EMployment and Training Program
Grants

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

What GAO Found

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

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

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

<table>
<thead>
<tr>
<th>Number of Grants and Funds Awarded Competitively and Noncompetitively, Fiscal Years 2001-2007 (Dollars in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Initiative</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>High Growth</td>
</tr>
<tr>
<td>Community Based</td>
</tr>
<tr>
<td>WIRED</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

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