

Why GAO Did This Study

As the United States continues to face high unemployment in the wake of the recent recession, federally funded workforce programs can play an important role in bridging gaps between the skills present in the workforce and the skills needed for available jobs. The Workforce Investment Act of 1998 (WIA) sought to strengthen the connection between workforce programs and employers, but GAO's prior work has found that collaboration remains a challenge. With WIA currently awaiting reauthorization, GAO reviewed (1) factors that facilitated innovative collaborations among workforce boards, employers, and others; (2) major challenges to collaboration; and (3) actions the Department of Labor (Labor) has taken to support local collaborative efforts. GAO examined 14 local initiatives identified by experts as among the most promising or innovative efforts in which local workforce boards collaborated effectively with employers and other partners to achieve positive results. GAO interviewed representatives of the 14 initiatives and officials from five federal agencies. GAO also reviewed reports on the initiatives and relevant federal laws, regulations, and other documents.

What GAO Recommends

To better support the capacity of the local workforce investment system to collaborate with employers and other partners, Labor should compile information on workforce boards that effectively leverage WIA funds with other funding sources and disseminate this information in a readily accessible manner. Labor agreed with our findings and recommendation.

View [GAO-12-97](#) or key components. For more information, contact Andrew Sherrill at (202)-512-7215 or sherrilla@gao.gov.

WORKFORCE INVESTMENT ACT

Innovative Collaborations between Workforce Boards and Employers Helped Meet Local Needs

What GAO Found

Workforce board officials and their partners in the 14 initiatives cited a range of factors that facilitated building innovative collaborations, as shown in the figure. Almost all of the collaborations grew out of efforts to address urgent workforce needs of multiple employers in a specific sector, such as health care, manufacturing, or agriculture, rather than focusing on individual employers. Additionally, the partners in these initiatives made extra effort to understand and work with employers so they could tailor services such as jobseeker assessment, screening, and training to address specific employer needs. For example, in Greensboro, North Carolina, board staff provided expedited services for an aircraft company that just moved to the area by designing a web-based recruitment tool and customized assessment process within 48 hours and screening over 2,400 initial applicants. In all the initiatives, partners remained engaged in these collaborative efforts because they continued to produce a wide range of reported results, such as an increased supply of skilled labor, job placements, reduced employer recruitment and turnover costs, and averted layoffs. For example, in Cincinnati, Ohio, employers who participated in the health care initiative realized almost \$5,000 in estimated cost savings per worker hired, mainly due to lower turnover and recruitment costs, according to an independent study.

Factors That Facilitated Collaboration in Selected Initiatives



Source: GAO analysis of interviews.

While these boards were successful in their efforts, they cited some challenges to collaboration that they needed to overcome. Some boards were challenged to develop comprehensive strategies to address diverse employer needs with WIA funds. For example, some boards' staff said that while their initiatives sought to meet employer needs for higher-skilled workers through skill upgrades, WIA funds can be used to train current workers only in limited circumstances, and the boards used other funding sources to do so. Staff from most, but not all, boards also said that WIA performance measures do not reflect their efforts to engage employers. Many of these boards used their own measures to assess their services to employers, such as the number of new employers served each year or the hiring rate for jobseekers they refer to employers.

Labor has taken various steps to support local collaborations, such as conducting webinars and issuing guidance on pertinent topics, and contributing to a new \$37 million grant program to facilitate innovative regional collaborations. Many of the boards we reviewed cited leveraging resources as a key to facilitating collaboration. However, while Labor has collected information on effective practices for leveraging resources, it has not compiled this information and made it easy to access.