

BRIEFLY...

Highlights of report number: 18-14-002-03-390, issued to the Assistant Secretary for Employment and Training.

WHY READ THE REPORT

The American Recovery and Reinvestment Act (Recovery Act) provided the Department of Labor's Employment and Training Administration (ETA) with an additional \$500 million in Workforce Investment Act (WIA) Adult program and \$1.25 billion in WIA Dislocated Worker program formula funds to award to states. States were to use the funds to increase capacity and provide additional economic support and services to the workforce system. The Recovery Act did not change the nature of the WIA Adult and Dislocated Worker programs; supplemental funding could only be used for authorized WIA activities.

Within the Adult program, states were to use funds to provide the necessary services to substantially increase the number of adults entering or re-entering the job market; within the Dislocated Worker program, states were to use funds to support workers' re-entry into the job market.

The Recovery Act emphasized in the Adult program a priority use of funds for services to recipients of public assistance and other low-income individuals, as set forth in 134(d)(4)(E) of the WIA.

WHY OIG CONDUCTED THE AUDIT

The audit was conducted to answer the following questions:

- (1) To what extent did states use additional WIA Adult and WIA Dislocated Worker formula funds to increase the percentage of recipients they served with direct training and supportive services?
- (2) To what extent did states give priority of service to assistance recipients and low-income persons in the WIA Adult program, as required by the Recovery Act?

READ THE FULL REPORT

To view the report, go to:

<http://www.oig.dol.gov/public/reports/oa/2014/18-14-002-03-390.pdf>

September 2014

RECOVERY ACT: OUTCOMES FROM WIA TRAINING AND SERVICES TO ADULTS AND DISLOCATED WORKERS

WHAT OIG FOUND

Our audit found the number of participants served by the WIA Adult and Dislocated Worker programs increased proportionally to the increase in funding from the Recovery Act. As allowed under the Recovery Act, ETA did not require states to report Recovery Act participation separately; therefore, we were not able to determine the percentage increase in the use of Recovery Act funds for direct training and supportive services.

We found the number of participants served did not return to pre-Recovery Act levels, but remained constant at about one million for the Dislocated Workers program and around seven million for the Adult program. While participation has remained at the higher Recovery Act levels, the available funding to spend on participants in the program has returned to pre-Recovery Act levels. With the number of participants served leveling-off at or near Recovery Act levels coupled with funding levels dropping back to pre-Recovery Act levels, the spending per participant served in both the Adult and Dislocated Workers programs has reduced dramatically.

Currently, no published studies exist that identify how WIA Adult and Dislocated Worker funds, in times of limited funds, could best be used to effect the largest impact on the entered employment rate. However, the ongoing Gold Standard Evaluation ETA initiated in 2008 is designed to determine how intensive services and training impact participants' employment rates, earnings, and other related outcomes.

We found state and local board officials were aware of the Recovery Act priority of service provisions and the priority of service language was included in all grant documents, state plans, and state standard operating procedures we audited. No significant changes were required to the way assistance recipients and low-income individuals were enrolled as Recovery Act requirements were the same as those already in place under WIA.

WHAT OIG RECOMMENDED

ETA officials stated they anticipate using the Gold Standard Evaluation results to inform ETA of the best use of available funds to achieve the largest impact on participant outcomes. Therefore, our audit report does not include a recommendation to ETA. ETA management notified us they did not have any comments on the draft report.