

U.S. Department of Labor

Office of Inspector General—Office of Audit

EMPLOYMENT AND TRAINING ADMINISTRATION



THE STATE OF GEORGIA'S ONE-STOP SYSTEM IS A WORK IN PROGRESS, BASED ON AN AUDIT OF TWO ONE-STOP CENTERS

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BRIEFLY...

Highlights of Report Number: 06-06-002-03-390, to the Assistant Secretary for Employment and Training Administration.

WHY READ THE REPORT

The Workforce Investment Act of 1998 mandated the One-Stop delivery system. It requires states to consolidate their predecessor Wagner-Peyser core employment services with other job training programs to form one seamless service delivery system for its customers.

This includes having one overall application process with comprehensive services available on site with minimal referrals. However, the law provides flexibility in how the states and local areas implement this vision, which allows them to address issues that may be unique to their area.

WHY OIG DID THE AUDIT

The Department of Labor's Employment and Training Administration (ETA) views the One-Stop system as the cornerstone of the new workforce investment system, which unifies numerous training, education, and employment programs into a single, customer-friendly system in each community. ETA envisions one overall service system where One-Stop truly means one stop.

The OIG conducted a performance audit of the State of Georgia's One-Stop system to determine if the seamless vision was implemented within the State of Georgia. Our audit included two One-Stops within the State of Georgia, and covered the One-Stop's organizational structure, management information system integration, and memoranda of understanding, implemented subsequent to July 1, 2001.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2006/06-06-002-03-390.pdf>

JUNE 2006

The State of Georgia's One-Stop System is a Work in Progress, Based on an Audit of Two One-Stop Centers

WHAT OIG FOUND

In the two One-Stop centers audited, we found that:

1. Some partners may need to provide more presence to provide access to services at One-Stop centers.
2. Not all partners are utilizing the State's common intake system.
3. Local Boards established Memoranda of Understanding (MOUs), but they are not used to facilitate the delivery of services and coordination between partner programs.

Georgia has used interagency approaches to address a variety of policy issues over time. However, complete implementation of a fully integrated statewide workforce development system is still a work in progress.

We found that the Georgia Department of Labor developed the Georgia Workforce System as an integrated management information system, but it is not totally integrated with and used by all partners.

Local boards established detailed MOUs to support the One-Stop concept, and primary partners abided by the agreements. However, some partners did not completely adhere to them to facilitate the delivery of services.

WHAT OIG RECOMMENDED

We had no recommendations for ETA. This report is one of four states audited during this project, to provide the Assistant Secretary an overview of One-Stop implementation.

Table of Contents

	PAGE
EXECUTIVE SUMMARY	3
ASSISTANT INSPECTOR GENERAL'S REPORT	5
RESULTS AND FINDINGS.....	6
1. Some partners may need to provide more presence to provide access to services at One-Stop centers	6
2. Not all partners are utilizing the common intake system that Georgia Department of Labor developed	7
3. Local Boards have established Memoranda of Understanding , but not all partners completely adhere to them to facilitate the delivery of services and coordination between partner programs.....	8
APPENDICES	11
Appendix A - Background.....	13
Appendix B - Objective, Scope, Methodology, and Criteria.....	15
Appendix C - Acronyms and Abbreviations.....	17

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Executive Summary

The Workforce Investment Act of 1998 mandated the One-Stop delivery system. It requires states to consolidate their predecessor Wagner-Peyser core employment services with other job training programs to form one seamless service delivery system for its customers. The Department of Labor's (DOL) Employment and Training Administration (ETA) views the One-Stop system as the cornerstone of the new workforce investment system, which unifies numerous training, education, and employment programs into a single, customer-friendly system in each community. ETA envisions one overall service system where One-Stop truly means one stop. This includes having one overall application process with comprehensive services available on site with minimal referrals. However, the law provides flexibility in how the states and local areas implement this vision, which allows them to address issues that may be unique to their area.

The purpose of our audit was to determine how this seamless vision is being implemented within the State of Georgia. To determine if this overall objective was met, we wanted to answer the following questions:

1. Does the One-Stop organizational structure support the seamless system concept?
2. Has one overall application process been established to support the One-Stop service delivery system?
3. Are agreements established between partners to implement a system that supports the One-Stop concept?

Results

In the two One-Stop centers audited, we found that:

1. Some partners may need to provide more presence to provide access to services at One-Stop centers. We observed that partners that had agreed to provide services part-time at a center had not done so, and at another center some partners that were housed at the center part-time had no evidence that they had served any clients in the 6 months prior to our audit.
2. Not all partners are utilizing the State's common intake system. Some partners expressed an inability, or unwillingness, to report activities in the Georgia Workforce System (GWS). One of the two centers audited uses GWS to report only Workforce Investment Act (WIA) partner services, and the other center uses the GWS for reporting, and its own internal management information system (MIS) for tracking all customer activity. This creates dual record keeping.

3. Local Boards established Memoranda of Understanding (MOUs), but they are not used to facilitate the delivery of services and coordination between partner programs. In both of the centers audited, MOUs are established, and mandatory partners appear to abide by the established agreements, providing services onsite or through referrals. However, some optional partners are not providing services as outlined in the agreements.

These results indicate issues identified in two of Georgia's One-Stop centers and are not intended to represent conditions in the State's workforce system as a whole. These issues are provided to Georgia Department of Labor (GDOL) officials in order to assist them in the continued streamlining of their workforce system.

Because these conditions may exist in other One-Stops, we encourage ETA to assist GDOL in identifying and rectifying these conditions in order to continue GDOL's implementation of a seamless service system.

Recommendations

We have no recommendations as a result of this audit.

Agency Response

This report was provided to GDOL officials as a discussion draft, and their responses--primarily that the review results for two One-Stop Centers should not be used to make recommendations regarding State One-Stops taken as a whole--were considered in making minor modifications to the report. Due to the OIG's and GDOL's involvement in operations subsequent to Hurricanes Katrina and Rita and, because there are no recommendations made to the State or ETA, the report was finalized without requesting formal comments.

U.S. Department of Labor

Office of Inspector General
Washington, DC 20210



Assistant Inspector General's Report

Ms. Emily Stover DeRocco
Assistant Secretary
for Employment and Training

The Workforce Investment Act of 1998 (hereinafter referred to as the Act) mandated the One-Stop delivery system. The Act requires states to consolidate their predecessor Wagner-Peyser core employment services with other job training programs to form one seamless service delivery system for its customers. ETA envisions one overall service system where One-Stop truly means one stop. This includes having one overall application process with comprehensive services available on site with minimal referrals. However, the law provides flexibility in how the states and local areas implement this vision.

The seven guiding principles of the Act are:

- streamlined services,
- empowering individuals,
- universal access,
- increased accountability,
- strong role for local workforce investment boards and the private sector,
- state and local flexibility, and
- improved youth programs.

Our audit focused on three of the guiding principles of streamlined services, universal access, and state and local flexibility. The audit objective was to determine if an environment conducive to the seamless service concept was implemented in the State of Georgia. We reviewed the following elements at two centers:

- center organizational structure
- MIS
- MOUs

We audited two One-Stop centers in the State of Georgia, and determined that they still have work to do in their implementation of the seamless service concept.

RESULTS AND FINDINGS

Objective 1: Does the One-Stop organizational structure support the seamless system concept?

Results: Some partners may need to provide more presence to provide access to services at One-Stop centers.

The underlying notion of the One-Stop concept is the coordination of programs, services and governance structures, so customers have access to a seamless system of workforce services.

In Georgia, GDOL is designated as the lead State workforce administrative entity for federally funded job training, employment, unemployment insurance, and labor market information programs. GDOL has made an effort to encourage and promote seamless and integrated service delivery. The One-Stop system is governed by the State Board and the local workforce investment boards. In general, the GDOL allows the Local Boards flexibility in designing local systems that provide and enable maximum customer access to the full spectrum of workforce and related services, tailored to the area served.

The State is continuing to address issues related to their implementation of an integrated service delivery system. According to the State Strategic plan,

Georgia has used interagency approaches to address a variety of policy issues over time. However, complete implementation of a fully integrated statewide workforce development system is still a work in progress. To date, all areas of the state have achieved substantial integration of Labor-funded services, and many additional community partners are involved in local systems. Some specific issues that continue to challenge achievement of the statewide vision are listed below.

- Establishing a sense of ownership of the system among partners.
- Retaining the focus on customer choice.
- Overcoming resistance to cultural and system change.

We found that center partners shared the concerns identified in the State Strategic plan. The audit results are based on an audit of two One-Stop centers in Georgia. The State operates two types of workforce centers:

- GDOL Career Centers (53): 28 co-located with WIA One-Stop centers; 25 stand-alone
- WIA-mandated One-Stop Centers (46): 28 co-located with Career Centers; 18 stand-alone

The Career Centers represent the State Employment Security Agencies that existed prior to WIA. The Career Centers provide predominantly employment service activities, Trade Adjustment Assistance program, unemployment insurance, and veteran's employment service programs. The One-Stops focus on WIA services and training. The key to effective service delivery is that all services are available for clients, as indicated in the Federal Register / Vol. 65, No. 156, page 49294:

. . . Streamlining services through better integration at the street level in the One-Stop delivery system. Programs and providers **will co-locate, coordinate and integrate activities** and information, so that the system as a whole is coherent and accessible for individual and businesses alike.
[Emphasis added.]

Accessibility is the key for a system to be effective. In the Georgia workforce system, local discretion means that partners are either housed in the One-Stops or in the Career Centers, and partners not physically present are to be readily available.

Our audit work involved a Career Center and a One-Stop center. At the Career Center, we observed that partners that had agreed to provide services part-time at the center had not done so. In the One-Stop center, some partners that were housed at the center part-time had no evidence that they served any clients in the six months prior to our audit.

This would indicate that all services clients should have access to may not be as readily accessible as they should be.

Objective 2: Has one overall application process been established to support the One-Stop service delivery system?

Results and Findings: Not all partners are utilizing the common intake system that Georgia Department of Labor developed.

The DOL, through WIA regulations, envisions a variety of programs using common intake, case management, and job development systems to take full advantage of the potential for efficiency and effectiveness. WIA regulations indicate that a major benefit of the One-Stop structure is to increase administrative efficiency, as well as provide more seamless service to the customer through the use of common intake systems.

We found that GDOL developed the GWS as an integrated MIS. The system allows GDOL-funded programs to maintain one record for each customer throughout the service continuum, regardless of the customer's point of entry into the system. The GWS is the State's performance reporting system that is used to record services once the client goes beyond the self-directed core service activities.

A. Some partners expressed an inability, or unwillingness, to report activities in the GWS.

With GWS developed primarily for GDOL programs, other partners must rely on their own MIS. At one center, partners expressed an inability to access client history of activities. Other concerns expressed included a lack of privacy that some programs require, keeping them from using the GWS.

B. Some partners within GDOL use separate data systems.

One of the two centers audited uses GWS to report only WIA partner services. The other center uses the GWS for reporting, and their own internal MIS for tracking all customer activity. Clients are initially entered into the internal MIS to record core services, case notes, and other personal information. Because the system does not communicate electronically with the State GWS, case managers must re-enter client information into the GWS when clients are enrolled in the WIA program. This creates dual records being maintained by the two systems.

C. Non-GDOL partner MIS systems are not linked to GWS, leading to duplication of effort.

At both centers we reviewed, regardless of the partners involved, client intake must be duplicated. GDOL-funded partners can access their MIS from the center, but these systems do not communicate electronically to the GWS. These partners must reenter client intake information. The non-GDOL funded partners cannot access their systems at the center, and must reenter information for clients referred by GDOL-funded partners at their main program offices.

Objective 3 – Are MOUs established between partners to implement a system that supports the One-Stop concept?

Results and Findings: Local Boards have established MOUs, but not all partners completely adhere to them to facilitate the delivery of services and coordination between partner programs.

In both of the centers audited, MOUs are established, and mandatory partners appear to abide by the established agreements, providing services onsite or through referrals.

However, some optional partners are not providing services as outlined in the agreements.

In one center, all mandatory partners were housed at the center either full or part-time, or had a referral process established in order to provide necessary services. Some of the required partners are not housed full-time but have pre-set hours when they are on-site.

At the other center, even though MOUs were established, some optional partners have not continued to maintain a presence at the center, and others reduced their participation at the center. One cited a lack of demand, and another cited a staffing shortage. The center has developed a referral process, but we did not assess its effectiveness.

MOUs are intended to facilitate cooperation and direction for One-Stop operations. The Act encourages the use of MOUs to establish and define working relationships between partner agencies in the delivery of services in One-Stop centers. According to the Act, Chapter 3, Section 121(c), the local Board, with the agreement of the chief elected official, shall develop and enter into a memorandum of understanding (between the local board and the One-Stop partners). Each memorandum of understanding shall contain:

- (i) the services to be provided through the One-Stop delivery system;
- (ii) how the costs of such services and the operating costs of the system will be funded;
- (iii) methods for referral of individuals between the One-Stop operator and the One-Stop partners, for the appropriate services and activities; and
- (iv) the duration of the memorandum and the procedures for amending the memorandum during the term of the memorandum.

ETA cited the need for strong MOUs in its “Final Rule” implementing the Act. 20 CFR Part 662 et al. provides that “the MOU be the vehicle for addressing the specified issues of services, costs and referrals. . . .” Additionally, MOUs are the “vehicle through which the partner’s role in the local system is detailed.” The regulations also cite the need to “. . . promote strong MOUs” and how MOUs are the “. . . primary means for coordinating the services of the One-Stop partners [and] are the foundation of the entire workforce investment system.”

With MOUs considered the primary means of coordinating services, when conditions dictate changes in a partner’s participation, MOUs should be revised to reflect the changes.

These results indicate issues identified in two of Georgia’s One-Stop centers and are not intended to represent conditions in the State’s workforce system as a whole. These issues are provided to GDOL officials in order to assist them in the continued streamlining of their workforce system.

Because these conditions may exist in other One-Stops, we provide this information to ETA for their continued oversight in GDOL’s implementation of a seamless service system.

This report was provided to GDOL officials as a discussion draft, and their responses were considered in making minor modifications to the report. Because there are no

***The State of Georgia's One-Stop System is a Work in Progress,
Based on an Audit of Two One-Stop Centers***

recommendations made to the State or ETA, the report was finalized without requesting formal comments.

We conducted this audit in accordance with Government Auditing Standards for performance audits. Our audit scope, methodology, and criteria are detailed in Appendix B.



Elliot P. Lewis
September 30, 2005

Appendices

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BACKGROUND

The Act mandated the One-Stop delivery system. It requires states to consolidate their predecessor Wagner-Peyser core employment services (job referrals, job bank, employment assistance) with other job training programs (currently WIA Title I programs, Trade Adjustment Assistance, Veterans, Older Worker, Housing and Urban Development employment and training, and Community Development Block Grant employment and training) to form one seamless service delivery system for its customers. Optional partners include the Temporary Assistance for Needy Families (TANF) program and Food Stamp employment, training, and work programs.

The Act gives flexibility to the state and local governments to set up their One-Stops as they determine will best serve their local clients. However, the following core services must be made available: skills assessments, job search and placement assistance, job statistics, performance and cost information on training providers, performance information on One-Stop service delivery, accurate supportive service referrals, information on filing unemployment insurance claims, assistance in establishing eligibility for various financial aid programs, and follow-up services.

DOL states in the FY 2001 and 2002 annual reports:

One-Stop Career Centers provide the focal point for meeting the challenges of a global economy. Through the One-Stop Centers, communities can build the local partnerships and organize the workforce development services that enable adults to acquire the skills needed for jobs and career changes that lead to high wages and for businesses to meet their ongoing recruitment and human services needs.

ETA envisions one overall service system, where One-Stop truly means one stop. This includes having one overall application process with comprehensive services available on site with minimal referrals. This audit report provides ETA with information on how the State of Georgia operates its One-Stop system to carry out seamless service delivery.

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APPENDIX B

OBJECTIVE, SCOPE, METHODOLOGY, AND CRITERIA

Objective

Our audit objective was to determine if an environment conducive to the seamless service concept was implemented in the State of Georgia.

Scope

Our audit focused on the WIA principles of streamlined services, universal access, and state and local flexibility. We determined these would best measure the State's implementation of their One-Stop system.

Our analysis of One-Stop center operations was based on the period July 1, 2001, through April 1, 2004.

Sampling was performed in two stages – first states were selected, then One-Stop centers within those states were selected. States were selected based on:

- TANF presence
- obtaining geographic dispersion
- population

Georgia was selected as *without* TANF co-located state. We defined *TANF co-located* as: those states that listed a significant number of centers (as compared to the total number of centers in the state) with TANF eligibility and/or TANF employment and training activities. Those states with TANF co-located centers were identified from a Government Accountability Office survey.

We judgmentally selected one urban and one suburban One-Stop center. The urban area center was a WIA mandated One-Stop center in central Georgia, and the suburban center was a GDOL career center in Southern Georgia. Centers are not identified due to the limited number included in the audit work, and agreements with State and local staff to encourage an open dialogue.

Evidence was obtained through interviewing State, local board, and center staff; observations of operations; and documentation. Please see "Methodology" for work performed.

Methodology

Work was performed at three levels.

- At the Federal level, we:
 - Interviewed key workforce staff to gain an understanding of the seamless service delivery concept, and
 - Obtained and reviewed laws, directives, and regulations pertaining to One-Stop operations; and

- At the State level, we:
 - Obtained and reviewed their annual WIA plan, 5-year strategic plan, and organizational chart,
 - Interviewed key staff responsible for One-Stop operations;
 - Obtained and reviewed policy directives issuing guidance regarding One-Stop operations,
 - Obtained and reviewed MOUs to determine coordination efforts, and
 - Discussed the State MIS structure to gain a general understanding of the client information flow; and

- At the One-Stop centers we:
 - Obtained and reviewed local strategic plan, policies and procedures, and other documents to understand how One-Stop services are provided,
 - Interviewed center partners and performed a center walk-through to understand how the center operates,
 - Met with MIS staff to understand how One-Stop service data is reported and the systems used by the various programs at the center,
 - Obtained and reviewed MOUs for compliance with WIA requirements, and to further understand how the One-Stop center is intended to operate, and
 - Conclude whether mandatory and optional partners are served directly by the center or through referrals.

Our audit work inherently included an assessment of the general internal controls used in the general operation of Georgia's workforce system. Our audit procedures included an assessment of the workforce system structure and operations.

Criteria

We used the following criteria to perform this audit:

- WIA Section 121. Establishment of One-Stop Delivery Activities
- WIA Final Rules (20 CFR Part 662) dated August 11, 2000
- H.R. 1261, "Workforce Reinvestment and Adult Education Act of 2003"
- S. 1627, "Workforce Investment Act Amendments of 2003"

ACRONYMS AND ABBREVIATIONS

DOL	Department of Labor
ETA	Employment and Training Administration
GDOL	Georgia Department of Labor
GWS	Georgia Workforce System
MIS	Management Information System
MOUs	Memoranda of Understanding
OIG	Office of Inspector General
TANF	Temporary Assistance to Needy Families
WIA	Workforce Investment Act