



December 2013

WORKFORCE INVESTMENT ACT

DOL Should Do More to Improve the Quality of Participant Data

GAO Highlights

Highlights of [GAO-14-4](#), a report to congressional requesters

Why GAO Did This Study

Having reliable program data is important in effectively managing a program. However, there have been longstanding concerns about the quality of data on job seekers enrolled in the WIA Adult and Dislocated Worker Programs, which rely on states and local areas to track participants and the services they receive. Given these concerns and WIA's anticipated reauthorization, GAO was asked to examine the data on these WIA participants. This report addresses: (1) the factors that have affected the ability to report consistent and complete data on participants in the WIA Adult and Dislocated Worker Programs, and (2) actions that DOL has taken to improve the quality of these data. To conduct this work, GAO reviewed relevant federal laws, regulations, guidance, and documentation from DOL. GAO interviewed officials from DOL's national and regional offices and state and local workforce officials from a nongeneralizable sample of eight states. GAO also analyzed WIA data from program year 2011 to determine the number of, characteristics of, and services provided to WIA participants.

What GAO Recommends

GAO recommends that DOL take steps to improve the consistency and completeness of data reported across states and to promote a continuous process for improving the data's quality. DOL officials did not agree or disagree with GAO's overall recommendations and detailed how data quality is being addressed primarily through existing efforts. However, GAO believes that the recommendations remain valid as discussed in the report.

View [GAO-14-4](#). For more information, contact Revae E. Moran at (202) 512-7215 or moranr@gao.gov.

December 2013

WORKFORCE INVESTMENT ACT

DOL Should Do More to Improve the Quality of Participant Data

What GAO Found

Flexibility in the Department of Labor's (DOL) data reporting guidance and limitations in some state information systems continue to impair the quality of the data on participants in the Workforce Investment Act (WIA) Adult and Dislocated Worker Programs. The flexibility in the guidance stems from the inherent nature of WIA, which allows states and local areas to tailor program design and service delivery to their needs. As a result, DOL's guidance on collecting and reporting the data allows variation in how some WIA data elements are defined, collected, and reported. Specifically, an American Job Center—formerly known as a one-stop center—can choose to provide certain basic services exclusively through WIA programs, exclusively through a partner program, or through a blend of both WIA and partner programs. However, this flexibility involves variations in data reporting that have contributed to inconsistencies among states regarding when job seekers are counted as WIA participants. Moreover, some aspects of DOL's guidance are open to interpretation, leaving it to states to define variables such as type of training service received, further contributing to data inconsistencies. In addition, some state information systems used to collect and report WIA participant data have limitations that hamper the affected states' ability to report uniform and complete data. For example, data are incomplete to the extent that states may not have information systems that can track participants who access services online without significant staff assistance. Having inconsistent and incomplete data makes it difficult for DOL to compare data on program participants across states or to aggregate the data at a national level.

DOL engages in various oversight activities designed to ensure the accuracy of states' data on participants in the WIA Adult and Dislocated Worker Programs and has taken steps to improve data consistency across states. However, DOL does not consistently use the results of its oversight to identify and resolve systemic data issues nor has it evaluated the effect of oversight on the quality of WIA participant data. Specifically, DOL requires states to validate the data they collect and report on participants in the WIA Adult and Dislocated Worker Programs on an annual basis, but it does not strategically use the findings from this effort to identify systemic data issues or improve the quality of the data. Similarly, although DOL's regional offices review a sample of each state's WIA participant files every few years to assess states' compliance with data reporting and validation requirements, DOL officials said they have not analyzed the findings from the most recent reviews to identify nation-wide reporting issues. DOL has taken steps to improve the consistency of the data by providing general technical assistance to states and local areas and through standardizing the way DOL collects WIA data. For example, since 2007, two states have been piloting a unified reporting system developed by DOL that uses standardized data definitions and is integrated across certain American Job Center programs administered by DOL. However, DOL officials said they have no plans to evaluate the system before expanding it to other states. Without an evaluation, DOL does not know what impact the pilot has had on the quality of WIA participant data.

Contents

Letter		1
	Background	4
	DOL's Guidance and Limitations in State Information Systems Have Resulted in Inconsistent and Incomplete National Data on WIA Participants	10
	DOL Has Increased Its Oversight Efforts and Taken Steps to Improve Data Consistency, but Data Quality Issues Have Not Been Resolved	20
	Conclusions	33
	Recommendations for Executive Action	34
	Agency Comments and Our Evaluation	35
Appendix I	Scope and Methodology	39
Appendix II	Data on Participants in the WIA Adult and Dislocated Worker Programs for Program Year 2011	44
Appendix III	Comments from the Department of Labor	49
Appendix IV	GAO Contact and Staff Acknowledgments	54
Related GAO Products		55
Tables		
	Table 1: American Job Center Network Mandatory Partner Programs and Related Federal Agencies	5
	Table 2: Most Prevalent Issues Identified During DOL's Regional Reviews of States' Case Files, Program Years 2006-2011 ^a	28
	Table 3: Selected Site Visit States and Local Areas	40

Figures

Figure 1: Sequence of Services for the WIA Adult and Dislocated Worker Programs	7
Figure 2: Flow of WIA Data from Local Area to State to DOL	9
Figure 3: The Impact of Two States' Service Delivery Models on When They Typically Count Job Seekers As WIA Adult Program Participants	13
Figure 4: Total Participants Enrolled in the Adult and Dislocated Worker Programs, Program Year 2011	44
Figure 5: Highest Level of Service Received by Adult and Dislocated Worker Program Participants, Program Year 2011	45
Figure 6: Duration of Training for Adult and Dislocated Worker Program Participants Who Completed or Withdrew from Training, Program Year 2011	46
Figure 7: Type of Training Services Provided to Adult and Dislocated Worker Program Participants, Program Year 2011	47
Figure 8: Percentage of Adult and Dislocated Worker Program Participants Registered in Selected Partner Programs, Program Year 2011	47
Figure 9: Adult and Dislocated Worker Program Participant Demographics, Program Year 2011	48

Abbreviations

DOL	The Department of Labor
ETA	Employment and Training Administration
SPRA	Social Policy Research Associates
WIA	The Workforce Investment Act of 1998
WIASRD	Workforce Investment Act Standardized Record Data
WISPR	Workforce Investment Streamlined Performance Reporting System

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



December 2, 2013

The Honorable John Kline
Chairman
Committee on Education and the Workforce
House of Representatives

The Honorable Virginia Foxx
Chairwoman
Subcommittee on Higher Education and Workforce Training
Committee on Education and the Workforce
House of Representatives

The Honorable Joe Heck
House of Representatives

The Honorable Howard P. McKeon
House of Representatives

Having reliable program data is an important factor in being able to effectively manage and evaluate a program. Our previous work on the Workforce Investment Act of 1998 (WIA), however, has raised questions about the quality of data that states report to the U.S. Department of Labor (DOL) on the number of individuals they serve.¹ WIA, the centerpiece of the nation's employment and training system, established three separately funded programs—Adult, Dislocated Worker, and Youth—and created a comprehensive one-stop system, now known as the American Job Center network, for the delivery of many federally funded employment and training program services.² At this writing, the

¹Pub. L. No. 105-220, 112 Stat. 936. GAO, *Workforce Investment Act: Additional Actions Would Further Improve the Workforce System*, [GAO-07-1051T](#) (Washington, D.C.: June 28, 2007); *Workforce Investment Act: Labor and States Have Taken Actions to Improve Data Quality, but Additional Steps Are Needed*, [GAO-06-82](#) (Washington, D.C.: Nov. 14, 2005).

²Training and Employment Guidance Letter No. 36-11, *Announcement of American Job Center Network* (Washington, D.C.: June 14, 2012) strongly encouraged states and local areas to refer to the one-stop system as the American Job Center network and to one-stop career centers as American Job Centers, in order to increase job seeker and employer awareness of available workforce development resources.

Congress is considering proposals to reauthorize WIA, which has been due for reauthorization since 2003.³

In our previous work, we found that the federal government's efforts to collect and report accurate, consistent WIA program performance data from states were affected by (1) flexibility in federal guidance on collecting and reporting the data, (2) major changes to states' information systems that resulted in lost data and other issues, and (3) limited monitoring by the Department of Labor (DOL). We also found that DOL's WIA data do not include information on all participants in the Adult and Dislocated Worker Programs and that the data were not comparable across states and local areas.⁴ Similarly, DOL's Office of Inspector General found that states were reporting inconsistent data on WIA participants in the Adult and Dislocated Worker Programs because DOL's guidance did not clarify how certain participants should be counted.⁵ Given the longstanding concerns about the quality of the data and in anticipation of WIA's reauthorization, you asked us to examine the data on WIA participants. This report addresses the following questions:

1. What factors have affected the ability to report consistent and complete data on participants in the WIA Adult and Dislocated Worker Programs, and
2. What actions has DOL taken to improve the quality of participant data?

To address our objectives, we reviewed relevant federal laws and regulations, as well as the guidance DOL provides to states for collecting and reporting data on participants in the WIA Adult and Dislocated Worker Programs.⁶ We also interviewed officials from DOL's Office of

³These proposals include: Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act), H.R. 803, 113th Cong. (2013); Workforce Investment Act of 2013, H.R. 798, 113th Cong. (2013); Workforce Investment Act of 2013, S. 1356, 113th Cong. (2013); and Careers through Responsive, Efficient and Effective Retraining Act (CAREER Act) S.804, 113th Cong. (2013).

⁴[GAO-07-1051T](#); [GAO-06-82](#).

⁵U.S. Department of Labor, Office of Inspector General. *Audit of Workforce Investment Act Data Validation for the Adult and Dislocated Worker Programs*, 03-09-003-03-390 (Washington, D.C.: Sept. 30, 2009).

⁶The scope of the request only covered two of the three WIA programs—the Adult and Dislocated Worker Programs; it did not cover the WIA Youth Program.

Inspector General and representatives of two national workforce-related organizations. To better understand the challenges faced by states in reporting data on these WIA programs, we visited or telephoned DOL's Employment and Training Administration's (ETA) six regional offices and a nongeneralizable sample of eight states. Within each state, we visited or contacted at least one comprehensive American Job Center—formerly known as a one-stop center—or a local workforce board. We selected the states to provide diversity on the basis of: (1) geographic location, (2) total federal spending on the Adult and Dislocated Worker Programs in program year 2010, (3) the extent of data issues identified by DOL's data contractor in the fourth quarter of program year 2010, (4) whether the state reported participants who received only core “self-service,” and (5) the number of local areas within the state.⁷

To determine the actions DOL has taken to improve the quality of participant data for the WIA Adult and Dislocated Worker Programs, we interviewed officials from ETA's national office and reviewed documentation and reports related to DOL's various initiatives. We also assessed the reliability of program year 2011 data on participants in the Adult or Dislocated Worker Program from DOL's Workforce Investment Act Standardized Record Data (WIASRD) database by testing the data electronically and interviewing knowledgeable agency officials and DOL's data contractor about the actions they take to validate the data.⁸ We found the data to be sufficiently reliable for the purposes of providing

⁷We used DOL data from program year 2010 to identify total federal spending on the Adult and Dislocated Worker Programs and the extent of data issues because they were the most recent data available when we selected our sample of states. Program year 2010 ran from July 1, 2010 through June 30, 2011. Core “self-services” are services that can be provided without significant staff assistance. We conducted in-person interviews with DOL officials in Regions 1 (Boston), 3 (Atlanta), and 5 (Chicago); state and local workforce officials in Massachusetts, Washington, Illinois, Georgia, and California; and American Job Center officials in Maryland. We conducted telephone interviews with DOL officials in Regions 2 (Philadelphia), 4 (Dallas), and 6 (Sacramento), and with state workforce officials in Maryland, Utah, and South Dakota. Because, in both South Dakota and Utah, the entire state is considered to be a single service delivery area, we did not interview American Job Center staff in either state. Our selection criteria included “core self-service” based on past findings by GAO and DOL's Office of Inspector General that this variable is often underreported, and thus likely to affect the number of reported participants in the WIA programs.

⁸We analyzed data for program year 2011 because they were the most recent full year of WIASRD data available when we conducted our review. Program year 2011 ran from July 1 2011 through June 30 2012.

estimates for the number of, characteristics of, and services provided to participants whose information is recorded by DOL as having been served by the WIA Adult or Dislocated Worker Program.⁹ However, we did not find those data to be reliable for other purposes such as making state-to-state comparisons because of variations in how states collect and report participant data for the WIA Adult and Dislocated Worker Programs. See appendix I for additional information on our scope and methodology.

We conducted this performance audit from August 2012 through November 2013 in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit work 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

WIA requires states and local areas to bring together a number of federally funded employment and training programs into a comprehensive workforce investment system, the American Job Center network. These programs—including the Adult and Dislocated Worker Programs—are known as mandatory partners, and must provide services through this network (see tab. 1).

⁹For this study, we define “WIA program participants” as individuals who have a valid Date of Program Participation for the WIA Adult or Dislocated Worker Programs and who have been counted and reported to DOL as WIA Adult or Dislocated Worker Program participants. Program year 2011 ran from July 1, 2011 through June 30, 2012. WIASRD is a national database of individual records containing information on the characteristics, activities, and outcomes of all enrolled participants who received services or benefits under WIA. Participant data are typically collected by local staff at American Job Centers and entered into a state or local data system. After the state receives data from local areas, it compiles and formats the information and submits it electronically to DOL.

Table 1: American Job Center Network Mandatory Partner Programs and Related Federal Agencies^a

Federal Agency	Mandatory Partner Programs
Department of Labor	WIA Adult WIA Dislocated Worker WIA Youth Employment Service (Wagner-Peyser) Trade Adjustment Assistance program Veterans' Employment and Training programs Unemployment Insurance Job Corps Senior Community Service Employment Program Employment and Training for Migrant and Seasonal Farm Workers Training for Native Americans YouthBuild
Department of Education	Postsecondary Vocational Rehabilitation Program Adult Education and Literacy Vocational Education (Perkins Act)
Department of Health and Human Services	Community Services Block Grant

Source: Pub. L. No. 105-220 and U.S. Department of Labor.

^aWIA specified 18 required partner programs administered by four federal agencies. One of these, the Welfare to Work grant program, administered by the Department of Labor, was discontinued in 2004. Employment and training activities administered by the Department of Housing and Urban Development (HUD) were also specified as a required partner but HUD does not currently administer any training and employment programs. Furthermore, in 2006, the YouthBuild program was transferred to the Department of Labor from the Department of Housing and Urban Development.

The WIA Adult and Dislocated Worker Programs are designed to provide quality employment and training services to assist eligible individuals to find and qualify for employment and to help employers find the skilled workers they need. The Adult Program provides services to individuals over the age of 18 who are job seekers, although states and local areas must give priority of service to low-income individuals if funds are determined to be limited.¹⁰ The Dislocated Worker Program provides services to workers who have been or will be terminated or laid off from

¹⁰29 U.S.C. § 2864(d)(4)(E).

employment.¹¹ For fiscal year 2013, Congress appropriated over \$1.9 billion for the Adult and Dislocated Worker Programs: \$730 million for the Adult Program and \$1.2 billion for the Dislocated Worker Program.¹²

DOL's Employment and Training Administration administers the WIA Adult and Dislocated Worker Programs and oversees their implementation, which is carried out by states and local areas. Each state must have one or more designated local workforce investment area, and each local area must have at least one comprehensive American Job Center where job seekers can receive core services and access other programs and activities offered by the mandatory partners.¹³ Although each local area must have one comprehensive center, under WIA, the mandatory partners have flexibility in the way they provide services through the American Job Center network, and can co-locate services on site or make referrals to external service providers or training, including to local community colleges.

WIA provides three tiers, or levels, of service for adult and dislocated workers: (1) core, (2) intensive, and (3) training.¹⁴

- Core services include basic services, such as job search or résumé-building assistance, and may be accessed with or without staff assistance.
- Intensive services include activities such as staff-assisted comprehensive assessment of a participant's skill levels and case management.

¹¹A dislocated worker is an individual who: (1) has been terminated or laid off, or has received a notice of termination or layoff from employment, and is eligible for unemployment compensation, has exhausted unemployment compensation, or is not eligible for unemployment compensation due to insufficient earnings or having worked for a non-covered employer but has demonstrated an appropriate attachment to the workforce and is unlikely to return to a previous industry or occupation; (2) has been terminated or laid off or received notification of termination or layoff from employment as a result of a permanent closure or substantial layoff; (3) is employed at a facility where the employer has made the general announcement that the facility will close within 180 days; (4) was self employed but is unemployed as a result of general economic conditions in the community or because of a natural disaster; or (5) is a displaced homemaker. See 20 U.S.C. § 2801(9).

¹²Appropriations are tracked by fiscal year but participants are tracked by program year.

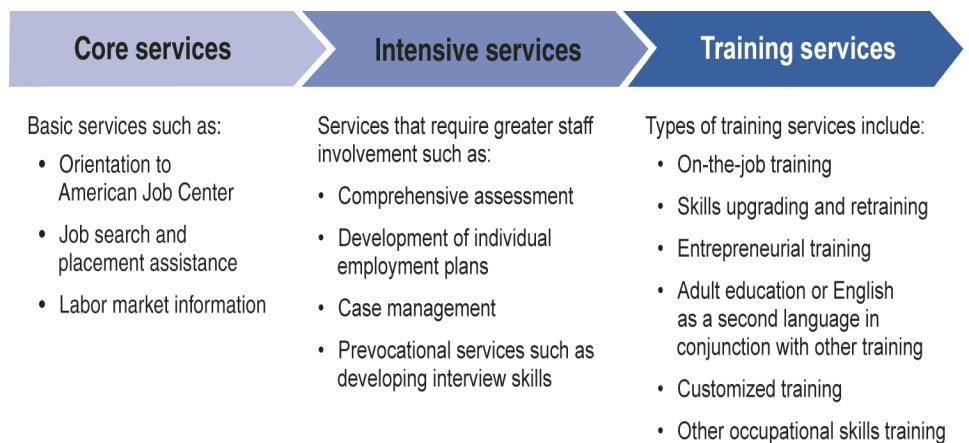
¹³29 U.S.C. §§ 2831 and 2864(c)(2).

¹⁴29 U.S.C. § 2864(d)(2), (3) and (4).

- Training services include activities such as occupational skills or on-the-job training (see fig. 1).

Service at one level and a determination that a participant is unable to obtain employment through that service are prerequisites for service at the next level, although WIA does not specify the amount of time an individual must spend or the number of attempts that must be made to gain employment before moving to the next level.¹⁵ Job seekers who receive only core services that are self-service and informational in nature are not counted in the programs' performance measures, but DOL requires that states count such individuals as program participants.¹⁶ Self-service and informational activities can be accessed either at an American Job Center or remotely, such as when a job seeker searches for employment over an internet connection to an American Job Center from a home computer.

Figure 1: Sequence of Services for the WIA Adult and Dislocated Worker Programs



Source: GAO analysis of statute and Department of Labor guidance.

¹⁵According to DOL, the determination of need for training can itself be a core and/or intensive service, such as an assessment or development of an Individual Employment Plan. Training and Employment Guidance Letter No. 14-08, *Guidance for Implementation of the Workforce Investment Act and Wagner-Peyser Act Funding in the American Recovery and Reinvestment Act of 2009 and State Planning Requirements for Program Year 2009* (Washington D.C.: Mar. 18, 2009).

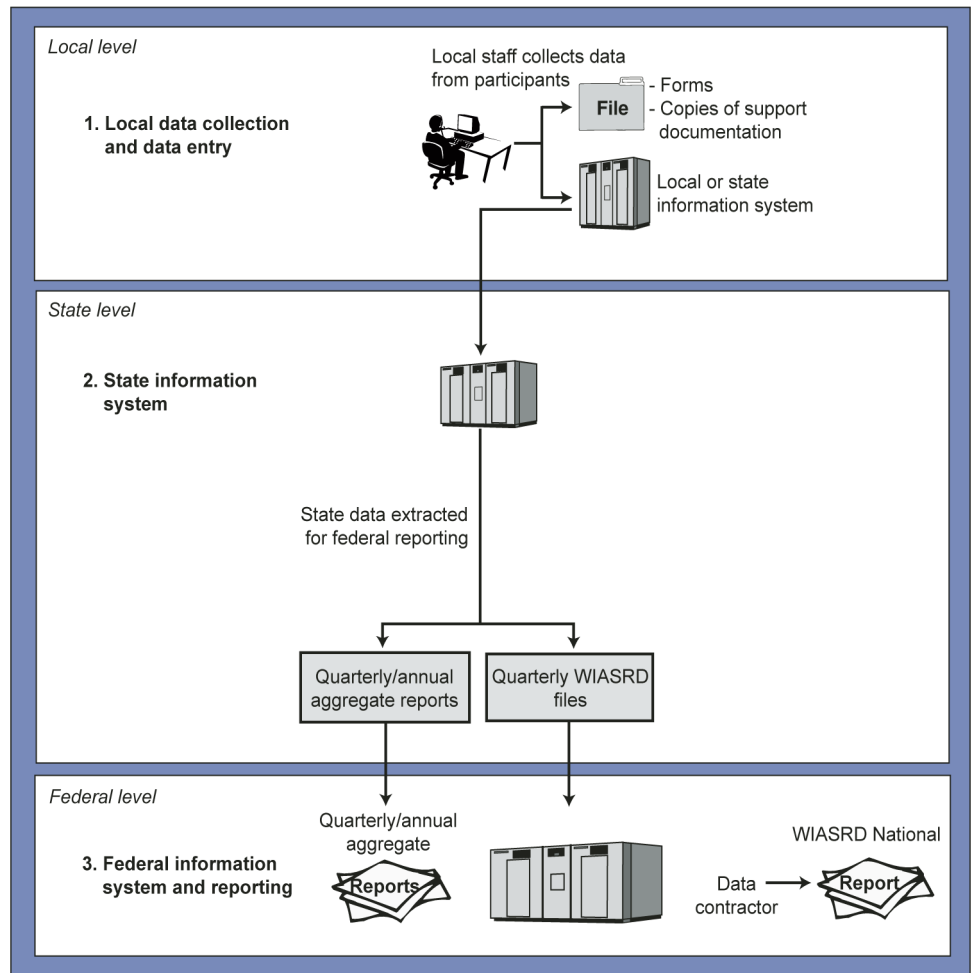
¹⁶29 U.S.C. § 2871(b)(2)(A)(i). Training and Employment Guidance Letter No. 17-09, *Quarterly Submission of Workforce Investment Act Standardized Record Data (WIASRD)* (Washington, D.C.: Mar. 10, 2010).

As part of its oversight, DOL collects program data from states, which are used to assess how well the Adult and Dislocated Worker Programs are working. States must submit quarterly and annual performance reports to DOL, in addition to uploading individual records on a quarterly basis to DOL's national WIASRD database. Specifically, states must submit quarterly and supplemental monthly performance reports, a validated annual performance report at the end of each year, and quarterly WIASRD files for each reporting quarter for a program year.¹⁷ The WIASRD files include demographic and characteristic information for participants in the WIA Adult and Dislocated Worker Programs and information about services received through these WIA programs, as well as through some other partner programs.¹⁸ The process of collecting and reporting WIA data involves all three levels of government. More specifically, participant data are typically collected by staff at American Job Centers and entered into a state or local information system. In some states, local staff may enter data directly into a statewide information system; in other states, local areas may use their own individualized information systems to enter data from which they then must extract and compile for submission to the state. After the data is submitted to the state agency, it is compiled and formatted for the various submissions to DOL, including for quarterly WIASRD record layout submissions. (see fig. 2).

¹⁷DOL provides guidance to states in the form of Training and Employment Guidance Letters and Notices. Training and Employment Guidance Letter No. 27-10, *Program Year 2010/Fiscal Year 2011 Performance Reporting and Data Validation Timelines* (Washington, D.C.: May. 11, 2011). Program years run from July 1 through June 30.

¹⁸WIASRD also captures data on participants in the WIA Youth Program, but this is outside of the scope of our review.

Figure 2: Flow of WIA Data from Local Area to State to DOL



Source: GAO analysis and Art Explosion (images).

DOL's Guidance and Limitations in State Information Systems Have Resulted in Inconsistent and Incomplete National Data on WIA Participants

Flexibility in DOL's Guidance Continues to Affect the Consistency of Data

DOL's guidance to states, in the form of Training and Employment Guidance Letters and Training and Employment Notices, details how states should collect and report data on participants in the WIA Adult and Dislocated Worker Programs. However, the flexibility in the guidance DOL provides to states makes it difficult for DOL to provide consistent national data on participants in these programs. The flexibility in the guidance stems from the flexibility inherent in WIA, which allows states and local areas to tailor service delivery to their needs.¹⁹ Consequently, DOL's guidance is designed to accommodate the different ways that states and local areas can deliver services through the American Job Center network, including decisions about whether to enroll participants in partner programs. This flexibility, however, results in variations in how states and local areas report participant data, which makes it challenging for DOL to aggregate WIA data at the national level. In particular, it has created inconsistencies among states in when a job seeker is counted as a participant in the WIA Adult or Dislocated Worker Program. In addition, DOL's guidance is open to interpretation, allowing states to define and report some variables differently, further contributing to inconsistencies in the data that states report to DOL on these programs. For example, while DOL requires states to report the type of training service provided to WIA participants who receive such services, the agency's guidance only lists the six broad categories of training services states must report without defining or describing them in detail. In accordance with government internal control standards, management is responsible for developing

¹⁹In this section, we are referring specifically to DOL's data collection and reporting guidance for WIASRD.

Flexibility in When to Count Participants under WIA

policies and procedures to achieve program objectives and clearly communicating these policies and procedures to facilitate understanding and consistent implementation.²⁰

The flexibility in DOL's guidance on when states and local areas should count individuals as participants in the WIA Adult and Dislocated Worker Programs has resulted in inconsistencies in the data reported on program participants. WIA allows for flexibility in the extent to which Adult and Dislocated Worker Program services are integrated with those from other programs.²¹ DOL's guidance encourages, but does not require, states to integrate WIA services with those from other partner programs so that job seekers have access to a coordinated system of employment and training services.²² As a result, states' service delivery models differ in the extent of integration between WIA services and other programs. For example, state officials that we interviewed told us that they funded core services at their American Job Centers exclusively through WIA, exclusively through a partner program, or through a blend of both WIA and partner program funds. According to officials from DOL's national office, states and local areas are best positioned to determine the mix of services that will meet the needs of their job seekers. However, depending on which service delivery model a state or local area selects, job seekers receiving the same types of services may be counted as WIA participants at different points in time, or they may never be counted under the WIA Adult or Dislocated Worker Program.

This variability in when states count job seekers under WIA has resulted in a lack of consistency and considerable differences in whether states report job seekers at American Job Centers as participants in the WIA Adult Program, the WIA Dislocated Worker Program, or both. More specifically, some states with relatively high general populations are counting fewer job seekers in these programs than states with much

²⁰GAO, *Internal Control Management and Evaluation Tools*, [GAO-01-1008G](#) (Washington, D.C.: August 2001), and *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

²¹Used in this context, integration can refer to the co-location of services at an American Job Center, or to integrated funding to provide any given service.

²²Training and Employment Guidance Letter No. 17-05, *Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues* (Washington, D.C.: Feb. 17, 2006).

lower populations.²³ For example, according to the state officials we interviewed, Utah's American Job Centers integrate WIA Adult Program funding with funding for the Wagner-Peyser Program to provide core services. As a result, every job seeker aged 18 years or older who receives core services in Utah is counted as a participant in both programs, as permitted under DOL's guidance.²⁴ In comparison, state officials in California told us that the state typically funds core services exclusively through the Wagner-Peyser Program and therefore counts all individuals accessing core services from an American Job Center as participants in the Wagner-Peyser Program, but not as participants in the WIA Adult Program or the Dislocated Worker Program. Therefore, only job seekers who meet the eligibility criteria for the WIA Adult or Dislocated Worker Program and receive intensive or training services funded by those programs are counted as WIA participants. Because of this variability, the total counts of WIA Adult Program participants and WIA Dislocated Worker Program participants represent different populations of job seekers in different states, depending on the service delivery model the state uses.

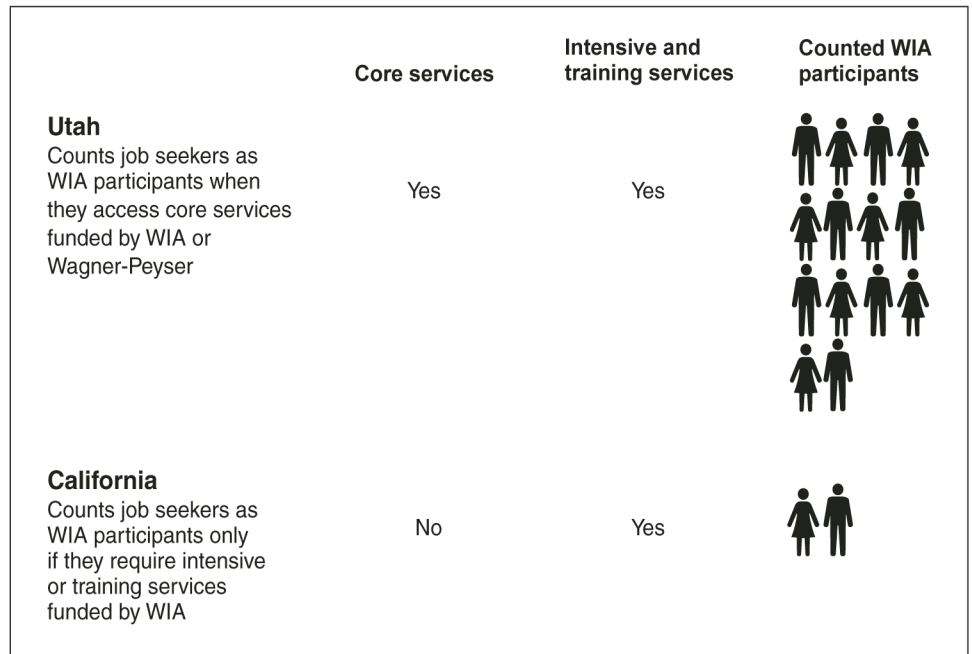
As a result of these differences, Utah ranked 3rd out of 53 states in the total number of participants it served in the WIA Adult Program in program year 2011, even though it ranked 36th in overall population.²⁵ At the same time, California ranked 27th in the total number of participants served in the WIA Adult Program, even though it was the most populous state (see fig. 3).

²³These trends are independent of the amounts of federal funding to states for the Adult and Dislocated Worker Programs.

²⁴The Wagner-Peyser Program is one of the mandatory American Job Center partner programs. The Wagner-Peyser Act of 1933 established a nationwide system of public employment offices known as the Employment Service. The act was amended by the Workforce Investment Act of 1998 to require that employment services be delivered through the one-stop services delivery system. The Employment Service focuses on providing a variety of core employment related labor exchange services including but not limited to job search assistance, job referral, and placement assistance for job seekers.

²⁵Data from the program year 2011 WIASRD was used to estimate the total number of participants in the WIA Adult Program. Estimates from the U.S. Census Bureau of population 18 years of age and over for 2011 were used to rank each state and territory based on population. Our use of the word "states" refers to the 50 states plus Puerto Rico, the District of Columbia, and the U.S. Virgin Islands.

Figure 3: The Impact of Two States' Service Delivery Models on When They Typically Count Job Seekers As WIA Adult Program Participants



Source: GAO analysis of Department of Labor participant data.

The extent to which states and local areas comply with DOL's reporting guidelines also affects the consistency of data on program participants. We visited three American Job Centers that provided core services to job seekers funded by WIA without counting these job seekers as WIA participants despite DOL guidance that these individuals be counted under WIA. For example, at two American Job Centers in Georgia, officials stated that they were providing core services funded by WIA to job seekers without enrolling these individuals in any WIA program. Officials at one American Job Center in Georgia added that these individuals are not counted, in part, because it is burdensome to collect participant data on jobseekers who receive only core services. We noted a similar compliance issue at an American Job Center in Illinois, and DOL's case file reviews indicate that other local areas may be providing WIA-funded services to individuals without recording them as

Flexibility in Reporting on Services Provided by Partner Programs

participants.²⁶ As a result, cross-state comparisons of the number of participants in WIA programs are potentially misleading and DOL is limited in the extent to which it can use national WIA participant data to manage these programs. In addition, without accurate information on program participants, DOL and lawmakers run the risk of making decisions about WIA policy and funding that are not based on a true picture of the number of participants and the program's outcomes.

Participation Date: Flexibility in DOL's guidance contributes to differences in how states collect and report WIA data on services provided by partner programs. For example, DOL's guidance allows states and local areas flexibility in what date to report as the participation date for WIA programs.²⁷ More specifically, for WIA participants who receive services funded by a program other than WIA, states and local areas can record the participation date in WIASRD as either the first date an individual received WIA services or the first date an individual received services from any other partner program. If, for example, a participant received services from the Wagner-Peyser Program on April 1st and then received services from WIA on December 15th, states can record the date of WIA program participation as either April 1st or December 15th. Among the state officials we interviewed in the eight states we selected, five of them said their states recorded the participation date as the first date a WIA service was provided to a job seeker and three of them said their states recorded the participation date as the first date a partner program's service was provided to a job seeker. This flexibility results in inconsistent reporting of the participation date, which makes it difficult for DOL to compare the length of WIA program participation across states.

Service Dates: Similarly, DOL's guidance allows states and local areas flexibility in how they collect and report data on the services WIA participants receive from partner programs. This makes it difficult to make state-to-state comparisons of the types of services participants in the WIA Adult or Dislocated Worker Programs receive, when they receive them, and whether they are funded by WIA or a partner program. For example, when a staff-assisted core service is provided by WIA, DOL's guidance

²⁶Regional office staff informed us that some states are still not reporting recipients of WIA-funded self-services as program participants.

²⁷DOL's Training and Employment Guidance Letter No. 17-05 defines the date of program participation, which refers to WIASRD variable 302: Date of Program Participation.

instructs states and local areas to report the date a participant received the service for the first time. However, when another partner program provides the service, officials from DOL's national office said that they encourage but do not require states to report the first date that staff-assisted core services were provided.²⁸ As a result, some states used WIASRD to report core services funded by partner programs, while others did not. Our analysis of program year 2011 WIASRD data showed that 11 states had missing data for "Date of First Staff-Assisted Core Service" for over half of the participants who received intensive or training services from either the WIA Adult Program or the WIA Dislocated Worker Program.²⁹

For these states with missing data, DOL's contractor uses the participation date in WIA to estimate when a participant received his/her first staff-assisted core service.³⁰ However, to the extent that states purposely leave the "Date of First Staff-Assisted Core Service" blank because the service was provided by a partner program, this revision artificially inflates the number of WIA participants who are counted as having received these services under WIA. This also makes it difficult for DOL to know whether the services reported in WIASRD were funded by WIA or a partner program.

Broad Definitions for Selected Variables

DOL's guidance to states for some WIASRD variables is open to interpretation, resulting in differences in how states define or report them, further contributing to the challenges DOL faces in reporting consistent national data on participants in these programs. According to officials from DOL's national office, the guidance on how to report select variables in WIASRD is intentionally broad to accommodate the different ways states deliver services. Some of the state and local officials we interviewed told us that the definitions for the following variables were relatively broad and open to interpretation:

²⁸We are referring to WIASRD variables 332: Date of First Staff-assisted Core Service.

²⁹As noted in our background section, core services are a prerequisite for intensive and training services.

³⁰Specifically, officials from DOL's national office said that, when its contractor for WIASRD prepares the publicly available data files, for all participants without a date of first staff-assisted core service but with a date of first intensive service or training, the contractor will estimate the date of that core service by replacing the missing date with the Date of Program Participation.

“Type of training”: While DOL requires states to report the type of training service provided to all WIA participants who receive such services, the agency’s guidance only lists the six broad categories of training states must report.³¹ Officials from one regional office and one state said that interpretations of these categories can vary across states and local areas, which can define the categories differently, particularly the one for “Other Occupational Skills Training.” According to our analysis of program year 2011 WIASRD data, most states reported that at least 75 percent of their training recipients in both the WIA Adult Program and the Dislocated Worker Program received “Other Occupational Skills Training,” a broad category with no clear definition or description. While this is a legitimate and appropriate type of training, such as for job seekers with Individual Training Accounts allowed under WIA, it is unclear what comprises this category of training, which is attributed to over two-thirds of participants in training, because states are not required to elaborate on it. Without clearly defined categories, policymakers and program managers do not have relevant information to use to compare or evaluate the effectiveness of the different types of training services provided to WIA participants. Officials from DOL’s national office acknowledged that the categories were not clearly defined but noted the trade-off between providing flexibility to states and local areas and being too prescriptive.

“Core Services”: According to DOL’s guidance, core services that require “significant staff involvement” are considered to be staff-assisted core services in contrast to self-services and informational activities defined as “core and informational services that do not require significant staff involvement.”³² While DOL has provided detailed written guidance to states to distinguish staff-assisted services from self-services, the

³¹Training and Employment Guidance Letter No. 17-09. We are referring to WIASRD variable 341: Type of Training Service #1. DOL’s Training and Employment Guidance Letter No. 17-09 lists six types of training but does not provide detailed definitions for them. These categories include on-the-job training, skill upgrading and retraining, entrepreneurial training, ABE or ESL in combination with training, customized training, or other occupational skills training. Although “Customized training” and “on-the job training” are defined in statute ((29 U.S.C. §§ 2801(8) and 2801(31)), they are not defined in any of DOL’s guidance.

³²Some core self-service and informational activities can be conducted remotely through internet connections to an American Job Center, satellite center, or partner agency. Participants who only receive core self-services are excluded from WIA performance outcome measures. 29 U.S.C. 2871(b)(2). Training and Employment No. 8-10, *Workforce Investment Act Self-Service Participant Reporting What, Where, and How* (Washington, D.C.: Aug. 26, 2010).

guidance remains open to interpretation and requires local area staff to make subtle and subjective distinctions concerning the level of staff assistance provided. Officials from three states and one region told us that it was difficult to differentiate staff-assisted services from self-services. As a result, states' definitions of staff-assisted core services may vary, which could affect how many participants are included in WIA's performance measures.

Officials from three states also told us that some of DOL's reporting guidance is open to interpretation. This can create challenges for states to communicate a uniform interpretation to local areas. For example, officials from Massachusetts said that, because each American Job Center has some degree of flexibility in the services they offer and how they are delivered, interpretation of DOL guidance may vary by local area.

Limitations in State Information Systems Hamper DOL's Ability to Collect and Report Uniform and Complete National Data

According to officials from five regional offices, state information systems vary in quality, and some lack the capability to collect and report all of the required data, which has affected the comparability and completeness of some of the data on participants in the WIA Adult and Dislocated Worker Programs. WIA requires each state to build and manage its own information system for collecting and reporting data on WIA participants.³³ Some states have developed their own unique information systems while others, including three of the eight states whose officials we interviewed, contract with companies to develop and manage their WIA data systems.³⁴ However, some WIASRD variables may not be reported due to limitations in some state information systems. As a result, some of the data on participants are inconsistent and incomplete, which makes it difficult for DOL to compare data on program participants across states or to aggregate the data at a national level. In addition, without having accurate data on the number and types of participants, it is difficult for DOL and lawmakers to make sound policy and funding decisions about these programs.

For example, according to officials from DOL's national office and from three of its regional offices, some state systems cannot account for

³³20 U.S.C. § 2935(c)(2).

³⁴Two of these states, Georgia and California, were in the process of transitioning their state information system to a contractor when we interviewed state officials.

participants in the WIA Adult Program who receive only core self-services, which affects the completeness of the data.³⁵ In addition, DOL's guidance notes that the use of a voluntary online registration process to collect information on these self-service-only participants is the best approach for improving consistency in the reporting of these participants.³⁶ Nevertheless, some state information systems are not capable of reporting data on participants who access services online, according to officials from one regional office. In 2010, DOL's reporting guidance acknowledged the variability in reporting on self-service-only participants with some states reporting few or no WIA self-service-only participants and others reporting many hundreds of thousands of such participants.³⁷ Our analysis of program year 2011 WIASRD data showed that this variability persists. Nine states reported that none of their participants were self-service-only participants, while 27 states reported that over 90 percent of their participants were self-service only-participants.³⁸

In addition, DOL's guidance requires states to report an occupational skills training code for all participants who have completed training, but not all state information systems have the capability of capturing this code.³⁹ Our analysis of program year 2011 WIASRD data showed that states did not report occupational skills training codes for about 18 percent of participants in the Adult and Dislocated Worker Programs who completed training. As a result of these missing data, limited information is available to program managers and DOL about the types of occupations for which WIA participants were trained. According to officials from DOL's national office, occupational skills training codes are underreported because state information systems are either programmed with outdated codes or lack the capability to report valid codes.

³⁵Training and Employment Guidance Letter No. 17-09. We are referring to WIASRD variable 331: Received Core Self-Services and Informational Activities.

³⁶Training and Employment Notice No. 8-10.

³⁷Training and Employment Notice No. 8-10.

³⁸Our analysis did not identify the reason that each of these states did not report data on self-service-only recipients. Some states may not be recording this data for reasons other than limitations in their information systems.

³⁹U.S. Department of Labor, *Workforce Investment Act Standardized Record Data File Layout* (Washington, D.C.).

According to officials from two regional offices, limitations in information systems may be the result of states' limited funding and technical expertise to upgrade and maintain their information systems. For example, state officials we interviewed in five of the eight states reported that it is difficult to quickly modify their information systems to accommodate new data reporting guidance from DOL, which may be due in part to resource constraints. Officials from two states and one regional office added that the recent reduction of WIA funding for state set-asides, from 15 percent to 5 percent of WIA funds, has had a negative effect on states' investment in data reporting, including their information systems and technical expertise.⁴⁰

As a result of variations in how states collect and report participant data for the WIA Adult and Dislocated Worker Programs and limitations in their information systems, the actual number of participants in these programs is unknown. However, we were able to estimate the number of, characteristics of, and services provided to participants whose information is recorded by DOL as having been served by the WIA Adult and Dislocated Worker Programs using WIASRD data from program year 2011. (See additional information on our review of the WIASRD data for program year 2011 in app. II).

⁴⁰WIA required the Governor of each state to reserve a portion of the funding for the WIA Adult, Dislocated Worker, and Youth Programs for certain statewide employment and training activities, which DOL officials told us can include investment in information systems. 29 U.S.C. § 2853(a)(1). For 2011, 2012, and 2013, Congress reduced the maximum percentage states could set aside for these activities from 15 percent to 5 percent.

DOL Has Increased Its Oversight Efforts and Taken Steps to Improve Data Consistency, but Data Quality Issues Have Not Been Resolved

DOL Performed Various Oversight Activities, but It Did Not Consistently Use the Results to Improve the Data

To improve the quality of data on participants in the WIA Adult or Dislocated Worker Programs, DOL has enhanced its oversight efforts and introduced new initiatives including having its data contractor produce quarterly reports on data issues, requiring states to validate their WIA data on an annual basis, and engaging its regional offices in periodic reviews of case files from states. However, the agency has not established a process to review the results of oversight to identify and resolve systemic issues with the quality of participant data from the WIA Adult and Dislocated Worker Programs. Our past work has shown that the benefit of collecting performance information is only fully realized when this information is actually used by managers to make decisions oriented toward improving results.⁴¹

Social Policy Research Associates' Quarterly Reports

DOL's contractor, Social Policy Research Associates (SPRA), analyzes the WIASRD data that states submit to DOL each quarter and produces quarterly reports identifying potential errors in the data reported by states and local areas. These reports could also provide useful assessments of inaccuracies in the data and potential systemic reporting errors.⁴² However, because not all states are aware of or receive copies of these reports from DOL, their value as a tool to improve the quality of participant data for the WIA Adult and Dislocated Worker Programs is limited. In addition, officials from some of the states said that some of the

⁴¹GAO-05-927, *Managing for Results: Enhancing Agency Use Of Performance Information for Management Decision Making* (Washington, D.C.: Sept. 9, 2005).

⁴²DOL has a contract with SPRA to correct and analyze WIASRD data and provide data files and reports on the accuracy of the data reported by states that are made available to the public via DOL's website.

corrections SPRA makes to the state WIASRD data files may not be accurate, and may result in incorrect data for a state.

The publicly available data files that SPRA produces are released quarterly and include “data issues reports,” which identify issues or anomalies in the WIA data submitted by each state to DOL. Officials from DOL’s national office stated that the original intent of SPRA’s analysis was to create the publicly available data files and not to report on data anomalies or errors, even though SPRA has always identified issues with the data while creating the publicly available files. However, since about 2010, when states started submitting quarterly WIASRD files instead of annual ones, reviewing the quality of the data and issuing the quarterly “data issues and anomalies report” has become standard practice under SPRA’s contract, according to officials from DOL’s national office. The agency’s regional offices are supposed to provide the states with the published quarterly error reports and ask them to update any errors prior to their next quarterly WIASRD submission.

DOL publishes SPRA’s data files and reports on its website, and its regional offices are expected to share these reports with their states so that the states can correct any data issues in their subsequent quarterly submissions. However, officials from DOL’s Region 5 said that although they receive these reports from DOL’s national office, they have not had the chance to review them or comment on any of the errors for states in their region. In addition, officials from DOL’s Region 1 said that although these reports have always been available on DOL’s website, they only recently began receiving the reports in a user friendly format and that they only recently began providing feedback to SPRA on issues identified for the states in their region. Our analysis of SPRA’s data issues reports suggests that some states may not be using SPRA’s reports to improve the quality of their data on WIA participants, which could be due to a lack of awareness of these reports. For example, SPRA’s data issue reports for the fourth quarters of both program years 2010 and 2011 identified some of the same issues, such as errors in the dates of service reported by the states.⁴³ This suggests that the states that made these errors in 2010 may not have reviewed these reports and used them to correct the data reported in the following year. In addition, while officials from four

⁴³Social Policy Research Associates, *Workforce Investment Act Program Year 2010 Fourth-Quarter Data Quality Revisions* (Oakland, C.A.: Nov, 7, 2011); *Program Year 2011 Fourth-Quarter Data Quality Revisions* (Oakland, C.A.: Nov. 28, 2012).

states were aware of the SPRA reports, officials from four other states told us they either were not aware of these reports or that they began receiving these reports from the regions only recently, beginning with the final report for program year 2011. When asked, officials from DOL's national office stated that they do not have a plan to systematically identify or address recurring errors noted in SPRA's reports. Government internal control standards note that, for oversight and monitoring to be effective, information should be recorded and communicated to management and others within the entity and external stakeholders, and this should be done within a time frame that enables them to carry out their internal control and other responsibilities.⁴⁴

Officials added that they do not conduct formal oversight reviews or audits of SPRA's data analyses because they consider SPRA to be the "data experts" and, therefore, do not know what kind of oversight they could provide. According to government standards for internal controls, agencies should ensure that ongoing monitoring occurs in the course of normal operations, which would include monitoring and oversight of contractors through regular management and supervisory activities.⁴⁵ These officials also said they believe any major data issues or obstacles would be uncovered by their internal data edit checks, which are run on all WIASARD data submitted by the states prior to SPRA's review of the data.

However, according to officials we interviewed in three of the eight states we selected, some of the corrections SPRA makes to the state WIASRD data files may not be accurate, and may result in incorrect data for a state. When SPRA receives the WIASRD data files from DOL, it corrects the data after reviewing them for apparent inconsistencies or issues stemming from the way states enter the data on individual case files. According to SPRA officials, after they receive the data, they analyze it for inconsistencies that look odd from a state perspective and that would not have been picked up by DOL's internal edit checks. For example, SPRA might determine that a missing value for a certain variable is equivalent to a "no" response and enter "no" or "zero" instead of leaving it blank. However, officials from three state workforce agencies told us that they did not always agree with the changes SPRA makes during its process of

⁴⁴GAO/AIMD-00-21.3.1.

⁴⁵GAO/AIMD-00-21.3.1.

States' Annual Data Validation

correcting the data. For example, officials from California explained that SPRA changed some of the numbers entered by local areas for WIASRD variable 325—Employment and Training Programs Related to Food Stamps—to zeros because the numbers entered seemed too high. According to the state officials, the numbers for that variable entered by the local areas were correct. States, however, are generally not provided an opportunity to review and verify SPRA's changes before they are made, as they only receive copies of the data issues reports after they are published. Officials from both DOL's national office and from some of the state workforce agencies noted that not all issues identified by SPRA represent actual errors and that some outliers on certain variables are acceptable.

DOL requires each state to validate the data it collects and report on participants in the WIA Adult and Dislocated Worker Programs on an annual basis, but the findings from these validation efforts have not been strategically used to identify systemic issues with or to improve the quality of the data on WIA participants.⁴⁶ Government standards for internal controls state that for oversight and monitoring to be effective, information should be communicated to management and others, along with the use of this information for program assessment, so that it can be used to carry out their internal control and other responsibilities.⁴⁷

Each year, states are required to review a sample of WIA participant records to determine whether the source documents match the information in the electronic records states use to collect and report data to DOL in WIASRD.⁴⁸ DOL requires states to validate the accuracy of the data they submit annually to ensure that decisions about WIA policy and

⁴⁶Training and Employment Guidance Letter No. 28-11, *Program Year 2011/Fiscal Year 2012 Performance Reporting and Data Validation Timelines* (Washington D.C.: May 9, 2012).

⁴⁷[GAO/AIMD-00-21.3.1](#).

⁴⁸Data validation also includes report validation—assessing whether states' software accurately calculated required WIA performance measures. In response to a prior GAO recommendation, DOL established a 2 percent error rate threshold for report validation, which is tied to financial incentives and sanctions. Officials from one of DOL's regional offices stated that they noticed significant decreases in report validation error rates after DOL began using them to calculate financial awards. For more information on the recommendations, see: [GAO-06-82](#); Training and Employment Guidance Letter No. 09-07, *Revised Incentive and Sanction Policy for Workforce Investment Act Title IB Programs* (Washington, D.C.: Oct. 10, 2007).

funding are made based on a true picture of the number of participants and program outcomes. Although DOL has established a provisional 5 percent error rate threshold for states' validation of the variables, the agency does not have plans to tie the results of these validation efforts to DOL's financial awards or penalties because, according to officials from DOL's national office, the results of states' validation efforts were never intended to be used for enforcement purposes.⁴⁹ Officials from DOL's national office explained that, in their opinion, DOL's regional offices should be using the states' validation efforts as a management tool to improve the quality of their data by identifying inaccurate or confusing variables to target the technical assistance they provide to states and local areas.

DOL, however, does not know what effect state data validation efforts have had on the quality of participant data for the WIA Adult and Dislocated Worker Programs. In addition, our interviews with regional and state officials suggest that DOL's regions and the states are not always using the results of these data validation efforts to improve data quality or target technical assistance. During our interviews with regional and state officials, only those from Region 3 and Massachusetts described specific efforts to use the results of the state data validation efforts to improve data quality and direct technical assistance. Officials from DOL Region 3 noted that the region recently began requiring states to respond to findings from states' annual data validation efforts and to track error rates found in each quarterly submission. Similarly, officials from Massachusetts said that they use the results of their data validation efforts to direct the technical assistance the state provides to local areas and to improve the quality of the state's WIA data. In contrast, officials from one state said that, although they receive information about errors associated with specific case files as they enter data from each file into DOL's data validation system, they do not know how to retrieve their state-wide results from DOL's database and they have not received any reports from DOL documenting the nationwide results of the data validation efforts. Officials from DOL's national office said that they were surprised by this, and that data element validation results are available to states through DOL's reporting system.

⁴⁹In accordance with WIA, DOL provides financial awards to states for performance that exceeds negotiated levels and assessed penalties for performance that does not meet negotiated performance levels. 20 U.S.C. § 9273 and 29 U.S.C. §2871(g).

Moreover, our analyses of the results of DOL's efforts to validate WIASRD variables for program years 2010 and 2011 suggest that DOL's data validation efforts have not prevented high error rates on certain data elements for select variables—nationally, error rates for certain variables have remained well above the 5 percent threshold over both program years. For example, in program year 2010, across all states, about 16 percent of the files for the Adult Program for which the “date of program exit” variable was reviewed had errors, compared to around 14 percent in program year 2011.⁵⁰ Similarly, the nationwide error rate for “date of first staff-assisted core service” was above 7 percent in both program years for both the Adult and the Dislocated Worker Programs.⁵¹ When asked, officials from DOL's national office and two regional offices explained that variables containing dates frequently have high error rates due to discrepancies between the date reported and the date in the source documentation. If a date, such as date of dislocation—the date a worker lost his or her job—in the hard copy document differs from the date in the electronic record, even by one day, the variable for that record “fails” the validation check. Moreover, officials from DOL's national office and three regional offices stated that high error rates resulting from such discrepancies do not necessarily reflect any serious issues with the reported data—a participant would still be a dislocated worker whether, for example, the date of dislocation was June 20th or June 21st. Nonetheless, DOL requires these dates to match precisely and errors noted in program year 2011 for these variables were still prevalent although similar errors were noted the previous year.

DOL's required annual data validation efforts are resource-intensive and time-consuming both for DOL regions and states, according to officials from DOL's national office, two DOL regional offices, and five states. However, DOL has not yet evaluated the process or determined its effect on data quality. Specifically, an official from one state workforce agency

⁵⁰We are referring to WIASRD variable 303: Date of Exit.

⁵¹We are referring to WIASRD variable 332: Date of First Staff Assisted Core Service. The error rates presented are “reported data error rates.” Data element validation produces an overall estimate of the error rate for each data element that has been selected for validation. Because certain data elements may not be present in every sampled record, data validation also produces a reported data error rate, which includes in the denominator only those records for which the particular data element was validated. In this situation, the error rate equals the number of records in error divided by the total number of records for which the particular data element was validated, weighted to account for the over- and under-sampling of particular records.

estimated the cost of its annual data validation efforts, including staff time, travel, and other expenses, to be about \$200,000. Officials in another state explained that they would like DOL to reduce the required sample size for the required validation of the data elements in WIASRD in order to reduce the administrative burden on states. In addition, in 2011 one DOL regional office convened a workgroup of representatives from four states that analyzed the data validation procedures and provided recommendations to DOL's national office for improvements to reduce the administrative burden on states. These recommendations included considering using alternative sampling methods, revisiting the frequency and precision requirements of data validation, and issuing guidance to share "best practices" across states and local areas. However, as of September 2013, DOL had not implemented the workgroup's recommendations, and the data validation process remains unchanged. Officials from DOL's national office acknowledged the trade-off between monitoring data quality and minimizing the administrative burden on states. They said that revising WIASRD's edit checks to allow states more flexibility may result in making the data validation process more efficient by, for example, permitting states to report a range of dates, if appropriate, for certain variables.

Reviews by Regional Offices

DOL's regional offices review a sample of case files from states as part of their oversight of the quality of data for the WIA Adult and Dislocated Worker Programs, but they have not used the results of these reviews to identify systemic issues with the quality of the data on WIA participants. According to officials from DOL's national office, its regional offices are responsible for providing feedback to states based on these reviews, and it is not the national office's role to conduct any type of systemic review to identify cross-state data issues. Government standards for internal controls state that for oversight and monitoring to be effective, information should be communicated to management and others, along with the use of this information for program assessment, so that it can be used to carry out their internal control and other responsibilities.⁵²

In response to a recommendation from a prior GAO report, DOL began to require its regional offices to review a sample of case files to monitor states' annual data validation procedures.⁵³ In addition, over the past few

⁵²[GAO/AIMD-00-21.3.1](#).

⁵³[GAO-06-82](#). According to DOL officials, these reviews occur every 2 to 3 years.

years, to address concerns about the nationwide consistency of monitoring activities, DOL has issued additional guidance to its regional offices on the process that should be used in reviewing the case files.⁵⁴ Officials from all six of DOL's regional offices reported using these materials when they design and conduct their reviews of the case files. The review process begins when officials from DOL's regions review a state's most recent data validation report and identify a subsample of participant case files from the most recent review by the state. In addition to checking the data in the electronic records by comparing them to the source documentation, DOL's regional staff assess whether the state followed the proper procedures in conducting its annual data validation efforts, according to officials from DOL's national office. The process concludes with a report outlining the DOL regional office's findings, including non-compliance with statutory or regulatory requirements for collecting and reporting data on WIA participants. Many of the reports also identify areas of concern, such as when states do not share their annual data validation results with local area staff from American Job Center partner programs, and identify promising practices observed during the reviews. State officials have 45 days to respond to findings in the region's report and are also encouraged but are not required to respond to areas of concern detailed in the report. In addition, officials from DOL's national office noted that states with high error rates on select variables are encouraged to inform the regional offices of how they plan to reduce their error rates in the future.

Officials from DOL's national office said that, while they discuss the results of these reviews with regional officials and provide state-specific technical assistance as needed, they do not have a regular, formal process for analyzing the findings from these reviews by their regional offices, including determining whether similar findings and areas of concern were identified across states. DOL officials explained that, because the reviews are part of the regional offices' oversight of the states, they believe that the national office should not be involved in

⁵⁴U.S. Department of Labor, Office of Inspector General, 03-09-003-03-390; U.S. Department of Labor, *Core Monitoring Guide* (Washington, D.C.: April 2005); U.S. Department of Labor, *Core Monitoring Guide: Financial Supplement* (Washington, D.C.: October 2007); U.S. Department of Labor, *Core Monitoring Guide: Data Validation Supplement* (Washington, D.C.: March 2011). U.S. Department of Labor, *Core Monitoring Guide with the Formula Grant Supplement* (Washington, D.C.: April 2012); U.S. Department of Labor, *Data Reporting and Validation System (DRVS): User Handbook for DRVS 7.2* (Washington, D.C.: April 2009).

monitoring the results of the reviews or the way in which they are conducted. As a result, DOL does not have a systematic means of determining the importance of the findings, their prevalence, or their likely effect on the quality of the national data on participants in the WIA Adult and Dislocated Worker Programs. This limits DOL's ability to respond to data issues that are systemic or widespread. Table 2 summarizes our analysis of the most prevalent issues identified during the most recent reviews for each of the 53 states and territories.

Table 2: Most Prevalent Issues Identified During DOL's Regional Reviews of States' Case Files, Program Years 2006-2011^a

Findings or Areas of Concern by Category	Number of Jurisdictions with Finding or Area of Concern (53 total)
Issues relating to inadequate, outdated or otherwise limited state information systems	26
Data reporting	47
Failure to report required information or retain documentation	36
Issues with reported dates of participation, service or exit	30
Incorrect policies or practices regarding participant information, such as eligibility	20
Issues relating to sequence of services	9
Data element validation process	49
Incorrect data validation procedures	39
High error rates on one or more data elements	37
Insufficient documentation	23
Failure to use results to make improvements in data quality	9

Source: GAO analysis of DOL's case file review reports, program years 2006-2011.

^aWhile the most recent review for Arkansas looked at data from program year 2006, most of the reviews looked at data from program years 2008, 2009, 2010, or 2011. In addition, most reviews covered either 1 or 2 years of data.

Technical Assistance

Over the past few years, DOL has issued additional guidance and provided technical assistance to states and local areas, including training and webinars, to clarify and explain the requirements for collecting and reporting data for the WIA Adult and Dislocated Worker Programs. However, some state officials said that DOL's technical assistance is not always timely, and that DOL could do more to facilitate the collection or

sharing of promising data collection and reporting practices across regions and states.

For example, DOL has provided general technical assistance on data reporting for the WIA Adult and Dislocated Worker Programs to states, and officials from three of the eight states said that the assistance provided by DOL's regional offices was useful in helping them address some of the challenges related to data reporting. In particular, officials from DOL's national office said that some regional offices issue quarterly performance letters to states that include program year performance data and any related analysis, in addition to hosting quarterly phone conferences with state performance specialists to discuss performance issues. DOL also sponsors the Workforce3one website, which contains a variety of training and background materials related to data collection and reporting for WIASRD. National and regional DOL data specialists also said they hold biweekly meetings to discuss data issues. In addition, DOL officials from each region described regular communication they have with state officials to provide technical assistance in response to specific data reporting issues, and officials from five of the six regional offices described conference calls that they have hosted as opportunities for states to discuss challenges related to the quality of their data on WIA participants. Furthermore, DOL's national and regional offices have access to an internal data system, Infospace, which allows them to retrieve and review publicly available WIASRD data by state and local area.

Over the past few years, DOL has also issued a number of Training and Employment Guidance Letters and Training and Employment Notices related to data collection and reporting for WIA. In 2011, DOL developed and hosted a series of webinars for states and local areas, including one on data validation and data quality issues.⁵⁵ The materials from this session describe the approach DOL uses to monitor the data and explore issues and findings across states. They also highlight how data validation can be used to improve data systems and provide information on the guidance regional offices use to review states' case files. While the webinar materials present information on some of the consistent findings across states—such as incorrect source documentation and exit dates—

⁵⁵U.S. Department of Labor Employment and Training Administration. *Fiscal and Performance Training Forum 2011: Data Validation—Looking Back and Moving Forward* (Washington D.C.: June 17, 2011), 122.

DOL officials said that they have not provided any additional formal technical assistance to address these issues on a national level because of resource limitations. Moreover, they said it would be difficult for DOL to provide such assistance without having first reviewed the results of its own monitoring efforts. DOL's webinar also noted that DOL would establish a working group in the summer of 2011 to look into and possibly revise the source documentation requirements for the annual data validation process. However, as of the summer of 2013, DOL officials said that this working group had not been established due to competing priorities and resource constraints.

Officials from two states noted that DOL's updates to its guidance for collecting and reporting the data are often not provided far enough in advance to be implemented by the time changes take effect. For example, officials from California said that they often do not have enough lead time to properly implement new data elements or guidance when it is issued by DOL. According to state officials, the state generally has 1 month or less to change its automated system to meet deadlines, which is not enough time. In addition, officials from Georgia said the data validation reports they currently receive from DOL are not timely since they are at least 3 months old by the time the state receives the reports. Some state officials also told us that they would benefit from learning how their peers are addressing challenges in reporting data on the WIA programs. Officials from DOL's national office, however, told us they do not currently facilitate the collection or sharing of promising data collection and reporting practices across regions or states, and have no plans to do so—because of competing resources, the agency's main focus is on service delivery rather than data collection. Best practices state that high-performing organizations continually assess performance and efforts to improve performance. In particular, managers can use performance information to identify and share more effective processes and approaches.⁵⁶

⁵⁶[GAO-05-927](#).

DOL Has Taken Steps to Improve Data Consistency, but It Has Not Evaluated These Efforts

In addition to its regular monitoring activities, DOL has taken specific steps to improve the consistency of the WIA data collected by states and local areas. For example, the agency has developed an integrated data reporting system, which is being piloted in two states.⁵⁷ However, DOL has not evaluated the results of the pilot program to determine whether it has had a positive effect on the quality of participant data for the WIA Adult and Dislocated Worker Programs and, despite not having evaluated its effectiveness, plans to expand the program to additional states.

To standardize and streamline reporting across several of DOL's workforce programs—the Wagner-Peyser Program, the WIA Adult, Dislocated Worker and Youth Programs, Veterans Employment and Training Service, National Emergency Grants, and Trade Adjustment Assistance Programs—the agency has developed an integrated data reporting system, WISPR. Two states, Pennsylvania and Texas, have been piloting WISPR since 2007 to collect and report data on the WIA Adult and Dislocated Worker Programs, and a third state—Utah—plans to start piloting WISPR in the fall of 2013. Officials from DOL's national office and from Utah explained that one of WISPR's key advantages over the current separate reporting systems for each program is that WISPR has standardized variables that include all the required variables for each program.⁵⁸ Utah officials stated that they believe WISPR will be an improvement over their current system because future changes in DOL's guidance for any of the workforce programs it administers—including the WIA Adult and Dislocated Worker Programs—would be incorporated into a single system, facilitating implementation of these changes.

To facilitate a future transition to WISPR in the remaining states, DOL has obtained approval from the Office of Management and Budget to modify

⁵⁷These programs include the Wagner-Peyser, WIA Adult, Dislocated Worker, and Youth, Jobs for Veterans State Grants, National Emergency Grants, and Trade Adjustment Assistance Programs.

⁵⁸Although DOL's guidance for reporting data in WIASRD encourages states and local areas to provide integrated services through multiple programs, each program has its own reporting requirements, according to officials from DOL's national office. As a result, it is not possible to track individual job seekers who receive services from multiple programs across the workforce system, or to determine the proportion of resources provided by each program for a particular service, or to attribute participant outcomes to those programs.

the current record layout of WIASRD to match that of WISPR.⁵⁹ DOL officials told us they expect to implement the revised WIASRD record layout in the fall of 2013. However, as of August 2013, they said it is not clear whether or when nationwide implementation of WISPR will occur because this depends on the resources available to upgrade both federal and state information systems and the associated programming costs. While WISPR appears to offer advantages over the current reporting system that might make it a promising step forward, DOL does not currently have plans to evaluate the results of the pilot program to determine whether it has had a positive effect on the completeness and consistency of participant data for the WIA Adult and Dislocated Worker Programs before expanding the program to other states. DOL officials cited the agency's limited resources as the reason for not planning an evaluation of the WISPR pilot program before expanding it to other states. However, best practices note that evaluation can play a key role in program planning, management, and oversight by providing feedback to program managers, legislative and executive branch policy officials, and the public. Further, when pilot programs are designed to produce change—such as by allowing for more streamlined data collection and reporting—assessing the impact is essential for knowing if the pilot is meeting its goals.⁶⁰ Without an evaluation of WISPR, DOL will not know if this data system has resulted in the collection of more accurate WIA participant data when compared to WIASRD.⁶¹

Finally, DOL administers two grant programs that states can use to improve their WIA information systems: the Workforce Innovation Fund

⁵⁹This would involve adding variables to WIASRD that would allow it to capture all the data required by any of the workforce programs included in WISPR. The modified WIASRD layout would utilize variable definitions identical to those of WISPR and is designed to facilitate full scale implementation of WISPR.

⁶⁰[GAO/PEMD-95-1](#), *Program Evaluation: Improving the Flow of Information to the Congress* (Washington D.C.: Jan. 30, 1995).

⁶¹[GAO-13-570](#), *Program Evaluation: Strategies to Facilitate Agencies' Use of Evaluation in Program Management and Policy Making* (Washington D.C.: June 16, 2013).

and the Workforce Data Quality Initiative.⁶² DOL's Workforce Innovation Fund is a competitive grant program that supports innovative approaches to the design and delivery of employment and training services. Although it is not targeted specifically at information systems, at least 3 of the 26 grants awarded by DOL have been used for local initiatives to integrate their workforce data systems. For example, one local area we visited in Chicago received a Workforce Innovation Fund grant that they plan to use to integrate the different data systems used by the workforce programs in their local area. Officials said that they hope the improvements will result in more data-driven decisions about service delivery, and that all employment and training programs in their local area will be able to share information electronically. Another grant program, DOL's Workforce Data Quality Initiative, is also not specifically aimed at WIA data reporting but may have positive incidental effects on WIA data quality, according to DOL officials. The purpose of this initiative is to create a longitudinal database to chart individuals' progress through the education system and beyond to the labor market. This effort would entail upgrades to state information systems that may resolve some data reporting issues currently attributed to limited technological capacities. At this time, it is too early to know whether these grants will have a positive effect on the quality of WIA participant data.

Conclusions

Collecting and reporting consistent and complete data is important for program oversight and management and to evaluate the effectiveness of program activities and services, but it can be difficult when federal programs are carried out in partnership with states and local areas. DOL has taken steps to improve the quality of the data on WIA's Adult and Dislocated Worker Programs. However, the flexibilities in DOL's guidance, reflective of those inherent in the programs' authorizing statute, which allows states flexibility in program design, along with limitations in state information systems, present challenges to DOL in collecting and reporting consistent and complete data on a unique count nationwide of participants in the WIA Adult and Dislocated Worker Programs. Without

⁶²In June 2012, DOL awarded nearly \$147 million in Workforce Innovation Fund grants to states to develop and expand innovative strategies to help Americans return to work by delivering services more efficiently and facilitating cooperation across programs and funding streams. Grant awards ranged from about \$1.4 million to \$12 million. In June 2013, DOL awarded \$6.4 million in state grants for the third round of the Workforce Data Quality Initiative designed to improve the quality and availability of workforce data. Grant awards for that program ranged from about \$700,000 to about \$1.2 million.

such data, policymakers, program officials, and other stakeholders have an incomplete picture of the number of adults and dislocated workers served, their characteristics, and the type and level of services received.

In addition, while DOL engages in several types of oversight activities designed to ensure the accuracy of states' data on participants in the WIA Adult and Dislocated Worker Programs, it does not consistently share the results of its oversight activities with states and local areas. As a result, states and local areas are not always aware of potential data quality issues, and may miss opportunities to improve their data collection and reporting. Moreover, since 2007, two states have been piloting a new information system that tracks program participants across several of DOL's employment and training programs, but DOL does not plan to evaluate its effects on the quality of the data collected on participants in the WIA Adult or Dislocated Worker or other programs before it expands the system to other states. Similarly, DOL does not regularly collect and disseminate promising practices to states and local areas, which could facilitate the adoption of steps other states and local areas have taken to improve their data collection and reporting efforts. While it may not be possible to achieve 100 percent precision and accuracy in the data reported on participants in a large, complex system like the workforce investment system, by not appropriately targeting their available resources and facilitating sharing of promising practices among states to continuously try to improve the quality of the data, DOL misses an opportunity to identify and address longstanding, systemic issues.

Recommendations for Executive Action

1. To improve the consistency and completeness of national data on participants in the WIA Adult and Dislocated Worker Programs, we recommend that the Secretary of Labor take additional steps to improve the uniformity of participant data reported by states. These steps could include the following:
 - a. providing additional guidance to states on data reporting, such as how core and intensive services should be recorded for WIA participants who receive these services through partner programs; and
 - b. conducting an evaluation or review of WISPR to determine if it has resulted in more complete and consistent data collection and reporting for participants in the WIA Adult and Dislocated Worker Programs and placing a high priority on the implementation of

WISPR if it is shown to improve data consistency and completeness.

2. We also recommend that the Secretary of Labor promote a formal, continuous process for improving the quality of data on participants in the WIA Adult and Dislocated Worker Programs through such measures as the following:
 - a. consistently sharing the results of all oversight activities with states and local areas, including findings from validation of participant data;
 - b. reviewing the methods used for data validation, such as its scope and error rate threshold, to identify opportunities to increase efficiencies and accountability in the process. This could include implementing, if appropriate, recommendations from the Regions' review of data validation procedures;
 - c. evaluating data validation efforts to determine their effects on data quality, particularly on systemic errors, and providing targeted guidance and assistance to states and local areas to address such errors;
 - d. regularly monitoring Social Policy Research Associates' corrections and analyses of state WIA participant data, sharing this information with states, and coordinating with states to ensure that any corrections are appropriate and accurate; and
 - e. collecting and disseminating promising practices to states and local areas on data collection and reporting on a regular basis.

Agency Comments and Our Evaluation

We provided a draft of this report to officials at DOL for their review and comment. We received written comments from DOL, which are reproduced in their entirety in appendix III. DOL officials did not state whether they agreed or disagreed with our recommendations. These officials acknowledged the importance of having reliable data to effectively manage and evaluate the WIA Adult and Dislocated Worker Programs; however, they commented that data reliability should be balanced with the flexibility WIA gives to states and with DOL's responsibility to prioritize use of its limited resources. They stated that WIA provides states and local areas with the flexibility to serve their customers in the way that best suits their particular needs. DOL officials also stated that the agency has invested significant resources in its workforce performance accountability system, especially for WIA programs. According to officials, the agency has a robust system in place

to ensure data quality and reliability and has recently made several enhancements to the reporting system. In their comments, DOL officials detailed various efforts they plan to take to address our recommendations. Nonetheless, we believe that these efforts will not sufficiently address the specific data quality issues we identified and encourage DOL to take more targeted steps as outlined in our recommendations.

In response to our first recommendation, DOL officials said that they believe the agency's current guidance is clear but that they will continue to work with states to develop additional guidance, as necessary, such as forthcoming guidance on how to avoid duplication of services when co-enrolling participants across multiple partner programs. However, it is important that any additional guidance also specify when to count job seekers as WIA participants if they also receive services funded by partner programs. We also encourage DOL to develop additional guidance for the WIASRD variables noted in our report that are open to interpretation, such as "type of training," to facilitate consistent reporting on participants in these programs. DOL officials also noted that an evaluation of WISPR is subject to the agency's resource constraints, adding that the purpose of WISPR was never explicitly to improve data quality. As we stated in our report, however, WISPR seeks, in part, to improve the consistency of WIA data by standardizing reporting across the workforce system. As such, it has the potential to improve data quality. Therefore, we encourage DOL to evaluate the system in order to make an informed decision on how best to allocate finite agency resources going forward.

In response to our second recommendation, DOL officials stated that they consistently share the results of the agency's oversight activities with states but acknowledged that more could be done to analyze the results of its activities to identify and share similar findings and areas of concern across multiple states. DOL officials added that they will work with the regional offices towards this goal. With regard to the agency's data validation methods, officials said they regularly review these methods and solicit input from states on how to improve them. Specifically, DOL pointed out that, as required by the Paperwork Reduction Act, the Office of Management and Budget reviews DOL's data validation process every 3 years and solicits public comment before approving the methodology and authorizing data collection, and that their 2014 submission will reflect state input. However, given the time-consuming nature of data validation, we believe the agency should take additional actions to review its current

methods specifically with an eye toward making them more efficient and holding states accountable for their data validation results.

With regard to evaluating the effectiveness of its data validation efforts, DOL officials said that the agency plans to consider the regional data validation workgroup's findings and recommendations from 2011, explore ways to streamline the process, and examine the effect of data validation on error rates. We commend DOL's plans, but to adequately address the persistently high data error rates we found in our analysis, we believe it is necessary to go beyond evaluating the effectiveness of its data validation efforts and pinpoint the underlying cause of the errors so that they can be addressed.

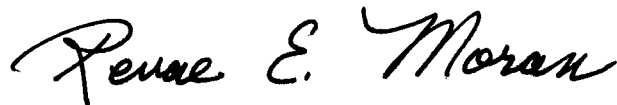
Officials also pointed out that the agency already monitors and shares the analyses of state data conducted by its contractor, Social Policy Research Associates (SPRA). They stated that SPRA's corrections of states' data have been publicly available with the data set from the inception of WIA. They also noted that since program year 2011 DOL has provided SPRA's analyses and corrections to the states (through ETA Regional Offices) on a quarterly basis for states to either correct or dispute. They noted that this is a formal and recurring process, and that ETA Regional Offices have begun to analyze state data WIASRD data on a regular basis as part of their annual review cycles. However, we found that not all states are aware of or receive copies of SPRA's reports, and that some of the corrections SPRA makes to the state WIASRD data files may not be accurate. Furthermore, as noted in our report, DOL officials told us that they do not conduct formal oversight reviews or audits of SPRA's data analyses.

In addition, DOL officials reiterated that data collection and reporting are topics that are included in workforce3one, a point we noted in our report. However, we maintain that DOL could do more to facilitate the sharing of information across states, such as creating a forum through which states could learn how their peers are addressing challenges in data reporting for participants in the WIA programs. Finally, DOL provided technical comments, which we incorporated, as appropriate.

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, 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 concerning this report, please contact me at (202) 512-7215 or moranr@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix IV.

A handwritten signature in black ink that reads "Revae E. Moran". The signature is written in a cursive style with a large, stylized initial 'R'.

Revae Moran, Director
Education, Workforce, and Income Security Issues

Appendix I: Scope and Methodology

Our objectives were to determine: (1) what factors have affected the ability to report consistent and complete data on participants in the Workforce Investment Act (WIA) Adult and Dislocated Worker Programs, and (2) what actions has the Department of Labor (DOL) taken to improve the quality of participant data. To address our objectives, we reviewed applicable laws and regulations, as well as DOL’s guidance to states for collecting and reporting data on participants in the WIA Adult and Dislocated Worker Programs.¹ We also interviewed officials from DOL’s Employment and Training Administration, its Office of Inspector General, and its six regional offices. In addition, we visited or telephoned a nongeneralizable sample of eight states. Within each state, we visited or contacted at least one American Job Center—formerly known as a one-stop center—or a local workforce board. We also assessed the reliability of program year 2011 data from the Workforce Investment Act Standardized Record Data (WIASRD) system by testing the data electronically and interviewing knowledgeable agency officials and DOL’s data contractor.² We found the data in appendix II to be sufficiently reliable for the purposes of providing estimates of the number of, characteristics of, and services provided to participants whose information is recorded by DOL as having received services from either the WIA Adult Program or the WIA Dislocated Worker Program. The data are not reliable for other purposes, such as making state-to-state comparisons, because of variations in how states collect and report data on participants in the WIA Adult and Dislocated Worker Programs.

Selected States

To better understand the data reporting challenges faced by states and the actions DOL has taken to improve the quality of participant data, we interviewed officials from a nongeneralizable sample of eight states.³ Within each state, we visited or contacted at least one American Job Center or the local workforce entity. We conducted in-person interviews

¹For this study, we define “WIA program participants” as individuals who have a valid Date of Program Participation for the WIA Adult or Dislocated Worker Programs and who have been counted and reported to DOL as WIA Adult and Dislocated Worker Program participants. Participant data are typically collected by local staff at American Job Centers and entered into a state or local data system. After the state receives data from local areas, it compiles and formats the information and submits it electronically to DOL.

²Program year 2011 runs from July 1, 2011 through June 30, 2012. WIASRD is a national database of individual records containing information on the characteristics, activities, and outcomes for all enrolled participants who received services or benefits under WIA.

³We conducted these interviews between September 2012 and June 2013.

with DOL officials in Regions 1 (Boston), 3 (Atlanta), and 5 (Chicago); state and local workforce officials in California, Georgia, Illinois, Massachusetts, and Washington; and American Job Center officials in Maryland. We conducted telephone interviews with DOL officials in Regions 2 (Philadelphia), 4 (Dallas), and 6 (Sacramento), and with state workforce officials in Maryland, South Dakota, and Utah.⁴ We nonstatistically selected these states to provide diversity on the basis of: (1) geographic location, (2) total federal spending on the Adult and Dislocated Worker Programs in program year 2010, (3) the extent of data issues identified in the fourth quarter of program year 2010, (4) whether the state reported participants who only received core self-services, and (5) the number of local areas within the state.⁵

Table 3: Selected Site Visit States and Local Areas

State	Local Area	City
California	Sacramento City/County Consortium	Sacramento
	San Joaquin County	Stockton
Georgia	Cobb County	Marietta
	Fulton County	Sandy Springs
Illinois	Cook County	Chicago
Maryland	Prince George’s County	Largo
Massachusetts	Western Massachusetts	Springfield
South Dakota		
Utah		
Washington	King County	Seattle

Source: GAO state and local area interviews

In each state, we obtained general information about the state’s and the local area’s implementation of the WIA Adult and Dislocated Worker Programs and on any challenges they may have encountered in

⁴We did not interview local officials in Utah and South Dakota because, for both states, the entire state is considered to be a single service delivery area and there are no designated local areas.

⁵We used DOL data from program year 2010 to identify total federal spending on the Adult and Dislocated Worker Programs and the extent of data issues because they were the most recent data available when we selected our sample of states. Program year 2010 ran from July 1, 2010 through June 30, 2011. Core “self-services” include services that can be provided without significant staff assistance.

Analysis of DOL's Participant Data

collecting and reporting data on program participants. We also asked about actions DOL has taken to improve the quality of the data on participants in the WIA Adult and Dislocated Worker Programs. We used semi-structured interviews for our regional, state, and local interviews. Because we interviewed officials from a nongeneralizable sample of eight states and selected local areas, we cannot generalize our findings beyond the data collected on those states and local areas.

To assess the reliability of DOL's data in the WIASRD database for participants in the WIA Adult and Dislocated Worker Programs, we (1) reviewed existing documentation related to the data sources, including reports issued by DOL's Office of Inspector General; (2) electronically tested the WIASRD data to identify potential problems with consistency, completeness, or accuracy; and (3) interviewed DOL's data contractor and knowledgeable agency officials to obtain information about the data.

Our electronic testing consisted of identifying inconsistencies, outliers, missing values, and other errors. More specifically, the electronic testing included assessing the reliability of data collected on the characteristics and the services participants in the WIA Adult and Dislocated Worker Programs received in program year 2011.⁶ Prior to testing the data, we combined 160 records that were overlapping or duplicative into 80 unique records and removed 19 records that had missing or erroneous participation dates. A few variables, including data on a participant's dislocation date—the date a worker lost his or her job, and the occupational codes for participants who completed training, were found to not be sufficiently reliable for our purposes and were not included in our report. In addition, we analyzed the publicly available WIASRD data file for program year 2011, which was produced for DOL by its data contractor, Social Policy Research Associates. As part of our analysis, we reviewed the steps the data contractor took to correct the data and, to the extent possible, compared our data to the publicly available file. In light of variations in how states collect and report participant data for the WIA Adult and Dislocated Worker Programs and limitations in their information systems, the actual number of participants in these programs is unknown.

⁶Our analysis included all participants in the WIA Adult and Dislocated Worker Programs whose participation date was before July 1, 2012 and who had either not exited the programs or exited after July 1, 2011. We analyzed program year 2011 data because they were the most recent full year of WIASRD data available when we conducted our review. Program year 2011 ran from July 1, 2011 through June 30, 2012.

Analysis of DOL's Oversight and Monitoring Efforts

However, we were able to estimate the number of, characteristics of, and services provided to participants whose information is recorded by DOL as having been served by the WIA Adult and Dislocated Worker Programs using WIASRD data from program year 2011.

To describe and assess DOL's oversight and monitoring efforts, we reviewed technical assistance guides and material posted to Workforce3One, including DOL's Core Monitoring guides and Data Validation Reporting System guidance. We also interviewed officials from DOL's Employment and Training Administration national office and from all of DOL's six regional offices. In addition, we obtained and reviewed copies of DOL's monitoring reports, including the results of DOL's program year 2010 and 2011 annual data validation efforts and the most recent case file review for each state and territory.⁷ To analyze the results of the annual data validation efforts, we calculated the average reported error rate for each variable across states.⁸ We included in our analysis all variables on characteristics and services.⁹ To analyze trends in the results of the case file reviews, we reviewed the findings and areas of concern identified in each review and categorized them to identify common issues present in multiple states.

We conducted this performance audit from August 2012 through November 2013 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit work to obtain sufficient, appropriate evidence to provide a

⁷These reviews typically occur every 3 to 4 years. The date of the reviews we analyzed ranged from program year 2006 to program year 2011.

⁸The error rates presented are "reported data error rates." Data element validation produces an overall estimate of the error rate for each data element that has been selected for validation. Because certain data elements may not be present in every sampled record, data validation also produces a reported data error rate, which includes in the denominator only those records for which the particular data element was validated. In this situation, the error rate equals the number of records in error divided by the total number of records for which the particular data element was validated, weighted to account for the over- and under-sampling of particular records.

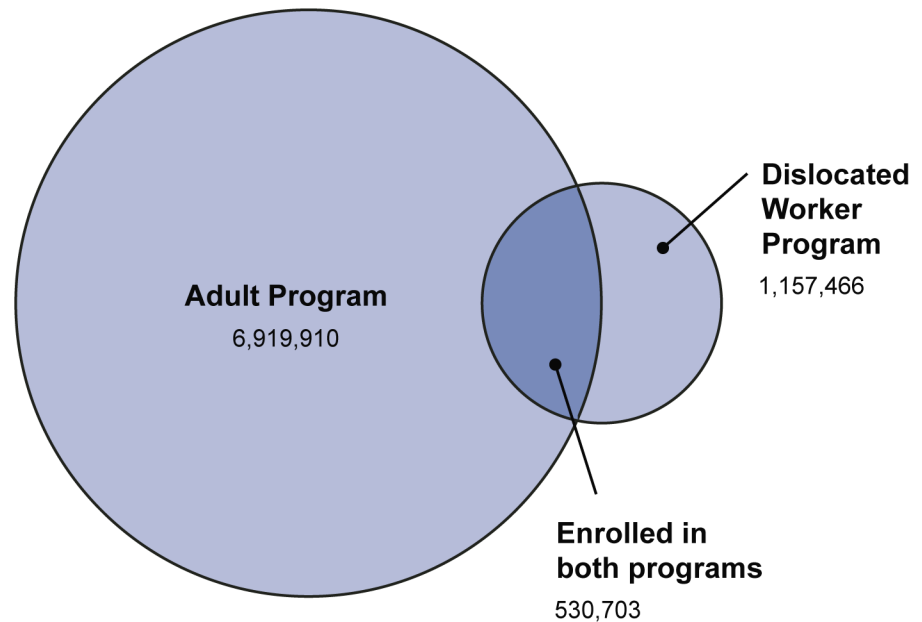
⁹We reviewed the results of 11 data elements from the Adult Program and 12 from the Dislocated Worker Program. Data elements included in both programs are ProgramParticipationDate, FirstCoreServiceDate, FirstIntensiveService, NeedyFamilyStatus, DateEnterTraining, DateExitTraining, TrainingService1, VeteranStatus, OtherExitReasons, and ProgramExitDate. The Adult Program also included LowIncomeStatus and the Dislocated Worker Program also included DislocationDate and DisplacedHomemakerIndicator.

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.

Appendix II: Data on Participants in the WIA Adult and Dislocated Worker Programs for Program Year 2011

We reviewed the data collected by the Department of Labor (DOL) in the Workforce Investment Act Standardized Record Data (WIASRD) system on the number of, characteristics of, and services provided to participants in the WIA Adult and Dislocated Worker Programs in program year 2011.¹ We found the data to be sufficiently reliable for the purposes of providing estimates of the number of, characteristics of, and services provided to, participants whose information is recorded by DOL in WIASRD. These estimates are presented in figures 4 through 9.

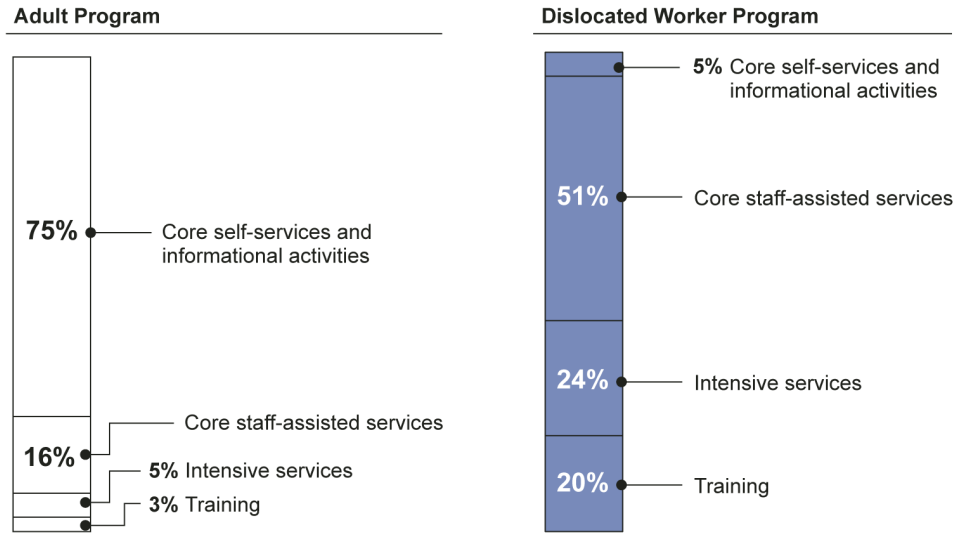
Figure 4: Total Participants Enrolled in the Adult and Dislocated Worker Programs, Program Year 2011



Source: GAO analysis of Department of Labor participant data.

¹WIASRD is a national database maintained by DOL of individual records containing information on the characteristics, activities, and outcomes for all participants enrolled in WIA programs who received services or benefits under WIA. We analyzed program year 2011 data because they were the most recent full year of WIASRD data available when we conducted our review. Program year 2011 ran from July 1, 2011 through June 30, 2012.

Figure 5: Highest Level of Service Received by Adult and Dislocated Worker Program Participants, Program Year 2011^a

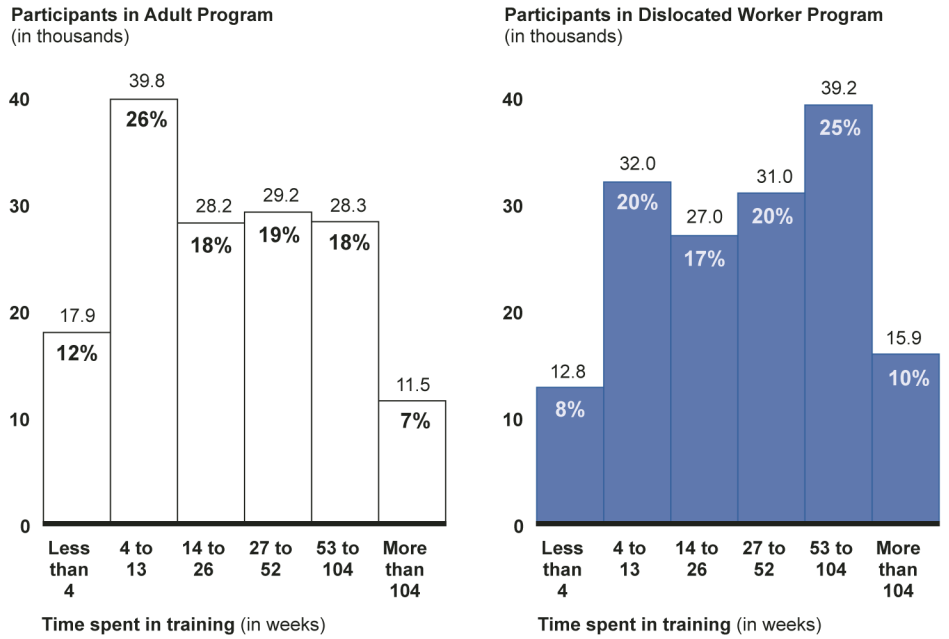


Source: GAO analysis of Department of Labor participant data.

^aNumbers may not add to 100 percent due to rounding. Nine states reported that none of their Adult Program participants received only core self-services and informational activities and two states reported that no participants in their Adult or Dislocated Worker Program received staff assisted core services.

Appendix II: Data on Participants in the WIA Adult and Dislocated Worker Programs for Program Year 2011

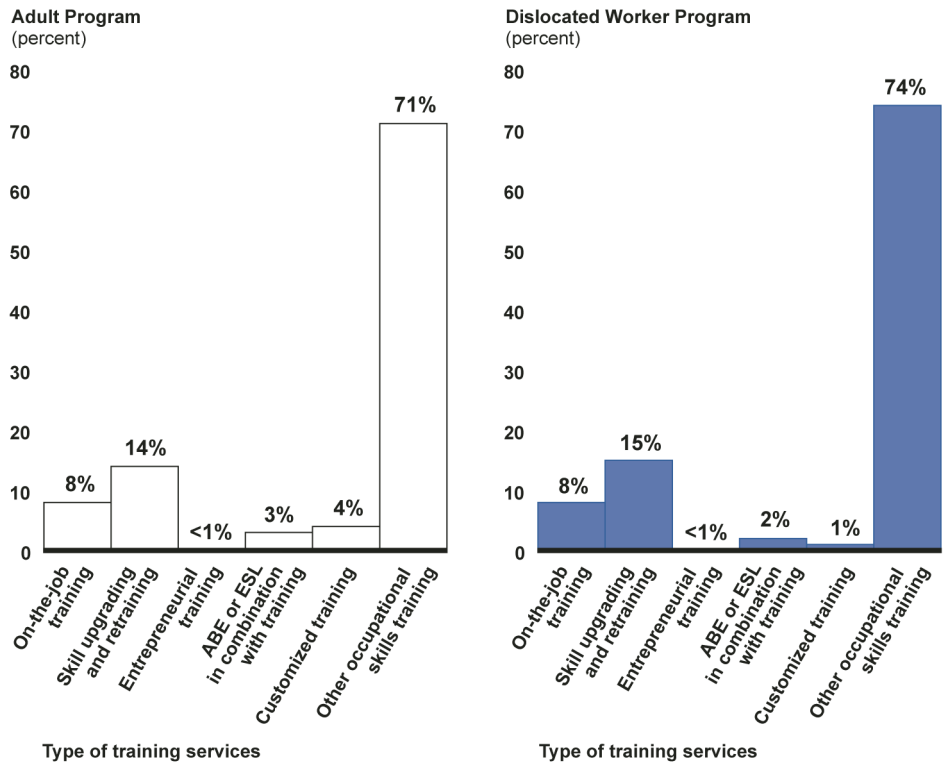
Figure 6: Duration of Training for Adult and Dislocated Worker Program Participants Who Completed or Withdrew from Training, Program Year 2011^a



Source: GAO analysis of Department of Labor participant data.

^aOur analysis was restricted to participants who completed or withdrew from training.

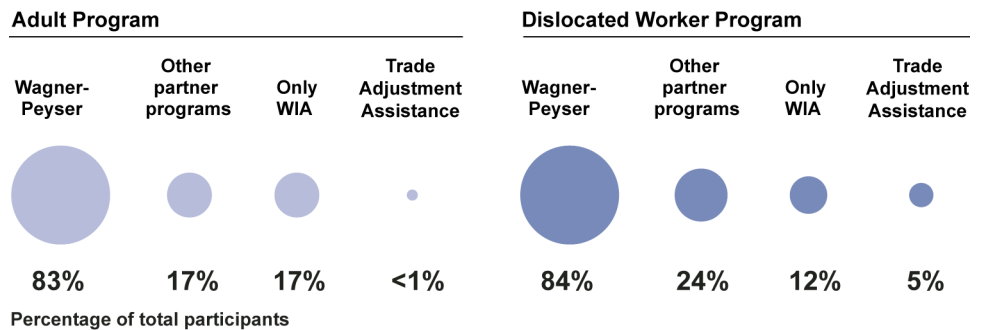
Figure 7: Type of Training Services Provided to Adult and Dislocated Worker Program Participants, Program Year 2011^a



Source: GAO analysis of Department of Labor participant data.

^aOur analysis was restricted to participants who received training.

Figure 8: Percentage of Adult and Dislocated Worker Program Participants Registered in Selected Partner Programs, Program Year 2011^a

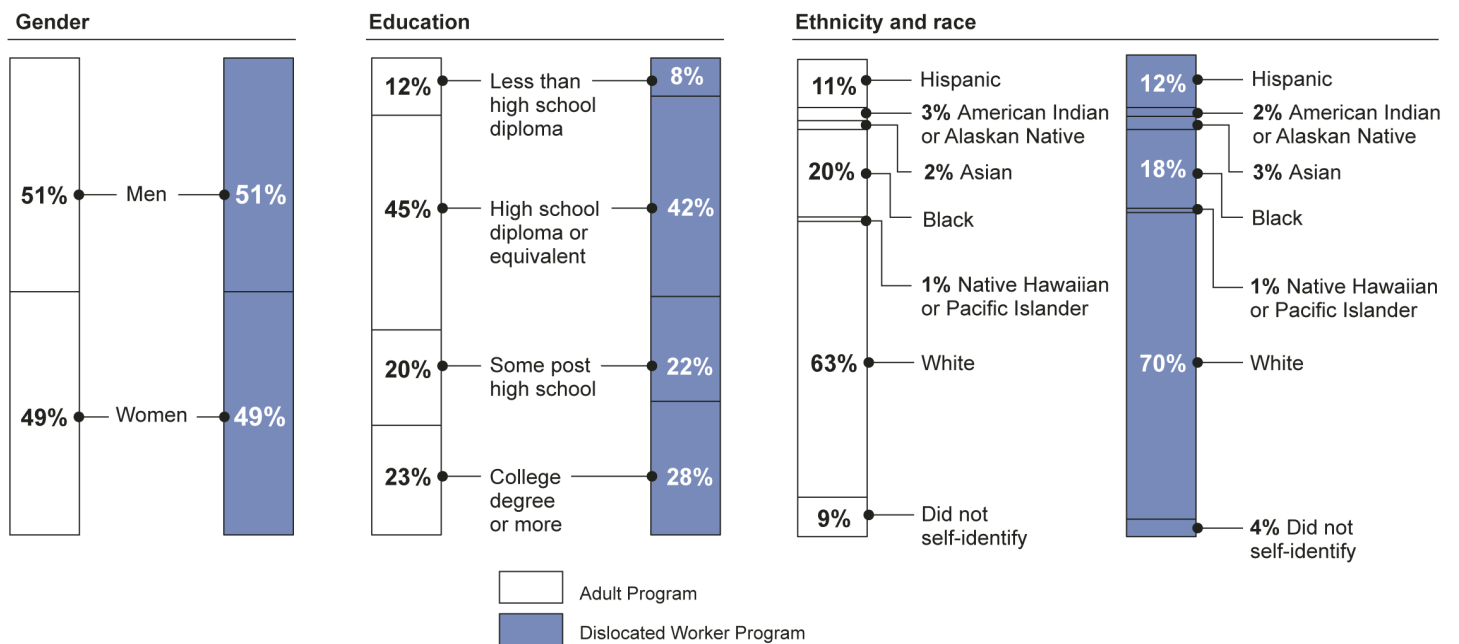


Source: GAO analysis of Department of Labor participant data.

Appendix II: Data on Participants in the WIA Adult and Dislocated Worker Programs for Program Year 2011

^aOther partner programs include the Adult Education, Job Corps, National Farmworker Jobs, Indian and Native American, Veterans, Vocational Education, Vocational Rehabilitation, Youthbuild, Title V Older Worker, and Employment and Training Services Related to Food Stamps Programs. States are not required to report whether participants in the WIA Adult or Dislocated Worker Program received services from these partner program. Seventeen states reported that virtually no WIA Adult Program participants received services from any of these programs.

Figure 9: Adult and Dislocated Worker Program Participant Demographics, Program Year 2011^a



Source: GAO analysis of Department of Labor participant data.

^aParticipants in the WIA Adult and Dislocated Worker Programs who did not disclose their gender were not included in the percentages listed above for gender. About 11 percent of participants in the Adult Program and less than 1 percent of participants in the Dislocated Worker Program did not report their gender. Percentages of ethnicity and race do not add up to 100 because individuals can identify in more than one category.

Appendix III: Comments from the Department of Labor

U.S. Department of Labor

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



NOV 01 2013

Revae E. Moran
Director
Education, Workforce, and Income Security Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, District of Columbia 20548

Dear Ms. Moran:

On behalf of the U.S. Department of Labor (DOL), I want to thank you for the opportunity to review the Government Accountability Office's (GAO) draft report entitled: *Workforce Investment Act: DOL Should Do More to Improve the Quality of Its Participant Data* (GAO-14-4). We appreciate the information provided in the report and the opportunity to comment.

We agree that ensuring the reliability of data reported by the states is important to effectively manage and evaluate Workforce Investment Act (WIA) Adult and Dislocated Worker programs; however, we believe it should be balanced with the flexibility that WIA gives to states and with the Department's responsibility to prioritize use of its limited resources. WIA provides states and local areas with the flexibility to serve their customers in the way that best suits their particular needs. Under WIA, states also have flexibility to design their management and information systems. As such, there is no national management and information system that states are required to adopt. As a result, states vary in how they design their programs, how they fund their services, and the level of integration across programs within their management information systems.

The Department has invested significant resources in its workforce performance accountability system, especially for WIA programs. The Department has a robust system in place to ensure data quality and reliability, and has recently made several enhancements to the reporting system. Beginning with Program Year 2013, all states will upload their WIA participant data files into the Enterprise Data Reporting and Validation System (EDRVS), where each file will go through over 200 edit checks before being accepted. The system also will calculate performance measures and create state reports to ensure uniformity in reporting. States also conduct a Data Element Validation review where participant records are validated against source documentation to ensure data integrity.

The GAO report makes two recommendations to the Department. The Department's responses to these recommendations are outlined in more detail below.

GAO Recommendation 1:

To improve the consistency and completeness of national data on participants in the WIA Adult and Dislocated Worker Programs, GAO recommends that the Secretary of Labor take additional steps to improve the uniformity of participant data reported by states.

GAO Recommendation 1a:

Providing additional guidance to states on data reporting, such as how core and intensive services should be recorded for WIA participants who receive these services through partner programs.

The Department believes its guidance is clear on reporting these services, based on the definitions of core and intensive at WIA 134(d)(2) and (3) and at 20 CFR 663.150. Further, additional guidance regarding how states report services rendered by partner programs is covered in the Employment and Training Administration's Training and Employment Guidance Letter (TEGL) 17-05, "Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues." In that TEGL, states are encouraged to report services provided by partner programs, although it is not mandated because there is no statutory authority to report such information. Also, it is important to note that the WIA reporting system is focused on services funded by WIA; the Department's responsibility is to report on WIA-funded services. The Department will continue to work with states on this issue and develop additional guidance as necessary. Further guidance is forthcoming on how to avoid duplicating services when co-enrolling participants across multiple programs.

GAO Recommendation 1b:

Conducting an evaluation or review of WISPR to determine if it has resulted in more complete and consistent data collection and reporting for participants in the WIA Adult and Dislocated Worker Programs and placing a high priority on the implementation of WISPR if it is shown to improve data consistency and completeness.

The Department shares GAO's interest in the Workforce Investment Streamlined Performance Reporting System (WISPR). Two states have been using WISPR to report to DOL since 2007, and additional states continue to express interest in implementing use of the WISPR. WISPR was designed to facilitate integrated reporting across the various workforce programs. The Department notes, however, the purpose of WISPR was never explicitly to improve data quality, but to ease the reporting burden placed on states. ETA is in the process of modifying the record layouts of multiple program data sets to align with WISPR to encourage its future expansion. For example, ETA has already modified WIA and Trade Adjustment Assistance record layouts to align with WISPR and plans to do the same with Wagner-Peyser. As noted in the report, evaluation and expansion of WISPR are subject to resource constraints.

GAO Recommendation 2:

GAO also recommends that the Secretary of Labor promote a formal, continuous process for improving the quality of data on participants in the WIA Adult and Dislocated Worker Programs through such measures as the following:

GAO Recommendation 2a:

Consistently sharing the results of all oversight activities with states and local areas, including findings from validation of participant data.

We agree with this recommendation. The Department consistently shares with each individual state its own data validation results that are initially submitted by each state. However, we acknowledge that more can be done to analyze data validation results to identify and share similar findings and areas of concern across multiple states, and we will work with our Regional Offices towards this goal.

GAO Recommendation 2b:

Reviewing the methods used for data validation, such as its scope and error rate threshold, to identify opportunities to increase efficiencies and accountability in the process. This could include implementing, if appropriate, recommendations from the Regions' review of data validation procedures.

The Department shares GAO's interest in reviewing the methods used for data validation and already participates regularly in such a review. The Department solicits input from states on changes to the methodology for conducting data validation and to identify opportunities to increase efficiencies and accountability in the process. The Office of Management and Budget (OMB) reviews the Department's data validation process every three years, under the requirements of the Paperwork Reduction Act. As part of this process, OMB solicits public comment on the data validation approach. OMB's decisions to approve the methodology and authorize the data collection are based on its view of the balance between the costs (burden) and benefits (data quality). The Department will submit an Information Collection Request to have the data validation process reauthorized in the fall of 2014 that reflects state input.

GAO Recommendation 2c:

Evaluating [previously conducted] data validation efforts to determine their effects on data quality, particularly on systemic errors, and providing targeted guidance and assistance to states and local areas to address such errors.

The Department appreciates GAO's interest in evaluating the impacts that data validation has had on data quality and error rates. Data validation was implemented in 2003 and has equipped the Department with the information necessary for assuring stakeholders that statutorily required state reports are computed consistently and accurately across the states. Data validation also has provided the Department with timely information on the quality of the underlying information on individual participants across the states. The

Department will consider the regional data validation workgroup's findings and recommendations from 2011, explore other ways to streamline the data validation process, and examine the effect of data validation on program error rates over the course of the data validation time series information. The Department will conduct this analysis in the process of reauthorizing the data validation collection, including the methodology that is used, in the fall of 2014.

GAO Recommendation 2d:
Regularly monitoring Social Policy Research Associates' corrections and analyses of state WIA participant data, sharing this information with states, and coordinating with states to ensure that any corrections are appropriate and accurate.

The Department shares GAO's interest in ensuring that Social Policy Research Associates' (SPRA) analyses of state WIA participant data, including any corrections to the data, are appropriate and accurate. Thus the Department already monitors and shares these analyses. SPRA's corrections have been publicly available with the data set from the inception of WIA. Since Program Year 2011, the Department has provided SPRA's analyses and corrections to the states (through ETA Regional Offices) on a quarterly basis for states to either correct or dispute. This is a formal and recurring process that is "forward" working in the sense that any issues raised are to be addressed or corrected in the next quarterly reporting cycle. In addition, ETA Regional Offices have begun to analyze state WIASRD data on a regular basis as a part of their annual review cycles. We are pleased with our progress over the past couple of years in obtaining states' feedback on SPRA's analyses.


GAO Recommendation 2e:
Collecting and disseminating promising practices on data collection and reporting to states and local areas on a regular basis.

The Department agrees with GAO that "promising practices" in data collection and reporting should be shared with the public workforce system at the state and local levels. Data collection and reporting related topics are included in the "Workforce System Strategies" component of workforce3one, the Department's on-line interactive communications and learning platform designed to build the capacity of the workforce investment system. Workforce Systems Strategies, launched in September 2012, represents the Department's effort to begin identifying a range of potential workforce strategies that are informed by research evidence or peer expertise. Users can receive weekly e-alerts about the new resources posted to the site each week related to their chosen topics. This system of shared promising practices continues to expand with the addition of approximately 30 resources per month.

We agree that it is important to have reliable program data for effectively managing and evaluating programs, therefore, we encourage you to consider the Department's enclosed technical comments on the draft report.

Again, thank you for the opportunity to review the draft report. If you would like additional information, please do not hesitate to call me at (202) 693-2700.

Sincerely,



Eric M. Seleznow
Acting Assistant Secretary

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Revae E. Moran, (202) 512-7215 or moranr@gao.gov

Staff Acknowledgments

In addition to the contact named above, Meeta Engle, Assistant Director; Theodore Alexander; Jenn McDonald; and Brian Schwartz made key contributions to this report. Also contributing to this report were Jessica Botsford, David Chrisinger, Kathy Leslie, Mimi Nguyen, Carol Patey, Rhiannon Patterson, Catherine Roark, Jerry Sandau, Walter Vance, and Charles Youman.

Related GAO Products

Workforce Investment Act: Local Areas Face Challenges Helping Employers Fill Some Types of Skilled Jobs. [GAO-14-19](#). Washington D.C.: December, 2013.

Workforce Investment Act: Additional Actions Would Further Improve the Workforce System. [GAO-07-105IT](#). Washington, D.C.: June 28, 2007.

Workforce Investment Act: Employers Found One-Stop Centers Useful in Hiring Low-Skilled Workers; Performance Information Could Help Gauge Employer Involvement. [GAO-07-167](#). Washington, D.C.: December 22, 2006.

Workforce Investment Act: Labor and States Have Taken Actions to Improve Data Quality, but Additional Steps Are Needed, [GAO-06-82](#). Washington, D.C.: Nov. 14, 2005.

Workforce Investment Act: Labor Should Consider Alternative Approaches to Implement New Performance and Reporting Requirements. [GAO-05-539](#). Washington, D.C.: May 27, 2005.

Workforce Investment Act: Substantial Funds Are Used for Training, but Little Is Known Nationally about Training Outcomes. [GAO-05-650](#). Washington, D.C.: June 29, 2005.

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

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (<http://www.gao.gov>). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to <http://www.gao.gov> and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#).
Subscribe to our [RSS Feeds](#) or [E-mail Updates](#). Listen to our [Podcasts](#).
Visit GAO on the web at www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: <http://www.gao.gov/fraudnet/fraudnet.htm>

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Katherine Siggerud, Managing Director, siggerudk@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548

