

Appendix 3

Program Evaluations at the Department of Labor

The Department of Labor has worked hard to cultivate an "Evaluation Culture," a term used by the U.S. General Accounting Office (GAO) in a recent report.¹ For the Department, this has meant welcoming objective reviews and audits by the Office of Inspector General (OIG) and the GAO. Beyond that, we initiate self-examination by contracting with professional evaluators, inviting them to study our programs and assess our effectiveness.

During the course of the past year, the evaluation programs at the Department of Labor have supported a wide variety of studies, such as:

- Process evaluations, reviewing our operating procedures and program implementations
- Outcome evaluations, moving us beyond a focus on our "outputs" and guiding us further in our commitment toward producing positive "outcomes"
- Impact evaluations, distinguishing the precise contribution of our programs from that of other external factors
- Cost studies, analyzing the delicate balance between the cost of operations and the yield in benefits.

While all of the audits and evaluations described below have their own unique focus and content, they each share in our common goal of trying to improve our efforts to develop a global economy for the 21st century.

Studies Conducted by the DOL Office of Inspector General (OIG)

1. Bureau of Labor Statistics: **Government Information Security Reform Act (GISRA) Review of Current Employment Statistics (CES), July 2002**

Performance Goal(s) Affected: 1.3A – Produce and disseminate timely, accurate, and relevant economic information.

Findings: There were five findings related to: (1) the CES Continuity of Operations Plan (COOP); (2) a supplemental Uninterruptible Power Supply (UPS) for the CES production server; (3) the Mainframe Security in BLS; (4) CES server passwords and unneeded accounts; and (5) access controls to certain system services.

Recommendations: (1) Improve the CES Continuity of Operations Plan (COOP); (2) Supply a supplemental Uninterruptible Power Supply (UPS) for the CES production server; (3) Improve the Mainframe Security in BLS by developing adequate procedures for access controls, and hiring/training an individual to serve as a backup to the Mainframe Security Officer; (4) Ensure that CES server passwords comply with BLS policy and that unneeded accounts are deleted; and (5) Prohibit unnecessary access to certain system services.

Actions Taken: BLS responded to the final report from the OIG on May 28, 2003.

Additionally, each of the five recommendations has been completed, except for number one because it includes COOP testing, which is a longer-term commitment.

Additional Information: A copy of the final evaluation may be obtained from the Bureau of Labor Statistics, Division of Management Systems, Room 4080, 2 Massachusetts Avenue, NE, Washington, DC 20212, or by calling 202-691-7628.

¹ "Program Evaluation. An Evaluation Culture and Collaborative Partnerships Help Build Agency Capacity." GAO-03-454, May 2003.

2. Employment Standards Administration: Controls over the Disclosure, Access, and Use of Social Security Numbers (SSNs) in the Federal Employees' Compensation Act (FECA) Program (Audit Report 03-03-002-04-001), December 2002

Performance Goal(s) Affected: 2.2C – Minimize the human, social and financial impact of work-related injuries for workers and their families.

Findings: The OIG found that FECA management controls provide reasonable assurance that (1) legal and informed disclosure is taking place, (2) adequate controls exist over contractors' and other entities' access to and use of SSNs, and (3) third party contracts contain Privacy Act notification and appropriate safeguards. They also determined that adequate controls exist over access and use of SSNs in FECA's automated databases. The report indicates, however, that several opportunities were noted for improving existing controls. Recommendations: (1) Revise the standard claimant forms to ensure that the claimant is aware of the Privacy Act Disclosure Statement. (2) Develop and implement a cost-effective, onsite monitoring program that will provide reasonable assurance that contractors and other entities are complying with the requirements for safeguarding the access and use of FECA claimants' SSNs. (3) Provide second opinion and Independent Medical Examination (IME) physicians a cover letter when providing them with claimant files or documentation, explaining in detail the physicians' responsibility to comply with Privacy Act requirements. (4) Explore the extent and cause of losses of claimant files or documents by IME physicians and take any necessary corrective action.

Actions Taken: (1) Claims forms will be revised as they are prepared for Electronic Data Interface submission and submitted for clearance as required by the Paperwork Reduction Act. (2) FECA will explore implementing a cost-effective monitoring plan within base funding levels. (3) An appropriate cover letter was implemented by each FECA district office. (4) FECA will develop a plan to explore both the causes and the extent of loss of claimant file materials and will fully address any necessary corrective action. The Division should be able to report its findings during the 3rd quarter of FY 2004.

Additional Information: <http://www.oig.dol.gov/public/reports/oa/2003/03-03-002-04-001.pdf>

3. Employment and Training Administration: The IRS Did Not Have Adequate Support For Its Administrative Charges To The Unemployment Trust Fund (UTF) For Fiscal Years 1999-2002 (06-03-005-03-315), March 2003

Performance Goal(s) Affected: 2.2A – Make timely and accurate benefit payments to unemployed workers, facilitate the reemployment of Unemployment Insurance claimants, and set up Unemployment tax accounts promptly for new employers.

Findings: (1) The Internal Revenue Service (IRS) charged almost \$300 million in administrative costs to the UTF without adequate support documentation. (2) The IRS has a complex system for collecting and reporting UTF taxes, involving multiple cost centers. If the IRS used a method based on the percent of revenue received, the agency would have charged the UTF approximately \$17 million less.

Recommendations: OIG made the following recommendations to ETA: (1) Work with the IRS to adopt an alternative method to allocate administrative costs to the UTF. An example of an alternative method would be percent-of-revenue received. (2) Request the IRS to reim-

burse the UTF \$118 million (\$174 million minus \$56 million that the IRS already paid back) in unsupported cost estimates it charged to the fund. (3) Develop a Memorandum of Agreement with the IRS to ensure consistent application of the alternative methodology.

Actions Taken: (1) The IRS reports that it recently began the process of developing and implementing a new financial accounting system which will include a cost accounting module. As part of the cost accounting module, the IRS will develop a new methodology for allocating its program-related costs to appropriate trust funds. This methodology will be supported by the new financial accounting system. Implementation is expected during FY 2004. (2) IRS staff, supported by a Treasury Inspector General for Tax Administration (TIGTA) report, stated that it was not clear whether the UTF was over or under charged for the period examined by the DOL OIG (FY 1999 through FY 2002) and that this issue may not be clear until the new costing methodology is completed. IRS staff wants to assess the applicability of the new methodology for use in calculating prior year costs before recommending any action to correct charges to the UTF. IRS agreed to provide ETA with additional information on the methodology as it evolves in order for ETA to assess whether the methodology is acceptable. (3) To accommodate the IRS' development schedule for the new financial accounting system and the methodology to allocate costs among the trust funds, a realistic target date for the Memorandum of Agreement would be January 9, 2004.

Additional Information: <http://www.oig.dol.gov/public/reports/oa/2003/06-03-005-03-315.pdf>

4. Employment and Training Administration: **Implementation of the Workforce Investment Act's (WIA) Training Provisions in Selected States (04-03-017-03-390), March 2003**

Performance Goal(s) Affected: 1.1A – Increase the employment, retention, and earnings of individuals registered under the WIA adult program. 2.3A – Increase the employment, retention, and earnings of individuals registered under the WIA dislocated worker program.

Findings: OIG assessed training activities for adults and dislocated workers in the States of Arizona, Delaware, Florida, Mississippi, Ohio, and Texas to determine if WIA encourages eligible training providers (ETPs) to participate in the One Stop Career system. It was found that there may be WIA requirements, along with state and local policies, that discourage ETP participation. These factors may have contributed to lower numbers of job-seekers enrolled in training. Key items identified were (1) the providers with few WIA participants were reluctant to gather data on all students to fulfill WIA reporting requirements and (2) nearly 40% of the providers reported that Workforce Investment Boards unexpectedly changed program fees or reduced class length leaving students with insufficient job preparation.

Recommendations: ETA was encouraged to (1) enact policy changes to reduce ETP burdens associated with reporting data on non-WIA students and (2) have states periodically review training courses to ensure that fee and time restrictions do not lower program quality.

Actions Taken: The WIA reauthorization proposal includes changes on the information ETPs will be required to report to State agencies with respect to Federal and State programs. The policy changes will also help to reduce the ETP burdens associated with the reporting data on non-WIA students.

Additional Information: <http://www.oig.dol.gov/public/reports/oa/2003/04-03-017-03-390.pdf>

5. Employment and Training Administration: WIA Youth Opportunity Grant Audit: Summary of Educational Services and Vocational Training Provided to Out-of-School Youth (OSY) (OIG/OA 06-03-001-03-390), March 2003

Performance Goal(s) Affected: 1.2C – Increase retention of Youth Opportunity (YO) Grant participants in education, training, or employment.

Findings: OIG sampled 240 individuals whom grantees reported as out-of-school youth (OSY). It was found that 176 received services. Other findings include: (1) The majority of youth received readiness or work-related services rather than educational and vocational skills training. (2) Less than a third of youth 17 and older, who entered the program with a high school diploma, equivalent, or some college, received vocational training or educational assistance. (3) Grantees' records did not accurately report the number of OSY enrolled in the YO program.

Recommendations: The study recommends that ETA (1) strengthen educational and vocational training activities for out-of-school high school graduates and (2) develop procedures to reduce inaccurate reporting.

Actions Taken: To strengthen services, ETA (1) required sites to document the improvement of education components, improve linkages with community colleges and high schools, and help facilitate peer-to-peer workshops; (2) provided program workshops and leadership training at several leadership institutes; (3) supplied sites with tool kits on how to help participants achieve high school diplomas, how to understand reading performance, among others; and (4) gave sites monthly goals for short- and long-term placement of out of school youth. To assist with better data collection, ETA provided on-site training to incorporate Management Information System (MIS) data. ETA also conducted a review of MIS specifications and worked with a consultant to improve these specifications.

Additional Information: <http://www.oig.dol.gov/public/reports/oa/2003/06-03-001-03-390.pdf>

6. Employment and Training Administration: Audit of Services Provided and Outcomes Obtained for Participants Enrolled in the WIA Dislocated Workers Program During PY 2000 (02-03-204-03-390), September 2003

Performance Goal(s) Affected: 2.3A – Increase the employment, retention, and earnings replacement of individuals registered under the WIA dislocated worker program.

Findings: Overall, the study indicated that participants obtained employment, retained a large percentage of their layoff earnings, kept their post-layoff jobs, and were satisfied with most of the services provided. Additional focus is needed to ensure the Dislocated Worker program serves only eligible individuals, participants return to the workforce as quickly as possible, and reported outcomes are complete and meaningful. Also, participants were not as positive about the program as they were under the Job Training and Partnership Act (JTPA) about job finding assistance, which is a primary function of WIA.

Recommendations: ETA should provide additional guidance, or ensure that states and local boards develop guidance, regarding documentation of the likelihood a participant will return to a previous industry or occupation. To more fully represent outcomes obtained by individuals irrespective of their enrollment status, ETA should require the states to supplement their Annual Reports with information on all participants' employment status at a designated point following registration. ETA should clarify its exit definition, con-

duct a study of participants enrolled over one year, and explore if one-stops could provide intensive services to expedite their exit. ETA should examine and address why participants are relatively less satisfied with job search assistance, which plays a key role in successful reemployment. If credential attainment continues to be an official measure, ETA should provide a uniform definition for credential attainment.

Actions Taken: The Department's approach for improvement of the Dislocated Worker program reflects the broad principles of OIG's recommendations. Through implementation of the common measures for federal employment and training programs, the ETA will also address recommendations regarding participant outcomes, exit definition, and definition for credential attainment. ETA's policy guidance for common measures will require state and local areas to provide participants meaningful, reportable service, or exit participants if no service is provided within 90 days. This uniform exit strategy provides a clear statement of ETA policy and encourages provision of the kinds of services associated with quick re-entry to employment for dislocated workers. The guidance also includes a definition of certificate to be used for the youth common measures. This definition can be used as a starting point for developing a uniform definition of credential attainment if the Dislocated Worker program continues to use it as a performance measure. In conjunction with the common measures, the Department is also developing a new reporting and information collection system that will capture more comprehensive information on program participants.

Additional Information: <http://www.oig.dol.gov/public/reports/oa/2003/02-03-204-03-390.pdf>

7. Employment and Training Administration: Workforce Investment Act: Evaluation of Youth Program Enrollments, Services, and Recorded Outcomes (06-03-006-03-390), September 2003

Performance Goal(s) Affected: 1.2A – Increase entrance and retention of youth registered under the WIA youth program in education or employment.

Findings: The OIG observed: (1) The WIA youth program focused predominately on in-school, younger youth ages 14-16. (2) Younger youth were enrolled equally in employment-related, educational, and work-readiness activities, whereas older youth were enrolled in employment-linked activities. Participation for the reported activities was documented to some extent in seventy-two percent of the cases. (3) Almost half the youth exited the program within one year. One in four youth sampled, and two of every five youth enrolled during the months of May and June, may have enrolled only for the summer employment program. (4) Skill Attainment was the overwhelming accomplishment (91 percent) for younger youth, while entered employment (57 percent) was the predominant outcome recorded for the older youth. Only 37 percent of these recorded accomplishments were adequately documented.

Recommendations: OIG recommended that ETA: (1) Promote proposed amendments to the Workforce Investment Act (WIA) of 1998 as they relate to the WIA youth program to focus the program on those youth most in need, i.e., out-of-school, at-risk youth. (2) Promote amendments to WIA of 1998 to allow summer employment as a stand-alone activity for those participants whose individual assessments indicate only such a need. If additional needs are identified, youth should be provided other intervention which should be fully documented. (3) Require youth program administrators and/or service providers to better document services provided and outcomes recorded to ensure that programs are accurately evaluated.

Actions Taken: The Department agrees with OIG's recommendation that services provided and their outcomes should be better documented to ensure that programs are accurately evaluated. Resources will be focused on out-of-school youth, especially school dropouts, by helping them attain academic and occupational credentials and workplace skills that lead to employment. ETA revised a comprehensive case management manual and distributed it to all youth workforce investment areas in November 2003. This manual contains a specific section on documentation of services and outcomes. ETA is implementing a data validation project to address the accuracy of data and the required documentation to substantiate reported performance outcomes. ETA is also collecting program management data through a quality Management Information System (MIS) to improve documentation and recording of services and outcomes by front-line youth workers.

DOL does not concur with the OIG recommendation to encourage revisions to WIA that would allow summer employment as a stand-alone activity for particular participants. DOL's position is that such a proposed amendment is contrary to the original legislative intent to improve youth programs under WIA. The WIA legislation moved youth programming towards a comprehensive youth development approach centered on a broad range of coordinated services embodied in the ten required program elements. In its guidance to the workforce investment system, DOL has continuously encouraged states and local areas to integrate summer employment opportunities with other program elements in a comprehensive strategy to address youth employment and training needs. DOL believes that the workforce investment system has continued to focus on summer jobs programs because of the relative ease of serving in-school youth. Although this practice continues, DOL contends that the legislation should reinforce the original legislative direction rather than pursuing a retreat from the practice.

Additional Information: <http://www.oig.dol.gov/public/reports/oa/2003/06-03-006-03-390.pdf>

8. Employment and Training Administration: Improved Quality Control Practices Within the Benefit Accuracy Measurement System Could Save the Unemployment Insurance Trust Fund Approximately \$400 Million Annually (22-03-009-03-315), September 2003

Performance Goal(s) Affected: 2.2A – Make timely and accurate benefit payments to unemployed workers, facilitate the reemployment of unemployment insurance claimants, and set up unemployment tax accounts promptly for new employers.

Findings: The OIG concluded that while the Benefit Accuracy Measurement (BAM) program accurately detected and reported Unemployment Insurance (UI) claimant overpayments, due to its design, BAM underestimates unreported earnings. The OIG also concluded that ETA did not use BAM data to prevent overpayments. Using ETA's BAM overpayment projections and data mining techniques, OIG identified a best practice that, once implemented, could reduce UI claimant overpayments by an estimated \$428 million annually.

Recommendations: The OIG provided the following recommendations: (1) Modify the system used to project overpayments related to unreported earnings issues by devising a follow-up process for paid claims and creating a formula for reporting the information learned from the follow-up process. (2) Make overpayment oversight a top priority by making BAM payment accuracy a Tier I measure, including overpayment analysis in the State

Quality Service Plan (SQSP), using Unemployment Insurance Program Letters to communicate the importance of the overpayment problem, using BAM data to perform more comparative analyses between states, and requiring Regional BAM Monitors to fulfill their program leadership duties. (3) Expedite the implementation of New Hire database connectivity in 10 states, and require 8 other states to perform cross match procedures (to their states' New Hire database) at least weekly.

Actions Taken: Although ETA does not agree with the audit's estimate of potential savings, we do agree with the overarching audit findings that (1) overpayment estimates could be improved by incorporating a follow-up procedure into the BAM investigative process and (2) operational use of New Hires data is useful in reducing overpayments. In response to the first recommendation, the Department plans to pilot test cross matches of wage record and New Hires data in several states to determine the extent to which overpayments are underestimated, and the cost-benefit of incorporating the cross match nationally. For the second recommendation, the Department has made overpayment oversight a top priority and plans to institute overpayment detection as a performance measure for which states will be held accountable and which will be included in the quarterly ranking reports; issuing the annual publication of states' BAM data summary that includes several analyses; clarifying national and regional office roles regarding state oversight and technical assistance. For the third recommendation, the OIG agreed that the implementation of the overpayment detection performance goal discussed above generally meets the intent of this recommendation "provided management monitors all states not currently connected" to the state's New Hires database. The performance goals that are being established will promote effective performance. Forty nine states are currently either operating or plan to implement New Hires systems.

Additional Information: <http://www.oig.dol.gov/public/reports/oa/2003/22-03-009-03-315.pdf>

9. Office of the Assistant Secretary for Administration and Management: Evaluation of the Department of Labor's Purchase Card Program (2E-09-001-0002), December 2002

Performance Goal(s) Affected: FM1 – Maintain the integrity and stewardship of the Department's Financial Resources.

Findings: The OIG evaluated the adequacy of policies, procedures, and internal controls over the DOL Purchase Card Program and found that (1) management oversight and control over the program needs to be strengthened, (2) current policy and procedural guidelines do not adequately address key aspects of the program, and (3) improved communication and training will enhance the effectiveness of the program.

Recommendations: (1) Require Agencies to provide updated information on a regular basis regarding changes to program participant information, (2) examine and modify purchase card limits to better reflect spending patterns and agency needs, (3) establish formal criteria for selection of cardholders and approving officials' accounts and purchase limits, (4) re-examine the Approving Official to cardholder common ratios to ensure timely reviews of transactions, (5) update current policy and procedures on key aspects of the program, (6) review the contracting authority for cardholders and the number of cardholders, (7) ensure that purchase cards are only used by qualified individuals, (8) incorporate purchase card responsibilities in the performance standards of responsible employees, (9) review and address the "risk assessment" component for internal con-

trols, (10) consistently provide necessary information about the program to all participants, (11) establish formal training requirements for participants prior to issuance of cards, and (12) survey and evaluate agencies to determine training needs.

Actions Taken: The Department has taken positive steps to improve the program by (1) requiring quarterly updates of cardholder information, (2) requiring Agencies to evaluate monthly total expenditures to determine adjustments to ceiling amounts, (3) developing a template of codes for appropriate purchases, (4) establishing a policy for the ratio of approving officials to cardholders, (5) publishing guidelines on the conduct and responsibilities of the purchase card, (6) developing a standardized checklist for reviewing accounts, (7) updating the program hand to reflect policy changes, (8) implementing a training program for current and new cardholders, approving officials, and program coordinators, (9) holding a Purchase Card Conference to set a more uniform approach to managing the program, (10) recommending that DOL Agencies include performance standards for cardholders, approving officials, and coordinators and providing Agencies with sample elements, (11) reducing the risks associated with the program by monitoring and documenting card activity, (12) posting all purchase card guidelines and documentation on the DOL internal website, and (13) assessing future training needs.

Additional Information: <http://www.oig.dol.gov/public/reports/oa/2003/21-03-021-07-711.pdf>

10. Office of the Chief Financial Officer: Review of Common Problems and Best Practices in Federal Agencies' Travel Card Programs (2E-98-599-0001), November 2002

Performance Goal(s) Affected: FM1 – Maintain the integrity and stewardship of the Department's Financial Resources.

Findings: The Inspector General community across the Federal government found the following common problems in the Travel Card Programs across Federal agencies: (1) late identification of misuse and delinquency and failure to provide timely notification, (2) failure to monitor transactions for misuse, as well as delinquencies, (3) not keeping written records of referrals and follow-up, (4) lack of oversight by the Agencies' Organization Program Coordinators, (5) outdated employee information, (6) no written policies and procedures, (7) cardholders not understanding their responsibilities, (8) not disciplining employees who refuse to pay their bills or knowingly make inappropriate charges, (9) ineffective blocking of merchant category codes, (10) using advances to fund the travel of employees who have lost the use of their cards through delinquency or misuse, (11) excessive ATM use, and (12) a large number of inactive accounts.

Actions Taken: The Office of the Chief Financial Officer (OCFO) blocked merchant category codes, which effectively prevents employees from purchasing personal items using the travel charge card. OCFO cancelled more than 300 inactive travel card accounts during Fiscal Year 2003; conducted quarterly reviews to identify and cancel inactive accounts on a continuous basis; and lowered the maximum monthly purchase authority associated with the travel card and lowered the maximum amount of cash that can be withdrawn from automated teller machines.

OCFO developed and disseminated clear and concise procedural guidelines for Agency/Organization Program Coordinators (A/OPC) to instruct them how to identify and resolve employee travel card misuse and delinquency. The guidelines included a checklist that provides examples of patterns of transactions that indicate misuse; proce-

dures for notifying employees or agencies of misuse and/or delinquency; procedures for canceling cards due to repeated misuse and delinquency, and instructions for record keeping. OCFO developed a user-friendly booklet, which provides Department of Labor employees with information about the travel card program. The booklet includes a list of practical Do's and Don'ts, as well as a Frequently Asked Questions section. This information is accessible to employees via the Department's travel website.

In November, 2003, OCFO conducted a Travel Symposium for all employees, which included training session on the proper use of the travel charge card. In addition, OCFO is planning multiple training sessions for Agency Travel Card Program Coordinators during March and April of 2004. A memorandum was forwarded to Departmental managers advising them of their responsibilities in taking appropriate disciplinary actions in cases of employee misuse/abuse of the travel card. Guidelines were provided as to the appropriate actions to be taken.

Recommendations: (1) Agencies should adhere to the pertinent terms and conditions of the GSA Master Contract, (2) Agencies should follow the five GAO standards for internal control, and (3) Agencies should ensure that everyone involved understands his or her roles and responsibilities in the hierarchy of each agency's travel card program.

Additional Information: <http://www.oig.dol.gov/public/reports/oa/2003/21-03-022-13-001.pdf>

11. Occupational Safety and Health Administration: **Evaluation of OSHA's Handling of Immigrant Fatalities in the Workplace (21-03-023-10-001), September 2003**

Performance Goal(s) Affected: 3.1C – Reduce Fatalities.

Findings: Language barriers sometimes create problems in investigations of immigrant fatalities. OSHA's new procedures for collecting data during fatality investigations about workers' ethnicity and language capabilities will help determine whether there is a link between the language/cultural barriers and the fatalities and help to better target resources. OSHA was encouraged to do more training and outreach to Hispanics and evaluate these outreach efforts and to develop a comprehensive strategy for reaching all non-English speaking employees, including those who are undocumented.

Recommendations: The OIG recommended that OSHA work to ensure that its compliance staff has sufficient second-language capability to communicate with non-English speaking workers, that OSHA require employers to provide training in languages that employees understand, that outreach efforts to immigrants be evaluated, and that OSHA develop a strategy to reach all immigrants, including those who are undocumented. The OIG further recommended that OSHA continue to translate essential documents and determine which languages and literacy levels are needed. Finally, the OIG recommended that OSHA examine the deterrent effect of raising civil and criminal fines, increasing Federal charges under Section 17(e) to cover employers whose willful violations result in serious physical harm, and allowing prosecutors to seek restitution for victims.

Actions Taken: OSHA is actively recruiting Spanish-speaking employees and will continue to interpret the employer's requirement to provide training to mean "provide training in a manner that employees understand." OSHA will evaluate the effectiveness of its outreach efforts, including those directed to workers with limited English proficiency. OSHA has begun outreach and training programs for immigrant workers, including the formation of Strategic Partnerships and Alliances. Regarding the recommendation to

raise fines and change the criminal penalty provisions of the Occupational Safety and Health Act, OSHA agreed to consider this after discussing it with other Federal agencies and stakeholders.

Additional Information: <http://www.oig.dol.gov/public/reports/oa/2003/21-03-023-10-001.pdf>

Studies Conducted by the U.S. General Accounting Office (GAO)

12. Employment Standards Administration: **Postal Service Employee Workers' Compensation Claims Not Always Processed Timely, but Problems Hamper Complete Measurement (GAO-03-158R), December 2002**

Performance Goal(s) Affected: 2.2C – Minimize the human, social and economic impact of work-related injuries for workers and their families.

Findings: GAO found that Postal Service employee claims for compensation were not always processed timely. Several reasons were cited, including (1) incomplete initial evidence submissions that required Office of Workers' Compensation Programs (OWCP) claims examiners to solicit additional evidence to complete the record, (2) Postal Service supervisor submission delays, and (3) delays in OWCP claims processing. The report also cited data not required and not available, as well as traumatic injury short form closure cases (SFC) selection and processing problems, as impediments to data reliability. Comments were solicited and received from both the Postal Service and OWCP. OWCP disagreed with some of the findings and recommendations and noted that the auditors did not have the time available to follow the complexities of the FECA claims adjudication process and data systems. It was emphasized that customer service issues raised in the report had been addressed and customer service would remain a program focus.

Recommendations: (1) Reevaluate and modify, as needed, OWCP's regulations and performance standards to better ensure that measurements reflect the time associated with the various specific involved components and parties, up to the time eligibility is determined. (2) Reconsider whether performance standards are needed for schedule award claims and whether SFC cases should be combined with other traumatic injury claims when measuring eligibility determination timeliness. (3) Require dates that are needed to determine various processing times be recorded on applicable claim forms. (4) Periodically monitor compliance with SFC case selection and processing guidelines and determine whether the SFC case process is achieving OWCP's intended goals and maintaining a cost-effective error rate.

Actions Taken: OWCP is reviewing the SFC process to insure it has the intended impact. (1) Reevaluate and modify, as needed, OWCP's regulations and performance standards to better ensure that measurements reflect the amount of time associated with necessary tasks prior to the determination of eligibility. (2) Reconsider whether performance standards are needed for schedule award claims. (3) Evaluate whether SFC cases should be combined with other traumatic injury claims when measuring the timeliness of eligibility determination. (4) Require dates be recorded on applicable claim forms to indicate various processing times associated with completing a claim form. (5) Periodically monitor compliance with SFC case selection and processing guidelines. (6) Determine whether the SFC case process is maintaining a cost-effective error rate and achieving OWCP's intended goals.

Additional Information: The complete report can be found on the GAO website at <http://www.gao.gov>.

13. Employment and Training Administration: Older Workers: Employment Assistance Focuses on Subsidized Jobs and Job Search, but Revised Performance Measures Could Improve Access to Other Services (GAO-03-350), January 2003

Performance Goal(s) Affected: 1.1A – Increase the employment, retention, and earnings of individuals registered under the WIA adult program.

Findings: About 12% of the 1.3 million older people who were not working and wanted a job were enrolled in Federal employment and training programs between July 2000 and June 2001. Some older workers received services without being enrolled in a program, but these people were not counted in program statistics. The majority of older people enrolled received subsidized jobs through the Senior Community Service Employment Program. About one-third participated in programs funded by WIA and TAA. Most received job search assistance and some also received job training. One finding of concern was that program providers reported that some performance measures were a barrier to enrolling older workers, because some possess employment characteristics that may negatively affect performance ratings.

Recommendations: In light of concerns that older workers have unique employment characteristics that could adversely affect certain program outcomes and that older workers who need in-depth job search assistance and job training to remain in, or re-enter, the workforce and may not receive such services, GAO recommended that the Secretary of Labor assess WIA performance measures and make adjustments as necessary to eliminate the disincentive to enrolling older workers in WIA.

Actions Taken: ETA is currently engaged in a broad examination of the participation of older persons in the American workforce. The changing demographics indicate that the future worker will often be an older worker. The challenge will be to engage these workers in the economy in a way that benefits the worker, business and the economy. To that end, we are presently reviewing policies to determine which policies need to be refined or abolished and what actions need to be taken to encourage participation of older persons in the labor force. The DOL FY 2003 – 2008 Strategic Plan includes a strategy to increase employment opportunities that tap the experience and life-style preferences of older workers. Additionally, as part of its assessment of WIA performance measures, the Department has initiated a study that examines methods and systems for adjusting the analysis for performance outcomes that take into account economic, demographic, and other factors.

Additional Information: The complete report can be found on the GAO website at [http:// www.gao.gov](http://www.gao.gov).

14. Employment and Training Administration: Workforce Investment Act: States' Spending Is on Track, but Better Guidance Would Improve Financial Reporting (GAO-03-239), November 2002

Performance Goal(s) Affected: 1.1A – Increase the employment, retention, and earnings of individuals registered under the WIA adult program. 1.2A – Increase entrance and retention of youth registered under the WIA youth program in education or employment. 2.3A – Increase the employment, retention, and earnings of individuals registered under the WIA dislocated worker program.

Findings: (1) States are spending their WIA funds much faster than required under the law. (2) Because of reporting inconsistencies, Labor's data do not accurately reflect funds that

have been obligated – meaning those commitments made by states and local areas on behalf of WIA customers. This leads to DOL overestimating funds that states have available. To better understand available funding, both expenditures and obligations need to be considered. (3) States and localities need more definitive guidance and opportunities to share promising strategies in money management.

Recommendations: GAO made several recommendations to enhance DOL's ability to manage its WIA grants and to improve the accuracy and consistency of its financial reporting.

1. Through collaboration with States, Labor should clarify the definition of unliquidated obligations to:

- include funds committed at the point of service delivery, in addition to those funds obligated at the State level for Statewide WIA activities, and not funds that merely allocate to their local areas
- specify what constitutes an obligation to address State and local area concerns regarding contracts
- specify the timeframe for recording an obligation, particularly when it covers time periods that are longer than a program year.

2. To provide a more complete picture of spending activity and to obtain accurate information for its recapture decision, Labor should:

- require States to collect and report information on obligations at the point of service delivery
- include such obligations in determining States' available funds.

3. To help States and local areas manage their spending more judiciously, DOL should:

- proactively provide States and local areas with guidance and technical assistance focused on reporting financial information
- communicate spending benchmarks that States should meet
- systematically share effective spending management strategies.

Actions Taken: (1) In November 2002, ETA issued Change 1 to TEGL 16-99 to provide clarifications or changes that arose due to concerns pertaining to data entry instructions for specific line items in WIA. In this directive, ETA noted that the greatest concerns in this area pertain to the required (and expected) data entry for obligations and accrued expenditures on both the State and local level reporting formats. (2) Through the WIA reauthorization process, the Department is working with Congress to reiterate the requirement that States make financial reports on the basis of expenditures. ETA's technical assistance to States includes further clarification in this area.

Additional Information: The complete report can be found on the GAO website at <http://www.gao.gov>.

15. Employment and Training Administration: Workforce Training: Employed Worker Programs Focus on Business Needs, but Revised Performance Measures Could Improve Access for Some Workers (GAO-03-353), February 2003

Performance Goal(s) Affected: 1.1A – Increase the employment, retention, and earnings of individuals registered under the WIA adult program.

Findings: In a nationwide survey, two-thirds of the 470 local workforce boards indicated that they provided assistance to train employed workers. Almost 40% set aside funds for training these workers. State and local officials developed approaches to overcome challenges that hindered participation from low-income workers, though many note that the

process is continually improving. One finding of concern was that the WIA performance measure tracking *change in adult average earnings* after six months may limit training opportunities for employed workers; it becomes a disincentive to train an employed worker whose wage increase would likely be less after training than an unemployed worker whose wage increase would likely be relatively higher after training.

Recommendation: To improve the use of WIA funds for employed worker training, the Secretary of Labor should review the current WIA performance measure for *change in adult average earnings* to ensure that this measure does not provide disincentives for serving employed workers.

Actions Taken: In response to GAO's recommendation, ETA has commissioned a study entitled "Evaluation of WIA Performance Measurement System," undertaken by Social Policy Research Associates. One major task is to assess the intended and unintended consequences of the performance measurement system. Additionally, as part of the President's Management Agenda, the Department will implement a set of common measures for Federal job training programs, including entered employment rate, retention rate, and earnings increase. As a key consideration in the implementation the earnings measures, ETA will examine how these particular measures may impact services to employed or incumbent workers with pre-program earnings in relation to those with no pre-program earnings. Additionally, the Department has initiated a study that examines methods and systems for adjusting the analysis for performance outcomes that take into account economic, demographic, and other factors. Throughout the implementation of the common measures, ETA will strive to minimize any negative effects of the earnings measure on service to employed workers. Finally, WIA reauthorization proposals outline changes that will simplify the requirement for customized training, on-the-job training, and incumbent worker training.

Additional Information: The complete report can be found on the GAO website at <http://www.gao.gov>.

16. Employment and Training Administration: Transportation-Disadvantaged Populations: Some Coordination Efforts Among Programs Providing Transportation Services, but Obstacles Persist (GAO-03-697), June 2003

Performance Goal(s) Affected: 1.1A – Increase the employment, retention, and earnings of individuals registered under the WIA adult program. 2.3A – Increase the employment, retention, and earnings of individuals registered under the WIA dislocated worker program.

Findings: The full amount of transportation services for transportation-disadvantaged is unknown because transportation is not always tracked as a separate spending item. The Labor and Education Departments were not found to be part of the Coordinating Council on Access and Mobility. Within the Coordinating Council several obstacles exist that limit coordination.

Recommendations: GAO recommends that DOL and the Department of Education join the Coordinating Council on Access and Mobility. GAO also recommends that the Departments of Labor, Health and Human Services, Education, and Transportation (1) strengthen the Coordinating Council's strategic plan, (2) include long-term goals and measures for coordination in their agencies' strategic and annual performance plans, and (3) develop and distribute additional guidance and information to encourage coordination.

Actions Taken: The Department has contacted the Department of Health and Human

Services' staff coordinator of the Coordinating Council for Access and Mobility (CCAM) and looks forward to joining the Council. Once the Department joins the Council, we will coordinate with members to ensure that its strategic plan has clear links to the action plan and that actions are tied to measurable performance goals; and to coordinate web linkages and services. After reauthorization of the Workforce Investment Act (WIA), the Department will revisit our strategic and annual performance plans, including performance measures, to address coordination needs and other issues identified by the Council. In consultation with the Federal Transit Administration, the Department has developed and anticipates release of a field issuance that provides information on the allowable uses of WIA Title IB funds, how to develop cost-sharing arrangements with partners, and clarification of whether funds can be used to serve other than the program's target population. Additional Information: The complete report can be found on the GAO website at <http://www.gao.gov>.

17. Employment and Training Administration: Workforce Investment Act: One-Stop Centers Implemented Strategies to Strengthen Services and Partnerships, but More Research and Information is Needed (GAO-03-725), June 2003

Performance Goal(s) Affected: 1.1A – Increase the employment, retention, and earnings of individuals registered under the WIA adult program. 1.2A – Increase entrance and retention of youth registered under the WIA youth program in education or employment.

Findings: Of 14 one-stop centers indicated as exemplary by government officials and workforce development experts, all implemented a range of promising practices for streamlining services for job seekers and engaging the business community. Many of the one-stops found innovative ways to strengthen program partnerships and to raise funds in addition to those provided through WIA. Other findings were that (1) more needs to be done to understand impacts of one-stop services; (2) DOL's efforts to work with other Federal agencies to assess the effects of different strategies to integrate job seeker services have been limited; and (3) DOL has developed promising Web site practices to aid information sharing, but an assessment of its effectiveness needs to be conducted.

Recommendations: This study urges DOL to (1) collaborate with the Departments of Education, Health and Human Service, and Housing and Urban Development to develop a research agenda that examines the impact of various approaches to one-stop program integration on outcomes, such as job seeker and employer satisfaction, and (2) conduct a systematic evaluation of the promising practices Web site and ensure that it is effective.

Actions Taken: There are at least four ways in which ETA is addressing this recommendation. (1) ETA develops a five-year research plan in which all of these agencies are invited to participate and provide input. Input from these agencies has contributed significantly to many research projects undertaken by ETA that have involved these and other Departments, including Justice. (2) ETA is actively engaged in a number of efforts with these agencies to use the one-stop system to serve the needs of special populations. For example, ETA and the Social Security Administration are working together to establish Navigator positions in selected one-stop centers as part of a pilot to better serve the disabled. Social Security and ETA are working to use one-stop centers to support the Ticket to Work effort. DOL is working actively with HUD to use one-stop centers to serve the chronically homeless disabled population in six pilot sites. These are only illustrative of the efforts undertaken with these Departments. (3) After reauthorization of WIA, ETA

will initiate a major five to six year impact study of WIA adult programs that will include program integration, program impact and outcomes, and possibly customer satisfaction measures and issues. This study will begin in PY 2004. The study cannot begin until WIA is reauthorized since legislation may significantly change certain aspects of WIA. Similarly, an evaluation of youth programs is scheduled to begin in PY 2006 and it will examine crosscutting issues in serving youth, including collaboration among WIA partners. (4) As one of the six Federal agencies in the common measure initiative for Federal job training and employment programs, ETA is collaborating with the Departments of Education, Health and Human Services, Veteran Affairs, Interior, and Housing and Urban Development to implement a performance measurement system with the potential to reduce barriers and increase coordination across the 29 workforce investment programs subject to the common measures.

Additional Information: The complete report can be found on the GAO website at <http://www.gao.gov>

18. Occupational Safety and Health Administration: Workplace Safety and Health: OSHA Can Strengthen Enforcement through Improved Program Management (GAO-03-45), November 2002

Performance Goal(s) Affected: 3.1C – Reduce fatalities. 3.1D – Reduce workplace injuries and illnesses.

Findings: OSHA has taken important steps toward targeting its enforcement resources on hazardous worksites, measuring its accomplishments, and enhancing the professionalism of its staff. However, these systems could be strengthened by better information and mechanisms that would make targeting efforts more efficient, measurement more precise, and training efforts more effective.

Recommendations: Supplement inspections of large construction with locally planned efforts to inspect smaller worksites, strengthen the validity of the data used to identify worksites in the site-specific targeting program, and assess the site-specific targeting program's impact on workplace injuries and illnesses. GAO also recommended that OSHA work with BLS to obtain data to better understand injuries, illnesses, and fatalities occurring in areas covered by the strategic plan or under OSHA's authority, that OSHA update its training directive to reflect its current training strategy, and track and assess training and skills obtained by its inspection staff.

Actions Taken: DOL is evaluating the OSHA Site Specific Targeting Program, as well as the Local Emphasis Programs and National Emphasis Programs that OSHA developed, to address the industries and hazards in the Strategic Plan. OSHA has agreed to work with BLS to identify precise costs for producing data estimates for Federal jurisdiction States addressed in the Strategic Plan. OSHA has recently developed a functional training model for Compliance Safety and Health Officers which will help identify gaps in training and will produce a systematic approach to updating required training. The update of the training directive, which is expected to be completed within the next twelve months, will be revised after the gap analysis is completed. OSHA will also continue to work with the Department on its training efforts to meet the goals of the OSHA Strategic Management Plan and the President's Management Agenda.

Additional Information: The complete report can be found on the GAO website at <http://www.gao.gov>

19. Occupational Safety and Health Administration: **U.S. Postal Service: Better Guidance Is Needed to Improve Communication Should Anthrax Contamination Occur in the Future (GAO-03-316), April 2003**

Performance Goal(s) Affected: 3.1C – Reduce fatalities. 3.1D – Reduce workplace injuries and illnesses.

Findings: Anthrax was detected at the Postal Service's Wallingford facility in early December 2001. Contamination was found in samples collected from four mail-sorting machines in November. Although the Postal Service's decision not to inform workers about the number of anthrax colonies identified in December 2001 appeared consistent with its guidelines, its subsequent decision not to release the results after an employee union requested all the facility's test results was not consistent with OSHA's requirement for disclosing test results that are requested.

Recommendations: GAO recommended that the Postal Service, OSHA, GSA, and the National Response Team (NRT) work together to revise their guidelines or regulations to require prompt communication of available test results, including quantitative results, to workers and others, as applicable. GAO also recommended that OSHA consider whether its regulations should require – in emergency situations – full and immediate disclosure of test results to workers, regardless of whether the information is requested by an employee or his or her designated representative.

Actions Taken: OSHA pledged to work with the other NRT participants to revise the NRT guidelines to ensure timely and accurate disclosure of exposure information to workers. OSHA's Access to Employee Exposure and Medical Records regulation requires employers to provide this information when it is requested by employees or their representatives. During the NRT review process, OSHA will seek advice from other participants in that body regarding whether additional regulatory action is required, or whether guidance to employers, workers and regulatory staff is a more appropriate way to ensure prompt sharing of information. Also, OSHA intends to establish a policy that directs its Regional and Area Offices to initiate priority action at sites where the Agency becomes aware of the possible release of chemical, biological, or radiological agents. This policy will help to prevent the type of delay that occurred at Wallingford.

Additional Information: The complete report can be found on the GAO website at <http://www.gao.gov>

Study Conducted by a DOL Agency

20. Occupational Safety and Health Administration: **Regulatory Review of OSHA's Grain Handling Facilities Standard, March 2003**

Performance Goal(s) Affected: 3.1C – Reduce fatalities. 3.1D – Reduce workplace injuries and illnesses.

Findings: Since OSHA promulgated its Grain Handling Facilities Standard in 1987, working in the grain industry is safer. Since the standard was promulgated, there have been 70% fewer fatalities and 55% fewer injuries from grain explosions, and the number of grain suf-

focations went down 44%. The review also found that implementation of the standard has not had a negative effect on the industry generally or on small businesses within the industry.

Recommendations: OSHA conducted its regulatory review of the Grain Handling Facilities Standard, under Section 610 of the Regulatory Flexibility Act and Section 5 of Executive Order 12866, to determine if the standard is needed and if it should be amended. OSHA found that the standard has not had a negative impact on small business, and that the standard saves lives. The recommendations were that no major changes have occurred in technological, economic, or other factors that warrant a substantial revision of the standard.

Action Taken: OSHA will consider possible improvements to the Grain Handling Facilities Standard, including whether the confined space requirements of the Grain Handling Standard should apply to all areas of grain storage facilities currently covered by the general Confined Spaces Standard. OSHA may also consider updating references to the National Fire Protection Association requirements that are in the Standard.

Additional Information: A copy of the report can be obtained from the Occupational Safety and Health Administration, 200 Constitution Ave., NW, Washington, DC 20210 or by calling 202-693-2000.

Studies Conducted by Other Evaluators

21. Employment and Training Administration:

2003-05: The Quantum Opportunity Program (QOP) Demonstration: Implementation and Short-Term Impact Reports, August 2003

Conducted by: Mathematica Policy Research

Performance Goal(s) Affected: 1.2A – Increase entrance and retention of youth registered under the WIA youth program in education or employment. 1.2C – Increase retention of Youth Opportunity Grant participants in education, training, or employment.

Findings: The QOP demonstration is a youth mentoring program that operated in seven cities between 1995 and 2000. Highlights from the findings include: (1) QOP can be implemented through local community-based organizations, although the complete QOP model is difficult to replicate; (2) QOP enrolled a representative sample of the target group of disadvantaged youths; (3) fidelity to the program model varied widely; (4) the prescribed intensity from QOP was implemented at most sites; (5) all sites successfully implemented developmental activities, case management and monitoring; and (6) the QOP expenditure per enrollee averaged \$25,000 for the full five years of the demonstration.

Additional Information: http://wdr.doleta.gov/owsdrr/papers/QOP_implementation.pdf

22. Employment and Training Administration: **2003-04: Working with Disadvantaged Youth: Thirty Month Findings from the Evaluation of the Center for Employment Training Replication Sites, June 2003**

Conducted by: MDRC (Manpower Demonstration Research Corporation) and Berkley Policy Associates

Performance Goal Affected: 1.2A – Increase entrance and retention of youth registered under the WIA youth program in education or employment.

Findings: In the early 1990s, the DOL provided funds for the Center for Employment Training (CET) to provide technical assistance to other organizations interested in replicating the CET model. This study examines the experiences of youth in 12 CET sites: six in eastern states and the Midwest begun as part of the DOL-sponsored replication effort and six western programs operated as part of CET's service network. A summary of the findings include: (1) implementation of the CET approach is difficult, and the fidelity of program services varied across sites, affecting program impacts; (2) in the four sites implementing the CET model with high fidelity, impacts on service receipt, training certificates completed, and employment related outcomes for young women were higher as compared to those sites implementing CET at a lower fidelity.

Additional Information: http://wdr.doleta.gov/owsdrr/papers/cet_full_report.pdf

23. Employment and Training Administration: **2003-03: The Workforce Investment Act in Eight States: Overview of Findings from a Field Network Study, July 2003**

Conducted by: Richard Nathan, Rockefeller Institute of Government; Burt Barnow, Johns Hopkins University; and Christopher King, University of Texas

Performance Goal(s) Affected: 1.1A – Increase the employment, retention, and earnings of individuals registered under the WIA adult program. 2.3A – Increase the employment, retention, and earnings of individuals registered under the WIA dislocated worker program.

Findings: This interim evaluation of the Workforce Investment Act of 1998 examines the national goals, roles of Federal, State and local partners and implementation of the law in eight states - Florida, Indiana, Maryland, Michigan, Missouri, Oregon, Texas, and Utah. Its purpose is to provide well-timed information to the U.S. Department of Labor and other public agencies, organizations and experts on what is happening now in the administration and delivery of publicly-funded workforce development services. Implications of the study include: (1) many roads appear viable for implementing successful workforce development systems, suggesting that a devolved approach with enhanced State flexibility, rather than numerous mandates, makes for sensible national policy; (2) seamless service delivery for workforce development is attainable, though not without strong leadership, real costs, and considerable hard work; (3) one-stop infrastructure is unlikely to be adequately supported and financed in most States in the future without Federal action; and (4) it will take much more effort and system development before self-directed services can be accessed and delivered effectively for all employers and job seekers.

Additional Information: http://wdr.doleta.gov/owsdrr/papers/RIG_Interim_Report_7-8-03.pdf

24. Occupational Safety and Health Administration: **An Analysis of Fatal Events in Construction Industry in 2001, July 2003**

Conducted by: The Construction Industry Research and Policy Center, University of Tennessee, Knoxville

Performance Goal(s) Affected: 3.1C – Reduce fatalities.

Findings: In 2001, falls from heights resulted in the largest number of construction site fatalities of any cause. Falls from or through roofs or structures accounted for about 23% of the total number of deaths on construction sites that were investigated by Federal and State OSHA agencies. The third most common cause of death was being crushed or run over by operating construction equipment. The fourth was electric shock from equipment installation or tool use, and the fifth was being struck by falling objects.

Recommendations: OSHA should promote the greater use of fall protection.

Action Taken: OSHA will continue to devote extensive resources to the inspection of construction worksites, actively enforcing fall protection requirements.

Additional Information: A copy of the report can be obtained from the Occupational Safety and Health Administration, 200 Constitution Ave., NW, Washington, DC 20210 or by calling 202-693-2000.

25. Occupational Safety and Health Administration: **Evaluation of the Usability of the OSHA Public Website, July 2003**

Conducted by: Human Factors International

Performance Goal(s) Affected: 3.1C – Reduce fatalities. 3.1D – Reduce workplace injuries and illnesses.

Findings: Human Factors International found that navigating the OSHA website to conduct tasks that required searching or browsing presented a challenge and some terminology was unclear. High frequency tasks included looking for OSHA regulations and printing these, implementing safety and health programs, and finding help based on the users' type of work.

Recommendations: Human Factors International recommended that the website be redesigned to allow users to begin accomplishing tasks as early as possible, to always provide a "Sense of Place," and to group information in ways that match the tasks that users are trying to accomplish.

Actions taken: Recommendations to enhance the useability of the OSHA website are being implemented and will continue to be implemented in FY 2004.

Additional Information: A copy of the report can be obtained from the Occupational Safety and Health Administration, 200 Constitution Ave., NW, Washington, DC 20210 or by calling 202-693-2000.