

May 2005

# WORKFORCE INVESTMENT ACT

## Labor Should Consider Alternative Approaches to Implement New Performance and Reporting Requirements



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### Abbreviations

EMILE	ETA Management Information and Longitudinal Evaluation
ETA	Employment and Training Administration
IT	information technology
WIA	Workforce Investment Act

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United States Government Accountability Office  
Washington, DC 20548

May 27, 2005

The Honorable Michael B. Enzi  
Chairman  
The Honorable Edward M. Kennedy  
Ranking Minority Member  
Committee on Health, Education, Labor, and Pensions  
United States Senate

The Honorable Patty Murray  
Ranking Minority Member  
Subcommittee on Employment and Workplace Safety  
Committee on Health, Education, Labor, and Pensions  
United States Senate

In a period of significant budget constraints, it is more vital than ever for federal programs to have good performance information. The Workforce Investment Act (WIA) of 1998 took a significant step in that direction by introducing greater accountability for employment and training programs than prior programs. WIA established performance measures to look at a broad array of participant outcomes such as job placement and retention, earnings, skill gains, and customer satisfaction. WIA also required 17 programs, funded by four different agencies, to centralize service delivery through a one-stop center system. More recently, as part of efforts to link program performance to the budget, the Office of Management and Budget (OMB) introduced common performance measures—similar to some of the WIA measures—for most federally funded job training programs that share similar goals. The U.S. Department of Labor’s (Labor) Employment and Training Administration (ETA) further defined the common measures for all programs it oversees and proposed a new, standardized reporting format, known as the ETA Management Information and Longitudinal Evaluation (EMILE) reporting system to facilitate reporting them. However, state workforce agencies and others raised substantial concerns about the timing and scope of the EMILE reporting system. Despite delaying EMILE, Labor recently took steps to move ahead with reporting changes for the common measures, requiring states to implement these changes by July 1, 2005.

Given the importance of these issues and their potential impact on the quality of the performance data, you asked us to examine (1) states’ concerns about implementing Labor’s proposed EMILE reporting system

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and (2) the effect that the implementation of common measures and other new reporting changes might have on states' ability to collect data and report on WIA's performance.

To address these issues, we conducted a Web-based survey and received responses from 48 of the 50 states. We did not include Washington, D.C. and U.S. territories in our survey. In addition, we visited New York, West Virginia, California, Texas, and Wyoming, and two local areas in each state. We selected these states because they represent a range of information technology (IT) systems—statewide comprehensive systems versus local systems with a state reporting function, include single and multiple workforce areas, and are geographically diverse. To learn more about proposed reporting changes, we met with U.S. Department of Labor officials and reviewed legislation, federal guidance, and other documents relevant to WIA's reporting system. We also reviewed the official responses of six associations and 38 states to the July 2004 Federal Register Notice that introduced the EMILE reporting system. We conducted our work from June 2004 through April 2005 in accordance with generally accepted government auditing standards.

On April 21, 2005, we provided a briefing on the results of our work to your staff. This report formally conveys the information provided during that briefing, which is contained in appendix I. We also provided some additional state survey data in appendix II.

In summary, we found that while many states supported streamlined reporting, 36 states indicated that implementing the EMILE system, as proposed, would be very burdensome. Most states indicated that launching EMILE would require as much or more effort than was required of them to meet WIA reporting requirements in 2000. Labor has underestimated the magnitude and type of changes EMILE would require and the resources states would need in order to implement it. Labor developed EMILE with limited consultation with state officials.

While the use of the common measures could increase the comparability of outcome information across programs and provide a more complete picture of the one-stop system, states will face challenges in making the required changes. For example, states will be required to track all jobseekers who receive services at one-stop centers, although it is unclear how many states and local areas are prepared to do so. In addition, one of the common measures will replace the current WIA earnings measure for dislocated workers, which may be a disincentive for serving this population. Moreover, states have very little time to make the necessary

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changes before they must begin data collection and reporting using the new requirements. While Labor publicized its plans to adopt the common measures, states were notified only in late February that Labor planned to implement changes on July 1, 2005, and final guidance was not issued until April 15, 2005.

In conclusion, Labor's initiatives to introduce common measures and a comprehensive reporting system could foster program integration and provide a better picture of WIA's reach, but Labor underestimated the cost, time, and effort required of states to make such changes. Ongoing consultation with states and pilot testing may have enhanced Labor's effort to move forward with EMILE. Labor has not provided guidance in a timely manner for states to implement the changes related to the common measures. Rushed implementation could negatively affect data quality and compromise the potential benefits of proposed changes. While some states have the capacity to collect and report data on all jobseekers, many others do not, and states and local areas need enough time to fully meet these requirements. Moreover, unless Labor ensures that states collect the data in a consistent manner, the information will not be comparable across states.

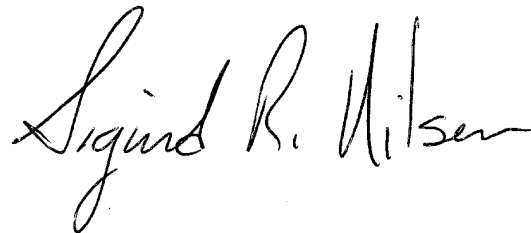
To ensure states' ability to implement proposed reporting system changes, we recommend that Labor consider alternative approaches to reach the goals of EMILE and perform an assessment that considers the costs and benefits. To help states and local areas develop the capacity to track all jobseekers who use one-stop services in a consistent manner, Labor should use the first year as a test phase and work with states to identify promising practices in collecting and reporting this data, and provide technical assistance to states that do not have this capacity.

We provided officials at the Department of Labor an opportunity to comment on a draft of this report. Labor agreed with our recommendation that it work with states in identifying promising practices to ensure that states and local areas track all jobseekers in a consistent manner. Labor did not respond to our recommendation that it consider alternative approaches to reach the goals of EMILE. In addition, Labor raised concerns about some of the material in the report. We believe these concerns do not require changes to the material. Labor's comments and a more detailed discussion of our response are in appendix III. Labor also provided technical comments, which we have incorporated in our report, as appropriate.

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We will send copies of this report to relevant congressional committees, the Secretary of Labor, and other interested parties. We will also make copies available to others upon request. The report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

A list of related GAO products is included at the end of this report. If you or members of your staff have any questions about this report, please contact me at (202) 512-7215 or Dianne Blank at (202) 512-5654. You may also reach us by e-mail at [nilsens@gao.gov](mailto:nilsens@gao.gov) or [blankd@gao.gov](mailto:blankd@gao.gov). Other contacts and staff acknowledgments are listed in appendix IV.

A handwritten signature in black ink that reads "Sigurd R. Nilsen". The signature is written in a cursive style with a large initial 'S'.

Sigurd R. Nilsen, Director  
Education, Workforce, and Income Security Issues

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# Appendix I: Briefing Slides

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## **Workforce Investment Act: States Are Challenged to Meet Proposed New Reporting Requirements**

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**Briefing to Congressional Requesters**

**April 21, 2005**

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## Research Objectives

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- What are states' concerns about implementing Labor's proposed ETA Management Information and Longitudinal Evaluation (EMILE) reporting system?
- What effect might implementation of common measures and other new reporting changes have on states' ability to collect data and report on WIA's performance?



## Scope and Methodology

- Conducted a Web-based survey of all states (results represent 48 states)
- Visited 5 states (California, New York, Texas, West Virginia, and Wyoming) and 2 local areas in each
- Reviewed 6 associations' and 38 states' comments to Federal Register Notice on the proposed EMILE reporting system
- Interviewed Labor officials
- Reviewed legislation, federal guidance, and other documents relevant to WIA's reporting system
- Our work was performed from June 2004 to April 2005 in accordance with generally accepted government auditing standards.



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## Summary of Findings

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- While states said they support the overall direction of Labor's EMILE reporting system, they have concerns about the burden and time needed to implement proposed changes.
  - Common measures and new reporting changes can provide a better picture of the one-stop system, but implementation will pose challenges for states and could affect WIA's reported performance, if not implemented carefully.
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**Background:**

## **WIA Introduced Major Changes to Performance Measurement**

The Workforce Investment Act (WIA) of 1998 promoted greater accountability for job training programs by:

- establishing new performance measures for the 3 WIA-funded programs (Adult, Dislocated Worker, and Youth);
- requiring the use of the Unemployment Insurance (UI) wage records to track and report outcomes;
- requiring Labor to negotiate performance goals with states and award incentives and impose sanctions based on the performance; and
- requiring Labor to conduct impact evaluations of the WIA-funded programs.



**Background:**

## **Performance Reports for WIA**

Labor currently collects WIA participant and performance data through quarterly and annual reports and a more detailed annual file:

- Quarterly and annual reports provide a summary of states' performance on the 17 core measures. The annual reports are used for determining incentives and sanctions.
- The annual Workforce Investment Act Standardized Record Data (WIASRD) provides characteristics, activities, and outcome information on registered participants who exited WIA services during a program year.



**Background:**

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## **Which Job Seekers Are Reported?**

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### **WIA Performance Measures Track and Report:**

#### Adults and Dislocated Workers:

Those who receive services requiring significant staff assistance and who complete or exit WIA or partner services

#### All Youth:

Those who are determined eligible and receive WIA services

### **Not Tracked and Reported:**

Those using self-assisted services and receiving limited staff assistance



**Background:**

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## History of Concerns over WIA Performance Data

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**Timeliness of Guidance:**

Guidance delayed – In a previous study, we found that Labor’s final guidance on how to report WIA performance data was issued 8 months after states were required to begin collecting data.

**Data Quality:**

Data not reliable – We and others have found that WIA performance data are not sufficiently reliable to determine outcomes. Concerns include the lack of consistent definitions, which leads to variations in reporting.

**Data Comprehensiveness:**

Incomplete picture of one-stop system – States are not required to track and report on all customers being served.

Note: Labor implemented new data validation requirements in 2004 to address data quality issues.

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**Background:**

## **OMB Introduced Common Measures for WIA and Other Workforce Programs**

**April 2002** – The Office of Management and Budget (OMB) introduced common performance measures for WIA and other federal job training programs as part of efforts to link program performance to the budget.

- Common measures provide a tool for comparing performance across programs with similar goals.
- A common goal of job training programs is to improve participants' employment and earnings. Yet without common measures, each program measures these goals in a different way.
- Common measures apply to job training programs administered by Labor, Education, Health and Human Services, Housing and Urban Development, Interior, and Veterans Affairs.

**Dec. 2003** – Labor developed standard definitions for common measures for its Employment and Training Administration (ETA) programs.





**Background:**

## Common Measures Are Similar to Some of the WIA Measures

Program	WIA measures	Common measures
Adult	<ul style="list-style-type: none"> <li>• <b>Entered employment rate</b></li> <li>• <b>Average earnings change in 6 months</b></li> <li>• <b>Employment retention rate at 6 months</b></li> <li>• Entered employment and credential rate</li> </ul>	<ul style="list-style-type: none"> <li>• Entered employment</li> <li>• Earnings increase</li> <li>• Employment retention</li> </ul>
Dislocated workers	<ul style="list-style-type: none"> <li>• <b>Entered employment rate</b></li> <li>• Earnings replacement rate in 6 months</li> <li>• <b>Employment retention rate at 6 months</b></li> <li>• Entered employment and credential rate</li> </ul>	
Youth (age 19-21)	<ul style="list-style-type: none"> <li>• <b>Entered employment rate</b></li> <li>• Average earnings change in 6 months</li> <li>• Employment retention rate at 6 months</li> <li>• <b>Entered employment/education/training and credential rate</b></li> </ul>	<ul style="list-style-type: none"> <li>• Placement in employment and education</li> <li>• Attainment of a degree or certificate</li> <li>• Literacy or numeracy gains</li> </ul>
Youth (age 14-18)	<ul style="list-style-type: none"> <li>• Skill attainment</li> <li>• <b>Diploma or equivalent</b></li> <li>• <b>Placement and retention rate</b></li> </ul>	

Note: Bolded WIA measures are similar to common measures. For common measures, adults and dislocated workers are reported using the same measures and all youth are reported together.

**Background:**



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## **Labor Followed with a Comprehensive Proposal**

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**July 2004** – Labor proposed a comprehensive reporting system as a vehicle to collect data for the common measures and to integrate reporting for WIA with other ETA job training programs. Labor targeted July 1, 2005 for implementation. The proposed ETA Management Information and Longitudinal Evaluation (EMILE) system would:

- Combine 12 program reporting systems into one reporting structure
- Replace the current WIA quarterly report, WIASRD, and other programs' reports with 3 new reports;
  - ✓ an employer individual record,
  - ✓ a jobseeker individual record, and
  - ✓ a Workforce Investment Quarterly Summary

Note: EMILE was proposed in a Federal Register Notice on July 16, 2004, for public comment.

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**Background:**

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## **Labor Delayed EMILE but Moved Ahead with Common Measures**

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### **Comments to Federal Register Notice Delayed EMILE**

- Following the volume of responses to the July 2004 Federal Register Notice on EMILE, (166 responses with comments from 38 states), Labor delayed implementation.

### **New Guidance to Move Forward on Common Measures**

- **Feb. 2005** - Labor issued guidance notifying states of plans to implement the common measures (along with some additional reporting changes) for 4 programs:
  - ✓ by July 1, 2005 for WIA, Wagner-Peyser, and Veterans' Employment and Training Service programs,
  - ✓ by Oct. 1, 2005 for the Trade Adjustment Assistance program.



**Objective One:**

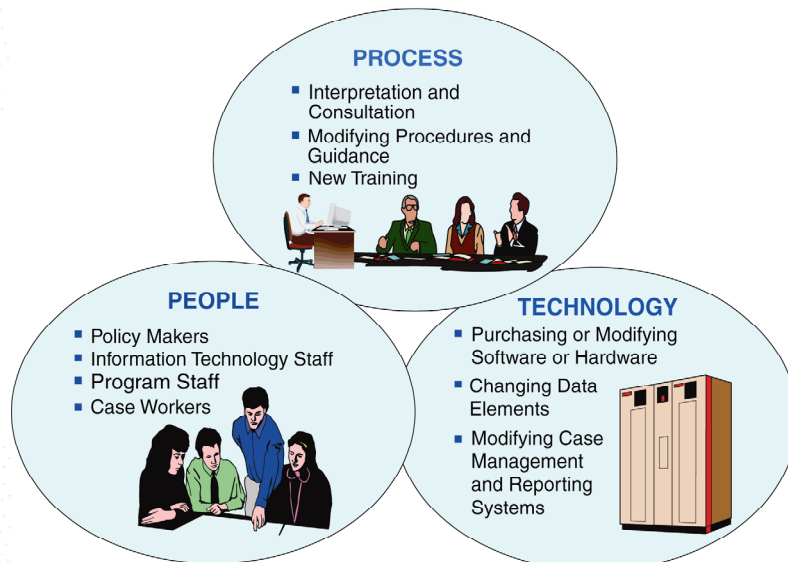
**States Support Streamlined Reporting,  
but Concerned with EMILE Proposal**

Of the 38 states that provided comments to the July 2004 Federal Register Notice:

- Nineteen states supported the goal of EMILE to have a more integrated reporting system than current individual program systems
- Nearly all—36 states—expressed concerns that implementation would be burdensome

**Objective One:**

# Changes to Reporting Systems Involve People, Process, and Technology



Source: GAO analysis.



**Objective One:**

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## **Prior Changes to IT Systems for WIA Required Significant Effort**

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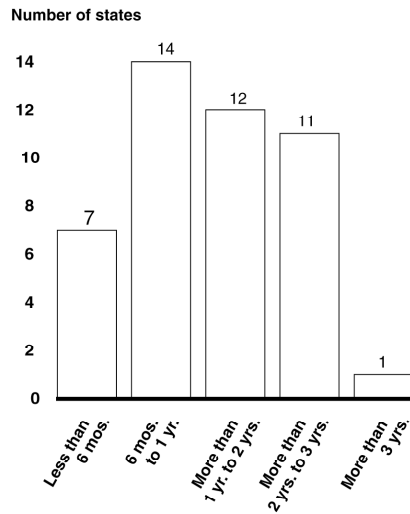
All 48 states responding to our survey made changes to their information technology (IT) systems under WIA, such as adding new data elements and reporting capabilities.

- 37 states made major system changes such as building a completely new system or switching to internet-based software
  
- Four states said that they developed new IT systems when WIA began and have changed IT systems again because their first system was inadequate.

**Objective One:**



# 24 States Took More than 1 Year to Change IT Systems for WIA



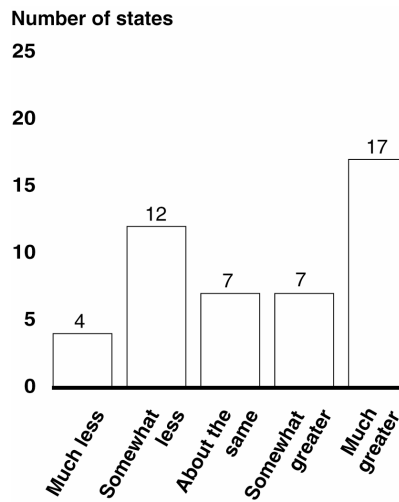
Source: GAO state survey.

**Objective One:**



**31 States Said EMILE Would Require as Much or More Effort than WIA**

**Compared to WIA, the Effort to Implement EMILE Will Be:**



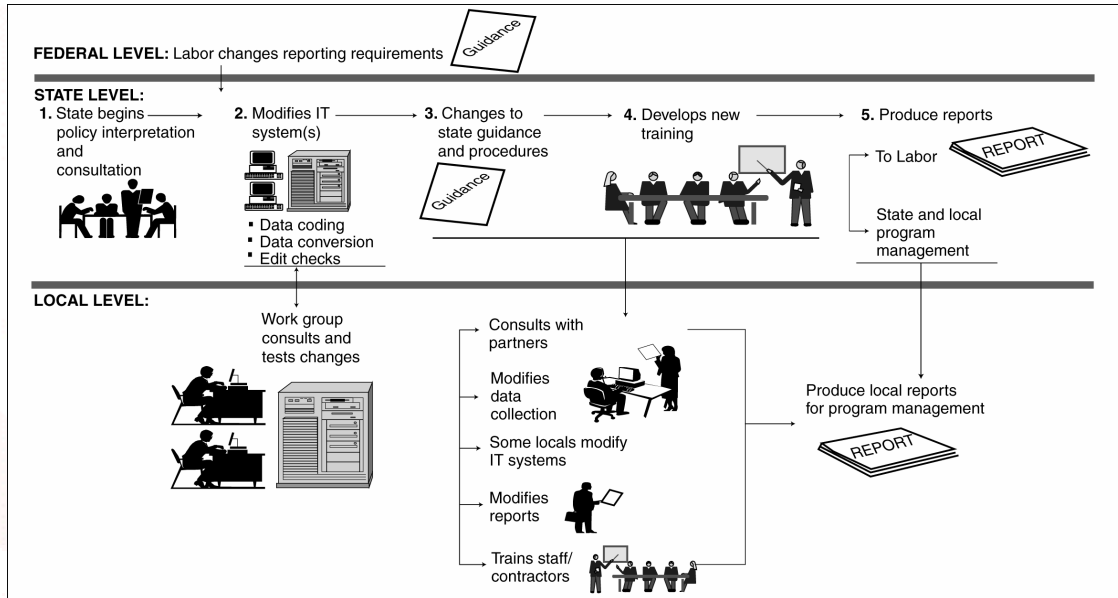
Source: GAO state survey.



Objective One:



# States Said EMILE Would Affect People, Process, and Technology



Source: GAO analysis.



**Objective One:**

**State Estimates of EMILE Start-up Costs Far Exceed Labor’s Estimates**

<b>States</b>	<b>Financial cost to make IT changes</b>
Alaska	Up to \$64,000
Idaho	Almost \$1 million
Michigan	\$750,000
Minnesota	\$2.5 million, including staff training
South Carolina	At least \$800,000
Washington	\$230,000
<b>Estimate for six states</b>	<b>\$5,344,000</b>
<b>Labor’s national estimate for all states/grantees</b>	<b>\$4,576,260</b>

Source: July 16, 2004 Federal Register Notice, states’ comments on the Notice, and GAO state survey.



**Objective One:**

## **Labor’s Estimated Burden for State Implementation Is Too Low**

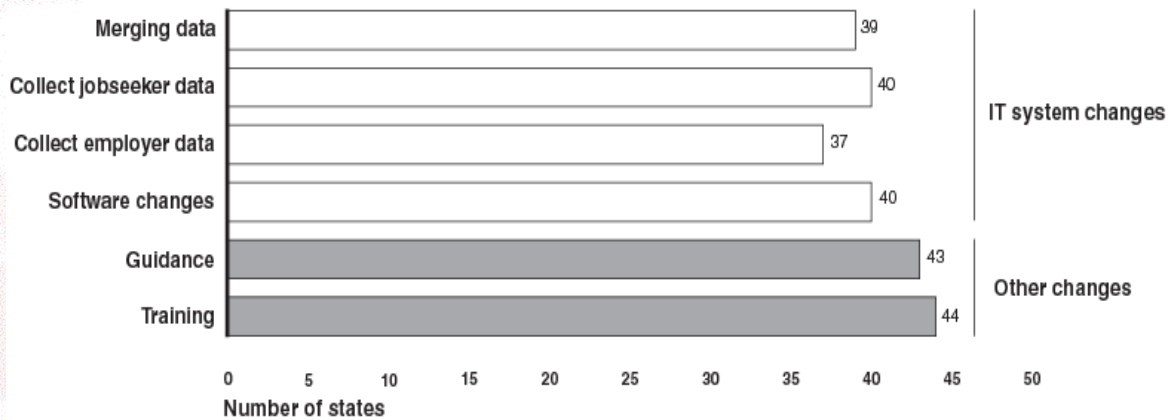
- Labor’s start-up estimates for EMILE assume that half of the states have a consolidated IT system for state-run programs—WIA, Wagner-Peyser, Trade Adjustment Assistance, and National Emergency Grants:
  - **However, our survey results show that while 21 states have IT systems for collecting data for these programs, they may not be truly consolidated.**
- Labor expects states to pay for all of the changes needed for EMILE with no additional funding.
- Labor developed its estimates with limited consultation with state officials.

**Objective One:**



# New Guidance and Training Would Require as Much Effort as IT Changes

## States That Said Changes Would Require Moderate to Very Great Efforts



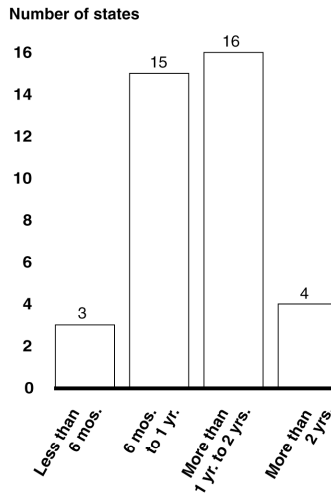
Source: GAO state survey.



**Objective One:**

**20 States Estimate Changes for EMILE Would Take More than 1 Year**

**Time Needed to Implement EMILE**



Source: GAO state survey.



**Objective One:**

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## **Labor is Now Rethinking EMILE and States Have Suggested Alternatives**

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- Labor is conducting a feasibility study to gauge the impact of EMILE implementation on states. Study is expected to be completed in December 2005.
  - Some states have suggested alternative approaches for implementing reporting system changes such as EMILE:
    - Ten states suggested that Labor adopt a phased approach for implementing EMILE
    - Four states suggested that Labor pilot reporting changes prior to full implementation
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**Objective Two:**

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## **Common Measures and Other Changes Have Benefits, but Pose Challenge**

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### **Benefits:**

- Common measures will allow Labor to describe outcomes in a similar manner across employment and training programs.
- New reporting change to track all jobseekers will provide a more complete picture of the one-stop system.

### **Challenges:**

- Requires new data elements in addition to existing reporting requirements.
  - Changes how WIA dislocated workers' earnings outcomes are counted.
  - States may not be prepared to track all jobseekers.
  - States may not have enough time to implement changes.
-



**Objective Two:**

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## **Common Measures and New Reporting Include Some Major Data Changes**

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### **New and revised measures**

- ✓ Begin reporting data for two new youth measures in addition to WIA measures
- ✓ Changes WIA's earnings measure for dislocated workers

### **New and changed data collection**

- ✓ Collect and report data on all jobseekers by including those who only use self-assisted services.
- ✓ No more "hard exits"—exiting a participant on a date of case closure, or completion of services. Program exit will be determined only when an individual has not received any service from any partner program for 90 days.





**Objective Two:**

**Changes to WIA’s Performance Measure for Dislocated Workers**

**The current dislocated worker program earnings replacement rate measure will be changed to a 6-month earnings increase measure.**

<b>Previous earnings replacement rate measure</b>	<b>Proposed 6-month earnings increase measure</b>
<p>Earnings in 2nd &amp; 3rd quarters after exit</p> <hr/> <p>Earnings in 2nd &amp; 3rd quarters <b>prior to dislocation</b></p> <p style="text-align: center;">= Earnings replacement</p>	<p>Earnings in 2nd &amp; 3rd quarters after exit</p> <p style="text-align: center;">– Earnings in 2nd &amp; 3rd Quarters <b>prior to participation</b></p> <hr/> <p>Number of adults who exit during the quarter</p> <p style="text-align: center;">= Earnings increase</p>

Source: Labor’s Training and Employment Guidance Letter 7-99, Labor’s Workforce Investment Act Annual Report: General Reporting Instructions, and ETA Form 9091, revised 2005.



**Objective Two:**

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## **Changes May Negatively Affect Reported Performance**

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### **Few Dislocated Workers Achieve Wage Gains:**

- Dislocated workers generally earn less after program exit than prior to separation from employment.
- With new measure, pre-program wages for dislocated workers may be inflated by severance pay, making it even more difficult to show any wage gain.

### **Labor's Remedy:**

- Allow states to subtract severance pay from pre-program wages found in the UI wage records, although it is not clear whether states have the capacity to do this.
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**Objective Two:**

## **State Capacity to Collect Data on All Jobseekers Varies**

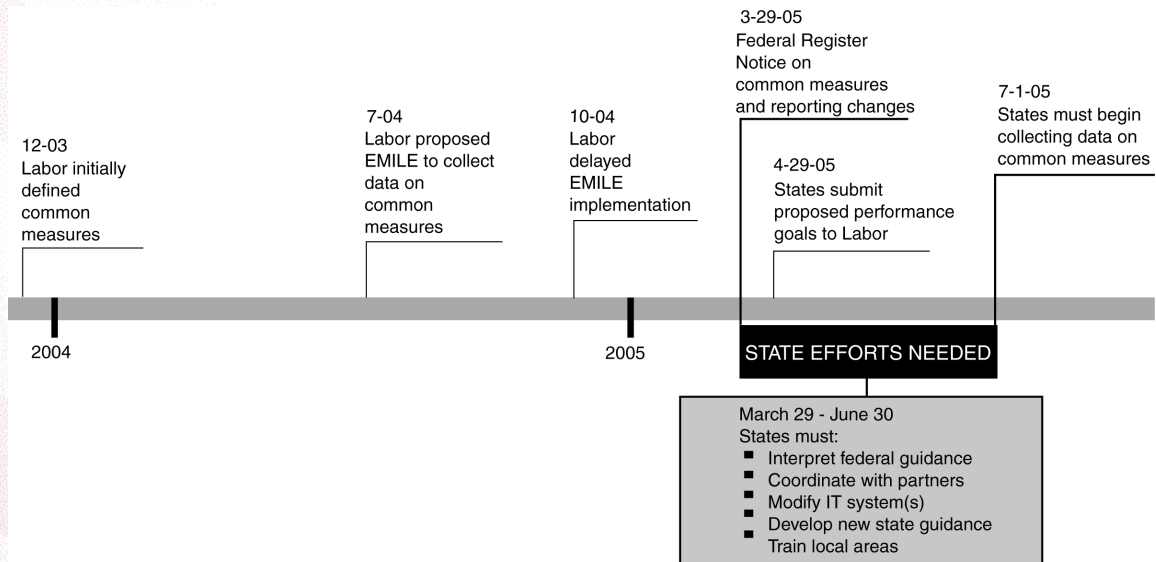
While 30 states reported on our survey that they have a state system to track all jobseekers, it is not clear how many are ready to report this information to Labor.

- Texas and California can track all jobseekers in their state IT systems, but do not require local areas to report this information.
- A previous GAO study found that just over half of local areas track jobseekers who repeatedly use one-stops, suggesting that some locals have capacity to uniquely identify and track each jobseeker.
- New York took 1 ½ years to implement local swipe card systems across the state to collect information on all jobseekers at one-stops. However, the local swipe card systems are not connected to the state's WIA reporting system.

Objective Two:



# Timeline for Implementing New Common Measures Reporting Requirements



Source: GAO analysis.



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## Conclusions

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- Labor's plans to implement comprehensive reporting and common measures across workforce programs could help foster integration and provide a better picture of the one-stop system.
  - However, Labor underestimated costs, time, and efforts for states to make changes.
  - While Labor is now conducting a feasibility study of EMILE, ongoing consultation with states and pilot testing may have enhanced Labor's earlier efforts.
  - In the past and with new requirements, Labor has not provided guidance in a timely manner for states to implement changes.
  - Rushed implementation could negatively affect data quality and compromise the potential benefits of proposed changes.
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## Conclusions

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- Collecting data on all jobseekers using one-stops can help provide a better picture of the full reach of WIA.
    - Some states have this capacity, but many do not.
    - States and local areas need time to fully develop capacity to collect and report this information.
    - Unless Labor ensures that data collection is done in a consistent manner, the information will not be comparable on a national level.
  - States may see the earnings increase measure as a disincentive for serving dislocated workers if these changes are not accounted for in negotiating performance goals.
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## Recommendations

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To ensure states' ability to implement proposed reporting system changes:

- Labor should consider alternative approaches to reach the goals of EMILE and perform an assessment that considers the costs and benefits of such investments. Alternative approaches could include:
  - ongoing consultation with key stakeholders;
  - implementing changes in phases; and
  - pilot testing and evaluating changes before full implementation.



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## Recommendations

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To help states and local areas develop the capacity to track all jobseekers who use one-stop services in a consistent manner, Labor should:

- Use the first year of implementation as a test phase and work with states to identify promising practices in collecting and reporting this data, and provide technical assistance to states that do not have this capacity.



# Appendix II: Additional State Survey Data

**Table 1: Which States Have IT Systems that Collect Information on the WIA Title I-B Programs and also Currently Capture Program Information for Other U.S. Department of Labor (USDOL) Employment and Training Administration Programs?**

State Name	Employment Service (Wagner-Peyser)	Trade Adjustment Assistance	Veterans' Employment and Training Program	Unemployment Insurance Program	National Emergency Grants	Job Corps
Alaska					•	
Alabama					•	
Arkansas	•		•		•	
California					•	
Colorado	•	•	•		•	
Connecticut	•		•			
Delaware	•	•	•		•	
Florida	•		•		•	
Georgia	•	•	•		•	
Hawaii	•	•	•		•	
Iowa					•	
Idaho					•	
Illinois		•			•	
Indiana					•	
Kansas	•	•	•	•	•	•
Kentucky	•	•	•	•	•	
Louisiana	•		•		•	
Massachusetts	•	•	•		•	
Maine	•	•	•	•	•	
Michigan	•	•			•	
Minnesota					•	
Missouri	•		•		•	
Mississippi					•	
Montana						
North Carolina					•	
North Dakota	•	•	•			
Nebraska		•			•	
New Hampshire					•	
New Jersey	•	•	•		•	
New Mexico	•		•	•	•	

Appendix II: Additional State Survey Data

Welfare-to-Work grant-funded program	Senior Community Service Employment program	Employment and training for migrant and seasonal farm workers	Employment and Training for Native Americans	Responsible Reintegration of Youthful Offender Grants	H-1B Technical Skills Training Grants	Total ETA Programs
					•	2
•		•				3
•						4
•						2
•		•		•	•	8
		•				3
		•				5
						3
•		•				6
		•				5
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•	•	•	•			10
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•				•		3
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•		•				6
						4

Appendix II: Additional State Survey Data

State Name	Employment Service (Wagner-Peyser)	Trade Adjustment Assistance	Veterans' Employment and Training Program	Unemployment Insurance Program	National Emergency Grants	Job Corps
Nevada	•	•	•	•	•	
New York	•	•	•	•	•	
Ohio	•				•	
Oklahoma	•	•	•		•	
Oregon					•	
Pennsylvania	•	•	•			
Rhode Island	•	•	•		•	
South Carolina					•	
South Dakota	•	•	•		•	
Tennessee	•	•	•		•	
Texas	•	•			•	
Utah	•	•	•	•	•	
Virginia					•	
Vermont		•			•	
Washington	•	•	•	•	•	
Wisconsin	•	•	•	•	•	
West Virginia	•	•	•		•	•
Wyoming	•	•	•			

Appendix II: Additional State Survey Data

Welfare-to-work grant-funded program	Senior community service employment program	Employment and training for migrant and seasonal farm workers	Employment and training for Native Americans	Responsible reintegration of youthful offender grants	H-1B technical skills training grants	Total ETA programs
		•				6
		•				6
						2
•						5
						1
		•				4
		•				5
						1
					•	5
						4
•					•	5
						5
						1
						2
•		•				7
•		•				7
•		•				7
		•		•		5

Source: GAO state survey.

**Table 2: Which States Have IT Systems that Collect Information on the WIA Title I-B Programs and also Currently Capture Program Information for Other One-Stop Partner Programs?**

State Name	Vocational Rehabilitation program	Adult Education and Literacy	Vocational Education (Perkins Act)
Alaska			
Alabama			
Arkansas			
California			
Colorado	•	•	•
Connecticut			
Delaware			
Florida			
Georgia			
Hawaii			
Iowa			
Idaho			
Illinois			
Indiana			
Kansas	•	•	•
Kentucky			
Louisiana			
Massachusetts			
Maine	•		
Michigan		•	
Minnesota			
Missouri			
Mississippi			
Montana			
North Carolina			
North Dakota			
Nebraska			
New Hampshire			
New Jersey		•	
New Mexico			

Appendix II: Additional State Survey Data

Community Services Block Grant	HUD-administered employment and training	Temporary Assistance for Needy Families	Food Stamp Employment and Training	Other One-stop Partners	Total Partner Programs
					0
					0
					0
					0
		.	.	.	6
		.		.	2
					0
					0
					0
			.		1
					0
					0
					0
.	.		.	.	7
					0
.					1
					0
					1
		.	.		3
		.	.		2
		.	.	.	3
					0
					0
					0
		.			1
					0
					0
		.	.	.	4
					0

Appendix II: Additional State Survey Data

State Name	Vocational Rehabilitation program	Adult Education and Literacy	Vocational Education (Perkins Act)
Nevada			
New York			
Ohio			
Oklahoma			
Oregon			
Pennsylvania			
Rhode Island			
South Carolina	•	•	•
South Dakota			
Tennessee		•	
Texas			
Utah			
Virginia			
Vermont			
Washington	•	•	•
Wisconsin			
West Virginia			
Wyoming			

Appendix II: Additional State Survey Data

Community services block grant	HUD-administered employment and training	Temporary Assistance for Needy Families	Food Stamp Employment and training	Other One-Stop Partners
				0
				0
			.	1
	.			1
				0
			.	1
				0
.	.	.	.	8
				0
		.		2
	.	.	.	3
	.	.	.	3
				0
				0
	.			5
			.	1
				0
				0

Source: GAO state survey.



**Table 3: Status of Statewide Systems to Collect Unique Identifiers For All Jobseekers and Employers Who Use the One-Stop System**

<b>State Name</b>	<b>State has a statewide system to collect unique identifiers for all jobseekers who use the one-stop system</b>	<b>State has a statewide system to collect unique identifiers for all employers who use the one-stop system</b>
Alaska	•	•
Alabama		•
Arkansas	•	•
California		
Colorado	•	•
Connecticut	•	•
Delaware	•	•
Florida		
Georgia		
Hawaii	•	•
Iowa	•	
Idaho	•	
Illinois	•	•
Indiana		
Kansas	•	•
Kentucky	•	•
Louisiana	•	•
Massachusetts	•	•
Maine	•	•
Michigan		
Minnesota		•
Missouri	•	•
Mississippi		
Montana		
North Carolina	•	•
North Dakota		
Nebraska	•	•
New Hampshire		
New Jersey	•	•
New Mexico		•
Nevada	•	•
New York	•	•

Appendix II: Additional State Survey Data

State Name	State has a statewide system to collect unique identifiers for all jobseekers who use the one-stop system	State has a statewide system to collect unique identifiers for all employers who use the one-stop system
Ohio		•
Oklahoma	•	•
Oregon		•
Pennsylvania	•	•
Rhode Island	•	•
South Carolina		
South Dakota	•	•
Tennessee	•	•
Texas		
Utah	•	•
Virginia	•	•
Vermont	•	•
Washington		•
Wisconsin	•	•
West Virginia		
Wyoming	•	•

Source: GAO.

**Table 4: From the time your state first began implementing changes to the IT system under WIA, about how long did it take your state to fully implement the IT system changes that were necessary to meet the federal requirements for the quarterly reports, annual report, and WIASRD (Workforce Investment Act Standardized Record Data)?**

	Less than 6 months	6 months to 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years	No response
Alabama				•		
Alaska	•					
Arkansas	•					
California				•		
Colorado			•			
Connecticut			•			
Delaware			•			
Florida				•		
Georgia				•		
Hawaii			•			
Idaho			•			
Illinois		•				
Indiana	•					
Iowa		•				
Kansas	•					
Kentucky				•		
Louisiana		•				
Maine				•		
Massachusetts						•
Michigan		•				
Minnesota		•				
Mississippi		•				
Missouri	•					
Montana						•
Nebraska		•				
Nevada						•
New Hampshire		•				
New Jersey			•			
New Mexico		•				
New York				•		
North Carolina				•		
North Dakota				•		

**Appendix II: Additional State Survey Data**

	<b>Less than 6 months</b>	<b>6 months to 1 year</b>	<b>More than 1 year to 2 years</b>	<b>More than 2 years to 3 years</b>	<b>More than 3 years</b>	<b>No response</b>
Ohio		•				
Oklahoma		•				
Oregon				•		
Pennsylvania	•					
Rhode Island			•			
South Carolina		•				
South Dakota			•			
Tennessee			•			
Texas		•				
Utah					•	
Vermont			•			
Virginia		•				
Washington	•					
West Virginia			•			
Wisconsin				•		
Wyoming			•			

Source: GAO.

Appendix II: Additional State Survey Data

**Table 5: Compared to the effort your state invested in the transition from the Job Training Partnership Act (JTPA) to WIA, how much effort do you anticipate investing in implementing EMILE, as proposed?**

	Much greater effort for EMILE	Somewhat greater effort for EMILE	About the same effort	Somewhat less effort for EMILE	Much less effort for EMILE	No response
Alabama	•					
Alaska	•					
Arkansas				•		
California	•					
Colorado					•	
Connecticut		•				
Delaware				•		
Florida	•					
Georgia	•					
Hawaii	•					
Idaho	•					
Illinois			•			
Indiana	•					
Iowa			•			
Kansas					•	
Kentucky		•				
Louisiana					•	
Maine				•		
Massachusetts				•		
Michigan	•					
Minnesota	•					
Mississippi		•				
Missouri	•					
Montana			•			
Nebraska				•		
Nevada			•			
New Hampshire	•					
New Jersey						•
New Mexico					•	
New York				•		
North Carolina	•					
North Dakota	•					
Ohio		•				

**Appendix II: Additional State Survey Data**

	<b>Much greater effort for EMILE</b>	<b>Somewhat greater effort for EMILE</b>	<b>About the same effort</b>	<b>Somewhat less effort for EMILE</b>	<b>Much less effort for EMILE</b>	<b>No response</b>
Oklahoma			•			
Oregon	•					
Pennsylvania				•		
Rhode Island	•					
South Carolina	•					
South Dakota			•			
Tennessee				•		
Texas		•				
Utah				•		
Vermont		•				
Virginia		•				
Washington				•		
West Virginia				•		
Wisconsin			•			
Wyoming				•		

Source: GAO.

**Table 6: About how long do you estimate it will take your state to fully implement the necessary changes for EMILE, as proposed, once Labor's requirements are final?**

	Less than 6 months	6 months to 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years	No response
Alabama			•			
Alaska			•			
Arkansas						•
California				•		
Colorado						•
Connecticut		•				
Delaware		•				
Florida						•
Georgia						•
Hawaii			•			
Idaho				•		
Illinois		•				
Indiana			•			
Iowa			•			
Kansas	•					
Kentucky			•			
Louisiana	•					
Maine			•			
Massachusetts		•				
Michigan		•				
Minnesota			•			
Mississippi						•
Missouri						•
Montana						•
Nebraska		•				
Nevada			•			
New Hampshire		•				
New Jersey			•			
New Mexico	•					
New York			•			
North Carolina				•		
North Dakota		•				
Ohio		•				
Oklahoma		•				

**Appendix II: Additional State Survey Data**

	<b>Less than 6 months</b>	<b>6 months to 1 year</b>	<b>More than 1 year to 2 years</b>	<b>More than 2 years to 3 years</b>	<b>More than 3 years</b>	<b>No response</b>
Oregon					•	
Pennsylvania						•
Rhode Island			•			
South Carolina			•			
South Dakota						•
Tennessee		•				
Texas			•			
Utah		•				
Vermont		•				
Virginia						•
Washington			•			
West Virginia		•				
Wisconsin		•				
Wyoming			•			

Source: GAO.



# Appendix III: Comments from the Department of Labor

U.S. Department of Labor

Assistant Secretary for  
Employment and Training  
Washington, D.C. 20210



MAY 17 2005

Mr. Sigurd R. Nilsen  
Director  
Education, Workforce, and Income Security Issues  
U.S. Government Accountability Office  
441 G. Street, N.W.  
Washington, D.C. 20548

Dear Mr. Nilsen:

The Employment and Training Administration (ETA) is in receipt of the draft Government Accountability Office (GAO) report entitled, "Workforce Investment Act: Labor Should Consider Alternative Approaches to Implement New Performance and Reporting Requirements" (GAO-05-539). We have significant concerns with the draft report and believe that in its current form it presents an inaccurate view of ETA's efforts in the area of performance accountability.

First, we note that the objectives stated in this report are different from the objectives originally given to the U.S. Department of Labor (the Department) in the entrance interview, when a study on data quality was described. As a point of reference, the study was started in June 2004 and the notice for public comments on the proposed ETA Management Information and Longitudinal Evaluation (EMILE) reporting system was published in July 2004.

We believe it is also important to clarify that the implementation of common measures on July 1, 2005, is a separate and independent action from the Department's interest in proposing a new standardized reporting system, commonly referred to as EMILE. They are two separate, albeit related, components of ETA's performance accountability system. In our view, the draft transmittal letter tends to weave these two issues together in a way that does not distinguish the differences.

ETA proposed the EMILE reporting system to streamline reporting requirements for 12 different ETA-funded programs, minimizing the burden on the states and grantees of completing and submitting 21 separate reports, and enabling consistent measurement and understanding of the overall effectiveness of ETA programs in helping job seekers find meaningful employment and in helping employers find skilled workers.

We believe the GAO study could provide a more complete view if it also included the potential benefits of implementing the EMILE system, such as greater administrative efficiencies with fewer separate, often conflicting information systems to maintain, and fewer reports to submit; greater comparability and understanding of performance information by using the same definitions for the measures; and enhanced information about services provided to the employer community.

Furthermore, the transmittal letter states that Labor developed EMILE with limited consultation with state officials. ETA engaged in significant outreach efforts, including consulting with state and local representatives on the concepts of the proposed reporting system, and holding information sessions for states with each of the ETA regional offices. Over 160 public comments were received in response to the Federal Register notice designed to solicit comments and feedback. ETA staff also participated in several conferences and online sessions to explain the proposed reporting system and solicit comments. After a review of the comments, ETA decided to conduct a feasibility study on the startup and implementation costs for the proposed reporting system.

The transmittal letter states that the Department has not provided guidance in a timely manner for states to implement the changes related to the common measures. The workforce system was first informed in December 2003 through an ETA issued Training and Employment Guidance Letter (TEGL) 15-03 about the common performance measures policy – eighteen months prior to implementation. ETA issued TEGL 28-04 on April 15, 2005, which updated the operational parameters for implementing the common measures beginning July 1, 2005. It is also important to note that for the WIA title I programs, all states already collect the information necessary to calculate the common performance measures.

We do support the report's recommendation that Labor work with states to identify promising practices in collecting and reporting information on One-Stop customers who receive self-services. It is important to mention that our recently approved revisions to the WIA reporting system require the states to report an aggregate count of customers who receive self-services. We believe this reporting change is a critical first step in addressing concerns expressed by the GAO in an earlier report entitled, "*Workforce Investment Act: Improvements Needed in Performance Measures to Provide a More Accurate Picture of WIA's Effectiveness*" (GAO 02-275), which noted that "without any information on individuals who use self-services, it will be difficult for Labor to show how effectively One-Stops are being used."

To ensure that states collect this information in a consistent manner, ETA's revisions to the WIA reporting system also include a minimum set of standardized data definitions and specifications for use by the states and local areas. We agree that the capacity to track and report information on customers who receive self-services will vary across states and local areas, and intend to work closely with our state partners over the next

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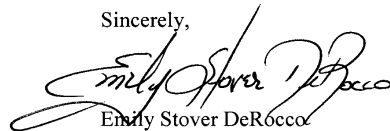
**Appendix III: Comments from the  
Department of Labor**

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year to identify best practices and promising technology solutions that will facilitate the collection and reporting of this important customer information.

Enclosed are ETA's technical comments on the draft report. If you would like additional information, please do not hesitate to call me at (202) 693-2700.

Sincerely,



Emily Stover DeRocco

Enclosure

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## GAO Response

Labor agreed with our recommendation that it work with states in identifying promising practices to ensure that states and local areas track all jobseekers in a consistent manner. Labor did not respond to our recommendation that it consider alternative approaches to reach the goals of EMILE. However, Labor took issue with several statements throughout the briefing materials.

Labor disagreed with our finding that it developed EMILE with limited consultation with states. Labor said it engaged in significant outreach efforts such as holding information sessions and participating in several conferences and online sessions to explain the proposed reporting system. Labor also identified over 160 comments it received to the July 16, 2004 Federal Register Notice. However, the large number of concerns raised by the 38 states that responded to the notice suggests that the dialogue was insufficient to resolve concerns in the early development of the proposed EMILE reporting system. We continue to believe that Labor's efforts to implement a system such as EMILE could be enhanced by alternative approaches such as ongoing consultation, testing, and implementing changes in phases.

Labor expressed concern that we did not clearly distinguish EMILE from the common measures, stating that, in their view, these are separate and independent actions. Yet, in the Federal Register Notice on EMILE, Labor clearly linked implementation of the common measures with EMILE, stating that the common measures would become effective with reporting system changes and EMILE would help standardize data collection by using the definitions of the common measures.

Labor disagreed with our finding that it had not provided guidance in a timely manner, noting that the initial guidance on common measures was issued in December 2003. Yet the detailed instructions on reporting changes were not issued until a March 29, 2005 Federal Register Notice. In addition, states will need to provide some information not currently required or uniformly collected. As we discussed in our briefing materials, states told us that they would need time to make changes such as preparing new guidance and training local staff on reporting modifications. We continue to believe that rushed implementation without adequate time for states to retool may lead to data quality errors.

In addition, Labor states that its reporting change to collect data on one-stop customers who use self-services is a critical first step in addressing prior GAO concerns. We agree that collecting this information and the concepts of EMILE and the common measures are consistent with the type

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**Appendix III: Comments from the  
Department of Labor**

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of comprehensive performance management system we have recommended for WIA and the one-stop system.

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# Appendix IV: GAO Contacts and Staff Acknowledgments

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## GAO Contacts

Dianne Blank, Assistant Director (202) 512-5654  
Laura Heald, Analyst-in-Charge (202) 512-8701

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## Staff Acknowledgments

Melinda Cordero, Adam Roye, and Leslie Sarapu made significant contributions to all phases of the effort. Carolyn Boyce made significant contributions in the design and administration of the surveys. In addition, Jessica Botsford provided legal support, Avrum Ashery and Muriel Coley provided graphic design assistance, and Linda Lambert and Eric Trout also provided key technical assistance.

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# GAO's Related Products

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*Workforce Investment Act: States and Local Areas Have Developed Strategies to Assess Performance, but Labor Could Do More to Help.* [GAO-04-657](#). Washington, D.C.: June 1, 2004.

*Workforce Investment Act: Labor Actions Can Help States Improve Quality of Performance Outcome Data and Delivery of Youth Services.* [GAO-04-308](#). Washington, D.C.: February 23, 2004.

*Workforce Investment Act: One-Stop Centers Implemented Strategies to Strengthen Services and Partnerships, but More Research and Information Sharing Is Needed.* [GAO-03-725](#). Washington, D.C.: June 18, 2003.

*Multiple Employment and Training Programs: Funding and Performance Measures for Major Programs.* [GAO-03-589](#). Washington, D.C.: April 18, 2003.

*Workforce Training: Employed Worker Programs Focus on Business Needs, but Revised Performance Measures Could Improve Access for Some Workers.* [GAO-03-353](#). Washington, D.C.: February 14, 2003.

*Older Workers: Employment Assistance Focuses on Subsidized Jobs and Job Search, but Revised Performance Measures Could Improve Access to Other Services.* [GAO-03-350](#). Washington, D.C.: January 24, 2003.

*Performance and Accountability Series. Major Management Challenges and Program Risks: Department of Labor.* [GAO-03-106](#). Washington, D.C.: January 2003.

*Workforce Investment Act: Better Guidance and Revised Funding Formula Would Enhance Dislocated Worker Program.* [GAO-02-274](#). Washington, D.C.: February 11, 2002.

*Workforce Investment Act: Improvements Needed in Performance Measures to Provide a More Accurate Picture of WIA's Effectiveness.* [GAO-02-275](#). Washington, D.C.: February 1, 2002.

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