WORKFORCE INVESTMENT ACT

States and Local Areas Have Developed Strategies to Assess Performance, but Labor Could Do More to Help

Why GAO Did This Study

With rising federal deficits and greater competition for public resources, it is increasingly important for federal programs, such as the Workforce Investment Act (WIA) programs, to show results. This report examines (1) how useful WIA performance data are for gauging program performance; (2) what local areas are doing to manage their WIA performance and assess one-stops on a timely basis, and how states assist these efforts; and (3) the extent to which the Department of Labor is trying to improve WIA's performance measurement system and assess one-stop success.

What GAO Recommends

GAO recommends that Labor continue to allow supplemental data for reporting outcomes; assist states and localities in sharing promising practices on interim indicators; develop a systematic method to account for different populations and economic conditions when negotiating performance levels; and expedite steps to implement an impact evaluation of WIA services. GAO also suggests that Congress may wish to consider requiring that all WIA participants be tracked for reporting purposes. Labor generally agreed with our findings and recommendations, but it did not agree with our recommendation to expedite WIA's impact evaluation. GAO believes that expediting this evaluation is essential to help policymakers assess WIA's effectiveness.

www.gao.gov/cgi-bin/getrpt?GAO-04-657.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Dianne Blank at (202) 512-5654 or blankd@gao.gov.
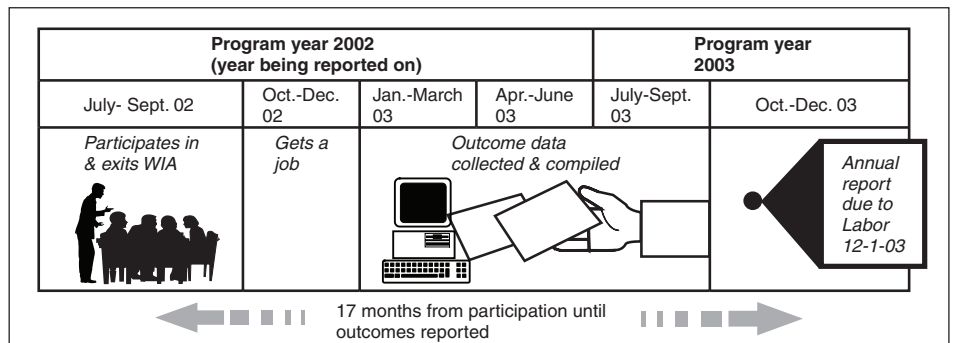
What GAO Found

WIA performance data provide a long-term national picture of outcomes, but these data offer little information about current performance and represent a small portion of job seekers who received WIA services. Unemployment Insurance wage records—the primary data source for tracking WIA performance—provide reliable outcome information over time. But they have shortcomings, such as not including some categories of workers, and considerable time lags before data are available. Many states rely on alternative data sources to fill gaps in the wage records. However, the time between when a participant receives services and when their outcomes are reported to Labor can range from about 1½ to 2½ years or longer. In addition, states' annual reports reflect only a small portion of job seekers who receive WIA services because of restrictions in the law and policies of Labor.

With assistance from states, many local areas collect interim outcome information from former participants or employers and use other interim indicators to track WIA performance levels long before wage record data are available. However, states and local areas would like more help from Labor in disseminating best practices on interim performance measures. In addition, these efforts tell them little about the performance of their overall one-stop systems. Many states and local areas rely on other indicators—job seeker measures, employer measures, program partnership measures, and family and community indicators to assess their one-stops.

Labor has taken steps to improve WIA's performance system and assess one-stops, but could do more. Although Labor is studying adjustment methods that could better take into account local differences when negotiating performance levels, it has not committed to using such a method nationally. Labor also has efforts to improve the quality of WIA's performance data and is developing a set of common measures for one-stop partner programs. Yet as part of the common measures, Labor plans to restrict the use of alternative data. Labor has also delayed plans to conduct an impact evaluation and will not meet its statutory requirement to do so by 2005.

Time Delay in Reporting Employment Outcomes is a Minimum of 17 Months

Program year 2002 (year being reported on)				Program year 2003	
July- Sept. 02	Oct.-Dec. 02	Jan.-March 03	Apr.-June 03	July-Sept. 03	Oct.-Dec. 03
Participates in & exits WIA	*Gets a job*	*Outcome data collected & compiled*			*Annual report due to Labor 12-1-03*

17 months from participation until outcomes reported

Source: U.S. Department of Labor TEGL 7-99 and TEGL 14-03.

United States General Accounting Office