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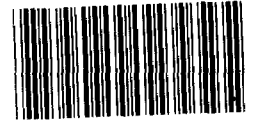
United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-253683

June 15, 1993

The Honorable William D. Ford
Chairman, Committee on Education
and Labor
House of Representatives



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Dear Mr. Chairman:

For many years, those seeking assistance in finding employment as well as those responsible for providing help have had to cope with the large number of federal employment training programs. Based on our analysis of the Catalog of Federal Domestic Assistance, the fiscal year 1993 budget, agency documents, and discussions with agency officials, we found that 14 federal agencies¹ have allocated \$24 billion to administer 151 employment training programs during 1993.²

You asked us to look at the problems created by this fragmented "system" and the difficulty in coordinating client services. You also asked us what states were doing to coordinate local service delivery and what role the Employment Service (ES) might play in a more coherent, coordinated system.

Although many agree that a comprehensive, integrated employment training system is needed, how to create such a system has sparked much discussion. Reducing the number of federal programs could ease some of the problems of coordinating local services; however, significantly reducing the number will be a challenge. The development of a comprehensive integrated system will more likely come from efforts to improve coordination among the various federal programs. State agencies have tried several initiatives to simplify the myriad of programs and funding streams. Some

¹See enclosures I and II for a listing of agencies that sponsored some form of employment training assistance.

²In a letter to the Chairman, Senate Committee on Labor and Human Resources, (GAO/HRD-92-39R, July 24, 1992), we reported that 125 programs provided various forms of employment training assistance during 1991.

GAO/HRD-93-26R, Multiple Employment Programs

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appear to have met with success; others have not. Clearly, no simple solution exists.

BACKGROUND

The many federal programs provide a large base of employment and training resources. For example, the Department of Education administered 59 programs that provided \$13 billion for training assistance. The Department of Labor administered 34 programs that provided \$7 billion for such assistance.

Some of these programs have also established large networks of offices nationwide. For example, the Employment Service, operating as a joint federal state partnership, has a network of over 1,700 offices throughout the nation. These offices provide counseling, testing, and job referrals to job seekers without regard to economic or employment status. Programs under the Job Training Partnership Act (JTPA) provide training as well as placement assistance to both the economically disadvantaged and dislocated workers through a network of over 600 service delivery areas. Other programs provide grants to local agencies in the community who either provide services directly or contract with local educational or training institutions to help workers obtain training or find employment.

These programs often share a common goal for their participants. However, they lack a central mechanism at the local level to coordinate their services. The proposed fiscal year 1994 budget includes \$150 million to provide for "one-stop career centers" to streamline access to job and training information and help coordinate local service delivery.

SCOPE AND METHODOLOGY

To better understand the problems created by this fragmented approach and identify recent state initiatives to better coordinate services, we met with representatives from several employment and training organizations. These organizations included: the National Alliance of Business, the National Association of Private Industry Councils, the National Commission for Employment Policy, the National Governors' Association, the National Association of State Directors of Vocational Technical Education Consortium, International Association of Personnel in Employment Security and the Interstate Conference of Employment Security Agencies. We also reviewed general literature on service integration issues. In addition, we interviewed

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officials from Iowa, Georgia, New York and Wisconsin about their coordination efforts.

We did not evaluate the results of these state initiatives. In most instances, the initiatives were too recent or not enough data were available to evaluate the state or local coordination effort.

RESULTS IN BRIEF

The fragmented "system" of federal programs creates a variety of problems that hamper programs in helping workers to obtain training and find jobs. We found that (1) the lack of access to information about program eligibility and services can limit access to programs and confuse potential participants about what services are available, (2) the lack of an independent assessment can also limit the access participants have to services that would best meet their needs, (3) duplication of intake and assessment processes among programs can add unnecessary costs to program operations and add burden to clients and employers, and (4) the lack of an integrated client tracking system makes it nearly impossible to relate client services to outcomes.

Several states have launched initiatives in an attempt to better coordinate employment and training service delivery at the local level. These initiatives address some of the problems of the current fragmented system, such as limited access to information, lack of independent assessment, duplication, and lack of an integrated client tracking system. Each approach has its advantages, and state officials believe that some are experiencing some success in improving the coordination of local employment training services.

Regardless of which approach was used, we found that ES was often a key player. As approaches for coordinating employment training assistance are considered, the roles of ES as well as other key resources should be clearly defined to avoid creating another program that merely competes with the current ones.

PROBLEMS WITH THE CURRENT EMPLOYMENT AND TRAINING "SYSTEM"

The fragmented "system" of federal employment training programs often creates problems for job seekers,

administrators, and employers.³ For example, the lack of ready access to information about what services programs offer can create confusion for job seekers as to which program best meets their needs and restricts their access to services. Regardless of which program job seekers contact first, they should have ready access to good information about where they can obtain all of the services they are eligible to receive.⁴ Without information on available services, individuals will likely choose the first program they encounter, even if those services may not be best suited to their needs.

Another way the limited availability of information can confuse those seeking government assistance is illustrated by browsing through a local telephone directory. The Detroit area telephone directory, for example, lists several pages of private employment agencies and training institutions, but has little information on the government programs that can assist those seeking help. As a result, individuals may have difficulty knowing where to begin looking for assistance. This is unfortunate given that many of these government programs can help individuals select and obtain the most effective services from the private service providers.

Lack of independent needs assessment is another problem with the current service delivery system. Previous GAO work on dislocated worker assistance programs showed that appropriate assessment is a key part of tailoring assistance to workers' varied skills and interests, which enhances their reemployment potential.⁵ However, some assessments are performed by service providers who have a vested interest in which services participants receive. In a recent analysis of JTPA services, we found that 80 to 90

³Working Capital: Coordinated Human Investment Directions for the 90's, Job Training Partnership Act Advisory Committee Report to the Secretary of Labor, October 1989; Coordinating Federal Assistance Programs for the Economically Disadvantaged: Recommendations and Background Materials, National Commission for Employment Policy, October 1991.

⁴Creating a Vision: The Workforce Preparation System of the Future, New York State Job Training Partnership Council, February, 1990.

⁵Dislocated Workers: Labor-Management Committees Enhance Reemployment Assistance (GAO/HRD-90-3, Nov. 21, 1989).

percent of the program participants in two major metropolitan areas stayed with the service provider that recruited them.⁶ As a result, participants may not receive services tailored to their specific needs, but rather only those the service provider offers. In addition, an emphasis on performance outcomes, rather than client needs, can encourage service providers to steer participants into low-risk training that does not optimize the skills or capabilities of the client, but rather assures that service providers receive payment.⁷

Duplicative intake and assessment processes as well as placement activities can also waste resources and cause frustration for some job seekers. Given that 90 programs provide counseling and assessment services, which are rarely coordinated between programs, the case of "Mary" portrayed below may be quite common. Mary started her search for assistance at the local public employment office. She completed an application, took a skills assessment test, and was interviewed by an agency representative. Because she did not have any job experience or job-related skills, the representative referred her to a local job training agency. Mary then went to the training agency's intake center where she again completed an application and was again interviewed by agency staff. After documenting Mary's eligibility for services, the interviewer told her that she would have to take a skills assessment test. Mary informed the interviewer that she had already taken a test at the public employment office, but she had to take another test because the interviewer did not have the previous results.

In addition, duplication of job placement assistance may also confuse and frustrate employers. We found that over 50 federal programs provide job placement assistance. One state official told us that employers do not want staff from each of these programs soliciting job openings from them. They want a single point of contact that understands their needs and will provide them with qualified candidates.

⁶Job Training Partnership Act: Racial and Gender Disparities in Services (GAO/HRD-91-148, Sept. 20, 1991).

⁷The 1992 JTPA amendments require that JTPA participants receive an objective assessment before being assigned to specific training. However, the amendments do not prohibit JTPA from conducting the assessments for the individuals it recruits.

Another concern with the fragmented system is that efforts to monitor program performance and outcomes are difficult because programs cannot readily track participant progress across programs, and sometimes even within programs. For example, the JTPA Title IIA⁶ program tracks activity by funding source, rather than by individual participant. To gather information on the services received by a particular client from this one program, evaluators or local administrators would have to tap into as many as four separate databases. Further, this does not include any information on the services the individual may have received from other programs.

RECENT ATTEMPTS TO COORDINATE LOCAL
EMPLOYMENT AND TRAINING PROGRAMS

In an attempt to improve local service delivery of federal employment training programs, several states have taken the initiative to reorganize their service delivery "system" to better coordinate services at the local level. These initiatives are designed to (1) ease access to services and reduce client confusion, (2) improve independent assessment, (3) reduce duplication, or (4) improve the ability to track client progress. Many of the initiatives are still in their early stages, and it is too soon for an in-depth evaluation, but state officials believe many of the initiatives have been, at least in part, successful in improving the coordination of local employment training services.

Ease Access and Reduce Confusion

New York has launched several initiatives to help ease client access to services. For example, some local ES offices were designated as "Community Service Centers." These offices combine basic employment services with a community-wide referral system for all local employment, training, and support agencies. In addition, individuals and employers have access to job listings and labor market information through computer terminals at various locations statewide--including job training agencies, colleges, and retail malls. A New York Labor official told us that these initiatives have significantly eased client access to

⁶Title IIA is the single largest program under JTPA. It provides job training services to economically disadvantaged individuals through four funding streams--general program funds, incentive funds for serving special populations, education coordination funds, and funds for older workers.

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information about all programs and services available no matter where they first access the system.

To reduce client confusion, Massachusetts has located staff from many programs in one facility. During the late 1980s, the Massachusetts Department of Employment and Training collocated employment and unemployment services in 40 Opportunity Job Centers statewide. Recent market research showed that one positive outcome associated with collocating services was that job seekers recognized the Department of Employment and Training as a source of "assistance" (78 percent), rather than the "unemployment office" (only 7 percent). Another benefit was that during the first year of collocation, the Department of Employment and Training helped 76 percent more claimants find a job than in the previous year.

Improve Independent Assessment

To reduce duplication and improve independent assessment, a local area in Pennsylvania piloted a "Single Point of Contact" intake and assessment program for several major federal programs. Under this approach each client receives a one-on-one interview and an in-depth skills assessment that enables staff to identify the services available through each program that best meet the client's needs. Because officials believe this approach was successful, it is now also serving as the intake and assessment for the Job Opportunity and Basic Skills (JOBS) program in most of the state's jurisdictions.⁹

Reduce Duplication

Several states have begun using case managers to help provide services from a range of programs. These case managers can meet multiple needs of individuals without performing multiple needs assessments. Clients entering a program are assigned to a case manager who assesses the clients' needs and, when necessary, makes referrals to other programs in the system. In 1987, Wisconsin started using a case management approach in its Job Center Networks and has continued to expand its use since then.¹⁰ A Wisconsin

⁹National Alliance of Business, Building a Workforce Investment System for America, April 1992.

¹⁰"Making the Connection: Coordinating Education and Training for a Skilled Workforce," reference material presented at a 1991 conference conducted by the Department

official described case management as "essential" for coordinating client services, especially for clients with multiple barriers to finding employment. According to a report by the Texas Department of Commerce, "well designed case management efforts represent an opportunity . . . to better organize services to reduce fragmentation and duplication."¹¹ It also refers to the case manager as the "human connector for the system."

Improve Ability to Track Participant Progress Across Program Lines

Several states are experimenting with computer systems that can track participants across program lines. Having a computer system that is participant-centered, not program-oriented, is necessary in a fragmented system to determine who is being served and what works for whom. New York is developing a comprehensive, client-centered computer system called "Gateway." The long range objective is to build a system linking client information on services received across agencies and generate data for evaluating how the system as a whole works to serve individuals.¹² Iowa is developing a similar automated system. One Iowa official told us that determining the effectiveness of all services depends on their ability to create a computerized reporting system that can consolidate information across program lines.

THE EMPLOYMENT SERVICE CAN BE A KEY RESOURCE

In many of the examples described above, the ES was a key player in organizing or supporting whatever approach was used. Also, national groups, state officials, and employers consistently identified ES as a key resource in any strategy for coordinating local service delivery.

ES already reaches into many communities bringing together individuals seeking employment and employers seeking workers

of Labor, the Department of Education, and the Department of Health and Human Services.

¹¹Creating a Human Investment System in Texas: No Wrong Door, Texas Department of Commerce, State Job Training Coordinating Council, Work Force Development Division.

¹²Creating a Vision: The Workforce Preparation System of the Future, New York State Job Training Partnership Council, February 1990.

through its vast network of local offices, making it one of the most accessible employment assistance agencies. Each year, about 18 million people receive ES assistance, such as counseling, testing, and matching job seekers with employers' job openings. Services are available to everyone without regard to economic or employment status. ES is also independent of other federal, state, and local employment and training programs and, therefore, should not have a vested interest in making referrals to any specific local agencies.

However, some officials expressed concern over the variation in the availability and quality of services across local ES offices. Previously we reported substantial variation in the performance of local ES offices.¹³ Areas in ES that need improvement include the following:

- Reestablishing job counseling and testing as an integral part of ES intake services. Since 1980, client counseling declined by at least 50 percent and testing was reduced, or eliminated, in many ES offices.
- Modernizing offices by automating client information and providing training to staff. The ability to provide meaningful counseling, referral, and placement services depends on the availability of reliable data and trained staff. Funds for automation and staff training have been significantly reduced or eliminated in most states.
- Decreasing client-to-staff ratios. The total number of ES staff has declined over the past decade, while the number of persons applying for services has stayed about the same. To provide better services, ES will need to increase the number of staff providing client services in local offices.

These improvements would make ES an even stronger partner in whatever approach the Congress or states use to coordinate employment training programs. However, there is a large investment in several other structures, as well, including the JTPA service-delivery areas network and community colleges. They too should provide support for whatever approach is used to assure that we are not just creating ~~another program that merely competes with the current ones.~~

¹³Employment Service: Improved Leadership Needed for Better Performance (GAO/HRD-91-88, Aug. 6, 1991); and Employment Service: Variations in Local Office Performance (GAO/HRD-89-116BR, Aug. 3, 1989).

CONCLUSIONS

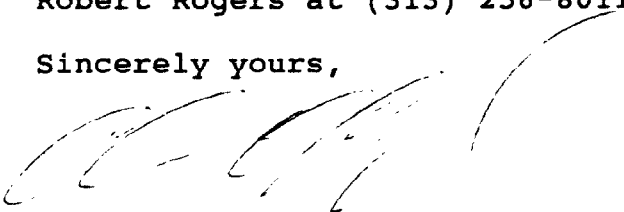
The need for a comprehensive, integrated employment training system is clear. States and local agencies have begun to struggle with the problem of coordinating local services, but the federal government needs to support their efforts.

The proposed 1994 budget for the Department of Labor includes \$150 million to provide for "one-stop-shop" career centers to streamline access to job and training information. According to the budget proposal, these centers are to serve as common entry points for all those seeking access to career counseling, assessment, occupational information, and referral to jobs and other training and employment programs and related services in the community.

By properly channeling such assistance to support state and local coordination efforts, the federal government can play an important role in encouraging better coordination of employment training services. However, whatever federal assistance is provided, it should guard against the establishment of another program that merely competes with those that already exist.

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Should you have any questions or wish to discuss the information provided, please call me at (202) 512-7014 or Robert Rogers at (313) 256-8011.

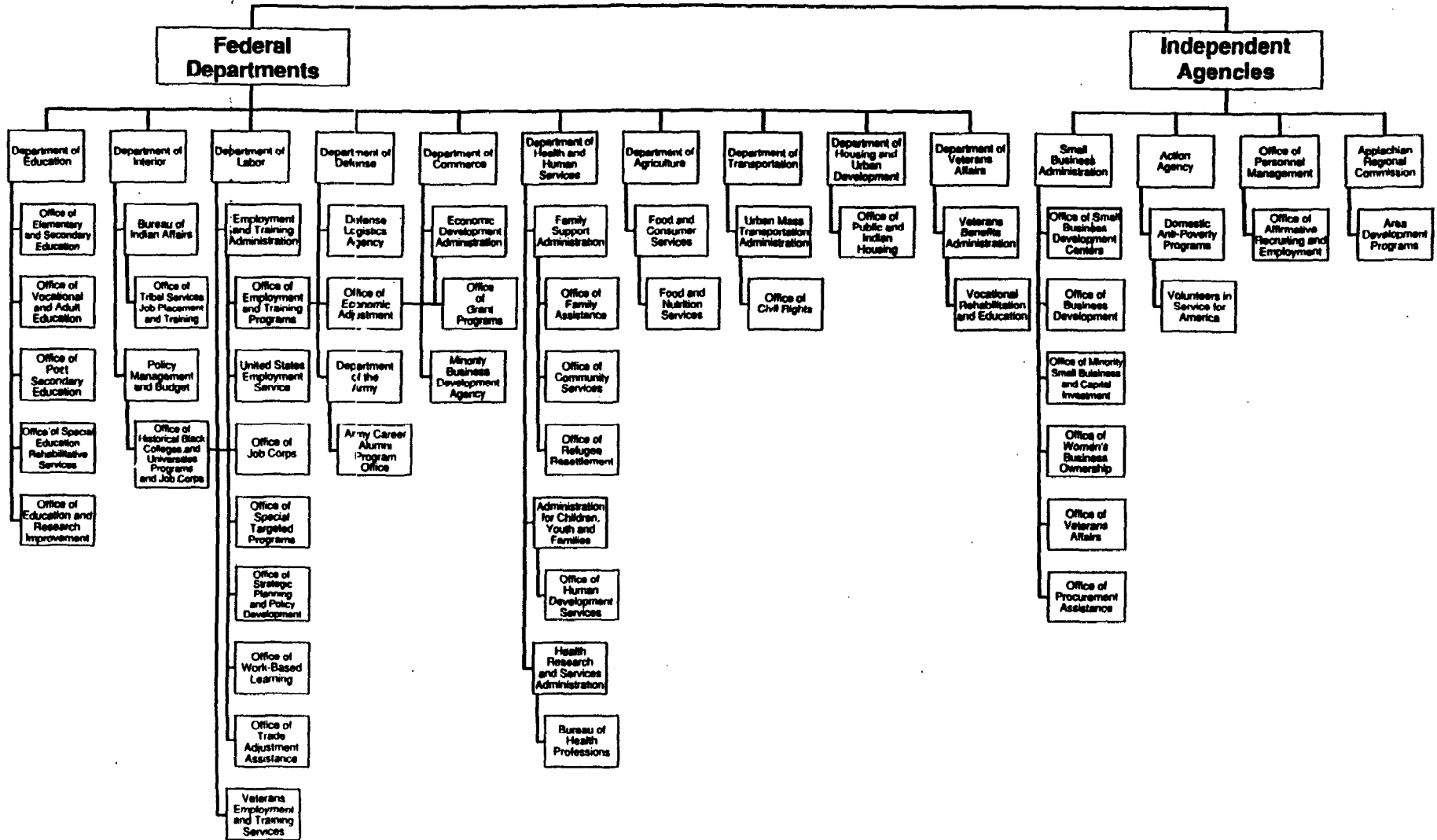
Sincerely yours,



Linda G. Morra
Director, Education and
Employment Issues

Enclosures - 2

**EXECUTIVE BRANCH AGENCIES RESPONSIBLE
FOR EMPLOYMENT AND TRAINING PROGRAMS**



FEDERAL EMPLOYMENT AND TRAINING PROGRAMS:
FUNDING LEVELS BY AGENCY (FISCAL YEAR 1993)

Federal agency	Number of programs	Funding levels (in millions)	Percent of total
ACTION	3	\$98.5	0.41
Department of Agriculture	1	160.5	0.67
Appalachian Regional Commission	1	7.8	0.03
Department of Commerce	9	317.5	1.32
Department of Defense	2	88.9	0.37
Department of Education	59	13,043.7	54.18
Department of Health and Human Services	14	1,648.2	6.85
Department of Housing and Urban Development	4	392.6	1.63
Department of Interior	2	22.2	0.09
Department of Labor	34	7,015.3	29.14
Office of Personnel Management	1	^a	^a
Small Business Administration	8	168.7	0.70
Department of Transportation	1	1.8	0.01
Department of Veterans Affairs	12	1,107.4	4.60
Total	151	\$ 24,073.1	100.00

^aProgram coordinated by OPM, but carried out by numerous federal agencies.

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