



May 2020

WORKFORCE INNOVATION AND OPPORTUNITY ACT

Additional DOL Actions Needed to Help States and Employers Address Substance Use Disorder

Accessible Version

GAO Highlights

Highlights of [GAO-20-337](#), a report to congressional requesters

View [GAO-20-337](#). For more information, contact Jacqueline M. Nowicki at (617) 788-0580 or nowickij@gao.gov.

Why GAO Did This Study

The Department of Health and Human Services declared the opioid crisis a public health emergency in October 2017. DOL has awarded grants to help address this crisis.

GAO was asked to examine how WIOA-funded programs are addressing the employment and training needs of those affected by SUD. This report examines (1) how workforce agencies in selected states are using WIOA funding to address employment and training needs, (2) challenges agencies face in addressing employment and training needs, and (3) how DOL is supporting communities affected by SUD.

GAO interviewed officials in four of the 10 states that received DOL grants in the early award rounds (as of March 2019)—Maryland, New Hampshire, Ohio, and Washington—and two that did not—Alabama and Arizona; reviewed related documentation and relevant federal laws and regulations; and interviewed DOL officials and researchers, selected for their knowledge about these issues.

What GAO Recommends

GAO recommends that DOL clarify (1) its expectations of state workforce agencies and (2) how WIOA funding can be used in addressing the needs of those affected by SUD and potential employers, and share information with all states on lessons learned and promising practices. DOL agreed with our recommendations.

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What GAO Found

Workforce officials GAO interviewed in four of the 10 states receiving targeted Department of Labor (DOL) grants as of March 2019 said they were using Workforce Innovation and Opportunity Act (WIOA) funding to help meet the unique needs of those affected by substance use disorder (SUD). These officials, who said they had limited experience serving those affected by SUD, worked with required organizational partners and hired specialists to assist job seekers and to provide intensive job readiness services. However, these efforts are relatively new and outcomes are not yet known. Workforce officials GAO interviewed in two selected states without targeted grants said they had viewed SUD primarily as a public health issue, but had recently taken some steps to address it. For example, one state added a workforce subcommittee to an existing opioid task force.

State and local workforce officials in all six states identified a range of challenges they face in addressing the needs of SUD-affected job seekers. For example, criminal history or a lack of transportation may make it difficult for these job seekers to obtain and maintain employment. Officials said another challenge is finding employers who are willing to hire those in recovery. They stated that employers are concerned about the risks to their businesses, such as potential employee relapse and possible negative reaction from customers. Officials were seeking more information and assistance to help address such concerns.

Criminal Histories May Deter Potential Employers from Hiring Those in Recovery



Source: GAO file photo. | GAO-20-337

DOL officials said they support SUD-affected communities mainly by providing information to states that apply for and receive targeted grants. However, officials in two selected states expressed uncertainty about DOL's expectations of states in serving the needs of SUD-affected job seekers and potential employers. Officials in another state said they were unclear on whether they could use non-targeted funds to continue targeted grant activities. GAO's review of related DOL guidance found that it does not provide specific information on expectations of states or the use of WIOA funds outside of targeted grants to address this issue. Further, while DOL has disseminated some information on serving job seekers with SUD (such as in quarterly calls with grant recipients), it does not plan to share information that grantees submit to the agency, such as lessons learned and successes, with all states. Doing so could help states meet the training and employment needs of those in recovery, and the needs of potential employers.

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Abbreviations

AJC	American Job Center
DOL	Department of Labor
ETA	Employment and Training Administration
HHS	Department of Health and Human Services
ONDCP	Office of National Drug Control Policy
SUD	substance use disorder
SUPPORT Act	Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act
WIOA	Workforce Innovation and Opportunity Act

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May 21, 2020

The Honorable Virginia Foxx
Republican Leader
Committee on Education and Labor
House of Representatives

The Honorable Andy Barr
House of Representatives

The Honorable Brett Guthrie
House of Representatives

Drug misuse—the use of illicit drugs and the misuse of prescription drugs—has been a long-standing and persistent problem in the United States.¹ It represents a serious risk to public health and has resulted in significant loss of life and effects to society and the economy, including billions of dollars in costs. According to the Centers for Disease Control and Prevention, over 716,000 people have died of a drug overdose since 2002, and in 2018 alone, over 67,000 people died as a result of a drug overdose.² Although the number of drug overdose deaths in 2018 decreased compared to 2017, drug misuse in the United States continues to rise.³

Opioid abuse is among the many types of drug misuse and abuse. An estimated 10.2 million people misuse opioids at least once a year, according to a 2018 Department of Health and Human Services (HHS) survey.⁴ For some, this misuse becomes a substance use disorder

¹ For the purposes of this report, we use the term “drug misuse” to describe both the abuse of illicit drugs and the non-medical use of prescription drugs like opioids. Other studies may use different terms (e.g. “drug abuse,” “drug dependence,” “substance use,” “substance abuse”).

² GAO analysis of the most recently available data from the Centers for Disease Control and Prevention.

³ According to the Centers for Disease Control and Prevention, drug overdose deaths in the United States totaled 70,237 in 2017 and 67,367 in 2018.

⁴ Substance Abuse and Mental Health Services Administration, Center for Behavioral Health Statistics and Quality, *Key substance use and mental health indicators in the United States: Results from the 2018 National Survey on Drug Use and Health (HHS Publication No. PEP19-5068, NSDUH Series H-54)* (Rockville, MD: August 2019).

(SUD)—an illness resulting from the recurrent misuse of prescription or illicit drugs, as well as non-prescription substances like alcohol. Past GAO work, as well as other government and academic studies, have found that SUD results in high costs for society and the economy.⁵ While SUD has long been considered primarily a health care and law enforcement issue, SUD has also affected costs associated with education, human services, and the workforce, among others. Specifically, for workers and their employers, SUD has been linked with lost productivity, absenteeism, and unemployment.⁶

In response to the prevalence of opioid misuse, HHS declared a public health emergency in October 2017.⁷ The Department of Labor’s (DOL) Employment and Training Administration (ETA) subsequently announced two grants specifically to address the opioid crisis through the workforce system—a network of federal, state, and local agencies that administer and carry out an array of federal employment and training programs.⁸ These grants, which were authorized under the Workforce Innovation and Opportunity Act (WIOA), were available to states, tribes, and outlying areas. DOL has awarded the grants in two phases; as of December 2019, six states have been awarded National Health Emergency Dislocated Worker Demonstration Grants (also known as Phase 1 grants) and one tribe and 14 states have been awarded Disaster Recovery National Dislocated Worker Grants (also known as Phase 2 grants).⁹

You requested that we examine how WIOA-funded programs are addressing the employment and career-specific education (or job training)

⁵ See, for example, GAO, *Drug Control: The Office of National Drug Control Policy Should Develop Key Planning Elements to Meet Statutory Requirements*, [GAO-20-124](#) (Washington, D.C.: Dec. 18, 2019) and *Drug Misuse: Sustained National Efforts Are Necessary for Prevention, Response, and Recovery*, [GAO-20-474](#) (Washington, D.C.: Mar. 26, 2020).

⁶ Congressional Research Service, *The Opioid Epidemic and the U.S. Labor Market* (Washington, D.C.: Dec. 10, 2018).

⁷ While our report focuses on SUD more broadly, many of the efforts states and federal agencies are involved in focus on opioid use disorder, as a result of HHS’s declaration.

⁸ DOL, ETA, Training and Employment Guidance Letter 12-17 (Mar. 20, 2018) and Training and Employment Guidance Letter 4-18 (Sept. 14, 2018).

⁹ Phase 1 grant recipients were Alaska, Maryland, New Hampshire, Pennsylvania, Rhode Island, and Washington. As of December 2019, Phase 2 grant recipients were California, Cherokee Nation, Connecticut, Florida, Indiana, Illinois, Massachusetts (2 grants), Michigan, Mississippi, Missouri, New York, Ohio, Rhode Island, Washington, and West Virginia.

needs of communities and individuals affected by SUD. This report examines (1) how selected state and local workforce agencies are using, or planning to use, WIOA funds to provide training and employment services to communities and individuals affected by SUD; (2) what challenges workforce agencies face in addressing the needs of individuals in recovery and their potential employers; and (3) how DOL is supporting communities affected by SUD.

To address these objectives, we interviewed officials in six states, including state and local workforce officials and their partners (for example, community organizations or state departments of health). We selected states—four that have received the grants to address the opioid crisis through the workforce system and two that have not—with medium to high rates of opioid use disorder based on an HHS survey, and varying unemployment rates. These states represent four of the 10 states that had received Phase 1 and Phase 2 grants as of March 2019. We also reviewed selected grant applications and agreements for states that received grants. Our findings cannot be generalized to all states and local workforce agencies, but provide insights into the experiences of states in addressing the needs of SUD-affected individuals and communities as well as those of potential employers. See table 1 for more information on our selected states.

Table 1: Characteristics of States Selected

State	Workforce Innovation and Opportunity Act Grant status as of December 2019 ^a	State opioid use disorder rate, 2015-2016, per 1000 people	State unemployment rate relative to national average, January 2019
Alabama	Did not apply for Phase 1 or Phase 2 grants	High (12.86)	Medium (3.8 percent)
Arizona	Applied but did not receive Phase 1 grant; did not apply for Phase 2 grant	High (12.49)	High (5.1 percent)
Maryland	Received Phase 1 grant	Medium (10.23)	Medium (3.7 percent)
New Hampshire	Received Phase 1 grant	High (14.95)	Low (2.4 percent)
Ohio	Received Phase 2 grant and other grants ^b	Medium (8.5)	High (4.7 percent)
Washington	Received Phase 1 and Phase 2 grants	High (13.26)	Medium (4.5 percent)

Source: GAO analysis of data from the Department of Labor (DOL) and the Department of Health and Human Services. | GAO-20-337

Note: For both rates of opioid use disorder and unemployment, we categorized “low” as one standard deviation or more below the mean, “medium” as within one standard deviation from the mean, and “high” as one standard deviation or more above the mean.

^aGrant status indicates whether a state received grants from DOL targeted at alleviating the effects of the opioid crisis, including National Health Emergency Dislocated Worker Demonstration Grants (Phase 1) and Disaster Recovery National Dislocated Worker Grants (Phase 2).

^bOhio received \$8 million from DOL’s Trade and Economic Transition National Dislocated Worker Grant, which officials plan to use in 16 counties in the state hit hard by the opioid crisis.

To examine actions DOL has taken or planned to address communities’ employment and training needs related to SUD, we interviewed DOL officials in headquarters and all six regional offices, and reviewed relevant federal laws, regulations, and DOL documents, such as grant applications and agreements, agency guidance, and reports. We also interviewed individuals knowledgeable about strategies for addressing this issue through the workforce system, including researchers and officials from organizations that help design and implement these strategies such as the Appalachian Regional Commission.¹⁰ We identified these researchers and other groups through reviewing reports on employment and training efforts in communities affected by SUD, and asking for recommendations from officials in our selected states. We compared DOL’s actions to

¹⁰ The Appalachian Regional Commission is a regional economic development agency that represents a partnership of federal, state, and local government. Established by an act of Congress in 1965, the Appalachian Regional Commission is composed of the governors of the 13 Appalachian states and a federal co-chair, who is appointed by the president. For more information, see www.arc.gov.

relevant federal internal control standards on risk assessment and communication.¹¹

We conducted this performance audit from January 2019 to May 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

We previously reported that DOL is one of more than a dozen federal agencies—known as National Drug Control Program agencies—that have responsibilities for drug prevention, treatment, and law enforcement activities.¹² The Office of National Drug Control Policy (ONDCP) was established in 1988 to, among other things, enhance national drug control planning and coordination. As federal agencies engage in drug control efforts, ONDCP is responsible for, among other things, overseeing and coordinating the implementation of national drug control policy across the federal government. These responsibilities include promulgating a National Drug Control Strategy.¹³ In 2017 and 2018, ONDCP lacked a statutorily-required National Drug Control Strategy, and we recently reported that the 2019 National Drug Control Strategy did not fully comply with the law.¹⁴ In December 2019, we recommended that ONDCP develop and document key planning elements to help ONDCP structure

¹¹ GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

¹² [GAO-20-124](#). Under 21 U.S.C. § 1701(11), the term “National Drug Control Program agency” generally means any agency that is responsible for implementing any aspect of the National Drug Control Strategy, including any agency that receives federal funds to implement any aspect of the National Drug Control Strategy, subject to certain exceptions regarding certain intelligence programs.

¹³ See 21 U.S.C. §§ 1703(b)(2), 1705(a). ONDCP is also required to release a statement of drug control policy priorities in the calendar year of a presidential inauguration (but not later than April 1). The President is then required to submit to Congress a National Drug Control Strategy not later than the first Monday of February following the year in which the term of the President commences, and every two years thereafter.

¹⁴ [GAO-20-124](#).

its ongoing efforts and to better position the agency to meet these requirements for future iterations of the National Drug Control Strategy. We also found that the 2019 strategy did not contain several pieces of required information, such as quantifiable and measurable objectives, and specific targets for long-term goals, or a description of a performance measurement system.¹⁵ ONDCP subsequently issued the 2020 National Drug Control Strategy on February 3, 2020. We reviewed this Strategy and found that it made progress in addressing several statutory requirements but fell short in meeting others.¹⁶ Furthermore, in our March 2019 High-Risk report, we named drug misuse as an emerging issue requiring close attention.¹⁷ Based on our findings from a body of work related to drug misuse—including 25 new GAO products issued since our 2019 High-Risk report—we have determined that this issue should be on our High-Risk List.¹⁸

DOL's Phase 1 and Phase 2 grants, targeted to support efforts for addressing the opioid crisis, are authorized by WIOA, which was enacted in 2014 and emphasizes the alignment and integration of workforce programs.¹⁹ ETA is responsible for some WIOA programs, which provide education and other services to help job seekers obtain employment and advance in the labor market, including job search assistance, career counseling, and a variety of occupational skills such as classroom and on-the-job training. In addition, WIOA emphasizes that employers are

¹⁵ See 21 U.S.C. § 1705(c)(1)(C), (h).

¹⁶ [GAO-20-474](#).

¹⁷ The High-Risk List highlights federal programs and operations that we have determined are in need of transformation. The High-Risk List also names federal programs and operations that are vulnerable to waste, fraud, abuse, and mismanagement. See GAO, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, [GAO-19-157SP](#) (Washington, D.C.: Mar. 6, 2019).

¹⁸ Given the urgency of this issue, we were prepared to make an out-of-cycle high-risk designation in March 2020. However, many of the federal, state, and local agencies responsible for addressing drug misuse are currently fully engaged in the nation's efforts to respond to and recover from the COVID-19 pandemic. Recognizing the strain these agencies are under as they address the ongoing public health and economic effects of the coronavirus, we will include *National Efforts to Prevent, Respond to, and Recover from Drug Misuse* in our 2021 High-Risk Series update and make the designation effective at that time.

¹⁹ Specifically, Phase 1 and Phase 2 grants are carried out under sections 169(c) and 170 of WIOA, respectively. See 29 U.S.C. §§ 3224(c) and 3225. According to DOL officials, these grants have different legal requirements and capabilities, and because of this, the grants serve different populations and have different programmatic components

also customers of the workforce system, and includes provisions that involve them in helping the system provide the skilled workers they need. WIOA requires states to submit plans to DOL every 4 years, and updates to these plans every 2 years, that outline the state's workforce strategies for core WIOA programs. The next state plans are due in 2020.

WIOA gives state and local officials the flexibility to develop and fund services that meet the specific needs of their local communities and meet WIOA goals of increasing employment, retention, and earnings to promote economic self-sufficiency. To that end, WIOA core program performance measures and targets include those related to job attainment and retention; median earnings; and skill and credential attainment.²⁰ DOL officials told us that states generally use the same WIOA performance measures for the Phase 1 and 2 grants as well. The WIOA-funded workforce development system provides services through a national network of approximately 2,400 American Job Centers (AJCs). State and local entities deliver WIOA-funded employment and training activities and coordinate with partner programs via the AJCs.

ETA's Phase 1 and 2 grants are intended, in part, to serve dislocated workers—adults whose jobs have been terminated, who have been laid-off, or who were self-employed.²¹ These grant funds are awarded to states, tribal governments, or outlying areas that, in turn, may work with local workforce boards to administer the grants. Grant recipients generally have 2 years to expend their funds. See table 2 for more information about these grants.

²⁰ WIOA designated six programs as core and established common performance measures for them. Four of these programs are administered by DOL: Title I Adult, Title I Dislocated Worker, Title I Youth, and Wagner-Peyser Employment Services. Two of these programs are administered by the Department of Education: Adult Education and Family Literacy Act, and State Vocational Rehabilitation Services (Vocational Rehabilitation). WIOA core program performance measures and targets include employment for the 2nd and 4th quarters following participation in the program; median earnings; and skill and credential attainment.

²¹ Specifically, dislocated workers include (1) individuals who have lost their job, are eligible for unemployment insurance, and who are unlikely to return to their previous industries or occupations; (2) workers who have lost their job as a result of plant closings or mass layoffs; (3) formerly self-employed individuals who are unemployed as a result of general economic conditions in the community; and (4) displaced homemakers.

Table 2: Selected Information on Department of Labor’s Targeted Opioid Crisis Grants, as of December 2019

Grant name	Date announced	Purposes	Number of awards	Amount awarded
National Health Emergency Dislocated Worker Demonstration Grants (Phase 1)	March 2018	<ul style="list-style-type: none"> • Test innovative approaches • Provide training and support to affected job seekers • Build skilled workforce in crisis-related professions 	6 ^a	\$22 million
Disaster Recovery National Dislocated Worker Grants (Phase 2) ^b	September 2018	<ul style="list-style-type: none"> • Provide training and support to affected job seekers • Build skilled workforce in crisis-related professions • Facilitate community partnerships • Create temporary employment to address impacts of crisis 	16 ^c	\$27 million

Source: Department of Labor (DOL). | GAO 20-337

^aAlaska, Maryland, New Hampshire, Pennsylvania, Rhode Island, and Washington.

^bDisaster Recovery National Dislocated Worker Grants are aimed at reducing workforce effects of federally declared disasters (including national health emergencies) by providing employment and training opportunities for dislocated workers and temporary employment opportunities assisting disaster-relief efforts.

^cCalifornia, Cherokee Nation, Connecticut, Florida, Indiana, Illinois, Massachusetts (2 grants), Michigan, Mississippi, Missouri, New York, Ohio, Rhode Island, Washington, and West Virginia. For Phase 2, DOL has stated plans to continue awarding funds while the public health emergency declaration is in effect.

Both grants require that recipients partner with community organizations, such as those in health care and justice systems, and with at least one local workforce development board or AJC. While grants cannot be used to pay the costs of in-patient drug treatment and in-patient rehabilitation programs, grantees may use some funding to provide supportive services to participants, such as assistance with child care.

States may be using other federal funds to address the workforce impacts of the opioid crisis, including other WIOA-related funding. For example:

- Ohio received \$8 million in September 2018 from DOL’s Trade and Economic Transition National Dislocated Worker Grant, which provides training and career services to dislocated workers affected by layoffs at one or more companies and are seeking reentry into the workforce. The state targeted 16 counties in the state that officials said had been hardest hit by the opioid crisis. State officials said they plan to use this grant to provide services to anyone who meets the criteria of a dislocated worker, and they felt the opioid crisis had a strong enough economic effect for the state to use the grant for those whose employment has been affected by the crisis.

- DOL's Women's Bureau granted Maryland \$650,000 in September 2018 to fund two projects providing job-seeking supports to women affected by opioid use disorder.
- Pennsylvania plans to use HHS funding to expand treatment capacity for underserved populations through targeted workforce development, according to its grant application.

Additionally, ETA has recently provided more funding opportunities to support state and local workforce efforts to address the opioid epidemic. In September 2019, ETA, in partnership with the Appalachian Regional Commission and the Delta Regional Authority, announced the 23 grantees on the first round of funding under the Workforce Opportunity for Rural Communities Initiative, which included a focus on serving individuals impacted by the opioid epidemic. Five of the ten awards in the Appalachian region committed to addressing opioid and other SUD impacts as part of their projects. Also, in October 2019, ETA announced another funding opportunity for \$20 million in grants under the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act. The SUPPORT Act directs DOL to conduct a pilot grant program to address the economic and workforce effects associated with SUDs.

Beyond those recently funded, workforce efforts to address the opioid crisis may need to continue for many years given the nature of SUD. Research suggests that incentives for avoiding drug misuse, such as obtaining and maintaining employment, can be highly effective in promoting recovery from SUD. However, an estimated 40 to 60 percent of people with SUD experience relapse, according to the National Institute on Drug Abuse.²² As a result, people with SUD often need ongoing support to reduce this risk.

²² A. Thomas McClellan et al., "Drug Dependence, a Chronic Medical Illness: Implications for Treatment, Insurance, and Outcomes Evaluation," *Journal of the American Medical Association* 284 (Oct. 4, 2000).

States Used Targeted Grants to Tailor Assistance to Job Seekers in Recovery, but Results Are Not Yet Known

Workforce Agencies Relied on Partnerships to Enhance Services to Job Seekers in Recovery

Officials in the four selected states that received Phase 1 and Phase 2 DOL grants told us that the required partnerships with community organizations were essential in their efforts to serve those affected by SUD. These relationships fostered both knowledge sharing and coordination, elements especially important to state officials with limited experience serving this population. For example, in Ohio, state officials said that input from community partners, such as substance use disorder and mental health boards, helped them identify who could best provide supportive services for job seekers in recovery.

We found workforce agencies in all four states receiving targeted DOL grants worked to serve job seekers with the following partners:

Health care organizations. Workforce officials said they partner with health care organizations to identify people in recovery from SUD who are ready to look for employment. For example, New Hampshire state officials described the state’s “hub-and-spoke” services system, where health care entities such as hospitals refer people affected by SUD to various services. The health care staff coordinate with local workforce agency staff and notify them when an individual in recovery is ready for employment and training services. Other states described similar coordination of services. For example, a local workforce agency in Washington is partnering with a nonprofit health care organization to coordinate workforce development efforts with health and social services.

Justice organizations. Workforce agencies partnered with drug courts, detention centers, and other facilities to address the employment readiness and support needs of those in the juvenile and adult justice systems who may have SUD. For example, in Washington, local workforce agency officials told us that they provide training and education services—including reentry workshops and work readiness services—for their area’s juvenile justice facilities, where over 70 percent of the population has a substance use disorder. In New Hampshire, state

workforce officials described a partner organization whose officials have relationships with all of the drug courts in the state, and also sit on the board of the drug court in one of the state's largest counties. They said that drug courts provide people an option to seek recovery services instead of criminal charges, and the local workforce agency provides employment services for people participating in drug courts.

Educational institutions. Partnerships with community colleges and universities helped workforce agencies to provide employment training for job seekers interested in participating in recovery services. In two of our selected states, officials reported using funds to support the development of peer recovery specialists. Such peer recovery specialists, according to HHS, can bring the lived experience of recovery to assist others in initiating and maintaining recovery. For example, in Ohio, the state workforce agency partnered with a community college to help people to become peer recovery specialists and licensed chemical dependency counselors. Maryland provided Phase 1 Grant funds to a research-based organization, housed on the campus of state university, which is preparing peer recovery specialists. Furthermore, local workforce agency officials in Ohio also told us that they worked with a university to put together a master's degree in social work for those with Licensed Social Worker credentials or a bachelor's degree.

Other organizations. Partnerships with community organizations and housing commissions helped states address transportation and housing needs through referrals and coordinated services. For example, local workforce officials in Washington told us they work with partners through subcontracts or memoranda of understanding to help job seekers with childcare and housing so they can attain and retain employment. Also, officials in New Hampshire told us that one state partner works with sober living houses, which are group homes in which people in recovery can live during and after treatment.

Several state workforce officials we interviewed noted that a key benefit to the WIOA targeted-assistance grants was forging partnerships which will have lasting impacts on how they conduct services in the workforce system. For example, officials in New Hampshire noted that the state plans to continue to leverage relationships with their partners after the grant expires. Also, officials in Ohio said these partnerships put new processes in place, including referral systems that will facilitate getting people in recovery into the workforce system over the long term.

States not receiving targeted grants. Workforce officials in Alabama and Arizona, the states we selected that did not receive targeted DOL grants but are still experiencing high levels of opioid misuse in their communities, stated that they were engaged in some newly formed partnerships to address the workforce aspects of SUD. Alabama workforce officials said they recently began participating in a statewide opioid task force, including serving on the workforce subcommittee with other state departments, such as the state Department of Commerce. Arizona officials said that the state workforce agency partners with the state Department of Corrections and has implemented second chance centers, which offer services such as job training and onsite job fairs, within three prisons. They noted that in one of these prisons, the majority of women are incarcerated for drug-related offenses.

Workforce Agencies Used Funding to Provide Employment Services to Job Seekers in Recovery

Officials in the four selected states that received targeted DOL grants said they used this funding to assist those in recovery from SUD to obtain employment. While many of the services are also offered to other job seekers, officials said grant-funded efforts involved intensive work with SUD-recovering individuals, who may have inconsistent work histories or long periods of unemployment.²³

New Hampshire state workforce officials reported providing individuals in recovery with services, including job training, direct placement in a job, or on-the-job training. As of January 2020, officials said the state had enrolled 177 individuals into its program, including some who are participating in on-the-job training (employment that is partially subsidized by grant funds). Similarly, officials at a local workforce agency in Washington told us that the agency aims to place 125 people affected by SUD into transitional jobs as part of its grant-funded activities. These

²³ The services typically offered to job seekers include improving employment readiness (for example, offering assistance with preparing resumes); identifying career objectives and past work experiences as part of individual development plans; and facilitating training, including apprenticeships and on the job training. Of participants who exited programs from April 2017 through March 2018, 86 percent of Title I Adult participants and 87 percent of Title I Dislocated Worker participants received career services only, while the remaining participants received both career services and training, according to DOL.

subsidized jobs allow individuals to add experience to their resumes, as well as gain an employment reference.²⁴

In Maryland, the state distributed part of its Phase 1 grant funds to local workforce agencies in eight counties directly or indirectly affected by the opioid crisis. These funds provide job seekers with employment, training, and support services that help them prepare for, secure, and retain employment, and advance along career pathways in high-demand industries and occupations—including those related to SUD recovery, such as counseling. Similarly, Ohio workforce officials told us they were reintegrating individuals who are affected by opioid use into the workforce by using some of their Trade and Economic Transition National Dislocated Worker Grant funds to provide career services, guidance, and counseling, along with support services.

Several officials noted that, while their agencies may use the same process for those with SUD as those without to get individuals ready for jobs, it is often a longer process when someone is in recovery or otherwise affected by SUD. For example, officials from a local workforce agency in Ohio told us that those in recovery from SUD often need more services and support to work through barriers prior to job placement than other clients without the disorder. Agency workforce staff are to follow up with people in recovery to make sure they are still supported, even after they have found employment or have enrolled in training—sometimes on a weekly basis. Officials said that those in recovery may not have previously had a job or attended post-secondary school before, and must balance their recovery with these new responsibilities.

Similarly, state workforce officials in New Hampshire said that many in recovery have not had the opportunity to build skills and confidence. The New Hampshire Work Ready program is a 60-hour program offered through the state's community colleges that provides help in areas such as how to dress for an interview and the workplace. This program, which is available to all job seekers, also helps people decide what to disclose regarding their personal history and helps them emphasize their strengths. Officials characterized this program as especially helpful for people with criminal backgrounds. In response to the needs of those in recovery, they said the state has created a new “bridge” program to

²⁴ Transitional jobs are time-limited and wage-paid work experiences that are subsidized up to 100 percent.

prepare individuals to participate in the Work Ready program, which will be implemented in recovery centers using targeted grant funds.

States not receiving targeted grants. Workforce officials in Alabama and Arizona, states that did not receive targeted grants, said that state efforts to address SUD, and more specifically opioid use disorder, were largely focused on the health aspects of the issue. Alabama officials told us that the state workforce agency was not originally part of the Governor’s task force on opioid use disorder. The task force’s recommendations were mostly health care related and addressed issues such as provider practices. However, the task force has recently added a workforce subcommittee with the goal of identifying strategies and resources to provide in-demand career pathways for those affected by SUD, and officials reported that they plan to apply for Phase 2 funding in the future. Arizona state officials said that its workforce development system provided support in communities, but noted that there is not a coordinated strategy statewide. Arizona officials also emphasized that they consider SUD primarily a public health issue, not a workforce issue; they said that while employment is part of a spectrum of services, SUD is an issue that is best addressed on the health side.

Agencies Also Funded Specialists and Are Piloting Workplace Programs

To assist those affected by SUD in finding employment, local workforce agencies used their targeted grant funding to secure specialists. For example, officials at two local workforce agencies in Ohio told us they had hired or planned to hire new staff to work with the population affected by SUD. One agency plans to hire case managers specializing in mental health, who will team with AJC staff to help ensure clients in recovery get the support they need to be successful. The other agency plans to hire peer recovery specialists and job coaches to help those in recovery develop soft skills. One local workforce agency in Washington also hired peer recovery specialists, and is using them as case managers at an AJC. Another agency in Washington is using Phase 1 grant funds to employ four “navigators” to coordinate services to address the needs of those in recovery. In addition, officials said they are in the process of hiring a job developer to liaise between job seekers, navigators, and employers, and help recruit employers who are willing to hire those in recovery from SUD.

Additionally, communities are exploring different workplace programs to support those in recovery. Officials in New Hampshire and Ohio reported using their Phase 1 and Trade and Economic Transition National Dislocated Worker Grant funds, respectively, to pilot recovery-friendly workplace initiatives, which provide training and supports to employers to help them better understand and work with individuals with SUD. Ohio state officials told us that, in three pilot counties, the state will train supervisors and managers and provide second-chance policies and employee assistance programs. According to these officials, recovery-friendly workplaces encourage an environment where employers, employees, and communities can collaborate to create positive change and eliminate barriers for those affected by SUD. In New Hampshire, employers may request that the state designate them as a recovery-friendly workplace. The New Hampshire workplace program will provide an advisor who conducts an orientation with management and staff and helps the employer publicize their participation in this effort so that their employees will know of their commitment, and will know their workplace is a safe place to disclose SUD. Employers in the program also agree to complete certain activities, such as conducting training and making connections with local recovery organizations. New Hampshire officials said they had 220 employers participating in the program as of January 2020.

Workforce Efforts to Address Substance Use Disorder Are in Early Stages and Results Are Not Yet Known

State and local workforce officials said that their efforts to meet the needs of job seekers and employers in communities affected by SUD are relatively new. For example, officials in Ohio said that state efforts are still very much in the preliminary planning stages of their broader implementation goals. They said that, at this point, they are looking at how to educate workforce agencies and staff about how to best address the needs of this population.

State and local officials in our four selected states receiving targeted Phase 1 and Phase 2 grants were not yet able to report outcomes. Officials told us that it took time to organize and implement plans, causing delays in beginning activities. Specifically, workforce officials stated that:

- In Washington, officials said they received the notification for Phase 2 grant funding in March 2019. The state workforce agency finalized the contract with the local workforce agency at the end of May 2019, and

began enrolling eligible job seekers in the late summer and early fall of 2019.

- In New Hampshire, it took the state six months to begin implementing grant activities after receiving funding in July 2018, and officials confirmed in January 2020 that they were still too early in addressing the opioid crisis to have any outcomes.
- In Maryland, officials originally planned to use funding to train peer recovery specialists to work in the state's AJCs. However, the state Department of Health secured funding to train peer recovery specialists, and they did not want to duplicate efforts. As a result, they revised their plan to instead create an Opioid Workforce Innovation Fund, which delayed grant activities by six months or more.
- As of August 2019, Ohio officials said they were just starting to get the local workforce areas on board and acclimated. They reported that they had just completed training for the local workforce agencies on the grant rules and activities, and launched a toolkit to help agencies serve individuals with SUD.

Workforce Agencies Face Challenges Helping Individuals Affected by Substance Use Disorder Gain and Maintain Employment

Workforce Agencies Struggle to Support Job Seekers with a Range of Barriers to Employment

Workforce agency officials in all six of our selected states told us they face challenges addressing the needs of job seekers affected by SUD, in part due to their limited experience in serving this population. For example,

Health issues. Officials in all six states said they continue to struggle with ensuring job seekers receive necessary services due to lack of medical treatment, mental health services, and recovery services and personnel, especially in rural areas. For example, officials at a local workforce agency in a rural area of Maryland said their area has no addiction specialists, and many people in the area have to travel nearly 2 hours to receive recovery treatment and counseling.

Involvement with the justice system. Individuals in recovery may be more likely to have criminal records that complicate obtaining and maintaining employment. Officials in New Hampshire told us that employers might not hire people with a criminal history, and that employers are allowed to ask about criminal history on a job application, even if the individual is in long-term recovery. Appalachian Regional Commission officials said that job seekers with a criminal record also have especially limited employment options in their region because the federal government and its contractors are large employers there, but may not be able to hire someone with a felony conviction, which is an issue for many individuals with SUD.

Transportation difficulties. Lack of reliable, affordable transportation presents difficulties for many in recovery. For example, New Hampshire officials told us many people with SUD have lost their license or have no car, and few public transportation options are available in the state outside of urban areas. Local workforce officials in a rural area of Ohio said no reliable public transportation exists near them, and the limited taxi service that exists is very expensive.

Housing difficulties. Individuals in recovery may not have access to stable housing, making it difficult to focus on job training or employment. Specifically, officials in Maryland, Ohio, and Washington cited homelessness as an issue among those in recovery. Further, New Hampshire officials said individuals who have a drug conviction may not be eligible for government-subsidized housing. While homelessness can be a result of a substance use-related history, local officials in New Hampshire, Ohio, and Washington told us that there is also a lack of affordable housing in their respective areas.

Workforce Agencies Face Difficulties Recruiting Employers

Workforce officials in all six selected states told us that they have had difficulty finding employers who are willing to hire those in recovery. As a result, workforce agencies risk not meeting WIOA performance targets related to (1) job seekers' obtaining and maintaining employment and (2) effectiveness in serving employers. Workforce officials in all six states cited employer concerns around relapses, safety and reliability, suitability, and stigma.

Relapses. Officials from the Appalachian Regional Commission said this was the most challenging aspect of SUD with respect to the workplace. Officials from another organization that works with employees with SUD also told us that employers may be reluctant to hire SUD-affected individuals because state laws or claims related to lack of reasonable accommodations under the Americans with Disabilities Act of 1990 can make it difficult to terminate individuals with a known substance disorder when they relapse. To address this, some employers put in place a zero-tolerance policy, automatically terminating an employee who tests positive for drugs.²⁵

Safety/reliability. Workforce officials in Maryland said employers are concerned that SUD-affected employees may bring drugs into their workplaces or quit unexpectedly. New Hampshire officials told us that employer liability is an issue as employers are worried about accidents. They also told us employers are concerned about productivity loss due to SUD and, in particular, an employee's inability to work a regular schedule because they or a family member is dealing with SUD. Ohio officials in one local area told us that employers in white-collar jobs are less willing to hire individuals in recovery because they are concerned about possible theft, and that workforce officials have been working with businesses to secure liability insurance.²⁶

Suitability. Some employers will not hire a person who is unable to pass a drug test. This may present issues for individuals who take medication as part of their recovery treatments. For example, Alabama officials told us that a major reason that employers in their state did not hire job applicants for vacant positions was because they could not pass initial drug screenings. In addition, under U.S. Department of Transportation regulations on workplace drug and alcohol testing, when an employee performing safety-sensitive functions tests positive for drug use, they must be removed from performing such functions and evaluated for

²⁵ Some zero-tolerance policies also apply to those who test positive for alcohol in the workplace.

²⁶ While this is an employer perspective, it may not be based in fact. Research has found that those individuals who commit property crimes (or white-collar crime perpetrators) are less likely to be involved in substance use problems than individuals who commit conventional offenses. While there appears to be a similar relationship between both white-collar crime and serious conventional offenses with respect to social position, divorce, and substance use, a weaker relationship exists between white-collar crime and these indicators. See Scott Menard et.al., "Distribution and Correlates of Self-Reported Crimes of Trust," *Deviant Behavior* 32(10): 877–917 (Nov. 1, 2011).

treatment options before returning to work.²⁷ This includes those in aviation, trucking and locomotive transit. Certain entities regulated by the Nuclear Regulatory Commission are also required to administer drug and alcohol testing. Workforce officials in Washington said that it is also difficult for people with SUD to obtain the available jobs in their state in the health care field and with federal agencies because these jobs required drug testing.

Stigma. Employers may also be reluctant to hire those affected by SUD because of its associated stigma. New Hampshire officials said that employers are concerned about people's perceptions and believe it would hurt business if they declare themselves a recovery-friendly workplace. For example, they told us about an employer who runs a high-end restaurant in the state who expressed concern that customers may not want an individual with SUD preparing their food. Washington officials expressed similar concerns, saying that while some employers embrace being a recovery-friendly employer, others do not publicize this because they are unsure how it will be received by the public. Officials in Alabama also noted the need for honesty and transparency about the stigma of SUD and for employers who are willing to invest in their workers.

DOL Is in the Early Stages of Supporting State and Local Efforts through Information Sharing and Technical Assistance; Workforce Agencies Identified Additional Needs

Federal Partnerships Help DOL Identify Ways to Support State and Local Agencies Serving SUD-Affected Individuals

According to DOL officials, they have begun working with ONDCP and other federal agencies to address the drug crisis. DOL officials noted that, although the National Drug Control Strategy does not include explicit goals and performance targets for DOL or employment and training-related efforts, DOL is using the strategy to guide its efforts in addressing the opioid crisis. DOL officials said they have regular conversations with ONDCP about how ETA can support the ONDCP strategy within its

²⁷ See 49 C.F.R. §§ 40.23, 40.285.

current authority. For example, one DOL official told us she communicates with ONDCP nearly every week. DOL officials also said they attend meetings hosted by ONDCP which occur roughly every 6 weeks and include representatives from all of the agencies involved in the National Drug Control Strategy. According to DOL officials, through these meetings, they have learned about government-wide efforts to support those affected by SUD, and have shared information about DOL's own efforts to address the opioid crisis.

DOL officials told us they communicate with other federal agencies regarding the opioid crisis. For example, DOL officials said that HHS provided a list of available grant funding to address the opioid crisis, and DOL has sent this list to its regional offices to distribute to states. In addition, ETA officials told us that two out of the six regional offices have staff serving on regional opioid task forces, for example, with HHS.

DOL has also conducted several webinars with HHS on addressing training and employment needs of individuals and communities affected by SUD. Specifically, DOL officials described:

- a webinar in October 2018 discussing topics such as the rise in opioid use and a screening and intervention technique;
- a webinar in May 2019 for program staff working directly with participants in the workforce development programs located in states in the mid-Atlantic region, which are among those with the highest opioid-related deaths; and,
- a webinar with HHS, ONDCP, and other organizations in August 2019 on peer support recovery, including discussing how DOL grant funds have been used to train SUD-affected individuals to become peer recovery specialists.

Internally, DOL officials told us they began a DOL-wide opioid workgroup in April 2019 to improve communication among units and strengthen connections across the agency. According to DOL officials and meeting agendas we reviewed, the workgroup meets about once a month, and discusses what DOL is doing to address the opioid crisis and identify any potential gaps in their efforts. They also invite speakers from external organizations, such as ONDCP, the Centers for Disease Control and Prevention, and the National Institute for Occupational Safety and Health.

DOL Provides Some Support for Targeted Opioid Grants Recipients, and Has Plans in Place for Oversight and Evaluation

ETA officials have provided technical assistance to states during the Phase 1 and 2 grant application processes, such as by clarifying allowable grant-funded activities and defining grant eligibility, and during grant implementation. According to officials, ETA assigned Federal Project Officers from one of its six DOL regional offices to work with each state. Officials have also encouraged information sharing among grantees. For example, officials said they hosted quarterly calls among grantee states, where they discussed performance reporting, evaluation, and use of the Federal Bonding Program, and have allowed time for peer-to-peer sharing of grant accomplishments and challenges.²⁸ To encourage peer-to-peer sharing and engagement, ETA also provided grantees with a list of grantee contacts in all states that received Phase 1 or 2 grants. However, this technical assistance has been limited to those receiving the targeted grants, and is not offered to all states, tribes, and outlying areas that may be interested in conducting related work.

DOL officials are working to improve available information on addressing the employment and training needs of those affected by SUD. According to DOL officials, interested entities can access a DOL website called WorkforceGPS with resources and materials on substance abuse, including its effect on the workforce system, and case management resources. DOL also contracted with a research organization to review literature that examines what is known about workforce programs for individuals with SUD. The research is meant to identify key themes and findings related to successfully implementing the Phase 1 grants, such as the role of mental health services in the lives of grant participants and different employment-related interventions. DOL officials said that, as a complementary piece to the literature review, the contractor was tasked with developing a resource guide that identifies promising practices across the public and private sectors, with a goal of providing up to date information on tools, programs, websites from across the country to serve as a resource for grantees who are planning and implementing their own initiatives. Officials said that the contractor shared preliminary results from its research activities with targeted grantees in October 2019. Based on

²⁸ The Federal Bonding Program, is designed to help reduce employers' risk by offering reimbursement for loss from illegal acts, such as theft or embezzlement, perpetrated by individuals with criminal records.

these results, DOL officials reported that there was a lack of evidence about the relationship between opioid use disorder and employment. Therefore, they said, the literature review covers a broader range of information related to SUD in an effort to provide useful information. DOL released the full results of the literature review and resource guide on its website in March 2020.

Regarding oversight of grant activities, DOL plans to review grantee performance through required state quarterly reports, which have only recently begun to be submitted. DOL requires that these reports include financial data and program performance information (such as characteristics of, and services received by, participants, as well as participant outcomes). These quarterly reports also contain a narrative section where grantees can share information on project success stories, upcoming grant activities, and promising approaches. The final quarterly report for the grant must summarize the successes and/or challenges in delivering services, as well as address the topics of sustainability, replicability, and lessons learned. DOL officials said they do not have plans to share information from the summaries in the quarterly reports with other states. In addition, DOL officials told us that states generally are to use the same performance measures for these grants as they do for WIOA core programs. However, officials said they realize the SUD population could have different challenges than the rest of the WIOA population and, as a result, they are looking into developing new performance measures to address these differences.

Regarding evaluation of grant activities, DOL has contracted with a research organization to conduct a 3-year evaluation of Phase 1 activities. The evaluation is expected to end in September 2021, with a final report to follow.²⁹ DOL officials confirmed that there will be no interim reports.

State and Local Workforce Agencies and Our Review Identified Areas for Further Assistance

Although some state and local workforce officials we interviewed were aware of available technical assistance from DOL, they identified a need for more information to help them address challenges in serving

²⁹ ETA is considering extending the grant period of performance for some grantees. As a result, officials said they may extend the time period of the evaluation to ensure that all grantee activities and outcomes are included.

communities affected by SUD, as discussed below. Furthermore, our review of DOL documents and guidance such as the ETA announcements to states of the targeted grants and the WIOA state plan guidance, found that these documents did not fully address the questions and concerns of state and local workforce officials. Federal internal control standards regarding risk assessment state that management should identify, analyze, and respond to risks related to achieving its objectives such as WIOA's goals of increasing employment and retention.³⁰ These standards also state that management should communicate with its partners to help achieve its objectives.³¹ Better communicating information could enhance DOL's ability to respond to these risks.

Specifically, state and local workforce officials and our review identified three areas in which additional DOL actions could help officials address the needs of job seekers in recovery and potential employers:

Clarity about expectations and use of funds. Officials in Arizona, Ohio, and Washington said they would like clarification from DOL about its expectations regarding the role of state and local workforce systems in preparing individuals in SUD recovery for employment, or in determining the appropriate use of WIOA grant funds. Clarity around DOL's expectations for state workforce agencies could be helpful, as Arizona officials emphasized that they consider SUD a public health issue, not a workforce issue, and have viewed SUD as an issue that is best addressed on the health side. Also, information on expectations and the use of non-targeted WIOA grant funds is especially important as states draft their 2020 WIOA state plans, which will set priorities for state workforce agencies for the next 4 years. For example, officials from one local area in Washington told us that they hoped to continue the grant activities and partnerships past the end of the current targeted grant, but they were unsure whether they could do this with non-targeted, WIOA formula grant funding. Our review of the targeted grant announcements found they did not contain information on whether this was an allowable use of funds.

³⁰ [GAO-14-704G](#). See the Risk Assessment component, Principle 7.0: Management should identify, analyze, and respond to risks related to achieving the defined objectives.

³¹ [GAO-14-704G](#). See the Information and Communication component, Principle 14.01: Management should internally communicate the necessary quality information to achieve the entity's objectives and Principle 15.01: Management should externally communicate the necessary quality information to achieve the entity's objectives.

ETA issued guidance regarding the 2020 WIOA state plans in February 2020. However, our review of this guidance found that it does not provide specific information about states' roles in meeting the needs of job seekers in recovery from SUD or their potential employers, or how non-targeted WIOA funding can be used to address those needs. DOL officials acknowledged that the guidance does not include such information, stating that the purpose of the guidance was to focus on the procedures and instructions for states in submitting their state plans, and not to provide specific suggestions on uses of WIOA funds or what particular strategies states should pursue. Clarity on the role of states and the use of WIOA funding would better position state workforce systems to meet the training and employment needs of those affected by SUD and their potential employers.

Better information sharing with all states. Officials from four of the six selected states identified areas in which it would be useful for DOL to enhance its information sharing. Specifically, officials in these states told us that it would be useful for DOL to share information about lessons learned and successful strategies in addressing the needs of job seekers in recovery and potential employers with all states—whether or not they received targeted grants. They said such information would be particularly helpful given that many states are in the early stages of developing their programs. Officials stated that information based on the experiences of their peers would assist states in ensuring those in recovery are job ready and in hiring and retaining these workers. For example, officials from Arizona—a state without a targeted DOL grant—told us their communities could benefit from learning about experiences of states or local areas that are addressing the crisis within the workforce system, especially those using an approach that offers wraparound services such as transportation assistance. Additionally, officials from Ohio—a state with a targeted DOL grant—said they would like to learn from more experienced state officials who have been working for 6 months or a year within the workforce system to address the opioid crisis.

Workforce officials stated that even if job seekers in recovery are trained and job ready, workforce agencies face challenges in addressing employers' concerns about hiring these individuals. Workforce officials in five of the six selected states said that information about incentives for employers to hire individuals affected by SUD, and/or education for employers about this population, would be helpful given that perceived risks have led to difficulties with finding employers who are willing to hire this population. In particular, given limitations of federally supported incentive programs and the stigma associated with SUD, a dual

approach—education and incentives—may be needed. However, at this point, most information on strategies to address employer concerns, including leveraging pre-existing federal programs, is not widely disseminated.

DOL officials stated that they recognize the challenges state and local workforce agencies face in engaging employers in this area and are exploring use of existing programs to incentivize the hiring of job seekers with SUD. However, they acknowledged that to date, limited information has been shared with the large network of state and local workforce agencies. Thus far, DOL has been piloting and promoting one available incentive, the Federal Bonding Program, which is designed to help reduce employers' risk by offering reimbursement for loss from illegal acts, such as theft or embezzlement, for individuals with criminal records. DOL officials have recognized that other existing incentive programs—targeted to employers of other populations, such as low-income, and other disadvantaged job seekers—may be helpful. They said that because the populations eligible for these programs share similar characteristics as those in recovery, they are exploring how to connect them to employers who are willing to hire those in recovery. For example, the Work Opportunity Tax Credit encourages employers to hire individuals from certain targeted groups who have consistently high unemployment rates, such as individuals with a felony record, by providing employers with a tax credit as an incentive to hire and retain these workers.

However, state officials said, and our review confirmed, that these current federal programs may not fully address employer concerns. Specifically, bonds might not protect against other liabilities which may be of concern to employers, such as accidents caused by an employee under the influence of opioids. Furthermore, despite promoting awareness of these programs, DOL officials recognized that these efforts alone may not increase employer participation, particularly given the need to move beyond the stigma associated with that condition. Officials in two states told us that education is an important response in addressing employers' concerns about the potential stigma associated with hiring individuals with SUD. For example, New Hampshire has a pilot program on recovery-friendly workplaces to educate employers about reducing stigma associated with SUD, as well as related human resource policies and employee assistance programs. Also, Arizona officials stated that workforce agencies need to understand the employer perspective and engage, educate, and involve employers.

To date, DOL has been primarily communicating information about emerging, workforce system-based strategies to serve job seekers and employers affected by SUD with Phase 1 and 2 grantee states. As previously noted, DOL has an existing mechanism—its WorkforceGPS website—that could be used to share information more widely. Access to information on promising practices and lessons learned can help workforce agencies in all states learn about possible ways to address the needs of job seekers affected by SUD and their potential employers.

More time to use grant funds. Officials in New Hampshire, Ohio, and Washington said that a longer time window in which to use the DOL grant funding would be helpful. For example, New Hampshire officials said the length of time needed for intake and enrollment for clients with SUD is longer than usual for a typical WIOA job seeker; therefore, more time to use the Phase 1 grant funds could help them with the more intense interventions. In addition, state workforce officials in Ohio told us it is complicated and takes time to develop new partnerships and trust at the local level, and to determine what the state and other partners can provide. Similarly, Washington state officials said the limit on the time allowed to use the Phase 1 and 2 grant funds has limited their ability to enroll job seekers in recovery and implement their partnerships. Specifically, state officials said that the delay in receiving funds means they will not have the full 2 years for grant activities. To meet DOL’s reporting deadlines, they will need to complete their activities earlier than anticipated. ETA officials told us that they are considering extending the Phase 1 and 2 grant periods for some states. In commenting on a draft of this report, they also said that if these limitations prevent a state from continuing its grant beyond a certain period of years, states can apply for a new grant should it still meet the conditions for eligibility, such as if the public health emergency declaration for the opioid crisis remains active.

Conclusions

In light of the persistent nature of the drug crisis and the complex set of issues facing individuals on the path to recovery, workforce agencies are likely to continue facing challenges in meeting the needs of this population and their potential employers. As the agency responsible for the nation’s workforce system, DOL can play an important role in serving communities and individuals affected by SUD who are seeking employment. However, state officials we interviewed expressed uncertainty about what is expected of them or the specific allowable uses

of their non-targeted WIOA funds to address a crisis that has long been considered primarily a health and law enforcement issue. Our work raises concerns about how the workforce system continues to seek clearer direction on the role of states and the use of non-targeted WIOA grant funding in helping ensure the economic well-being of communities affected by this public health emergency.

DOL's current efforts are still in the early stages, and it will take time for the agency to fully identify and disseminate effective, evidence-based strategies. In the meantime, states are seeking the best information currently available to help their workforce systems support job seekers affected by SUD and their potential employers. DOL's targeted grants provide an opportunity for grantees and non-grantees alike to learn states' experiences in addressing the effects of the opioid crisis through the workforce system, but information on the current approaches states receiving targeted grants are using is not being shared beyond the targeted grantee community. Sharing this information with all states could better position workforce agencies to address the needs of job seekers affected by SUD and help employers understand and address the perceived risks of hiring job seekers in recovery. While the workforce system may take time to fully build its capacity to work with these job seekers and employers, opportunities exist to learn and make interim progress towards this end.

Recommendations for Executive Action

We are making the following two recommendations to DOL:

The Assistant Secretary for Employment and Training should clarify DOL's expectations of the role of state workforce agencies in addressing the employment and training needs of those affected by SUD and how non-targeted WIOA funding can be used to assist job seekers and employers. (Recommendation 1)

The Assistant Secretary for Employment and Training should share information from targeted grantees with all state workforce agencies, tribal governments, and outlying areas regarding lessons learned and promising practices in addressing the needs of job seekers affected by SUD and potential employers. (Recommendation 2)

We provided a draft of this report to DOL and HHS for review and comment. In its formal comments, which are reproduced in appendix I, DOL agreed with our recommendations. DOL also provided technical comments, which we incorporated as appropriate. HHS did not have comments.

In its response, DOL noted that throughout our report, we refer to SUD, but that its targeted grants are limited to addressing SUD caused by opioids. While our report focuses on SUD more broadly, many of the efforts states and federal agencies are involved in focus on opioid use disorder, as a result of HHS's emergency declaration. DOL also stated that it was in the process of announcing another round of grants in partnership with the Delta Regional Authority and the Appalachian Regional Commission, part of which will be available to address opioid or other SUD. DOL also noted that grant-funding limitations, including the availability of appropriated funds, make it difficult to address states' concerns about not having enough time to spend their grant funds, and suggested that states may consider applying for a new grant. We have reflected this point of view in the final report.

In response to our first recommendation, DOL officials said they anticipate providing information and technical assistance to help workforce system grantees understand how they can address the impacts of SUD on the workforce. ETA plans to issue guidance by the end of 2020 to share promising practices and describe how WIOA funds can be used to support job seekers in recovery and employers.

In response to our second recommendation, DOL officials said ETA has created resources that are available to all states based on its experience administering some of the targeted grants. ETA officials cited the recently published literature review and companion resource guide, and said they also plan to share the evaluation of the Phase 1 grants widely when it is available, including any resources or tools developed by states that were awarded Phase 1 grants. In addition, ETA plans to host at least one webinar to share additional promising practices from the targeted grants that could be useful to local workforce boards around the country.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the appropriate congressional committees, the Secretary of Labor, the Secretary of Health and Human Services, and other interested parties. In addition, the

report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (617) 788-0580 or nowickij@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix II.



Jacqueline M. Nowicki,
Director, Education, Workforce, and
Income Security Issues

Appendix I: Comments from the Department of Labor

U.S. Department of Labor

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



April 20, 2020

Ms. Jackie Nowicki
Director
K-12 Education
U.S. Government Accountability Office
10 Causeway St., #575
Boston, MA 02222

Dear Ms. Nowicki:

The Government Accountability Office's (GAO) released a draft report titled, "Workforce Innovation and Opportunity Act (WIOA): Additional DOL Actions Needed to Help States and Employers Address Substance Use Disorder" (GAO-20-337, Job Code 103250) to the Employment and Training Administration (ETA). GAO makes the following recommendations to ETA:

- ETA should clarify DOL's expectations of the role of state workforce agencies in addressing the employment and training needs of those affected by Substance Use Disorder (SUD) and how non-targeted WIOA funding can be used to assist job seekers and employers.
- ETA should share information from targeted grantees with all state workforce agencies, tribal governments, and outlying areas regarding lessons and promising practices in addressing the needs of job seekers affected by SUD and potential employers.

ETA agrees with the purpose and intent of these recommendations. ETA is committed to addressing the devastating effects of opioid and other substance misuse by helping individuals who have been affected by this crisis return to the workforce and help businesses meet their increasing demands for skilled workers.

Thus far, ETA's primary investments to address the workforce and economic impacts of the opioid crisis have largely focused on grants through the National Health Emergency (NHE) Demonstration and NHE Disaster Recovery National Dislocated Worker Grant (NDWG) programs. ETA recognizes that addressing the impacts of the crisis will require an entire-workforce system approach in coordination with partners to implement best practices and new, innovative approaches.

Before we address the recommendations, we want to note that in the report GAO uses the general term substance use disorder (SUD) to describe all ETA grants. Under the Secretary of Health and Human Services' public health emergency that makes states eligible for Disaster Dislocated Worker Grants, legally ETA is limited to only addressing the epidemic of SUD *caused by opioids*. ETA had some discretion to broaden this for the NHE Demonstration (Phase I), but that discretion is not extended to the Disaster Recovery grants (Phase II), as Disaster Recovery activities authorized by the Workforce Innovation and Opportunity Act of 2014, Section 170(d) are tied to the declared disaster emergency.

Appendix I: Comments from the Department of Labor

GAO also indicates in the report that grant recipients want more time to spend their grant funds. ETA notes that there are grant-funding limitations that make it difficult to do so, including the availability of appropriated funds. If these limitations prevent a state from continuing its grant beyond a certain period of years, states can apply for a new grant should it still meet the conditions for eligibility, such as if the public health emergency declaration for the opioid crisis remains active.

In response to the first recommendation, ETA anticipates providing information and technical assistance to help workforce system grantees understand how they can address the impacts of opioid or other SUD on the workforce. ETA plans to issue a Training and Employment Notice in calendar year 2020 to share promising practices and describe how WIOA funds can be used to support jobseekers in recovery and employers.

ETA is in the process of announcing round two of the Workforce Opportunities for Rural Communities (WORC) Initiative, which requires that \$5 million of the nearly \$30 million be available for awards that address opioid use or other SUD.

In March 2019, ETA presented a workshop on opioid impacts on the workforce system at the National Association of Workforce Boards FORUM 2019. This session helped local workforce areas understand the importance of key partnerships to address the crisis and bring together workforce, health, community services, and other entities to ensure a comprehensive, tailored response is implemented. The panelists represented some critical partners at the Federal level—ETA, the Appalachian Regional Commission, and the National Institute for Occupational Health and Safety—as well as a state NHE grantee.

In response to the second recommendation, ETA has created resources that are available to all states based on its experience administering some of the NHE grants.

The Department of Labor’s Chief Evaluation Office is currently conducting an evaluation of six demonstration grants awarded as part of Phase I of the NHE Grant Initiative. This evaluation includes a literature review and a resource guide, and can be found at the links provided:

- Literature Review:
https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/WorkforceOpioids_LitReview_508.pdf
- Resource Guide:
https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/WorkforceOpioids_ResourceGuide_508.pdf

The evaluation will produce detailed reports from the six demonstration grantees that will help ETA identify promising practices, which ETA plans to share widely with all other states, along with resources or tools developed by the six demonstration grantees.

ETA hosts quarterly conference calls with all current grantees awarded Phase II NHE Disaster Recovery NDWGs to facilitate information exchange and promising practices. ETA shares these learnings, including that gathered through the Phase I evaluation, with Phase II grantees and all state workforce agencies. For this calendar year, ETA plans to host at least one webinar to share additional promising practices from the NHE grants that can be applied to day-to-day operations at local workforce boards and American Job Centers around the country.

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

ETA reiterates its commitment to addressing the workforce-related impacts on local communities affected by the opioid and substance abuse epidemic. Please see enclosed technical comments for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Pallasch".

John Pallasch
Assistant Secretary for Employment and Training

Text of Appendix I: Comments from the Department of Labor

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April 20, 2020

Ms. Jackie Nowicki Director

K-12 Education

U.S. Government Accountability Office 10 Causeway St., #575

Boston, MA 02222

Dear Ms. Nowicki:

The Government Accountability Office's (GAO) released a draft report titled, "Workforce Innovation and Opportunity Act (WIOA): Additional DOL Actions Needed to Help States and Employers Address Substance Use Disorder" (GAO-20-337, Job Code 103250) to the Employment and Training Administration (ETA). GAO makes the following recommendations to ETA:

- ETA should clarify DOL's expectations of the role of state workforce agencies in addressing the employment and training needs of those affected by Substance Use Disorder (SUD) and how non-targeted WIOA funding can be used to assist job seekers and employers.
- ETA should share information from targeted grantees with all state workforce agencies, tribal governments, and outlying areas regarding lessons and promising practices in addressing the needs of job seekers affected by SUD and potential employers.

ETA agrees with the purpose and intent of these recommendations. ETA is committed to addressing the devastating effects of opioid and other substance misuse by helping individuals who have been affected by this crisis return to the workforce and help businesses meet their increasing demands for skilled workers.

Thus far, ETA's primary investments to address the workforce and economic impacts of the opioid crisis have largely focused on grants through the National Health Emergency (NHE) Demonstration and NHE Disaster Recovery National Dislocated Worker Grant (NDWG) programs. ETA recognizes that addressing the impacts of the

crisis will require an entire- workforce system approach in coordination with partners to implement best practices and new, innovative approaches.

Before we address the recommendations, we want to note that in the report GAO uses the general term substance use disorder (SUD) to describe all ETA grants. Under the Secretary of Health and Human Services' public health emergency that makes states eligible for Disaster Dislocated Worker Grants, legally ETA is limited to only addressing the epidemic of SUD caused by opioids. ETA had some discretion to broaden this for the NHE Demonstration (Phase I), but that discretion is not extended to the Disaster Recovery grants (Phase II), as Disaster Recovery activities authorized by the Workforce Innovation and Opportunity Act of 2014, Section 170(d) are tied to the declared disaster emergency.

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GAO also indicates in the report that grant recipients want more time to spend their grant funds. ETA notes that there are grant-funding limitations that make it difficult to do so, including the availability of appropriated funds. If these limitations prevent a state from continuing its grant beyond a certain period of years, states can apply for a new grant should it still meet the conditions for eligibility, such as if the public health emergency declaration for the opioid crisis remains active.

In response to the first recommendation, ETA anticipates providing information and technical assistance to help workforce system grantees understand how they can address the impacts of opioid or other SUD on the workforce. ETA plans to issue a Training and Employment Notice in calendar year 2020 to share promising practices and describe how WIOA funds can be used to support jobseekers in recovery and employers.

ETA is in the process of announcing round two of the Workforce Opportunities for Rural Communities (WORC) Initiative, which requires that \$5 million of the nearly \$30 million be available for awards that address opioid use or other SUD.

In March 2019, ETA presented a workshop on opioid impacts on the workforce system at the National Association of Workforce Boards FORUM 2019. This session helped local workforce areas understand the importance of key partnerships to address the crisis and bring together workforce, health, community services, and other entities to ensure a comprehensive, tailored response is implemented. The panelists represented some critical partners at the Federal level— ETA, the Appalachian Regional Commission, and the National Institute for Occupational Health and Safety—as well as a state NHE grantee.

In response to the second recommendation, ETA has created resources that are available to all states based on its experience administering some of the NHE grants.

The Department of Labor's Chief Evaluation Office is currently conducting an evaluation of six demonstration grants awarded as part of Phase I of the NHE Grant Initiative. This evaluation includes a literature review and a resource guide, and can be found at the links provided:

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ETA reiterates its commitment to addressing the workforce-related impacts on local communities affected by the opioid and substance abuse epidemic. Please see enclosed technical comments for your consideration.

John Pallasch

Assistant Secretary for Employment and Training

Appendix II: GAO Contact and Staff Acknowledgments

GAO Contact

Jacqueline M. Nowicki at (617) 788-0580 or nowickij@gao.gov

Staff Acknowledgments

In addition to the contact named above, Danielle Giese (Assistant Director), Amy Sweet (Analyst-in-Charge), Linda Lootens Siegel, and Anna Kallschmidt made key contributions to this report. Also contributing to this report were Deborah Bland, Alex Galuten, Natalie Herzog, Tom James, Bill Keller, Sheila R. McCoy, Corinna Nicolaou, Monica Savoy, Almeta Spencer, Tonnye Connor-White, and Greg Whitney.

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