Coordination between Temporary Assistance for Needy Families (TANF)-related programs and Workforce Investment Act of 1998 (WIA)'s one-stop centers increased since spring 2000, when WIA was first implemented. Nearly all states reported some coordination between the programs at either the state or the local level. Most often, coordination took one of these two forms: through co-location whereby a client accessed TANF-related programs at the local one-stop, or through referrals and electronic linkages to off-site programs. How services were delivered also depended on state and local preferences and conditions. Despite progress, states and localities continued to report challenges. WIA funds may not be readily used to serve TANF clients in the one-stops because WIA's performance measures may discourage serving clients who may not be successful. Even when officials chose to use the one-stop system to provide TANF-funded services, other challenges remained, largely stemming from infrastructure limitations and different program definitions and reporting requirements. Some local areas found innovative ways to provide TANF services in the one-stops, often focusing their efforts on resolving the issues that had been found in the fragmented employment training system. Early evidence showed states and localities were increasing their efforts to bring services together to fit local needs. (YLB)
WORKFORCE INVESTMENT ACT

Coordination of TANF Services Through One-Stops Has Increased Despite Challenges

Statement of Sigurd R. Nilsen, Director
Education, Workforce, and Income Security Issues
Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me here today to discuss the coordination of services for Temporary Assistance for Needy Families (TANF) clients through one-stop centers established under the Workforce Investment Act of 1998 (WIA). Welfare reform legislation, which created TANF, directed welfare agencies to focus on helping needy adults with children find and maintain employment—a goal that has long been the province of the workforce development system. Congress passed WIA to unify a fragmented employment and training system—creating a new, comprehensive workforce investment system—one that provides for a fundamental shift in the way services are designed and delivered. Despite TANF's similar focus, TANF was not mandated to participate in the one-stop system; however, as we have previously testified, many states and localities are coordinating their TANF services through one-stop centers. With the emphasis on work intensifying in the current TANF reauthorization debate, the coordination of TANF and WIA programs may become increasingly important.

You asked us to assess the extent to which states were coordinating TANF services with their one-stop centers. As you requested, my remarks today focus on (1) the status of state and local efforts to coordinate TANF-related services—including TANF work services, TANF cash assistance, and other support services—with one-stop centers and how this status has changed since 2000, when WIA was implemented; (2) the challenges that states and localities have faced in coordinating their TANF work services with their one-stop centers; and (3) the innovative approaches that they have taken to coordinate TANF services through the one-stop system. My testimony is based on our ongoing work on the coordination of TANF and WIA services and includes results from: a survey we conducted from September through December 2001 of workforce development agency officials in all 50 states and a similar survey that we conducted in the spring of 2000; visits to 4 states and 9 localities from October 2001 to January 2002; and telephone interviews with state TANF and workforce


2We conducted fieldwork in Arizona, Connecticut, Louisiana, and New Jersey.
officials in 12 states during January and February 2002. In addition, results were drawn from our recently completed work on WIA youth and dislocated worker programs, WIA performance measures, and early WIA implementation issues.

In summary, coordination between TANF-related programs and WIA’s one-stop centers has increased since the spring of 2000, when WIA was first implemented. Nearly all states reported some coordination between the programs at either the state or the local level. Most often, coordination took one of two forms: through colocation whereby a client accessed TANF-related programs at the local one-stop, or through referrals and electronic linkages to off-site programs. How services were delivered also depended on state and local preferences and conditions. However, as we testified earlier, despite progress, states and localities continued to report a variety of challenges. WIA funds may not be readily used to serve TANF clients in the one-stops because WIA’s performance measures may discourage serving clients who may not be successful. Moreover, when TANF clients need training to achieve self-sufficiency, WIA funds may not be available because the amount of training provided under WIA has been reduced. In addition, even when officials choose to use the one-stop system to provide TANF-funded services, other challenges remain, largely stemming from infrastructure limitations—such as inadequate facilities or antiquated computer systems that do not communicate with each other—and different program definitions and reporting requirements. Despite these challenges, some local areas have found innovative ways to provide TANF services in the one-stops, often focusing their efforts on resolving the issues that had been found in the fragmented employment training system. In our work, we saw some early evidence that states and localities were increasing their efforts to bring services together to fit local needs. As states and localities have begun to recognize the shared goals of the workforce and welfare systems, they have developed ways to coordinate services. However, these changes, like all culture changes, will take time.

Background

In recent years, Congress passed two pieces of legislation intended, in part, to foster greater coordination among education, welfare, and employment and training programs. The Workforce Investment Act was

3Colocation refers to TANF clients’ being served directly at the one-stop either by TANF staff or by other staff cross-trained to provide TANF-related services. Electronic linkages refers to the use of computers, telephones, or other electronic connections between the one-stop and a separate office where services are provided to TANF clients.
passed in 1998 and fundamentally changed the nature of federally funded employment and training services. WIA replaced the former program with a new one that focused more on providing services to the general public. WIA also provides for greater consolidation in service delivery, requiring states and localities to use a centralized service delivery structure—the one-stop center system—to provide most federally funded employment and training assistance. The Temporary Assistance for Needy Families block grant, created 2 years earlier by the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), allowed states greater flexibility than ever before in designing employment and training services for clients receiving cash assistance. While TANF is not one of 17 federal programs mandated to provide services through the one-stop system, states and localities have the option to include TANF as a partner. Our prior work on pre-WIA one-stops found that states varied in the degree to which employment and training services for TANF clients were being coordinated through the one-stop system.

WIA replaced the four Job Training Partnership Act (JTPA) programs for economically disadvantaged adults and youth, and dislocated workers, with three new ones—adult, dislocated worker, and youth—that de-emphasize the categorical nature of JTPA and allow for a broader range of services to be given to the general public. Services provided under WIA are markedly different from those provided under JTPA, no longer focusing exclusively on training. Instead, the adult and dislocated worker programs provide for three tiers, or levels, of service: core (basic services such as job search assistance); intensive (staff-intensive services such as assessment and case management); and training for eligible individuals. To gauge the success of WIA-funded programs, states and localities are held accountable through the use of 17 different performance measures.

TANF also gave states more flexibility in determining the nature of financial assistance, the types of client services, the structure of the program, and the ways in which services were provided.

In contrast to JTPA, WIA adult and dislocated worker programs no longer use income to determine eligibility for all program services. The youth program, however, uses low-income as an eligibility requirement.

Services are provided sequentially. That is, in order to receive intensive services, clients must first receive core services; to receive training services, a client must first receive core and then intensive services. Localities may establish certain activities as prerequisites for moving from core to intensive and training services. Key to moving from core to a higher level of services is the determination that the services are needed to help job seekers become self-sufficient.
that focus on outcomes such as getting and keeping a job. States negotiate with the Department of Labor to determine the level of performance they are expected to achieve for each of the measures; localities, in turn, negotiate with the states to determine their expected levels of performance.

In addition, to establishing the three new programs, WIA requires that states and localities use the one-stop center system to provide services for these and many other employment and training programs. This one-stop system was developed by states prior to WIA, largely through One-Stop Planning and Implementation Grants from Labor. About 17 categories of programs, funded through four federal agencies—the departments of Labor, Education, Health and Human Services, and Housing and Urban Development—must provide services through the one-stop center system under WIA. WIA does not require that all program services be provided on site (or colocated)—they may be provided through electronic linkages with partner agencies or by referral—but WIA does require that the partners' relationships and services be spelled out in a memorandum of understanding.

While several programs are required by WIA to provide services through the one-stop centers, others have been left to the discretion of state and local officials, including the TANF block grant program. Flexibility is also a key feature of the TANF program. Under TANF, states have more flexibility than under its predecessor programs to determine the nature of financial assistance, the types of client services, the structure of the program, and how services are to be delivered. At the same time, TANF established new accountability measures for states—focused in part on

*In addition, three other categories of programs are required to provide services through the one-stop center: Youth Opportunity Grants; demonstration, pilot, multiservice, research, and multistate projects; and national emergency grants. Because they are of limited scope, we did not include them in our total.*
meeting work requirements—and a 5-year lifetime limit on federal TANF assistance. These measures heighten the importance of helping TANF recipients find work quickly and retain employment. As states have used the new flexibility under TANF and have focused more on employment, the importance of coordinating services for TANF clients has received increased attention. To help clients get and keep jobs, states need to address problems that may interfere with employment, such as child care and transportation issues and mental and physical health problems. Frequently, solving these problems requires those who work directly with clients to draw on other federal and state programs, often administered by other agencies, to provide a wide array of services. While local welfare agencies have typically administered TANF, Food Stamps, and Medicaid, other programs that provide key services to TANF clients are administered by housing authorities, education agencies, and state employment services offices. TANF's focus on employment means that welfare agencies may need to work more closely than before with state and local workforce development systems, in part, to help reduce the burden on employers who might need to respond to requests from multiple government agencies. In the past, under the Work Incentive Program, welfare agencies and workforce development systems collaborated at some level, but our previous work on pre-WIA programs found wide variation in the degree to which the welfare and non-welfare programs worked together to provide employment and training services.

8Work requirements under PRWORA include countable work activities as well as work participation requirements. Work activities include unsubsidized employment; subsidized private or public sector employment; work experience; on-the-job training; job search and job readiness assistance; community service programs; vocational educational training and job skills training directly related to employment; education directly related to employment; satisfactory attendance at a secondary school or a course of study leading to a certificate of general equivalence; or the provision of child care services to an individual who is participating in a community service program. PRWORA's work participation rates require that a specified proportion of the state's TANF assistance caseload be engaged in countable work activities each month. The required work participation rate for all families was 25 percent for fiscal year 1997 and 50 percent for fiscal year 2002. For more information on work activities that states and localities are using as part of their TANF programs, see U.S. General Accounting Office, Welfare Reform: Work-Site-Based Activities Can Play an Important Role in TANF Programs, GAO/HEHS-00-122 (Washington, D.C.: July 28, 2000).

Most States Are Coordinating Their TANF and WIA Services at Some Level and Increased Some of Their Coordination Efforts Since 2001

State and local efforts to coordinate their TANF and WIA programs increased in 2001, at least 1 year after all states implemented WIA. Nearly all states reported some coordination at the state or local level, achieved by means ranging from informal linkages (such as information sharing or periodic program referrals) to formal linkages (such as memorandums of understanding), shared intake, or integrated case management. Coordination of TANF-related services with one-stop centers increased from 2000 to 2001, and the form of coordination—colocation of services, electronic linkages or client referral—was based, in part, on the type of services provided—TANF work services, TANF cash assistance, or support services—as well as state and local preferences and conditions.

Coordination Occurred between TANF and WIA Agencies at the State Level in Most States and Increased Slightly from 2000 to 2001

Nearly all states reported some linkages at the state level between their TANF and WIA agencies, and we saw modest increases in states’ efforts to coordinate the programs between 2000 and 2001. Twenty-eight states reported that in 2001 they made extensive use of formal linkages, such as memorandums of understanding and state-level formal agreements, between the agencies administering TANF and WIA, compared with 27 states in 2000. Similarly, states increased their use of coordinated planning in 2001, with 19 states reporting that they used it to a great extent, compared with 18 states in 2000 (see fig. 1). When we looked at states individually, we saw that many used additional coordination methods in 2001. Seventeen states indicated that the number of the state-level coordination methods they used to a great extent increased in 2001. In fact, in 2001, 9 states used all five of the coordination methods that we analyzed, up from 7 states in 2000.10

10Our survey asked states to report the extent to which different types of coordination were occurring at the state level between WIA and TANF programs. We analyzed five types of coordination methods: formal linkages (such as memorandums of understanding, state-level agreements, or mutual referral agreements); informal linkages and interagency communication (such as sharing information about programs or changes in programs as they occur); interagency and intra-agency workgroups and consolidated advisory boards; coordinated planning; and shared performance measurement and reporting.
Increased coordination between TANF and WIA programs was also seen in the use of TANF funds to support one-stop center infrastructure or operations. The number of states using TANF funds to support one-stop centers increased to 36 in 2001 from 33 in 2000. In addition, the number of states ranking TANF as one of the three largest funding sources for their one-stop centers rose to 15 from 12.

Local-Level Coordination of TANF and WIA Services Also Increased, and the Form It Took Varied According to Services Provided

Some of the largest gains in program coordination between 2000 and 2001 were seen at the local level. Forty-four states reported that most of their one-stop centers had informal linkages, such as periodic program referrals or information sharing, with their TANF programs in 2001, compared with 35 states in 2000 (see fig. 2). Similarly, 16 states reported that most of their one-stop centers had shared intake or enrollment systems in 2001—up from 13 in 2000; and 15 states reported in 2001 that they used an integrated case management system in most of their one-stop centers—an increase of 1 state from our 2000 results. Also, our analysis suggests that more
Coordination methods are in use at the local level. The number of states that reported that most of their one-stop centers used all seven methods of local-level coordination increased in 2001 to 10 states from 7 in 2000.\(^{11}\)

**Figure 2: Coordination Methods That States Reported Most of Their One-Stop Centers Were Using, 2000 and 2001**

<table>
<thead>
<tr>
<th>Coordination methods</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informal linkages</td>
<td>35</td>
<td>44</td>
</tr>
<tr>
<td>Formal linkages</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Coordinated planning</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Shared intake and enrollment</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td>Integrated case management</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Shared client tracking</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Shared performance measures</td>
<td>11</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: GAO survey data.

\(^{11}\)Our survey asked states to tell us whether most of the centers coordinated TANF and WIA programs. We analyzed seven types of coordination methods: informal linkages (such as periodic program referrals or information services) and interagency communication (such as phone calls, memos, or flyers announcing program services); formal linkages (such as memorandums of understanding or mutual referral agreements); coordinated planning; shared intake and enrollment; integrated case management; shared client tracking; and shared performance measures.
Increases in coordination between the TANF programs and one-stop centers were also seen in the use of the one-stop system to provide services to TANF clients. While the same number of states—24—reported in both 2000 and 2001 that services for the TANF work program were colocated at the majority of their one-stops, the use of electronic linkages or referrals increased. In 2001, 15 states reported that services for the TANF work program were either electronically linked to the majority of their one-stop centers or provided by referral between the two programs, compared with 11 states in 2000.

About half of the states coordinated their TANF cash assistance or Food Stamps or Medicaid programs with the one-stop centers, electronically, or by referral in 2000 and 2001. State officials in both Connecticut and New Jersey reported that even though one-stop staff did not determine eligibility for Medicaid and Food Stamps at the one-stop centers, the staff were expected to refer clients to appropriate support services outside the one-stop centers. While not as prevalent as electronic linkages or referrals, colocated cash assistance appeared to increase in 2001: 16 states reported that they provided cash assistance services at least part time at the majority of their one-stop centers, compared with 9 states in 2000. Colocation of Food Stamps and Medicaid remained the same: 7 states reported in both years that they provided those services at least part time at the majority of the one-stop centers.

In general, the form of coordination between TANF and one-stops was different depending on the particular program services that were provided. For example, when the TANF work programs were coordinated through the one-stop centers, services were more likely to be colocated. TANF cash assistance and the Food Stamps and Medicaid programs were more likely to be connected electronically or by referrals (see fig. 3). Sometimes states instituted policies to further strengthen the relationships between the programs and to ensure that clients were connected to one-stop services. In Michigan, for example, TANF clients are required to attend an orientation session at the one-stop before they can receive cash assistance. Similarly, in Connecticut, where there were low participation rates for TANF clients at one-stop centers, the legislature enacted a law requiring TANF clients to use one-stop centers as a condition of receiving cash assistance.
State and local officials told us that decisions about how services were delivered were based on state and local preferences and conditions. Some state and local officials expressed a preference for colocating TANF programs at one-stop centers. For example, officials in a local area in Louisiana believed that colocation of TANF programs at the one-stop center would benefit TANF clients by exposing them to the one-stop center's employer focus. These officials also said that colocation would result in a more seamless service delivery approach, giving clients easier access to the services. Other officials preferred not to colocate all TANF-related programs. While they supported the colocation of TANF work programs, they believed that cash assistance, Food Stamps, or Medicaid should be provided elsewhere. For example, Michigan officials told us that keeping eligibility functions for TANF cash, Food Stamps, and Medicaid separate was beneficial, because welfare staff had more expertise in the provision of social services while Department of Labor staff were better
equipped to provide work-related services. Still other officials were concerned about the colocation of any TANF-related programs, sharing a view that TANF clients required special attention and were best served by staff trained to address the barriers they may face in obtaining employment. Some officials saw the one-stop centers as better structured to serve clients whose participation was voluntary, whereas TANF clients are generally required to engage in work activities. Officials in Washington state, for example, reported that TANF clients need a higher level of supervision and more structured assistance to maintain participation in the program and achieve desired outcomes than they believed one-stop centers could provide.

Serving TANF Clients through the One-Stop Centers Has Presented Challenges to States and Localities

Despite apparent increases in coordination between the TANF programs and one-stops from 2000 to 2001, states and localities have continued to face challenges in coordinating their TANF work programs with one-stop centers. WIA funds may not be readily used to serve TANF clients in the one-stops because WIA's performance measurement system discourages serving those clients who may not be successful. In addition, when TANF clients need training to achieve self-sufficiency, the amount of training available under WIA is generally less than what was historically provided under JTPA. Even when TANF funds were used in the one-stops, states and localities encountered challenges in coordinating services. Most of these challenges are similar to those we reported in 2000 when WIA was first implemented.

WIA Funds May Not Always Be Made Available to Serve TANF Clients

When TANF clients are served in the one-stop, they may be eligible to receive services funded by a range of programs in the one-stop in addition to TANF—the primary one being WIA—but WIA funds may not always be made available to serve TANF clients. WIA's performance measurement system, with its focus on achieving successful outcomes, such as getting and keeping a job, may actually discourage the one-stop from providing WIA-funded services to those that are less likely to be successful or those that are considered to be hard-to-serve. In addition, states and localities have reduced the amount of training they provide using WIA funds.

WIA's Performance Measurement System May Discourage Spending WIA Funds on Hard-to-Serve Clients

WIA's performance measurement system—one based on client outcomes, such as getting and keeping a job and increasing wages—may actually discourage localities from serving those clients who are less likely to be successful or those considered hard-to-serve. Under the new system, states and localities are expected to achieve levels of performance that have been negotiated in advance; not achieving these levels may mean
financial sanctions for states and localities. In a recent study we reported that all the states we visited believed that the negotiated levels for some of their measures were set too high for them to meet. States reported that limitations in available baseline, or historic data, made it difficult to set fair, realistic performance levels. Some measures had no prior data available on which to set performance levels. Where baseline data were available, such as for the wage-related measures, the data were collected under JTPA, a program whose population focus was different from that of WIA. In addition, some states believe that the performance levels did not account for variations in economic conditions or for the many economically disadvantaged or hard-to-serve individuals seeking services in some local areas. As a result, state officials told us that, in order to meet their performance levels, local areas may not be registering or serving all clients eligible for services under WIA. One state official described how local areas were carefully screening potential WIA participants and holding meetings to decide whether to register them. TANF clients with little or no work histories may be particularly vulnerable to being screened out of WIA-funded services because of concerns over meeting job retention goals.

Even without concerns over their ability to meet performance measures, the amount of training that states and localities are providing has been reduced under WIA. Because of PRWORA's work participation rate requirements and some states' work first approach—one that emphasizes obtaining employment quickly—few TANF clients may be considered eligible for training. Even when TANF clients are eligible for training, few training funds may be available under WIA. Training options for job seekers appear to be decreasing rather than increasing, as training providers reduce the number of course offerings they make available to WIA job seekers. As we reported previously, training providers say that the data collection burden resulting from participation in WIA can be significant and may discourage them from participating. For example, the


13While JTPA focused on providing training to the economically disadvantaged, including the hard-to-serve, WIA provides a broader range of services to all individuals, regardless of their eligibility for other services.

requirement that training providers collect outcome data on all students in a class may mean calling hundreds of students to obtain placement and wage information, even if there is only one WIA-funded student in class. Even if they used other methods that may be less resource-intensive, training providers say that privacy limitations might limit their ability to collect or report student outcome data. As a result, training providers, including local community colleges, are frequently opting out of providing services funded by WIA.

Training providers find the reporting requirements particularly burdensome given the relatively small number of individuals who have been sent for training. Given a new emphasis under WIA on focusing intensive services or training on those clients who are not successful getting a job, local workforce areas are often designing programs that use a work first approach. As a result, the amount of training they provide is often reduced from what was provided under JTPA. We recently reported that this work first approach often means that localities require job seekers to dedicate a set amount of time or a specific number of tasks to finding employment before receiving additional services, including training. For example, a counselor from a local area in Massachusetts told us that clients with marketable skills are expected to seek employment rather than additional training. As a result of these changes under WIA, the amount of training provided using WIA funds may be declining from the levels observed under JTPA.

Even When State and Local Officials Chose to Use The One-Stop Centers to Provide TANF-Funded Services, Other Challenges Remain

Even when officials chose to use the one-stop to provide most TANF-funded services, they told us they encountered challenges to coordination. Limited facilities, unavailability of one-stop centers in some areas, and few TANF clients in other areas, as well as incompatible computer systems sometimes mean that services cannot readily be colocated or coordinated in other ways, even when officials would otherwise choose to do so. In addition, incompatible program reporting requirements sometimes limit efforts to coordinate services. These challenges are the same ones we reported nearly 2 years ago when WIA was first implemented.

Limited Facilities and Incompatible Information Systems Hamper State and Local Efforts

Facilities. Limited facilities have hampered state and local efforts to bring services together through the one-stop system. Colocation of TANF services within the one-stop was not a viable option in many of the locations that we visited for a recent study. Officials in several states reported that available space at one-stop centers was limited and that the centers could not house additional programs or service providers. In addition, state officials explained that long-term leases or the use of state-owned buildings often prevented TANF work programs from relocating to one-stop centers.

Local conditions, such as unavailability of one-stop centers in some areas and few TANF clients in other areas, may also mean that all TANF work programs are not easily colocated at one-stop centers. For example, officials in Alabama reported that although welfare agencies were located in every county, one-stop centers were less prevalent in their state. They believed it was impractical to have TANF-related services colocated at one-stop centers, because one-stop centers would be inaccessible to many TANF clients. In addition, officials in Illinois said that they were hesitant to coordinate the provision of work-related services for TANF clients at one-stop centers in areas where the TANF population had recently declined. Because of declining TANF caseloads in Illinois, state officials stressed the importance of allowing local areas the flexibility to determine how to coordinate TANF-related services with one-stop centers.

Information Systems. The states that we visited reported that the inability to link the information systems of TANF work programs and one-stop centers complicated efforts to coordinate programs. A recent conference that we cosponsored also highlighted this issue, specifically identifying the age of information systems as inhibiting coordination efforts. The pressing need to modernize the systems stemmed from the shift in objectives under TANF—focusing more on preparing TANF clients for work than under previous welfare programs. This shift created new demands on information systems—systems that were often antiquated and limited in the ability to use new technologies, such as Web-based

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Incompatible Program Requirements Sometimes Hold Back Efforts to Coordinate Services

Incompatible Program Requirements Sometimes Hold Back Efforts to Coordinate Services

Technologies. In addition, the systems used by agencies providing services to TANF clients did not provide for sharing client data, thus hindering the case management of clients. Some of these concerns were also raised during site visits and telephone interviews for our recent study. Some local officials said that they could not merge or share data and were not equipped to collect information on clients in different programs. TANF clients are often tracked separately from clients of other programs, and even Labor's system, the One-Stop Operating System (OSOS), does not allow one-stop centers to include any programs outside of Labor's programs, including TANF. In addition, other officials expressed concerns that sharing data across programs would violate confidentiality restrictions.

State officials noted that although the focuses of TANF work and WIA programs were related, differences in program definitions—such as what constitutes work or what income level constitutes self-sufficiency—and the different reporting requirements attached to the various funding streams made coordination difficult. Each program has restrictions on how its money can be used and what type of indicators it can use to measure success. Because the federal measures evaluate very different things, tracking performance for the TANF and WIA programs together was difficult. Despite the flexibility in TANF, state officials felt constrained by the need to meet federally required work participation rates, and they told us that they used these federal requirements to gauge how well their TANF work programs were performing. For example, one state official was concerned that the state TANF agency was focused more on meeting work participation rates than on designing programs that might help TANF clients become self-sufficient. WIA, on the other hand, has a different set of performance measures geared toward client outcomes, including the degree to which clients' earnings change over time and whether or not clients stay employed.18

The difficulty in coordinating services while tracking separate performance measures for multiple programs in the one-stop extends beyond TANF. We recently reported that separate performance measures impede cooperation of the one-stop program partners, as expressed by over one-third of the states surveyed. Some states even believed that

separate measures caused competition among programs. In addition, there are currently no measures to gauge the overall success of the one-stop system in coordinating services and in meeting the needs of employers and job seekers. The Department of Labor has convened a working group to develop additional indicators of one-stop performance that states and localities could use, but these measures are not yet available. We have recommended to the Department of Labor that it ensure the development of these measures in enough time for states to implement them at the beginning of program year 2002.

Some Local Areas Have Found Innovative Ways to Coordinate Services Through the One-Stop Centers

Despite these challenges, states and localities are designing and developing coordinated service delivery approaches at the one-stop centers, finding strategies to serve TANF clients and other job seekers by focusing their efforts on resolving some of the longstanding issues inherent in a fragmented system. In so doing, they have looked to the new requirements of WIA and focused on a broader range of services to meet the employment-related needs of the general public. In addition, they have begun to emphasize simultaneous services to both employers and job seekers. While no outcome data are yet available on the success of their work, some of their early efforts show promise for implementing an integrated workforce investment system.

Innovative Approaches Use Flexibility and Aim to Reduce Problems Inherent in a Fragmented System

In designing services at one-stop centers, states and localities have sought to combine WIA's emphasis on services to the general public with efforts to solve the problems that have existed in a fragmented employment and training system. For example, in earlier work, we identified some key problems that exist in a fragmented system, including (1) frustration for employers because of wasted time responding to multiple job inquiries for the same openings from several different government entities; (2) confusion on the part of job seekers and service providers because there was not a clear entry point or clear path from one program to another, nor was there ready access to program information; and (3) frustration for job seekers because programs were not tailored to meet their needs and because navigating the various programs to get needed assistance meant completing multiple intake and assessment procedures. To effectively coordinate their programs, states and localities needed to address these

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issues, while meeting the enhanced client focus of WIA. We identified the following key areas as critical to successfully integrating services under WIA:

- Attracting and serving employers in ways that minimize wasted time and reduce their frustration.
- Bringing job seekers to the one-stop centers to help them obtain ready access to employment and program information.
- Creating a customer friendly environment for job-seekers by reducing confusion, providing them with a clear entry point and clear path from one program to another.
- Providing services to job seekers that are tailored and seamless, and helping them identify and obtain needed program services without the burden of completing multiple intake and assessment procedures.
- Helping job seekers become self-sufficient by providing post-employment services that assist with job retention and advancement.

Figure 4 charts the processes followed by customers passing through the system and each of the key areas in which we identified promising approaches.

**Figure 4: One-Stop Process, Key Areas of Promising Approaches**

Source: GAO's analysis.
Attracting and Serving Employers

To effectively attract and better serve employers, many one-stop centers market their services, minimize the burden on employers who use the centers, and provide employer-focused services. Employers may be confused when multiple government agencies—such as the local welfare agency and the one-stop operator—both contact them to seek employment opportunities for their clients. To bring in employers and to reduce the frustration and confusion that they experienced when receiving contacts from multiple agencies, the centers we visited in an earlier study in Titusville and Melbourne, Florida, designated an individual or a team to serve as the center's representative for an employer or employment sector, covering issues related to job listings and placements. In providing services to employers, centers in Dayton, Ohio, Janesville, Wisconsin, and in Utah allowed employers to use the one-stop facilities to recruit, interview, and test job candidates. One center in Florence, Kentucky, provided video-teleconferencing facilities so that candidates could be interviewed by employers who were located outside the local area. In a small center in Portland, Oregon, where facility space was limited, a desk was dedicated for employer use, allowing them to have a presence at the one-stop center and to recruit, screen, and interview candidates. To help bring in and serve small businesses, centers in New Orleans, Louisiana; Killeen, Texas; and Eugene, Oregon, were creating a business-only resource center within the one-stop center with a range of special resources that included Internet services, business-related reference material, and assistance with business tax questions.

Bringing in Job Seekers

At the same time one-stop centers are attracting employers, they also need to attract job seekers, including those receiving TANF assistance, and make them aware of the centers' resources. In our work on multiple employment programs, we found that job seekers were confused and frustrated by the limited information readily available on government programs that could help them and on where they could access this information. The centers we visited in another study found several ways to address these problems and bring in job seekers. For example, sites in New Jersey and Louisiana established satellite one-stop centers in public housing areas to bring in low-income job-seekers, including TANF clients, for services. In the Denver, Colorado, area, one-stop centers are specialized, each providing services to certain populations. Clients

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receiving TANF cash assistance are served by a one-stop that occupies the lower floor of a professional-looking new facility that house all welfare-related services. Other centers bring in customers by targeting services to younger members of the community, such as high school students. For example, the center in Racine, Wisconsin, established a youth resource area with computers and programs dedicated to career exploration. The center worked with the school system and has become a site for school field trips throughout the primary and secondary school years. And in Lafayette, Louisiana, officials created a separate youth-only one-stop center in the same building that contains a library and a substance abuse program. They also plan to locate information kiosks for youth services in the shopping malls.

Creating a Customer Friendly Environment for Job Seekers

Once job seekers are inside the door of the one-stop center, the next step is to create a customer friendly environment—one that reduces confusion and provides a clear entry point to services. One-stop center operators told us that they try to find ways to avoid the atmosphere of a government office and the long waiting lines that have symbolized government transactions, like applying for welfare benefits or unemployment insurance. Almost without exception, one-stop centers we visited had an information desk directly inside the front door that was continually staffed by a receptionist or greeter. Some centers considered this position key to providing high-quality services to their clients. One center in Texas assigned only top performers to the information desk and regarded that assignment as an honor.

Many centers, such as Dayton, Ohio, and Killeen, Texas, minimized the waiting time for services by performing a quick assessment at the information desk and then referred clients to service areas. One-stop centers in Utah featured an express desk to serve customers needing quick services. Instead of having to sit down with a job counselor or case manager, customers using the express desk could, for instance, obtain bus passes or electronic benefit transfer cards, or drop off required documents, such as what might be needed to support a claim for TANF or food stamp benefits. Some centers, such as the one in Janesville, Wisconsin, also used their resource rooms—where they maintain job listings, computers with Internet access, telephones, and fax machines—as the waiting area for specialized services, thus allowing the customers to use their wait time to accomplish necessary job search tasks.
Providing Job Seekers with Services That Are Tailored and Seamless

Many job seekers can meet all their needs in the self-service resource room. In fact, Labor officials expect that the majority of customers under WIA will receive needed services through self-service or with very limited assistance from staff. However, some clients, like many TANF recipients, may need more intensive case management and training services to help them get and keep a job. Trying to obtain just this type of intensive service has historically frustrated clients who were left on their own to navigate the array of federal programs, each with its own intake and assessment procedures. One-stop centers we visited often found ways to coordinate the services provided by multiple programs, creating a seamless approach to delivering services. One locality in Connecticut, for example, cross-trains case management staff to provide both TANF and WIA services. A new youth-only one-stop in Milwaukee cross-trains staff in all partner programs so that services are always available and delivered seamlessly. And in Killeen, Texas, where more than one case manager could be involved in a case, the center assigned a primary case manager who took the lead to coordinate most activities and assist the client in navigating the system. In many locations we visited, the case managers were aware of all the program services available to serve a client—including support services to enable a client to attend training or to get or keep a job—and tailored the services to meet the client's needs. In our earlier work, we found tailoring of services to be a key feature in successful employment training programs.21

Helping Job Seekers Become Self-Sufficient

The efforts of the one-stop centers do not end once a client gets a job. The focus of post-employment services changes to one of helping the client retain the job or get a better job. Localities sometimes focused most of their post-employment efforts on TANF clients, often providing transportation services—helping clients get to and from a job. For example, a New Jersey one-stop provided van services to transport former TANF clients to and from job interviews and, once clients were employed, to and from their jobs, even during evening and night shifts. Similarly, a one-stop in Connecticut provided mileage reimbursement to current and former TANF clients for their expenses associated with going to and from their jobs. And in Louisiana, a one-stop we visited contracted with a nonprofit agency to provide van services to transport Welfare-to-Work grant recipients to and from work-related activities.

Concluding Observations

Even though TANF was not made a mandatory partner under WIA, we see continuing evidence that many states and localities are increasing their efforts to bring services together to fit local needs. These changes, like all culture changes, will take time. It appears, however, that as the systems have matured and their shared purposes and goals have become more evident, many states and localities have found it advantageous to more formally coordinate their TANF and WIA services, although it is not happening everywhere. Many state and local officials hailed the flexibility in both the WIA and TANF programs as an important step in helping them to design their service delivery systems and to coordinate services where appropriate. But their efforts to bring services together continue to be hampered by the same obstacles that we reported nearly 2 years ago: limited capacity to develop the needed infrastructure—both in terms of facilities and information systems—and the need to respond to the multiple, sometimes incompatible, federal requirements of the separate programs. Despite the obstacles, some local areas have creatively found ways to coordinate services for their TANF clients through the one-stop system. However, as Congress moves toward reauthorizing TANF this year and WIA in 2003, consideration should be given to finding ways to remove remaining obstacles to coordinating services and focusing on client outcomes.

Mr. Chairman, this concludes my prepared statement. I will be happy to respond to any questions that you or other members of the subcommittee may have.

GAO Contacts and Acknowledgments

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