

BRIEFLY...

Highlights of Report Number: 02-08-204-03-390, *Selected High Growth Job Training Initiative Grants: Value Not Demonstrated*, to the Acting Assistant Secretary for Employment and Training, dated April 29, 2008.

WHY READ THE REPORT

High Growth Job Training Initiative (HGJTI) is a Presidential initiative with the goal of preparing workers to take advantage of new and increasing job opportunities in high growth, high demand, and economically vital sectors of the American economy. During the period July 1, 2001 through March 31, 2007, the Employment and Training Administration (ETA) awarded 133 grants totaling \$235 million (87 percent) through non-competitive procurement methods. ETA continues to fund HGJTI.

This report completes the second of a two-phase audit effort. Our first audit report, *HGJTI: Decisions for Non-Competitive Awards Not Adequately Justified*, Report Number 02-08-201-03-390, was issued November 2, 2007.

We reported that ETA could not demonstrate that it followed proper procurement procedures for 90 percent of sampled non-competitive awards. As a result, ETA could not demonstrate that it made the best decisions in awarding grants to carry out HGJTI.

WHY OIG DID THE AUDIT

In response to a request from Senator Tom Harkin, Chairman of the Subcommittee on Labor, Health and Human Services, and Education and Related Agencies, the Office of Inspector General (OIG) conducted an audit of HGJTI grant performance results. In this audit, we designed our audit objectives to answer the following questions:

- (1) Did grantees accomplish their grant objectives?
- (2) Were additional matching funds or leveraged resources provided by grantees as required?
- (3) Did HGJTI grants result in expanded system capacity for skills training and competency development?

READ THE FULL REPORT

To view the report, including the scope, methodology and agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2008/02-08-204-03-390.pdf>

APRIL 2008

WHAT OIG FOUND

Our audit of 10 selected HGJTI grants which included a total of 59 objectives, found that 42 (or 71 percent) were met; 10 (or 17 percent) of the objectives were not met, and 7 (or 12 percent) of the objectives were not clearly defined and we could not determine whether they had been met. This was caused by lack of ETA oversight and clearly defining grant objectives. While we recognize that many of these were pilot and demonstration grants which may not always be successful, objectives still need to be clearly articulated and measurable. Without clear expectations of what a grant is to accomplish and how success will be measured, ETA cannot determine whether grant objectives were met and initiatives should be replicated throughout the workforce investment system.

We also found that four of nine grants that were awarded based in part on the grantees' commitments to provide additional resources of \$42.1 million in the form of matching or leveraged funds, could not demonstrate that they provided \$20.5 million in additional resources. As a result, ETA's HGJTI did not get the benefit of intended resources which in turn may have reduced the impact of the initiative. We questioned grant costs of \$2,557,887 based on a proportionate ratio of grantee-provided matching funds to Federal funds.

Finally, we found that ETA did not determine the usefulness of the grants' products and activities before decisions were made to continue or disseminate them. As a result, ETA disseminated unproven strategies. Although ETA contracted for an evaluation of HGJTI, the study is designed to look at a limited number of grantees and will not form an adequate basis for determining the effectiveness of HGJTI overall.

WHAT OIG RECOMMENDED

We recommend the Acting Assistant Secretary for Employment and Training take steps to: improve the grant writing, solicitation and award process; improve grant monitoring and closeout; and enhance the effectiveness of HGJTI. Further, the Acting Assistant Secretary should recover questioned costs of \$2,557,887.

The Acting Assistant Secretary for Employment and Training disagrees with many of the findings and believes that its strategic approach to HGJTI was prudent, necessary and successful.