

TRAINING AND EMPLOYMENT NOTICE	NO. 36-10
	DATE April 25, 2011

**TO:** ALL STATE WORKFORCE LIAISONS  
ALL STATE AND LOCAL WORKFORCE AGENCIES  
ALL STATE ONE-STOP CAREER CENTER SYSTEM LEADS  
ALL STATE AND LOCAL WORKFORCE INVESTMENT BOARDS

**FROM:** JANE OATES /s/  
Assistant Secretary

**SUBJECT:** Release and Availability of Employment and Training Administration (ETA)  
Occasional Paper entitled: *Early Implementation of the American Recovery  
and Reinvestment Act: Workforce Development and Unemployment  
Insurance Provisions*

**1. Purpose.** To announce the release and availability of ETA Occasional Paper: *Early Implementation of the American Recovery and Reinvestment Act: Workforce Development and Unemployment Insurance Provisions.*

**2. Background.** In 2009, ETA received additional program funds to allocate through the American Recovery and Reinvestment Act of 2009 (Recovery Act). The increase in Federal spending through a number of provisions was intended to result in rapid economic stimulus nationwide, particularly in terms of providing jobs, employment services, and retraining for millions of unemployed workers through the Workforce Investment Act (WIA) Adult and Dislocated Worker programs, Wagner-Peyser Employment Service (ES), and Unemployment Insurance (UI). Almost all of the Recovery Act outlays occurred during the fiscal years 2009 and 2010.

The Recovery Act also substantially altered the nation's Trade Adjustment Assistance (TAA) program by including the Trade and Globalization Adjustment Assistance Act (TGAAA) as part of the Recovery Act. The TGAAA provisions in the Recovery Act added service sector workers, expanded services to include assessment and counseling, and placed more emphasis on training. The new TAA provisions also affected workers whose eligibility occurred after enactment of the new law.

The intent of the Recovery Act evaluation project on early implementation is to transmit systematic in-depth information about the implementation of the workforce components of the Recovery Act beyond the state monthly progress reports on expenditures and activities. This project involves both an interim report and a final report due by late 2011; and provides feedback to ETA based on report reviews, on-line surveys, and in-depth field visits to selected states and sub-state areas. The project measures the progress and challenges in implementing the workforce and UI provisions of the Recovery Act, highlights new and promising practices, and provides guidance to ETA, the states, and local workforce investment areas.

**3. Publication Description.** The Recovery Act early implementation interim report, prepared by the National Association of State Workforce Agencies presents findings from the first round of site visits to 16 of the 20 states selected for the study and two local workforce investment areas within each state. The first rounds of site visits were made between December 2009 and August 2010, and included interviews at the state and local levels. The 20 states were selected purposely to provide diversity on factors such as population size, unemployment rate, the extent to which Wagner-Peyser services were provided in One-Stop Career Centers, TAA regions, UI reciprocity rate, and relative UI trust fund solvency. States visited were operating the new and old TAA programs simultaneously and half of the states had increases of 50 percent more in petitions and participants. Findings regarding the UI provisions will be presented in the final Recovery Act report, but the last chapter of this interim report provides a progress report on the research plan for the UI provisions.

The interim report identifies major accomplishments by states to date, describes challenges encountered by the states, and provides a progress report on the UI research plan. Some of the major accomplishments noted include:

- Moving quickly to implement Recovery Act workforce provisions;
- Establishing a WIA summer youth program on short notice;
- Realizing an increased capacity of the workforce system to serve more customers;
- Helping UI claimants get back to work through reemployment services;
- Shaping an improved ES-UI relationship and WIA partnership with education; and
- Creating more opportunities for Americans to acquire new skills through training.

Challenges encountered in some instances by the states and local workforce investment areas visited, include:

- Spending the Recovery Act funds rapidly was difficult for a number of reasons: 1) hiring freezes prevented adding needed staff; 2) ETA guidance to exempt Recovery Act hiring was not honored or waivers to remove the general hiring requirement were slow to implement; 3) approval by state legislatures to spend Recovery Act funds was slow; 4) state and local civil service hiring is often a slow process; and 5) collective bargaining agreements restricted the use of temporary workers.
- Some states indicated that the pressure to spend Recovery Act funds and added reporting requirements increased their workloads.
- All the states visited voiced concerns about reductions to previous service levels after the Recovery Act funds are exhausted, even though the need and demand for services was likely to remain at record levels.

**4. Inquiries.** To view an abstract of this publication as well as to download the full report, visit the ETA Occasional Paper Series Web site at: <http://wdr.doleta.gov/research/keyword.cfm>.