



Highlights of [GAO-04-496](#), a report to congressional requesters

# NATIONAL EMERGENCY GRANTS

## Labor Is Instituting Changes to Improve Award Process, but Further Actions Are Required to Expedite Grant Awards and Improve Data

### Why GAO Did This Study

The Department of Labor (Labor) awards national emergency grants to states and local areas to provide assistance to workers who lose their jobs because of major economic dislocations or disasters. Most grants awarded are regular grants to assist workers affected by plant closings or mass layoffs. Questions have been raised about whether grant funds are getting to states and local areas quickly enough. GAO was asked to assess the effectiveness of the process for awarding national emergency grants, whether Labor is planning changes that will improve the grant award process, and what is known about how grant funds are used.

### What GAO Recommends

We are recommending that Labor set goals for awarding grants and incremental payments that include the entire award process, and track how long it takes for all steps of the process. Finally, Labor should clarify guidance to states on submitting national emergency grant data in progress reports and ensure that grantees submit data to the national participant database.

In its comments, Labor disagreed with our conclusions and methodology. We conducted a complete review of Labor's grant award process for a 3-year period, surveyed states, and assessed current and proposed policies to reach our conclusions. While Labor is making changes to the grant award process, we identified additional actions needed.

[www.gao.gov/cgi-bin/getrpt?GAO-04-496](http://www.gao.gov/cgi-bin/getrpt?GAO-04-496).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sigurd Nilsen at (202) 512-7215 or [nilsens@gao.gov](mailto:nilsens@gao.gov).

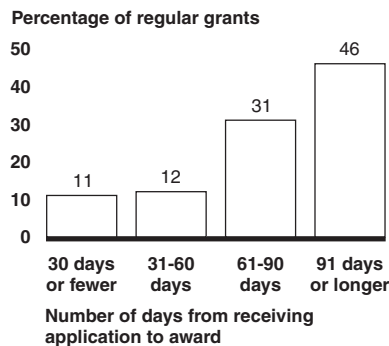
### What GAO Found

Labor does not award most national emergency grants in a timely manner, and as a result, services to workers have been delayed, interrupted, or denied. Labor's goal is to make award decisions within 30 calendar days of receiving a complete application. However, nearly 90 percent of regular grants took longer than 30 days to award (see figure). On average, Labor took 92 days to award regular grants. For grants disbursed in more than one payment, Labor took on average 83 days to award the additional increments. Twenty-five of 38 states responding to our survey reported that because of grant award delays, local areas had to delay or deny services to workers.

Labor is taking some steps, such as implementing an electronic system to better manage its award process and incorporating its 30-day goal in new guidelines, that may improve the timeliness of grant awards. However, some weaknesses still remain in Labor's planned changes that could prevent Labor from accurately assessing how long it takes to make grant awards and incremental payments. For example, Labor plans to stop counting the days elapsed if it finds problems with an application, and Labor's proposed guidelines do not establish a timeliness goal for incremental payments.

Little is known on a national level about how national emergency grant funds are used because of weaknesses in two primary data sources. Because of the lack of clear guidance, states report inconsistent data in progress reports, and some states have not reported data on national emergency grants to a national database covering Workforce Investment Act (WIA) programs. To address these problems, Labor is implementing a standardized electronic form for grantees to submit progress reports, issued guidance requiring states to submit data on national emergency grant participants to the national WIA database, and checked states' latest submissions to identify if data were missing. However, Labor's guidance still is not sufficiently clear to ensure that states will report data in progress reports consistently, and Labor does not have specific plans to continue checking states' data submissions to ensure that data are complete.

**Percentage of Regular Grants Awarded during Program Years 2000-2002 within Specified Time Frames**



Source: GAO analysis of Labor grant awards during program years 2000 through 2002.