



Highlights of [GAO-08-486](#), a report to congressional requesters

EMPLOYMENT AND TRAINING PROGRAM GRANTS

Evaluating Impact and Enhancing Monitoring Would Improve Accountability

Why GAO Did This Study

Since 2001, Labor has spent nearly \$900 million on three workforce employment and training grant initiatives: High Growth Job Training Initiative (High Growth), Community-Based Job Training Initiative (Community Based), and the Workforce Innovation in Regional Economic Development (WIRED). GAO was asked to examine (1) the intent of the grant initiatives and the extent to which Labor will be able to assess their effects, (2) the extent to which the process used competition, was adequately documented, and included key players, and (3) what Labor is doing to monitor individual grantee compliance with grant requirements. To answer these questions, GAO obtained from Labor a list of grants for fiscal years 2001 through 2007, and reviewed relevant laws and Labor’s internal grant award procedures. GAO interviewed grantees, and state and local workforce officials in seven states where grantees were located, Labor officials, and subject matter experts.

What GAO Recommends

GAO recommends that Labor take steps to ensure that it can evaluate the initiatives’ impact, documents compliance with statutory program requirements for noncompetitive grant awards, and develops and implements a risk-based monitoring approach for WIRED grants. Labor said that it either had taken initial steps or planned to take steps to address these issues. Because these efforts were either preliminary or planned, GAO continues to stand by the recommendations.

To view the full product, including the scope and methodology, click on [GAO-08-486](#). For more information, contact George Scott (202)512-7215 scottg@gao.gov.

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; therefore, 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 to those of other federally funded employment and training services.

While grants under all three initiatives are now awarded competitively, the initial noncompetitive process for High Growth grants was not adequately documented and did not include key players. Community Based and WIRED grants have always been awarded competitively, but more than 80 percent of High Growth grants were awarded without competition. Labor began awarding some High Growth grants competitively in 2005 and Congress required Labor to award certain grants competitively in fiscal years 2007 and 2008. This requirement applies only to those years. Labor could not document criteria used to select the noncompetitive High Growth grants or whether these grants met internal or statutory requirements. Labor has taken steps to strengthen the noncompetitive process, but these procedures do not explicitly require documentation of compliance with statutory program requirements. Labor’s process for identifying solutions for industry workforce challenges did not include the vast majority of local workforce investment boards, which oversee local employment and training services.

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, but not for WIRED. Labor has a process to address findings from single audit reports, but its inspector general found problems with Labor’s follow up on the completion of these audits for its grantees in general and recommended that Labor put procedures in place to do so. Labor provides technical assistance for the three initiatives and spent \$16 million on contracts to help offer this support.

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

Grant Initiative	Number of grants	Competitively awarded amount	Noncompetitively awarded amount	Totals by grant initiative
High Growth	166	\$31.8	\$263.8	\$295.6
Community Based	142	250.0	0	250.0
WIRED	41	324.0	0	324.0
Total	349	\$605.8	\$263.8	\$869.6

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