

BRIEFLY...

Highlights of Report Number **03-11-003-03-390**, issued to the Assistant Secretary for Employment and Training.

WHY READ THE REPORT

The Office of Inspector General (OIG) conducted a performance audit of training services provided under the Workforce Investment Act (WIA) Adult and Dislocated Worker programs. The U.S. Department of Labor's (DOL) Employment and Training Administration (ETA) awards more than \$2 billion annually in formula grants to State Workforce Agencies (SWA) to operate the WIA Adult and Dislocated Worker programs.

Training Services is one of the three tiers, or levels, of services provided under WIA. However, the amount of funding spent on each of the service tiers is not available because fund allocation is left to the discretion of the SWAs, and ETA does not collect this information. WIA established a comprehensive performance accountability system to assess the effectiveness of SWAs in achieving continuous improvement of workforce investment activities in order to optimize the return on investment of federal funds. The core indicators of performance are entry into unsubsidized employment; retention in unsubsidized employment 6 months after entry into the employment; and earnings received in unsubsidized employment 6 months after entry into the employment.

WHY OIG CONDUCTED THE AUDIT

The audit objectives were to answer the following questions:

1. Was ETA's comprehensive performance accountability system able to assess the effectiveness of training services provided under the WIA Adult and Dislocated Worker programs?
2. What were the results of the training services provided under these programs, and were the training services linked to demand occupations?

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/2011/03-11-003-03-390.pdf>.

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ADDITIONAL INFORMATION NEEDED TO MEASURE THE EFFECTIVENESS AND RETURN ON INVESTMENT OF TRAINING SERVICES FUNDED UNDER THE WIA ADULT AND DISLOCATED WORKER PROGRAMS

WHAT OIG FOUND

WIA limits ETA's ability to include the results of training services in its WIA performance accountability system. Although the system ETA developed complied with WIA, it did not provide sufficient information on performance results and the cost of training services for which ETA paid. For the 20 SWAs in our audit universe, we estimated that ETA spent about \$307 million on training services to 103,340 exiters during the period April 2008 to March 2009.

Because ETA had limited information on the outcomes and cost of training services, we analyzed a sample of 362 Adult and Dislocated Worker program exiters who received training services. Our analysis showed that in almost every case the exiters received training related to a demand occupation and 86 percent completed their training. Employment outcomes for the sampled exiters showed 85 percent obtained employment after training. Of those who obtained employment, 82 percent were still employed in the second quarter after exiting.

Our analysis also showed that 37 percent of the sampled exiters either did not obtain employment or their employment was unrelated to the training they received. Specifically, almost 13 percent did not obtain employment, and for those who did, almost 24 percent were in jobs not related to their training. Additionally, for another 10 percent of exiters, the SWAs could not provide sufficient evidence to demonstrate whether job placement was training related. We estimated that \$124 million was spent on training participants who did not obtain training-related employment, or there was insufficient information to make that determination.

WHAT OIG RECOMMENDED

The OIG recommended that the ETA Assistant Secretary pursue legislative authority to develop performance measures for training outcomes, and require SWAs to report training costs at the participant level; and to exercise oversight over SWAs to ensure they develop practices to increase the percentage of exiters who find training-related employment.

ETA did not believe the report put the findings in the proper perspective and did not agree with the **recommendations** to pursue legislative authority on performance measures for training outcomes and to collect training costs and funding sources.