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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

April 11, 2024

Roberta Reardon  
Commissioner of Labor  
Department of Labor  
W.A. Harriman Campus, Building 12  
Albany, NY 12240

Re: Overlap, Duplication, Gaps, and/or  
Fragmentation in Workforce  
Development Programs and Services  
Report 2023-F-36

Dear Commissioner Reardon,

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Department of Labor (DOL) to implement the recommendations contained in our initial audit report, *Overlap, Duplication, Gaps, and/or Fragmentation in Workforce Development Programs and Services* (Report [2020-S-45](#)).

**Background, Scope, and Objective**

DOL's mission is to provide outstanding services to its customers. Toward this end, DOL, along with 33 Local Workforce Development Boards, 95 One-Stop Career Centers (Career Centers), and 21 agencies and authorities, offers workforce development (WFD) programs and services that address current and emerging workforce needs. Additionally, a State Workforce Investment Board (SWIB) and other State-level and local and contracted providers have roles in coordinating or providing services. Together, these entities comprise New York's WFD System (System), of which DOL is the lead State agency.

The System is supported by State, local, private, and federal funds, including federal Workforce Innovation and Opportunity Act (WIOA) funding. WIOA took effect in October 2016 and is designed to strengthen and improve the national public workforce system, help get Americans – including youth and those with significant barriers to employment – into high-quality jobs and careers, and help employers hire and retain skilled workers. Under WIOA, all states must have a governance body, and are required to align their WFD programs by developing a shared comprehensive understanding of WFD needs statewide and enhance coordination among their state agencies and authorities, local areas and entities, and supportive service agencies. In New York, this governance body is the SWIB.

Under WIOA, the State is required to submit a 4-year plan (Plan) for federal approval that describes its WFD strategy and addresses the six federally mandated Core Programs (the Adult, Dislocated Worker, and Youth programs, the Adult Education and Family Literacy Act program, the Employment Service program, and the Vocational Rehabilitation program).

In addition, State legislation enacted in 2018 requires DOL to maintain and annually update an online database (Catalogue of Funding, or Catalogue) of WFD programs that provides information about eligibility and funding.

The Plan requires both strategic and operational planning elements. The strategic element includes an economic analysis of existing and emerging industries, occupations, and their workforce demands; an analysis of the available WFD activities, education, and training, including the Career Center system; and an analysis of the State's workforce characteristics, strengths, and weaknesses. The Plan year runs from July through June, and Plan modifications must be submitted at least every 2 years by early March. The last approved 4-year Plan covered the period from July 1, 2016 to June 30, 2020 and was approved in October 2016. According to a Plan modification approved in July 2018, the State envisions a unified System that is regionally coordinated, is programmatically seamless, and delivers WFD training, business services, and statewide job information to all New Yorkers.

DOL, State Education Department, and Office of Children and Family Services (OCFS)/Commission for the Blind are the Core Agencies responsible for offering the Core Programs. An Interagency Workgroup and a Combined Plan Subgroup, facilitated by DOL, coordinate WFD issues. These groups comprise members from 14 State agencies/entities, including DOL, State Education Department, OCFS/Commission for the Blind, Office of Temporary and Disability Assistance, Department of State, Office for the Aging, Empire State Development (ESD), Department of Health, Office of Mental Health, Office for People With Developmental Disabilities, Workers' Compensation Board, Department of Agriculture and Markets, State University of New York (SUNY), and City University of New York (CUNY).

Certain initiatives and efforts have been launched to support System needs statewide. For instance, New York's Workforce Development Initiative (WDI) began in May 2019 with a mission to invest \$175 million for WFD projects that support strategic regional efforts to address businesses' short- and long-term needs while supporting improved opportunities for groups facing barriers to career advancement. As part of the WDI, the Office of Workforce Development (OWD) was created to oversee a Consolidated Funding Application (CFA) process. The CFA provides a streamlined WFD funding process whereby applicants can access multiple state funding sources through a single application (\$750 million for Regional Economic Development Council projects and \$175 million for WDI projects). OWD was disbanded in 2022 and replaced by the ESD's Office of Strategic Workforce Development (OSWD). In April 2022, the Executive announced a \$350 million investment for WFD through OSWD. Because of this investment, the WDI application process fully ceased in June 2023. To ensure WFD funding continues through DOL, it planned to issue its own \$25 million WFD training program grants in early 2024.

The objective of our initial audit, issued on May 19, 2022, was to determine what WFD programs and services State agencies and public authorities offer, who they serve, and what their eligibility requirements are; and whether there is overlap, duplication, gaps, and/or fragmentation among these programs and services. The audit covered the period from July 2018 through December 2021. The initial audit identified 519 WFD programs and services – covering a wide range of areas such as training, transportation assistance, and child care services – that are offered by 22 State agencies and public authorities. Despite the number and variety of these services, weaknesses in the System rendered DOL inadequately positioned to address the State's workforce needs. For instance, the SWIB had been inactive since 2017, and its governance structure languished as members retired or resigned or their terms expired and no actions were taken to seek replacements. The lack of an active SWIB contributed to a

delay in obtaining federal approval for the 2020 Plan. Furthermore, DOL failed to update the Catalogue of Funding programs – with the last update being in August 2019. The initial audit also identified risks in overlap and duplication of WFD programs and services: Of the 519 WFD programs offered, 272 (52%) served a single population category and 247 (48%) served multiple population categories. Individuals can be eligible for multiple programs and services, but a lack of coordination among agencies and authorities increases the risk of duplication and overlap of these programs and services. Lastly, transportation barriers, limited access to broadband, and the remoteness of Career Centers in mostly rural counties increases the risk of gaps and fragmentation within the System.

The objective of our follow-up was to assess the extent of implementation, as of January 2024, of the five recommendations included in our initial audit report.

### **Summary Conclusions and Status of Audit Recommendations**

DOL officials have made significant progress in addressing the problems we identified in the initial audit report. Of the initial report's five audit recommendations, four were fully implemented and one was partially implemented. DOL continues to work to fully implement the unfulfilled recommendation.

### **Follow-Up Observations**

#### **Recommendation 1**

*Promptly request replacement for SWIB members no longer willing and/or able to serve to assist in reconstituting a functioning SWIB in line with WIOA requirements.*

Status – Partially Implemented

Agency Action – DOL has taken steps to reconstitute a functioning SWIB in line with WIOA requirements. The SWIB met in October 2023; however, it did not have a quorum and no official votes or actions could be taken. In January 2024, the SWIB met with a quorum for the first time since being reconstituted.

The team analyzed the original and updated SWIB rosters and determined that the SWIB has been reconstituted. The original roster listed 40 members, while the updated roster, as of January 2024, consisted of 34 members, including 24 new members. Under WIOA, a majority of members must be business representatives and 20% must be representatives of the workforce. Additionally, members must include representatives for the Executive, one member from the State Senate and Assembly, lead State officials with primary responsibility for the six Core Programs, and local elected officials. Based on the updated roster, all requirements, except the business and legislative representative requirements, were met. As of January 2024, business representatives comprise only 47% of the SWIB, and the SWIB currently does not include a member of the State Senate. DOL is in the process of filling these vacancies.

#### **Recommendation 2**

*Take appropriate action to obtain approval of the 2020 Plan and successive Plans.*

Status – Implemented

Agency Action – DOL officials stated that they have had informal meetings with their federal project officer and the U.S. Department of Labor (USDOL), and were informed that the 2020 Plan would not be reviewed for full approval because the 2024 Plan covering years 2024 through 2027 is currently being drafted. The 2024 draft Plan is currently open for public comment and requires review and approval from the SWIB before submission to USDOL by March 2024. DOL officials noted the SWIB has been reconstituted and met with a quorum in January 2024. Since we issued the initial audit report, USDOL has focused its attention on the upcoming 2024–2027 Plan.

### **Recommendation 3**

*As soon as is feasible, update the Catalogue of Funding to reflect current information about programs, eligibility, and funding; thereafter, update it on an annual basis.*

Status – Implemented

Agency Action – DOL has updated the Catalogue twice since our initial audit to reflect current information about WFD programs. As of October 2023, the Catalogue included 120 programs, compared to 114 programs at the time of the initial audit report. Updates included adding new programs and removing inactive programs. Since our initial audit, DOL added 22 new programs (established or amended after the initial audit). We reviewed two of the added programs and three that were removed from the Catalogue since the initial audit. Our review confirmed that the two programs added were established after our initial report was issued, and that all three programs removed were no longer operating and their removal was warranted.

### **Recommendation 4**

*Pursue strategies to develop an integrated WFD data system.*

Status – Implemented

Agency Action – DOL has continued efforts to improve data integration through the Data Integration workgroup – a subgroup of the larger WIOA Interagency Workgroup. According to DOL officials, all core partners participate on this team; however, each partner currently uses a different case management system. Recently, the subgroup was reinvigorated to continue work to identify how an integrated WFD system could be developed and implemented. DOL officials stated there are many complexities and challenges to this process, including cost and reporting requirements.

According to DOL officials, the Data Integration workgroup most recently met in October 2023 and revisited a presentation given in November 2019 by Connecticut's Department of Labor. This presentation was based on Connecticut's WFD system, which relies on unique identifying numbers for program participants and the cooperation of their WFD program providers. This allows providers and Connecticut's Department of Labor to ensure adequate program and service coverage and enhances monitoring of programs and services an individual is participating in or receiving to ensure they are not duplicative. Additionally, according to DOL officials, there is a concurrent effort to align reporting requirements under ESD's OSWD. This effort uses the One-Stop Operating System and aligns inputs from entities that do not traditionally use it. DOL has provided training and support to partner agencies and entities throughout the process.

### **Recommendation 5**

*Take steps to address actual and potential overlap, duplication, gaps, and/or fragmentation among WFD programs and services.*

Status – Implemented

Agency Action – DOL has taken steps to address actual and potential overlap, duplication, gaps, and/or fragmentation of WFD programs and services by expanding the agencies participating in the WIOA Interagency Workgroup. The Interagency Workgroup added additional agencies and generally met quarterly since July 2022, with its most recent meeting held in October 2023. The Data Integration and Combined Plan subgroups reported on their work to the Interagency Workgroup during these meetings to facilitate coordination of efforts among State agencies and to address overlap, duplication, gaps, and/or fragmentation among WFD programs and services.

According to DOL officials, DOL was heavily involved in the development of ESD's OSWD. The goal of their partnership is to communicate, collaborate, and avoid duplicating services at both the provider and applicant levels. DOL officials also stated that they have undertaken an extensive effort to categorize training programs on a regional basis. This will allow providers to understand the programs that exist in their region and identify potential gaps or overlaps in training availability. Lastly, DOL officials noted the Executive has established a bi-annual meeting of agency commissioners to align State agencies' priorities relating to WFD.

Major contributors to this report were Rick Podagrosi, Nolan Lewis, Jeffrey Dormond, and Jack Bestler.

DOL officials are requested, but not required, to provide information about any actions planned to address the unresolved issues discussed in this follow-up within 30 days of the report's issuance. We thank DOL management and staff for the courtesies and cooperation extended to our auditors during this follow-up.

Very truly yours,

Scott Heid  
Audit Manager

cc: Donald Temple, Department of Labor