort to help Americans acquire new skills and return to work.<sup>35</sup> DOL officials stated that the increase in demand for training services exceeded the increase in supply provided for by the Recovery Act, which may have led to shortages in training capacity that contributed to a relative decline in training. Another factor, according to DOL officials, is that some program participants had limited access to needs-based financial assistance and other supportive services, such as child care, which may have prevented them from entering WIA training services. Further, DOL noted that the preference of many program participants is for immediate employment rather than job training.

Similarly, the percentage of training participants who earned credentials has also generally declined from program year 2006 through program year 2011 (see fig. 3). For example, DOL's data show the percentage of those who earned credentials in the Adult Program dropped from about 74 percent in program year 2006 to about 58 percent in program year 2011. Likewise, the percentage of those in the Dislocated Worker Program who earned credentials dropped from about 75 percent in program year 2006 to about 63 percent in program year 2011. Despite the decline in the percentage of training participants who earned credentials, DOL reported that the total number of participants attaining credentials increased during this time period. For example, the number of training participants in the Dislocated Worker Program who attained credentials increased from about 48,000 in program year 2006 to about 79,000 in program year 2011.

<sup>&</sup>lt;sup>34</sup> Pub. L. No. 111-5, 123 Stat, 115, 172-173.

<sup>&</sup>lt;sup>35</sup> For WIA Adult and Dislocated Worker Programs, states report aggregate counts of all participants, including those whose services were funded with regular WIA formula funds and Recovery Act funds.

Figure 3: Percentage of Training Participants in the Adult and Dislocated Worker Programs Who Earned Credentials, Program Years 2006 through 2011



Note: Data are based on training participants who exited the Adult and Dislocated Worker Programs. DOL requires that states report on credentials attained by training participants either during WIA participation or by the end of the third quarter after the quarter of exit from services.

According to DOL officials, the percentage of training participants who earned credentials may have declined in part as a result of changes in the performance measures that states negotiated. In program year 2005, states began requesting waivers to replace the WIA performance measures with a set of common performance measures that do not include the employment and credential attainment measure for the Adult and Dislocated Worker Programs.<sup>36</sup> Officials in three of the six states we reviewed said that after this request was approved, reporting data on credential attainment became a lower priority for them. Officials in one of these states also said they stopped collecting and reporting these data

<sup>&</sup>lt;sup>36</sup> DOL defined the WIA performance measure on credential attainment to assess training participants who secured employment and received a credential. U.S. Department of Labor, Training and Employment Guidance Letter No. 7-99, *Core and Customer Satisfaction Performance Measures for the Workforce Investment System* (March 3, 2000).

until DOL issued clarifying guidance in 2010 emphasizing the importance of credential attainment as a pathway to employment.

DOL's data on credential attainment also show that participants in the Dislocated Worker Program typically have higher credential attainment rates than participants in the Adult Program. DOL officials explained that the Dislocated Worker Program has a higher funding level that supports more training, and that participants in this program generally have longer work histories and more advanced education and so are more likely to enter into training programs that lead to credentials. In contrast, participants in the Adult Program are more likely to require training focused on remedial education and job readiness which are less likely to result in credentials as defined by DOL.

Of the training participants who attained credentials during program year 2011—approximately 89,000 in the Adult Program and 84,000 in the Dislocated Worker Program— about two-thirds in each program earned an occupational credential, such as a welding certificate or clinical medical assistant certificate (see fig. 4). The next two most common types of credentials attained by training participants were an occupational skills license, such as a license in nursing<sup>37</sup>, and an associate's degree. The fact that training participants attained occupational credentials at higher rates than longer-term academic degrees is consistent with DOL's recommendation that states shorten training duration in an effort to increase credential attainment. In our December 2013 report, we found that in program year 2011, of those in the Adult Program who entered training, 75 percent spent 1 year or less receiving training services, while 25 percent spent more time. Similarly, for the Dislocated Worker Program, 65 percent of training participants spent 1 year or less receiving training services.<sup>38</sup> According to officials from one local workforce investment board we contacted, all training programs offered through their training providers must lead to a credential and must be completed in 12 months or less.

<sup>&</sup>lt;sup>37</sup> Occupational licenses are required by government entities, typically state regulatory bodies, before an individual is allowed to be employed in and practice a trade, profession, or other occupation.

<sup>&</sup>lt;sup>38</sup> GAO, Workforce Investment Act: DOL Should Do More to Improve the Quality of its Participant Data. GAO-14-4 (Washington, D.C.: December 2, 2013).

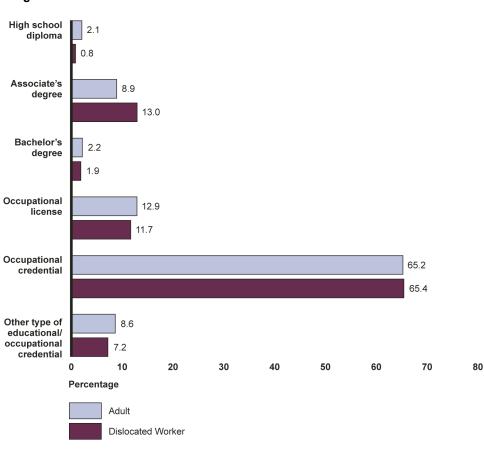


Figure 4: Percentage of Credential Types Attained by Training Participants in Program Year 2011

Source: GAO analysis of DOL data.

Note: Data are based on training participants who exited the Adult and Dislocated Worker Programs.

Little Is Known about the Extent to Which Participants Obtained Training-Related Employment

We found DOL's data on training-related employment unreliable for our purposes based on our analysis of the data, an Office of Inspector General report, and data quality reports. We were not able to determine how many participants in the Adult or Dislocated Worker Programs obtained employment related to their training in program year 2011. For the Adult Program, we found that states reported data on 48 percent of training participants, but had missing data for the remaining 52 percent. For the Dislocated Worker Program, states reported data on 74 percent of training participants, but had missing data for the remaining 26 percent. Further, our analysis of the reported data showed wide variation among states regarding the percentage of participants who obtained training-

related employment, raising questions about the data's reliability (see table 2). Our findings are consistent with a September 2011 Office of Inspector General report, which found that DOL's data on training-related employment were "incomplete and unreliable." Specifically, the Inspector General reported that 5 of the 53 state workforce agencies it reviewed did not report any data and 12 state workforce agencies reported unreasonably high or abnormally low data on training-related employment. Further, DOL's WIA data quality report for the third quarter of program year 2011 raised questions about training-related employment data for 26 states. For example, some states reported that none of their training participants secured training-related employment.

Table 2: Variation among State-Reported Percentages of Training Participants Who Obtained Training-Related Employment in Program Year 2011

Percentage of training-related	Adult Program <sup>a</sup> Dislocated Worker Program	
employment	Number of states <sup>c</sup>	Number of states <sup>c</sup>
0 to 25	10	13
26 to 50	9	16
51 to 75	10	23
76 to 100	24	1

Source: GAO analysis of DOL data.

<sup>&</sup>lt;sup>a</sup>These figures are based on states' reported data on 48 percent of training participants and do not include 52 percent of training participants, for whom data were missing.

<sup>&</sup>lt;sup>b</sup>These figures are based on states' reported data on 74 percent of training participants and do not include 26 percent of training participants, for whom data were missing.

<sup>&</sup>lt;sup>c</sup>Number of states is based on the 53 state workforce agencies that reported training-related employment data in program year 2011.

<sup>&</sup>lt;sup>39</sup> U.S. Department of Labor, Office of Inspector General, *Additional Information Needed to Measure the Effectiveness and Return on Investment of Training Services Funded Under WIA Adult and Dislocated Worker Programs*, Report Number 03-11-003-03-390 (September 30, 2011).

Selected States Cited Some Obstacles to Collecting Data on Credential Attainment and DOL and States Have Taken Steps to Address Challenges and Improve These Data

Manual Process of Collecting Data on Credentials Can Be Resource-Intensive

Workforce officials we interviewed in four of six states said that collecting data on credential attainment can be resource-intensive primarily because it requires manually tracking the information. Unlike employment-related outcomes—which states can generally obtain through the state's UI wage record system—credentials are not generally recorded in a central, automated data system. As a result, case managers must manually collect this information from various sources including participants, training providers, and third-party credentialing organizations. DOL also requires documentation of credential attainment with a copy of a diploma, transcript, or other approved record in the participant's case file. DOL monitors this requirement through its data validation process. The process of collecting and verifying a participant's credential attainment generally entails one or more of the following steps:

Contacting Participants. Workforce officials in most states we reviewed said they generally begin their efforts to determine credential attainment by attempting to contact training participants, though some are unresponsive or inaccessible. Several local officials noted that they use a variety of means, including phone, mail, email, and social media. Some training participants readily provide evidence of their credentials. For example, local officials in two states estimated that for about 70 percent of participants, credentials are fairly easy to verify. Other participants may be less responsive. Workforce officials in three states explained that participants who have already exited the program have little incentive to respond to their requests. Local officials in two states also noted that some participants relocate without providing updated contact information.

**Contacting Training Providers.** Training providers are another potential source of credential information, though in some cases they may decline to share such information. If case managers cannot reach a participant, they generally contact the training providers to determine whether a credential was earned. However, workforce officials from three states noted that training providers often declined to provide this information, citing student privacy rights such as those established by the Family Educational Rights and Privacy Act of 1974, as amended (FERPA).<sup>40</sup>

Contacting Third-party Organizations. Third-party credentialing organizations represent an additional source of credential information. For some occupations, a license or certification is required before a person can be employed in that capacity, such as a licensed practical nurse. In these cases, third-party organizations, such as state regulatory bodies, issue credentials. Case managers can sometimes search licensing databases online to confirm credential attainment. Local officials from two states noted that such data are fairly easy to obtain because the information is generally centrally accessible. However, an official from another state said that third-party organizations do not always provide information on credential attainment before DOL's reporting timeframes end.

<sup>&</sup>lt;sup>40</sup> 20 U.S.C. § 1232g. FERPA includes requirements related to the use and disclosure of education records on individual students and provides that, generally, a student must provide written consent before an educational agency or institution may disclose personally identifiable information from that student's education records. Directory information, including major field of study and the degrees received, may be released without prior consent of a student if certain conditions are met: an educational agency or institution must give public notice of: (1) the types of personally identifiable information the educational agency or institution has designated as directory information, (2) the right of the student to refuse to let the educational agency or institution designate those types of information as directory information, and (3) the period of time within which a student can notify the educational agency or institution of that refusal. An educational agency or institution may disclose directory information about former students unless, while in attendance, the student opted out of the disclosure of directory information and has not rescinded that request. 34 C.F. R. § 99.37.

<sup>&</sup>lt;sup>41</sup> Officials from the Department of Education said that FERPA generally does not apply to third-party organizations that grant credentials to an individual who takes a test through a third-party organization and applies directly to that organization to receive a credential. However, if such a third-party organization were to provide an educational agency or institution covered by FERPA with a copy of the test results or credential that directly relate to a student attending their program and that information were maintained by the educational agency or institution, then that information would become subject to FERPA.

Because case managers may not always be able to track down the documentation needed to verify credential attainment, the actual number of participants who attain credentials may be underreported to DOL. For example, officials in one state we contacted said they believe their credential attainment rate should be about 65 percent, but the rate they actually report is about half of that.

Despite such obstacles to verifying data on participant credentials, several workforce experts and officials noted the importance of collecting this information. Workforce experts from one national organization noted that credential attainment can demonstrate the value of the funds invested in training and show employers the value of workforce programs and their participants. Workforce experts from another national organization said that credential data could help officials determine which credentials are best aligned with good employment outcomes. Some employer groups also noted the value of credentials in some high-demand occupations, such as manufacturing and information technology. For example, representatives of employer groups in Illinois and Rhode Island said they value information technology and manufacturing credentials from certifying organizations because these programs prepare individuals to perform high-skill tasks.

To Address Challenges, DOL Has Stressed Both Credential Attainment and Reporting

In 2010, DOL provided guidance to states to increase the quantity and quality of credentials attained and to clarify the definition of credential for reporting purposes. During early WIA implementation, we reported that the definition of credential varied within and across states. For example, some states strictly defined credential as a diploma from an accredited institution, and other states broadly defined credential to include certificates of job readiness or completion of a workshop. DOL issued guidance in 2006 that provided additional clarification on which credentials to report, but, according to some workforce officials and experts, allowed for some interpretation. In 2010, DOL issued guidance that defined "credential" as an umbrella term that can include a range of

<sup>&</sup>lt;sup>42</sup> See GAO, Workforce Investment Act: Improvements Needed in Performance Measures to Provide a More Accurate Picture of WIA's Effectiveness, GAO-02-275 (Washington, D.C.: February 1, 2002).

<sup>&</sup>lt;sup>43</sup> U.S. Department of Labor, Training and Employment Guidance Letter 17-05, *Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues* (February 17, 2006).

postsecondary degrees, diplomas, licenses, certificates, and certifications.<sup>44</sup> DOL also clarified that credentials must show attainment of measurable technical or occupational skills necessary to obtain employment or advance within an occupation. For this reason, DOL specified that credentials related to remedial training, such as work-readiness certificates, would not be counted for the purposes of credential attainment.

In addition to clarifying which credentials should be reported, the 2010 guidance also included strategies that state and local officials can use to increase the quantity and quality of credentials attained. It noted that the first step in increasing the quantity of credentials attained is to refer more participants to training. DOL's guidance also encouraged officials to take steps to ensure that the training programs result in an industry-recognized credential and that participants complete these training programs. These steps include shortening the duration of training and providing supportive services that enable participants to succeed. Further, to improve the quality of credentials attained, DOL suggested that state and local agencies build the capacity of front-line staff to identify and assess valuable and appropriate credentials for participants.

DOL has also stressed the importance of credential attainment by measuring it through an agency-wide performance goal for its workforce development programs including the WIA Adult and Dislocated Worker Programs. DOL officials noted that credential attainment rates for these WIA programs are higher than the rates of some other DOL programs included in the agency-wide performance goal. DOL first began tracking credential attainment data for its agency-wide performance goal in 2010 when it set out to increase the number of training participants who attain credentials through any one of multiple federal workforce programs. Specifically, the goal was an increase of 10 percent, up to a total of 220,000 training participants earning credentials. In fiscal year 2013, DOL continued to assess credential attainment through this performance goal and sought to increase the percentage of training participants who earn

<sup>&</sup>lt;sup>44</sup> U.S. Department of Labor, Training and Employment Guidance Letter 15-10, *Increasing Credential, Degree, and Certificate Attainment by Participants of the Public Workforce System* (December 15, 2010).

credentials from 57 to 62 percent. <sup>45</sup> DOL officials reported a credential attainment rate of 59.4 percent through the first two quarters of fiscal year 2013. DOL officials also said that DOL has established a new credential attainment goal; specifically, that by September 30, 2015, the percentage of training participants who attain credentials will increase by 10 percent from the level reported as of the end of fiscal year 2013.

In addition to issuing guidance and setting credential attainment goals, DOL also undertook a number of other related initiatives, including some that are specific to credentials and others that are more broadly designed, such as the Workforce Data Quality Initiative. See Table 3 for a description of DOL's initiatives.

Table 3: Key DOL Initiatives Related to Credential Attainment				
Initiative	Date			
Guidance to workforce system				
Issued guidance that more precisely defined credentials for purposes of WIA reporting; and in 2010 provided strategies state and local workforce agencies, partners, and grantees could take to increase the rate of credential attainment among workforce program participants and improve the quality of those credentials.	February 2006 and December 2010			
Agency-wide initiatives				
Set credential attainment as an agency-wide performance goal across various workforce programs, including the WIA Adult and Dislocated Worker programs.	2010-2015			
Created a credentials database to disseminate information on available credentials and Certification Finder website to help employers identify occupational certifications that may be useful for current or future employees.	2005-ongoing			
Held Credentials Forum for employers to identify credentials valued by employers and updated the credentials database.	May 2012-January 2013			
Began Career Pathways Initiative (jointly with Education and Health and Human Services) to help adults acquire marketable skills and industry-recognized credentials through better alignment of education, training and employment, and human and social services among public agencies and with employers.	2010-ongoing			
Longer-term initiatives				
Awarded Workforce Data Quality Initiative grants to states to help them link their statewide educational databases to their statewide workforce databases and improve access to data in their workforce databases, including data on credentials.	2011-2013			

Source: GAO summary of DOL information.

<sup>&</sup>lt;sup>45</sup> The fiscal year 2013 goal included a broader array of workforce programs than the prior goal, including National Emergency Grants, Trade Adjustment Assistance, Green Jobs Innovation Fund, and Job Corps, among others.

Selected States and Local Areas Have Taken Steps to Address Challenges by Enhancing Attainment and Reporting of Credentials

Some states have stressed the importance of credential attainment by implementing broad, statewide efforts. Similar to DOL's efforts to enhance credential attainment by establishing annual goals, three of the six states we reviewed have either implemented statewide credential attainment goals or are working to do so:

- Texas implemented an annual state performance measure on educational achievement that tracks credential attainment for multiple programs, including the WIA Adult and Dislocated Worker Programs.
   All WIBs in the state are held to this measure.
- Washington has made credential attainment a state performance measure, but defines credential more broadly than DOL. For example, Washington recognizes a larger range of credentials, such as completion of on-the-job training.<sup>46</sup>
- Illinois re-implemented a credential attainment performance measure during program year 2012 and, according to state officials, is in the process of setting credential targets for program year 2014.

According to officials from some states, their efforts to emphasize credential attainment and reporting may have a positive impact on participants' reported rate of credential attainment.

Moreover, officials in Alabama, Illinois, Kansas, and Rhode Island told us they targeted their training funds more narrowly on credential-yielding programs by only approving training providers with programs that resulted in credentials that met DOL's definition. For one Chicago WIB, this strategy, along with its other efforts to streamline training options from 753 occupations to 40 in-demand occupations, reduced its number of training providers. This practice was one of many DOL suggested in its 2010 guidance as a means for states and local areas to improve the value of credentials for participants. Officials in nearly every state we interviewed reported that this guidance was helpful largely because it more clearly defined which credentials should be reported to DOL.

In addition, selected states and local areas have taken steps to ease the resource-intensive process of collecting data on credentials by enhancing communication with participants and working to overcome privacy issues

<sup>&</sup>lt;sup>46</sup> Washington State Employment Security Department, *Certificates and Credentials Under Common Measures*, Policy Number 3690, Revision 1 (September 23, 2011).

with training providers. Workforce officials in three states told us that case managers seek to build rapport with participants early in the process so they are more likely to be responsive after their training program ends. Regarding training providers, officials in four of six states said they have made efforts to address privacy concerns. Local officials in Alabama, Kansas, and Texas, for example, told us that they ask participants to sign consent forms to allow training providers to share credential information with officials. In Washington, state officials access some credential data from the National Student Clearinghouse and from their state database of community and technical colleges. 47 They said that student privacy rights are generally not a barrier to accessing credential data in Washington because students attending their community and technical colleges are notified that such information can be released to other entities unless the student opts out of sharing it. Washington state officials noted that they have been refining their process for collecting data on credential attainment for 15 years and now have a fairly sophisticated approach.

While these varied efforts to mitigate challenges may help reduce the resources required or improve the quality of reported data, workforce officials from three states and three experts we interviewed raised some additional considerations about measuring performance on credential attainment (see table 4). Establishing a performance measure on credential attainment may affect the type of training provided and which participants receive training. For example, neither work readiness training nor on-the-job training (OJT) leads to what DOL has defined as a credential for reporting purposes. However, these may be the most appropriate types of training for participants with basic skills or for particular industries, according to officials from two states we interviewed.<sup>48</sup> Our December 2013 report found that participants in the

<sup>&</sup>lt;sup>47</sup> The National Student Clearinghouse offers access to nationwide coverage of enrollment and degree records — encompassing over 98 percent of all students in public and private U.S. institutions. None of our other selected states mentioned using this source for collecting data on credential attainment.

<sup>&</sup>lt;sup>48</sup> WIA defines "on-the-job training" as training by an employer that is provided to a paid participant while engaged in productive work in a job that: a) provides knowledge or skills essential to the full and adequate performance of the job; b) reimburses the employer up to 50 percent of the participant's wage rate for the costs associated with training and related supervision; and c) is limited in duration as appropriate to the particular occupation, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate. 29 U.S.C. § 2801(31).

WIA Adult and Dislocated Worker Programs often lacked the relevant qualifications and basic skills needed to participate in training that would meet the needs of employers seeking employees for in-demand occupations. 49 In addition, work readiness certificates are generally valued by employers, according to several employer group representatives and local workforce officials we interviewed.50 Representatives from a few employer groups also noted that, in some cases, experience is more important than credentials. For example, local officials we interviewed in Illinois said that the vast majority of participants in OJT obtained jobs with the employers once their training was completed. The officials said OJT provided a good return on investment, despite the fact that these participants did not earn credentials.<sup>51</sup> Currently, DOL's credential attainment data do not include participants who completed these types of training programs. If credential attainment is established as a performance measure, it will be important to consider ways to address participants who are enrolled in certain types of training that do not lead to a credential, such as by excluding these participants from a credential attainment measure or considering if other measures, such as basic skill attainment, could capture the value of training provided to participants excluded from the measure.

<sup>&</sup>lt;sup>49</sup> GAO, Workforce Investment Act: Local Areas Face Challenges Helping Employers Fill Some Types of Skilled Jobs. GAO-14-19 (Washington, D.C.: December 2, 2013).

Work readiness certificates generally refer to awards that demonstrate achievement of a certain level of workplace employability skills. One common program is ACT's National Career Readiness Certificate, which can be earned through the Work Keys program.

<sup>&</sup>lt;sup>51</sup> DOL grants waivers that can exempt a state from reporting credential attainment outcomes for participants enrolled in OJT.

Table 4: Establishing a Performance Measure on Credential Attainment: Challenges, Mitigation Strategies, and Considerations Challenges Potential mitigation strategies Related considerations Collecting data can be Build relationship with participant early on to Strategies do not guarantee a reduction in the resource-intensive enhance responsiveness to follow-up efforts. resources required because case managers must still follow up with participants and training Build relationship with training provider to enhance providers. responsiveness to follow-up efforts. Because data collection can be dependent on Have participants waive student privacy rights so multiple data sources and the cooperation of training providers can share credential information. participants and training providers, these strategies Seek automated or direct access to centralized do not guarantee that local areas will be able to credential databases. document credential attainment for all participants. This may result in underreporting. Some training does not Exclude participants who are not in training that If such participants are not excluded, it could create result in a DOL defined potentially leads to a DOL-defined credential from a disincentive to offer some types of training or to credential, but may still be the calculation of the measure, by excluding those serve low-skilled participants. needed by participants and in OJT, for example. Consider if other measures, such as basic skill valued by employers attainment, could capture the value of training provided to participants excluded from the measure.

Source: GAO analysis of interviews with selected state and local officials and workforce experts.

States Face
Continuing
Challenges Reporting
Data on TrainingRelated Employment,
Despite Efforts by
States and DOL to
Improve Reporting

Reporting Data on Training-Related Employment Is Resource-Intensive and Involves Subjective Decisions

Workforce officials in most states we studied identified challenges reporting data on training-related employment that were greater than those for reporting data on credential attainment, including the high degree of resources required and the subjective nature of determining whether employment is linked to training. Similar to credential attainment, there is no definitive source for these data, so case managers must generally collect participants' employment information from various sources, including participants, employers, and UI wage records. Then—

in a step beyond what is required for reporting on credential attainment—they must piece this information together to determine whether participants' employment is substantially related to their training. Also unlike reporting on credential attainment, DOL does not require that local WIA programs collect and retain documentation on training-related employment in the participants' case files to verify the accuracy of data they report to states.<sup>52</sup>

Officials in four of the six states we studied, as well as at DOL, said this data collection process often requires considerable time and effort. Further, officials from DOL and four states emphasized the need to consider the balance between the time required to collect outcome data and the time case managers spend serving participants, especially in an environment of reduced resources. In addition, officials in all six states said that making training-related employment determinations can be subjective. According to DOL's reporting guidance, participants' employment is related to their training if it uses "a substantial portion of the skills taught in training."53 However, officials in all six states, as well as workforce experts from one national organization, said that one case manager's interpretation of what constitutes a substantial portion of the skills obtained in training may differ from another's. The training-related employment decision can be straightforward if the training and job are clearly connected. For example, if a participant received training to attain a commercial driver's license and was subsequently hired as a driver by a trucking company, the case manager can easily determine that the participant's employment is substantially related to the training received. In other cases, however, the decision may be more subjective. For example, officials in one state could not agree whether a participant who had received aviation instruction training had secured training-related employment in his position as an airframe and power plant mechanic. Some state officials thought the skills obtained were transferable, but others were unsure.

<sup>&</sup>lt;sup>52</sup> DOL does not require documentation on training-related employment because it is not a WIA performance measure.

<sup>&</sup>lt;sup>53</sup> U.S. Department of Labor, Training and Employment Guidance Letter No. 17-09: Quarterly Submission of Workforce Investment Act Standardized Record Data (WIASRD) (March 10, 2010).

Collecting participants' employment information and attempting to determine whether it was training-related generally entails several steps (see fig. 5).

Case manager seeks employment information

Unemployment Insurance (UI) wage records

Case manager attempts to determine whether employment is training related

Figure 5: General Process for Collecting Participants' Employment Information and Determining Whether It Relates to their Training

Source: GAO interviews with local workforce officials

Contacting participants. Several state and local officials we interviewed said that they generally begin the process of collecting data on training-related employment by attempting to contact participants, though some can be unresponsive or inaccessible, which workforce experts from one national organization noted as well. If case managers are successful, they ask participants for information such as the name of their employer and their job title. Some local areas also ask participants directly if their new jobs are—in the participants' opinion—related to the training they received. In some cases, case managers make their training-related employment determinations based solely on information the participants provide about their employment.

**Contacting employers.** Some case managers contact employers to obtain participants' employment information, though employers may not be responsive. If case managers could not reach a participant but know where the person works, they may contact the employer to obtain their job title and description. They may also contact an employer to verify the information provided by a participant. Case managers can use the employment information obtained from an employer, or from both the participant and employer, to determine if a

participant's job is training-related. However, workforce officials in Illinois and Texas said employers may not be responsive because they are concerned about employee privacy or about the amount of follow-up required.

**Checking UI wage records.** Some local workforce officials said that if they are unable to gather information about a participant's employment from the participant or the employer, they check the UI wage records, which are generally not available until several months after a participant exits from WIA services.<sup>54</sup> DOL officials and workforce experts at two national organizations said the UI wage records generally provide the name of the participant's employer and a code associated with the employer's industry, but specific information on the participant's occupation is rarely included. In some cases, the industry code has a clear connection to the training received, making the case manager's training-related employment determination straightforward. For example, if a participant who was trained as a nurse was hired by a hospital, the case manager can reasonably assume that the employment and training are related. However, some officials noted that the industry code is not always a good predictor of a participant's occupation. For example, if the same participant was hired by the health unit of a manufacturing company. the industry code in the UI wage records would suggest that the person's job was associated with manufacturing and not related to the nursing training.

Other steps to determine training-related employment. If successful in accessing a participant's employment information, including job title, some workforce officials said case managers use DOL's Occupational Information Network (O\*NET), which provides an online tool to match job title occupational codes to the skills code associated with the participant's training. This can help case managers decide whether the participant's employment is training-related. <sup>55</sup>

<sup>&</sup>lt;sup>54</sup> UI wage data are collected quarterly, meaning that participants who find employment will not show up in the data until several months after they are hired. As a result, case managers must wait several months to use these data.

<sup>&</sup>lt;sup>55</sup> DOL's O\*NET database provides detailed information about many occupations. The database is online, available to the public at no cost, and is continually updated by surveying a broad range of workers from each occupation.

According to some local workforce officials, however, it can be difficult to find the precise occupational code that matches the participant's new job. In addition, DOL officials told us that even attempting to match O\*NET codes in this manner might not help case managers determine if participants' employment is related to their training because the threshold of relatedness is still subjective, as mentioned previously. DOL officials also told us it is difficult to prescribe a standard definition for determining whether a job is related to training because it often requires some judgment on the part of local officials.

States Have Taken Steps to Address Challenges by Improving Reporting on Training-Related Employment

### Washington state collects additional information on training-related employment

In addition to reporting data on trainingrelated employment to DOL, Washington state surveys a subset of WIA participants three quarters after exit and asks them about:

- the extent to which their new job is related to their training,
- the extent to which the training they received helped them get their job, and
- how useful the skills they learned in training are in doing their job.

Officials said they conduct this survey for internal use to collect and share data on training-related employment that is not otherwise available to program managers and state officials. Another official noted that a significant percentage of respondents who do not report their job as training-related find the training instrumental in getting the job or that the skills they acquired in training are useful on their job.

Source: Interview with state officials in Washington and survey documents.

To improve reporting, some states have taken steps to increase their access to information about participants' employment. Similar to their efforts to collect information on credential attainment, some local workforce officials told us that case managers seek to build rapport with participants. At the same time, officials we interviewed in four of six states have taken steps to increase access to employment-related information. In Illinois, Rhode Island, and Texas, local workforce officials ask participants to sign release forms authorizing employers to release employment information to officials. Local workforce staff in Kansas and Texas also said they obtain information on participants' employment, including the names of their employers, and—unlike UI wage records—their job titles, by subscribing to an online payroll database called *The Work Number*. This service verifies employment via a database of national payroll data but does not include all employers, and local WIA programs must pay to subscribe.

In addition, local workforce officials in four states we contacted said they have developed strategies to help reduce the subjectivity in determining whether a participant's employment is related to their training. For example, local officials in Texas told us that staff may consult their American Job Center's local business services office, which often has specific knowledge about what skills correspond with particular job titles. Officials in Texas and Alabama also said case managers may consult with their peers or supervisors to reach consensus about a training-related employment decision. Further, state workforce officials in Kansas told us that when employers post jobs on the state's job bank, they are required to enter occupational codes from DOL's online O\*NET database. If a training participant gets one of these jobs, case managers can compare the employer-provided occupational code with the training codes supplied by training providers to help them determine whether the job is

training-related. State and local officials in Washington also said managers routinely use O\*NET when making their training-related employment decisions.

DOL Has Taken Limited Steps to Address Challenges and Improve Data on Training-Related Employment

While DOL has recently issued guidance aimed at increasing reporting rates for training-related employment data, it has taken limited steps to address states' ongoing reporting challenges. As previously discussed, a September 2011 report by DOL's Office of Inspector General raised questions about the quality of these data and made recommendations to address this issue. 56 In response, DOL issued a notice to states in September 2013 that reiterated the requirement for states to report these data and stressed the data's importance for program analysis and evaluation efforts pertaining to the value of investments in WIA training.<sup>57</sup> The DOL notice also acknowledged that reporting on training-related employment is challenging largely because the information must be collected manually. According to the DOL notice, nearly every state that participated in conference calls on the topic indicated that there was considerable cost in conducting the necessary follow-up for reporting on training-related employment and that this was the primary reason the data were not well-reported. State and local officials we interviewed also noted that such data may be underreported because of the difficulty of following up with participants and employers. DOL also concluded that states with larger training caseloads had less complete reporting on training-related employment. In the notice, DOL also described a few practices most common among states with higher reporting rates for training-related employment.<sup>58</sup> For example, DOL cited the practice of instituting a data system check to ensure that training-related employment data are recorded before closing a participant's case file.

<sup>&</sup>lt;sup>56</sup> U.S. Department of Labor, Office of Inspector General, *Additional Information Needed to Measure the Effectiveness and Return on Investment of Training Services Funded Under the WIA Adult and Dislocated Worker Programs*, Report Number 03-11-003-03-390 (September 30, 2011).

<sup>&</sup>lt;sup>57</sup> U.S. Department of Labor, Training and Employment Notice No. 5-13: *Reporting Training-Related Employment under the Workforce Investment Act (WIA) Programs* (September 4, 2013).

<sup>&</sup>lt;sup>58</sup> DOL also established a new WIASRD response option to isolate situations in which case managers do not know if participants' employment was training-related.

#### Use of crosswalk not necessarily a solution for determining training-related employment

Another program DOL administers, Job Corps—a residential, educational, and career technical training program for disadvantaged youths—uses a crosswalk that links specific training codes and occupational codes to help staff determine training-related employment. However, in a September 2011 report, the DOL Inspector General found that this crosswalk included some matches that were either not related or poorly related. Moreover, DOL officials said that using a crosswalk for the WIA Adult and Dislocated Worker programs could make the trainingemployment link too restrictive and would require a considerable amount of resources to develop.

Source: Interviews with DOL officials and U.S. Department of Labor Office of Inspector General Audit Report No. 26-11-004-03-370, Job Corps Needs to Improve Reliability of Performance Metrics and Results, September 30, 2011.

DOL has not identified and disseminated strategies for increasing access to employment-related data or helping to minimize the subjectivity of training-related determinations, but instead has focused exclusively on increasing data reporting rates. While DOL officials maintain that manual follow-up with participants is the best approach for obtaining employment related data, they also recognize that such data collection is resourceintensive. In addition, as officials in all six of our selected states also noted, DOL officials acknowledged that determining whether a participant's employment is training-related can be a subjective decision. They noted challenges in defining training-related employment more precisely. For example, officials said some training is intended to develop broad, nonspecific skills that may help participants get jobs but are not associated with a specific occupation or industry. We recognize that utilizing professional judgment is inherent in certain tasks such as determining whether a participant's employment is related to the training the participant received. However, minimizing the amount of subjective decision-making involved to the extent possible could help ensure better quality data on training-related employment. Reasonable approaches for improving the quality of performance data focus on aspects of completeness, accuracy, consistency, and ease of use. 59 By identifying and sharing with states practices to increase access to employmentrelated data and reduce the subjectivity of some determinations, DOL could help states improve their reporting of data on training-related employment.

In addition to the strategies all six selected states use to mitigate reporting challenges, workforce officials from three states and workforce experts at two national organizations said some additional considerations should be taken into account in weighing a performance measure on training-related employment (see table 5). We previously noted concerns about the level of resources required and the subjectivity of determinations, both of which could affect the data's completeness and consistency—key aspects of performance data quality. The state and local strategies we identified may help mitigate some reporting challenges. In addition, a participant's successful placement in a training-related job depends on both the ability and decision to pursue such a position. Some local workforce officials we contacted said that it may take

<sup>&</sup>lt;sup>59</sup> GAO, Performance Plans: Selected Approaches for Verification and Validation of Agency Performance Information, GAO/GGD-99-139 (Washington, D.C.: July 30, 1999).

participants longer to find employment in their field of training than is allowed for reporting purposes. <sup>60</sup> For example, workforce officials in Rhode Island said that due to the poor economy in their state, it is not uncommon for some participants to take 2 years or more to find a job. Additionally, workforce officials in three states we contacted said participants may decide to take a job unrelated to their training if it is the only job they can find or if they simply choose not to pursue a job in the field in which they were trained.

 $<sup>^{60}</sup>$  According to DOL officials, states must report on the number of participants who find training-related employment within three quarters of their exit from WIA services.

Table 5: Establishing a Performance Measure on Training-Related Employment: Challenges, Potential Mitigation Strategies, and Considerations

Challenges	Potential mitigation strategies	Related considerations
Collecting data can be resource-intensive	Build relationship with participant early on to enhance responsiveness to follow-up efforts.  Have participants sign release forms so employers can share credential information.	Strategies do not guarantee a reduction in the resources required to collect data because case managers must still follow-up with participants and employers.
	Subscribe to payroll record databases (e.g. <i>The Work Number</i> ).  Require employers to report occupational codes to state job banks.	Because data collection can depend on multiple data sources and the cooperation of participants and employers, these strategies do not guarantee that local areas will be able to obtain necessary employment information. Participants and employers may be unresponsive, or employers may not report complete data on their employees. This may result in underreporting.  State and local workforce agencies may not have the
		resources to subscribe to payroll record databases.
		Requiring employers to report occupational codes could place more burdens on employers.
Determining whether employment is related to training is subjective	Consult the American Job Center's local business services office.	Additional input may not help make a valid determination.
	Discuss internally and reach consensus with supervisors or peers.  Use O*NET to find occupational codes associated	Using O*NET to find specific occupational codes and matching to training codes may still involve some subjectivity.  It is generally straightforward to make training-related determinations for some types of training such as OJT and customized training for employers.
	with job titles and match to training code.  Note: The strategies presented in the row above may also help mitigate the subjectivity of determining training-related employment.	
Participants may not find a training-related job before the reporting deadline	Provide job search and placement assistance to help participants find training-related jobs.	Strategies do not guarantee a successful placement in a training-related job.
Participants may choose to take a job unrelated to their training	Counsel participants about related jobs before placing them in training to help ensure the job they are training for is of interest to them.	Participants may still decide to take a job unrelated to their training.

Source: GAO analysis of interviews with selected state and local officials and workforce experts.

#### Conclusions

To ensure that public funds invested in WIA's Adult and Dislocated Worker Programs are spent wisely, program managers and policymakers need performance data that are accessible, complete, accurate and consistent. The current common performance measures—employment, retention, and earnings—provide a basis for assessing the overall value of the services the programs provide, primarily using a standardized data source (state UI wage records). Beyond these, data on outcomes such as

credential attainment and training-related employment can potentially provide information more specifically on the value of training services. However, as we have noted, collecting data on these outcomes can be more resource-intensive, in part because there is no single readily available source of data.

DOL has taken steps to elevate the importance of credential attainment and improve data quality for this outcome. We found credential attainment data reported to DOL to be reliable. In contrast, we found the data reported to DOL on training-related employment to be incomplete and inconsistent. While DOL has acknowledged challenges in collecting data on and determining training-related employment, it has taken only limited steps to address these challenges, focusing efforts exclusively on improving reporting rates. This effort alone will not improve the quality of the data being reported. Given the nature of the challenges we identified, there are no easy or complete solutions. However, we also identified strategies some states use that may help increase access to employment information and reduce the subjectivity of some training-related determinations. Sharing such strategies with other states, as well as identifying and communicating other approaches, could lead to incremental improvement in the quality of data reported. Without such action, the data states are required to report on training-related employment are likely to remain unusable.

## Recommendation for Executive Action

To provide policymakers and program managers with better quality information to assess the value of training provided by WIA's Adult and Dislocated Worker Programs, we recommend that the Secretary of Labor identify and share with states strategies for collecting and reporting data on training-related employment that could either increase access to employment information or reduce the subjectivity of determining when training is related to employment.

### Agency Comments and Our Evaluation

We provided a draft of this report to the Secretary of Labor and selected draft sections to the Secretary of Education. DOL and Education provided technical comments, which we incorporated as appropriate, and DOL provided a written response (see app. II). DOL agreed with our recommendation and noted that having reliable data on training-related employment is important to effectively manage and evaluate the Adult and Dislocated Worker Programs. DOL also agreed that states can benefit from learning what other states are doing to address challenges regarding access to and subjectivity of these data. Toward this end, DOL

noted that it plans to conduct additional conference calls with state officials to reiterate the importance of identifying training-related employment and continue to discuss and share best practices to improve these data. DOL noted that this sharing of best practices would supplement actions it has already taken to improve data on training-related employment. These actions include coding changes to the WIASRD to capture additional information, conference calls with state workforce officials to discuss reporting on training-related employment, and a work group considering adding more data elements to the UI wage records such as an occupational code.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its issue date. At that time, we will send copies of this report to the appropriate congressional committees, the Secretary of Labor, the Secretary of Education, and other interested parties. In addition, the report is available at no charge on the GAO website at <a href="http://www.gao.gov">http://www.gao.gov</a>.

If you or your staff have any questions about this report, please contact me at (202) 512-7215 or <a href="mailto:sherrilla@gao.gov">sherrilla@gao.gov</a>. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who make key contributions to this report are listed in appendix III.

Andrew Sherrill

Director

Education, Workforce,

and Income Security Issues

andrew Sherrill

# Appendix I: Objectives, Scope, and Methodology

Our objectives for this study on the Workforce Investment Act's (WIA) Adult and Dislocated Worker Programs were to examine: 1) the extent to which training participants obtain credentials and secure training-related employment, 2) challenges states face reporting on credential attainment and what steps, if any, they and DOL are taking to address them, 3) challenges states face in reporting on training-related employment and what steps, if any, they and DOL are taking to address them.

To address these objectives, we reviewed relevant federal laws, regulations, and DOL's guidance to states for reporting select data on participants in the WIA Adult and Dislocated Worker Programs. We interviewed DOL officials from the Employment and Training Administration and the Office of Inspector General as well as experts on workforce issues (see Selection of Experts, below). We also interviewed state and local workforce officials as well as organizations that provided an employer perspective from a nongeneralizeable sample of six states (see Selection of States and Local Areas, below). To assess the reliability of the data DOL collects on credential attainment and training-related employment, we analyzed data from the Workforce Investment Act Standardized Record Data (WIASRD) system for program year 2010 and program year 2011—the most recent years for which data were available—by testing the data electronically and interviewing knowledgeable agency officials. We found the data to be sufficiently reliable for providing estimates on: 1) participants who received training, 2) the minimum number of training participants who earned a credential, and 3) the types of credentials they earned. However, we determined that the data on training-related employment were not reliable for the purposes of our report (see Analysis of DOL's Training Outcome Data below).

#### Selection of Experts

We interviewed experts on workforce issues representing six organizations. We identified experts by first reviewing relevant literature and asking officials from DOL for recommendations. We further

<sup>&</sup>lt;sup>1</sup> Program year 2011 runs from July 1, 2011 through June 30, 2012. WIASRD is a national database of individual records with information on the characteristics, activities, and outcomes for all enrolled participants who received services or benefits under WIA. Participant data are typically collected by frontline staff at local American Job Centers and entered into a state or local data system. After the state receives data from local areas, it compiles and formats the information and submits it electronically to DOL.

developed the list by asking each expert we interviewed for additional names. Only experts who were mentioned more than once were selected. The results of these interviews are not generalizeable, but provided insights about the overall challenges states face in reporting on these outcomes and any efforts by states to overcome them.

### Selection of States and Local Areas

We interviewed state and local workforce officials from a nongeneralizeable sample of six states. We conducted in-person interviews with officials in Alabama, Illinois, and Texas and telephone interviews with officials in Kansas, Rhode Island, and Washington (see table 4). These results are not generalizeable, but provided insights about the challenges they face in reporting data on credential attainment and training-related employment as well as any steps they are taking to address those challenges. We selected the states to reflect a mix of those that had leading-edge data practices (as identified by experts) and those with either incomplete data or relatively high rates of reporting errors (as identified by WIA data quality reports on credential attainment).<sup>2</sup> We also factored geographic diversity into state selection. In each state, we interviewed state workforce officials and also local workforce officials from at least one workforce investment board and at least one American Job Center—formerly known as a one-stop center. We selected a nongeneralizeable sample of local areas based on input from state workforce officials and, for states we visited, proximity to the state workforce agency. In addition, we interviewed at least one employer organization in each state. In selecting these entities, we considered states' input on organizations that could provide us with an employer perspective on the value of credentials and certain types of training for various industries. They included statewide business associations, regional business associations, individual employers, and industry-specific representatives.

<sup>&</sup>lt;sup>2</sup> Error rates were not available for data on training-related employment, so we did not consider these data in state selection.

State	Workforce Investment Board	City of American Job Center
Alabama	Alabama Workforce Investment Area	Montgomery
Illinois	Chicago Cook Workforce Partnership	Chicago
Kansas	Workforce Alliance of South Central Kansas	Wichita
Rhode Island	Workforce Solutions of Providence/Cranston	Providence
Texas	Workforce Solutions: Rural Capital Area	Round Rock
	Workforce Solutions: Alamo	San Antonio
Washington	Workforce Development Council of Seattle-King County	Seattle

Source: GAO state and local areas interviews

In each state, we obtained information about the state and local area's process of collecting data on credentials and employment related to training as well as any challenges they may have encountered. We also asked state officials about DOL's related guidance. We used a semi-structured interview guide for the state and local interviews.

### Analysis of DOL's Training Outcome Data

To assess the reliability of DOL's data on training, credential attainment, and training-related employment in the WIASRD database for participants in the WIA Adult and Dislocated Worker programs, we: (1) reviewed documentation related to reporting these data, including DOL's Office of Inspector General reports; (2) tested the data electronically to identify potential problems with consistency, completeness, or accuracy; and (3) interviewed knowledgeable DOL officials about the data. Our electronic testing consisted of identifying inconsistencies, outliers, and missing values. In addition, we analyzed the publicly-available WIASRD data file for program years 2010 and 2011, which was produced for DOL by its data contractor, Social Policy Research Associates. As part of our analysis, we reviewed the steps the data contractor took to address data errors and, to the extent possible, compared the data DOL provided for our analysis to the publicly-available file, and found only slight discrepancies. We found the data on training and credential attainment to be sufficiently reliable for reporting estimates of: (1) participants who received training, (2) the minimum number of training participants who earned a credential, and (3) the types of credentials they attained. We were not able to reliably make state-to-state comparisons because two states are piloting a new reporting format for DOL, and therefore would not have been compatible with the others. For the purposes of this report, we did not find the data on training-related employment reliable. We

Appendix I: Objectives, Scope, and Methodology

reached this conclusion based on our analysis of the data, an Office of Inspector General report, and DOL's data quality reports. We were not able to determine how many training participants in the Adult or Dislocated Worker Programs obtained employment related to their training in program year 2011. For the Adult Program, we found that states reported data on 48 percent of training participants, but had missing data for the remaining 52 percent. For the Dislocated Worker Program, states reported data on 74 percent of training participants, but had missing data for the remaining 26 percent. Further, an analysis of the reported data showed wide variation among states regarding the percentage of participants who obtained training-related employment raising questions about the data's reliability.

We conducted this performance audit from October 2012 to January 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit work 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 provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Comments from the Department of Labor

#### U.S. Department of Labor

Employment and Training Administration 200 Constitution Avenue, N.W. Washington, D.C. 20210



JAN 24 2014

Andrew Sherrill
Director
Education, Workforce, and Income Security Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, District of Columbia 20548

Dear Mr. Sherrill:

On behalf of the U.S. Department of Labor (the Department), I want to thank you for the opportunity to review the Government Accountability Office's (GAO) draft report entitled: *Workforce Investment Act: Strategies Needed to Improve Certain Training Outcome Data* (GAO-14-137). We appreciate the information provided in the report and the opportunity to comment.

The GAO report makes one recommendation to the Department:

To provide policy makers and program managers with better quality information to assess the value of training provided by WIA's Adult and Dislocated Worker programs, we recommend that the Secretary of Labor identify and share with states strategies for collecting and reporting data on training-related employment that could either ease access to employment information or reduce the subjectivity of determining when training is related to employment.

In response to this recommendation, the Department's Employment and Training Administration (ETA) will conduct additional conference calls with staff of state workforce agencies to reiterate the importance of identifying training-related employment and to discuss and share best practices, and updates on how states have been accomplishing this task. The Department understands the importance of reliable data on training-related employment and appreciates the attention that this report brings to states' challenges in collecting and reporting these data. The Department agrees that states can benefit from learning what other states are doing to address these challenges regarding access to and subjectivity of these data.

This sharing of best practices would supplement a number of actions that the Department has already taken to improve data on training-related employment, which includes the following:

- Held conference calls with states in August 2012 regarding the topic of the reporting of training-related employment in the Workforce Investment Act Standardized Record Data (WIASRD)
- Issued ETA Training and Employment Notice 5-13, Reporting Training-Related Employment under the Workforce Investment Act (WIA) Programs (September 2013),

1

which is described in the GAO report and includes best practices identified in the August 2012 conference calls.

- Added a "Not Known" option for the WIASRD training-related employment field, effective July 2013, to remove ambiguity between negative versus unknown responses.
- Added to WIASRD an industry code of employment field, effective July 2013, using the North American Industry Classification System code that is usually available through state wage records.
- Participates in a Wage Record Enhancement Work Group, convened by the Workforce Information Council in cooperation with the National Association of State Workforce Agencies, since March 2013. This work group is tasked with studying the potential benefits to end-users and costs to employers of adding more data elements (such as an occupational code) to the state Unemployment Insurance quarterly wage records.

We agree that ensuring the reliability of training-related data reported by the states is important to effectively manage and evaluate Workforce Investment Act (WIA) Adult and Dislocated Worker programs. However, we believe that such improvement should be balanced with the flexibility that WIA gives to states and with the Department's responsibility to prioritize use of its limited resources. Similar to GAO, the Department recognizes that training-related employment inherently has a certain level of subjectivity associated with the metric. We have worked with states to ensure that quality data are collected for training-related employment under WIA. Calls with state workforce professionals in August 2012 confirmed that this data element is often under-reported due simply to the high resource burden associated with its collection – a burden noted in the GAO report. Because there currently is no cost-effective method available to obtain the occupation of employment without using manual follow-up, the Department believes that the most reliable information is already being collected. Nonetheless, as noted earlier, the Department will continue to communicate with state workforce agencies about the importance of and strategies for improving data on training-related employment.

If you would like additional information, please do not hesitate to call me at (202) 693-2700.

Sincerely,

Eric M. Seleznow

Acting Assistant Secretary

# Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact:	Andrew Sherrill, (202) 512-7215 or sherrilla@gao.gov.
Staff Acknowledgments	In addition to the contact named above, Laura Heald, Assistant Director, John Lack, Jeffrey G. Miller, and Kathryn O'Dea Lamas made key contributions to this report. Also contributing to this report were James Bennett, Jessica Botsford, David Chrisinger, Elizabeth Curda, Kathy Leslie, Carol Patey, Rhiannon Patterson, Jerry Sandau, and Walter Vance.

#### Related GAO Products

Workforce Investment Act: Local Areas Face Challenges Helping Employers Fill Some Types of Skilled Jobs. GAO-14-19. Washington, D.C.: December 2, 2013.

Workforce Investment Act: DOL Should Do More to Improve the Quality of Participant Data. GAO-14-4. Washington, D.C.: December 2, 2013.

Postsecondary Education: Many States Collect Graduates' Employment Information, but Clearer Guidance on Student Privacy Requirements Is Needed. GAO-10-927. Washington, D.C.: September 27, 2010.

Workforce Investment Act: Employers Found One-Stop Centers Useful in Hiring Low-Skilled Workers; Performance Information Could Help Gauge Employer Involvement. GAO-07-167. Washington, D.C.: December 22, 2006.

Workforce Investment Act: Labor and States Have Taken Actions to Improve Data Quality, but Additional Steps Are Needed. GAO-06-82. Washington, D.C.: November 14, 2005.

Workforce Investment Act: Substantial Funds Are Used for Training, but Little Is Known Nationally about Training Outcomes. GAO-05-650. Washington, D.C.: June 29, 2005.

Workforce Investment Act: Labor Should Consider Alternative Approaches to Implement New Performance and Reporting Requirements. GAO-05-539. Washington, D.C.: May 27, 2005.

Workforce Investment Act: States and Local Areas Have Developed Strategies to Assess Performance, but Labor Could Do More to Help. GAO-04-657. Washington, D.C.: June 1, 2004.

Workforce Investment Act: Labor Actions Can Help States Improve Quality of Performance Outcome Data and Delivery of Youth Services. GAO-04-308. Washington, D.C.: February 23, 2004.

Workforce Investment Act: Improvements Needed in Performance Measures to Provide a More Accurate Picture of WIA's Effectiveness. GAO-02-275. Washington, D.C.: February 1, 2002.

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