



Highlights of [GAO-09-396T](#), a testimony before the Subcommittee on Higher Education, Lifelong Learning, and Competitiveness, Committee on Education and Labor, House of Representatives

## Why GAO Did This Study

Since the Workforce Investment Act's (WIA) enactment in 1998, GAO has issued numerous reports that included recommendations regarding many aspects of WIA. These aspects include performance measures and accountability, funding formulas and spending, one-stop centers, and training, as well as services provided to specific populations, such as dislocated workers, youth, and employers. Collectively, GAO studies employed an array of data collection techniques, including surveys to state and local workforce officials and private sector employers; site visits; interviews with local, state, and Department of Labor (Labor) officials; and analyses of Labor data and documents. This testimony draws upon the results of these reports, issued between 2002 and 2008, and discusses issues raised and recommendations made. Specifically, this testimony addresses (1) progress made by Labor in addressing areas of concern, particularly related to GAO recommendations for action, and (2) what steps Labor has taken to ensure an understanding of what works and for whom in addressing the needs of workers and employers.

## What GAO Recommends

GAO is making no new recommendations at this time.

View [GAO-09-396T](#) or key components. For more information, contact George A. Scott at (202) 512-7215 or [scottg@gao.gov](mailto:scottg@gao.gov).

## Workforce Investment Act

### Labor Has Made Progress in Addressing Areas of Concern, but More Focus Needed on Understanding What Works and What Doesn't

#### What GAO Found

Labor has made some progress addressing earlier concerns regarding performance measurement and the accuracy of performance data, but issues with funding remain. The move to common measures helps provide a more complete picture of WIA services and may encourage services to challenging clients. With regard to such clients, Labor has chosen not to systematically adjust expected performance levels to account for different populations and local economic conditions, as recommended. Labor has made strides in improving the accuracy of performance data by requiring states to conduct data validation efforts. And, it has made progress in states' ability to share data for tracking WIA performance, securing the participation of all but one state in the Wage Record Interchange System. Labor is also moving ahead with plans to implement an enhanced data reporting system that would, for the first time, allow Labor and states to track an individual's progress through the one-stop system. While progress has been made with regard to performance data, ensuring that funding is consistent with the demand for services and reflects funds states have available remains an issue. Statutory formulas have caused wide fluctuations in the funding states receive, particularly under the Dislocated Worker program. In addition, Labor has chosen not to consider states' obligations when estimating their available funds, as recommended.

To date, Labor has been slow to comply with the requirement to conduct impact evaluations of its programs and activities carried out under WIA. In 2004 and 2007, we recommended that Labor comply with the requirements of the law and conduct an impact evaluation of WIA services to better understand what services are most effective for improving outcomes. In its fiscal year 2008 budget, Labor identified a WIA assessment as an effort the agency would begin, and it has since initiated two studies. One, a nonexperimental study, is now complete, and officials expect to publish the results in March 2009. The other uses a random assignment experimental design, and will not be completed until June 2015. To address what Labor perceived as shortcomings in the one-stop service delivery system, Labor developed three separate discretionary grant initiatives to focus on the employment and training needs of high-growth, high-demand industries and awarded almost \$900 million for these initiatives. However, Labor will be challenged to assess their impact given methodological issues related to outcome data. Moreover, Labor does not plan to include them in the assessment of the impact of WIA services because the initiatives have their own evaluations.