

United States House of Representatives
Subcommittee on Human Resources of the Committee on Ways and Means
Hearing on GAO Report on Duplication of Government Programs

Testimony Submitted for the Record
National Skills Coalition

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GAO Training Reports – What it Found, What it Did Not Find

In March 2011, the United States Government Accountability Office (GAO) issued a statutorily-mandated report entitled “Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue,” which examined 34 areas of potential overlap, duplication, and fragmentation across a range of federal agencies, programs, and functions.¹ In addressing the area of “training, employment, and education,” GAO drew primarily from its findings in a January 2011 report² examining various employment and training programs across the federal government.

GAO found that there were 47 federally funded employment and training programs offered through nine different federal agencies, and indicated that 44 of those programs—including multipurpose block grant programs such as the Temporary Assistance for Needy Families (TANF)—overlapped with at least one other program in providing at least one similar service to a similar population. One area of particular focus was potential overlap between TANF and the Department of Labor’s Wagner-Peyser Employment Service (ES) and Workforce Investment Act (WIA) Adult programs, with GAO noting that these programs can provide some of the same services to the same populations. GAO found that co-locating services and consolidating administrative structures between these three programs may increase efficiencies and reduce program costs, and recommended that the Departments of Labor (DOL) and Health and Human Services (HHS) work together to develop and disseminate information to support such efforts and investigate options to increase state and local incentives for pursuing such strategies.

While there is little question that workforce programs like WIA and TANF could be more closely aligned to improve service delivery and participant outcomes, some policymakers have chosen to interpret GAO’s relatively narrow findings as evidence of significant waste and inefficiency across federal workforce programs.³ National Skills Coalition strongly disagrees

¹ <http://www.gao.gov/new.items/d11318sp.pdf>

² <http://www.gao.gov/new.items/d1192.pdf>

³ For example, http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=9f1e1249-a5cd-42aa-9f84-269463c51a7d



with such interpretations, and we urge the committee and Congress to reject any efforts that involve program changes or funding cuts in the absence of clear evidence that such efforts will result in increased effectiveness of, and expanded access to, critical employment and training services.

No Evidence of Duplication

Although GAO found that WIA Adult, TANF, and ES *may* offer similar services to similar populations, the reports offer no evidence of specific instances where individuals received the same services through multiple programs or funding streams. Current data reporting requirements for the three programs make it difficult to assess whether individuals are receiving relatively low-cost, low-touch services (such as self-guided job search activities) through multiple programs, but it is unlikely that many participants are receiving duplicative education and training services. Indeed, Department of Labor data indicates that only 3.3 percent of all individuals receiving intensive or training services who exited the WIA Adult program in Program Year 2008 were also co-enrolled in TANF.⁴ Far from providing evidence of duplication between these programs, this suggests that relatively few participants are receiving the full range of employment and supportive services necessary to enhance their employment opportunities.

It is important to note that while TANF funding may be used for employment and training services, this has not been the primary focus of the program on the state and local level, with only about 2 percent of federal TANF dollars in Fiscal Year (FY) 2009 used for training and education.⁵ There is also evidence that many state TANF agencies are not taking full advantage of education and training options to meet work participation rates. In FY 2008, only six states maintained a monthly average of more than 20 percent of work-eligible individuals participating in vocational education and training, and the national monthly average was only 10.4 percent, far below the 30 percent permitted under the statute.⁶ Fewer than 4 percent of individuals participated in job skills training; fewer than 2 percent participated in education related to employment; and less than one-half of 1 percent engaged in on-the-job training.⁷ These statistics indicate that, while some states are investing TANF dollars to complement their WIA-funded education and training services, the bulk of TANF funding is going to services beyond the limited scope of either the WIA or ES programs, reducing the potential risk of overlap and duplication on the state and local levels.

⁴ http://www.doleta.gov/performance/results/pdf/PY_2009_WIASRD_Data_Book.pdf, p.23

⁵ http://www.acf.hhs.gov/programs/ofs/data/2009/table_a4_2009.html

⁶ <http://www.acf.hhs.gov/programs/ofa/particip/2008/tab6b.htm>

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Insufficient Evidence on Cost Savings

Congress should also be cautious about relying on program consolidation as a cost-cutting device, and of using presumed savings as a justification for significant funding cuts to workforce programs. After examining systems in Texas, Florida, and Utah, the three states that have consolidated their welfare and workforce service agencies, GAO found that, although the states believed they had reduced costs and improved services, “data on the cost savings associated with such consolidation initiatives are not readily available.”⁸ GAO also pointed out that “it is important to recognize that improvements in administrative efficiency may not necessarily result in improvements in program effectiveness.”⁹ While National Skills Coalition generally agrees with GAO’s recommendations that DOL and HHS should work with states to encourage closer collaboration between WIA, ES, and TANF, it is clear that insufficient evidence exists at this time to conclude that wholesale consolidation of programs will create significant cost savings or noticeably increase service levels for program participants.

It is worth noting as well that Congress has already significantly reduced funding for WIA and TANF in recent years. Formula funding under WIA Title I fell by nearly 30 percent in constant dollars between FY 2001-2010,¹⁰ while the purchasing power of the TANF block grant has declined by 28 percent since 1996.¹¹ This erosion in federal funding has come at a time when demand for employment and training services has skyrocketed—participation rates for WIA Title I programs increased by 234 percent between FY 2008-2010—forcing states and localities to stretch already limited resources to the brink in order to provide services for job seekers and employers. While there are undoubtedly minor efficiencies to be gained by encouraging states to streamline program administration, the fact is that any improvements that might result from such initiatives are far outweighed by lost opportunities due to insufficient investments over the last decade.

In summary, we would note for the committee that WIA was designed by Congress as a universal program charged with providing a wide array of employment and training services (as opposed to the program it replaced, the Job Training Partnership Act (JTPA), which was a job training program targeted to low-income individuals). As a universal program, WIA should by definition have some overlap with other programs. Given the program’s limited funding, though, it is simply impossible that WIA alone can meet all of the needs of every individual seeking services through the program, particularly lower-skilled individuals. As a result, federal policy should actually encourage alignment (what some might call “overlap”) between programs such as the Employment Services, WIA, and TANF to address this need.

⁸ <http://www.gao.gov/new.items/d1192.pdf>, p.27

⁹ <http://www.gao.gov/new.items/d1192.pdf>, p.31

¹⁰ http://www.nationalskillscoalition.org/resources/reports/tpib/nsc_tpib_wia_titlei.pdf

¹¹ http://www.nationalskillscoalition.org/resources/reports/tpib/nsc_tpib_tanf.pdf



The budget and appropriations process are not the appropriate forum for addressing these issues. Instead, we would urge Congress to use the opportunities provided by the reauthorization of TANF and WIA to carefully and comprehensively address issues of fragmentation and promote alignment between federal employment and training programs.

Recommendations for Further Action

If Congress truly wishes to improve the effectiveness of TANF and other federal employment and training programs, and expand access to programs that can provide the skills U.S. workers and businesses need to compete in today's global economy, there are a number of steps that could be taken as part of TANF reauthorization that would support this objective.

Increase Access to Training for Skilled Jobs

TANF currently reflects a "work-first" philosophy, requiring states to ensure that a certain percentage of individuals participate in work activities but limiting the amount of training and education that qualifies towards these work requirements. While these restrictions were intended to reduce dependence on government assistance, in practice such limits reduce the number and kinds of jobs for which recipients are qualified, and therefore paradoxically limits their efforts to become self-sufficient. Congress should lift the twelve-month restriction on postsecondary education and the 30 percent cap on the number of TANF participants engaged in vocational educational training who may count toward a state's work participation rate. Congress should also signal to states through the program goals and other legislative language a move away from "work-first" models toward strategies that promote meaningful skills and credential attainment for TANF program participants.

Encourage Stronger Alignment between TANF and Other Federally-Funded Workforce Programs

In recent years, a number of states have taken steps to develop career pathways programs that link adult education, job training, and higher education systems to allow individuals to obtain or pursue employment and training opportunities leading to well-paying careers. Congress should build on these efforts by providing states and localities with greater flexibility to blend TANF and funding streams under WIA Titles I and II to support employment and training activities that support low-income individuals. Congress should permit agencies to report a single set of outcomes for individuals enrolled in both WIA and TANF programs, encourage unified state planning across all programs that serve low-income individuals, and require states to establish and meet annual co-enrollment goals to ensure eligible participants have access to needed services.



Reward States Moving People into Real Jobs and Better Wages

Current law focuses on work participation rates and caseload reductions, rather than on positive outcomes for program recipients. Congress should develop performance measures that reward states for moving TANF recipients toward stable employment at family-sustaining wages, and should consider including measures of educational attainment, including interim basic skills gains and attainment of industry-recognized degrees, credentials, and certificates that lead to employment. Congress should consider requiring HHS to set national and state goals for training participation under TANF, and give states flexibility to transition from the current process-based approach to an outcomes-based performance accountability system over time.