

REPORT HIGHLIGHTS



WORKFORCE INNOVATION AND OPPORTUNITY ACT
PERFORMANCE AUDIT, NOVEMBER 2020

DEPARTMENT OF LABOR AND
EMPLOYMENT

CONCERN

The State is facing budgetary pressures on its Workforce Innovation and Opportunity Act (WIOA) program and has an opportunity to identify greater return on investment of its funds spent on training and support services.

KEY FINDINGS

- A total of 2,247 Title I participants received one or more training services in Program Year 2017 (July 1, 2017 through June 30, 2018) and exited the program by January 1, 2019. These participants received a total of \$6.3 million in federally funded WIOA training and related support services during their enrollment in the program.
- The State is facing two converging budgetary pressures on its WIOA program, with an increase in unemployment due to the COVID-19 pandemic and decreasing federal funds (28 percent decrease over the last 5 years), emphasizing the importance of maximizing use of WIOA funds.
- 26 (35 percent) of the sampled 75 participants who were active in Program Year 2017 may not have had a good return on investment—10 of these participants did not complete their WIOA-funded training and 16 did not achieve employment in the field of training within a year of exiting the program. The cost of training for these 26 participants totaled \$96,000.
- For an additional 12 participants (16 percent), we were not able to conclude whether they had a good return on investment because we could not determine whether their employment was in the field of training. The cost of training and related support services for these 12 participants totaled \$56,800.
- We estimate with 90 percent confidence that between 25 percent and 44 percent (between \$1.61 million and \$2.78 million) of the \$6.3 million spent on WIOA-funded training and services may not show a good return on investment because participants did not complete their training or did not obtain subsequent employment in the field of training. This amount would increase to between 41 percent and 60 percent (between \$2.6 million and \$3.82 million) if the 12 additional participants for whom the field of subsequent employment was inconclusive did not actually obtain employment in the field of training.

BACKGROUND

- WIOA's Title I program provides federal funding for career training and supportive services for adults, dislocated workers, and youth.
- WIOA is implemented at the local level, carried out by 57 workforce centers located in 10 local workforce areas across the state.
- The Division of Employment and Training administers the program at the state level, providing policy guidance and technical assistance to local workforce areas.
- The Colorado Workforce Development Council serves as the State's workforce development board and is responsible for continuous improvement and best practice sharing.

KEY RECOMMENDATIONS

The Division of Employment and Training and the Colorado Workforce Development Council should:

- Require local workforce areas to enter data into the State's electronic case management system related to training completion, citing whether employment is in the field of training, and then analyze the data, identifying connections to the type and amount of support services provided.
- Identify those local workforce areas that achieve the best outcomes and share best practices, and provide technical assistance to those local workforce areas needing it.

The Division of Employment and Training and the Colorado Workforce Development Council agreed with our recommendations.