

**Audit of the Job Training Partnership Act
Out-of-School Youth
Pilot Demonstration Grant Program for
Four Final Round Pilot Grantees**



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Abbreviations

ACP	Audit Control Point
CBO	Community-Based Organization
CFR	Code of Federal Regulations
DOL	Department of Labor
ETA	Employment and Training Administration
GED	General Equivalency Diploma
GPRA	Government Performance and Results Act
ISS	Individual Service Strategy
JTPA	Job Training Partnership Act
MIS	Management Information System
OIG	Office of Inspector General
OSY	Out-of-School Youth
PIC	Private Industry Council
PL	Public Law
RFP	Request for Proposal
RIGA	Regional Inspector General for Audit
SDA	Service Delivery Area
SPIR	Standardized Program Information Report
WIA	Workforce Investment Act
YOA	Youth Opportunity Area

Executive Summary

BACKGROUND

The Department of Labor (DOL), Employment and Training Administration (ETA), awarded its final round of Job Training Partnership Act (JTPA), Title IV, Pilot and Demonstration Grant Program funds for the Youth Opportunity Area (YOA), Out-of-School Youth (OSY) program in April 1999. These final round grants were awarded to five cities -- Denver, San Diego, Oakland, Detroit, and Baltimore -- to improve employment prospects for out-of-school youth, ages 16 through 24, in each city's designated low income neighborhood. We reviewed the program structure and activities provided a sample of youth for four of the five final round grantees. Oakland, which did not receive an operational grant under the Workforce Investment Act (WIA) Youth Opportunity (Yo!) program, was not included in our review.

This audit was a followup to the OIG's March 22, 2000, report (No. 06-00-002-03-340) on the first round YOA OSY pilot demonstration grantees' performance.

AUDIT RESULTS

Enrollees' participation rates have increased from the first round grantees; yet, almost half of the enrollees were no longer in contact with the program at the time of our fieldwork.

The final round pilot grantees we audited better addressed most of the youths' needs than we found in our first audit. Services to high school dropouts also increased, and most of their needs were addressed with educational or vocational training activities.

Although an emphasis of YOA was that program staff was supposed to function as mentors and counselors rather than routine case managers, case files evidenced that fewer than half of the sampled youth received bona fide counseling. However, our limited participant interviews indicated more bona fide counseling and mentoring occurred than was evident from the case files.

If counseling/mentoring is to be reported as a bona fide activity, better documentation is needed to support this activity, especially in light of the amount of grant funds that are used for this service.

In-school-youth services/outcomes may distort out-of-school youth demonstration grants' results.

Of our participant sample, 27 percent were attending school (in-school) at time of enrollment in the out-of-school demonstration grant programs, including one grantee which operated a specific in-school program which targeted youth 14 through 15 years of

age who were currently in school but at risk of dropping out. In our opinion, any performance results reported on the in-school youth could potentially inflate performance reporting for the YOA OSY program; e.g., an “attending school” activity could be misinterpreted to indicate the program influenced a dropout to return to school.

Performance reporting systems were improved, but documentation available to support those activities/outcomes is deficient.

All of the sites had automated management information systems (MIS) in place either during or subsequent to our fieldwork to capture the necessary data to report the youths’ activities and outcomes. However, the level of evidence of enrollees’ activities, including the extent of their participation, still needs to be increased if the youths’ activities and outcomes are to be reported in accordance with the Workforce Investment Act (WIA) and the Government Performance and Results Act (GPRA) reporting standards.

Recommendations:

We recommend the Assistant Secretary for Employment and Training develop a system of management controls that provides reasonable assurance that the competitive WIA-funded Yo! Program will result in substantial and demonstrable youth educational gains and vocational skills attainment in the grants’ targeted areas. Specifically, we recommend ETA:

- ! Develop documentation standards and guidelines for grantees to help educate assigned staff and reinforce ETA expectations for minimum case file evidence of youth activities and accomplishments/outcomes.
- ! Assure that separate performance reporting is maintained for Yo! activities, accomplishments, and outcomes for in-school as opposed to out-of-school-youth.
- ! Issue guidance to all Yo! program grantees encouraging the grantees to:
 - ! Assess each participant’s needs when enrolled, and as necessary throughout program participation. This should be a complete formal assessment, including participants input into what needs to be done for them to keep them actively enrolled until all substantial needs are met.
 - ! Provide a wide array of quality services, particularly more vocational training, to address the participants’ identified needs, either through WIA funds or other available sources (e.g., Pell grants); and
 - ! Develop and implement performance incentives to high risk program dropouts for major accomplishments.

ETA's Response to Our Draft Report and Auditor's Conclusion

The Deputy Assistant Secretary for Employment and Training was pleased with the reported improvements in both enrollee participation rates and performance reporting systems. However, he stated that service providers must continue to improve the documentation of services participants receive. He also indicated that ETA would work with the grantees to improve the documentation and to implement the other recommendations.

We concur with the Deputy Assistant Secretary's response.

Background

The ETA issued Job Training Partnership Act (JTPA), Title IV, Youth Opportunity Area (YOA), Out-of-School (OSY) pilot demonstration grants to 11 cities to serve youth in high poverty targeted areas. These grants were issued in three rounds: three grants in round one; three in round two; and five in round three.

The YOA OSY pilot demonstration grants were to provide:

. . . a structured set of initiatives focused sharply on getting out-of-school youth ages 16-24 into long-term employment at wage levels that will prevent future dependency. The various programs funded under the grant should constitute a coherent strategy for serving large numbers of neighborhood youth and raising the employment rate of out-of-school youth in the area up to 80 percent. (Source: ETA's Request for Proposal)

The YOA OSY demonstration grant program was intended to provide services above and beyond the formula JTPA youth programs. This program also emphasized coordination between all services available to youth (e.g., community-based organizations (CBOs), social services, education, etc.). In addition, this program was to emphasize intensive counseling and mentoring. Followup services were required and intended to support youth through placement in either employment or long-term educational programs.

The goals for the final round of YOA OSY demonstration grants were to expand employment, education, and training opportunities for out-of-school youth ages 16 through 24, with priority given to high school dropouts. These goals differ somewhat from the initial round of demonstration grants in that they include education and training opportunities for target area youth, not solely focusing efforts on employment. However, the goal of 80 percent OSY employment rate was still noted in ETA's Request for Proposal (RFP).

Although serving in-school youth was added as a component of the WIA-funded Yo! competitive operational grants awarded in the spring of 2000, the final round JTPA-funded OSY pilot demonstration grants were intended to serve out-of-school youth. It was our understanding that, while in-school youth were not to be denied services, they were to be served with nongrant funds, and in-school youth performance statistics were not to be included with the intended YOA OSY population.

On March 22, 2000, the Office of Inspector General (OIG) issued Report No. 06-00-002-03-340 on the results of our audit of the first round YOA demonstration grants. In response to the report, ETA agreed the YOA demonstration grant programs needed improvement. However, ETA also commented on these pilot grants' experimental nature and the lessons learned from them. ETA indicated that the final round pilot grantees have a much stronger management

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information system than the initial three sites and stated the initial three sites have improved since the period we examined.

This report presents the results of the performance audit we conducted on four final round grantees as a followup to our earlier findings related to the first round YOA grant program.

Objectives, Scope, and Methodology

Our primary audit objectives were to determine whether the OSY pilot demonstration grant program was operating as proposed and whether the youth were being served as intended. Other subobjectives included:

- ! Are the grantee's methods of serving youth focused toward providing adequate training and educational services which should result in increasing employment rates?
- ! Is the counseling/mentoring activity merely case management or bona fide personal, ongoing support for the youth through their educational and employment process?
- ! Does the grantee have adequate capability to prepare performance reports that account for the activities and outcomes of the enrolled youth?

Each of the four final round YOA OSY pilot demonstration grantees included in this audit received about \$2.25 million for the period April 5, 1999, through October 5, 2000. The 4 sites included in this audit were selected because they were among the 36 competitive grantees that received WIA Yo! operational grants totaling \$225 million in the spring of 2000. For each of the four sites, we selected an audit sample of 25 participants from the total participants enrolled under these grants as of December 31, 1999. Consequently, our audit examined services and outcomes for 100 participants, or one-third of the 305 total participants served by the four grantees as of December 31, 1999. Audit fieldwork began in August 2000.

We reviewed participants' files for the sample selected at each location to determine the training and counseling activities performed, and reviewed case file documents which presumably supported the activities and performance statistics reported to ETA. We reviewed the case files to determine how the grantee performed case management and enrollee followup activities. We also interviewed participants (14 of 100)¹ and examined grantees' case file documentation to determine whether there was coordination between other community-based organizations (CBOs) and social service programs necessary to ensure the program was serving the clients' needs. Finally, we reviewed the grantees' MIS to see how they tracked activities under these grants

We conducted our audit in accordance with Government Auditing Standards for performance audits issued by the Comptroller General of the United States.

¹At the request of the Assistant Secretary for Employment and Training, we attempted to interview all 100 sampled participants but the grantees were only able to get 14 participants for these interviews.

Audit procedures used to complete the review were not designed or intended to give an opinion on the adequacy of internal or program controls covering performance reporting at the local, state, or Federal level.

Audit Results

1. Enrollees' Participation Rates Have Increased from the First Round Grantees; Yet, Almost Half of the Enrollees Were No Longer in Contact with the Program at the Time of Our Fieldwork.

The final round pilot grantees did a better job of addressing most of the youths' needs than we found in our initial audit. Services to high school dropouts also increased (90 percent received some type of service); most of the dropouts' identified needs were addressed with educational or vocational training activities. Yet, more than half of our 100 participant sample -- enrolled as of December 31, 1999 -- were no longer actively participating in the program as of August 2000, and 42 percent of the youth were no longer in contact with their counselors.

The following analyses are useful in obtaining a preliminary overview of enrollee activities and status obtained from the four programs for sampled enrollees through July 2000. (The enrollee files were obtained in August 2000).

A. Specific enrollee activities

From our 100 sampled enrollees:

- ! 89 (89 percent) enrollees participated in an activity after enrollment (as opposed to 67 percent in our first round pilot audit).
- ! 74 (74 percent) enrollees received some educational or vocational training (as opposed to 50 percent in our first round pilot audit).

Priority of YOA OSY services was to be given to dropouts. Of the 58 dropouts in our 100 enrollee sample, 52 participated in one or more program services as follows:

- ! 38 (73 percent) returned to school or participated in a basic skills/GED program (as opposed to 39 percent in the first round audit).
- ! 17 (33 percent) participated in a vocational skills training program (as opposed to 11 percent in the first round audit).

Table 1 provides enrollees' educational/training activities -- excluding job referrals, job related training, or recreational activities. In some instances, YOA OSY funds did not assist in paying for these activities (e.g., work experience and high school enrollment). The enrollees' files frequently did not indicate either the length of time individuals attended school or training or

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whether the enrollee actually completed a GED or other training program. Therefore, table 1 indicates only that the enrollee participated in the activities; it does not measure the level of participation or completion. The levels of evidence we used to make the determination of enrollees’ activities is discussed in finding 3.

**Table 1
Enrollee Educational/Training Accomplishments by Age Group**

Age Group	Received no Educational or Vocational Training	Educational/Training Services Received			
		Attended High School	Participated in Basic Skills/GED Program	Participated in English as a Second Language Training	Attended Formal Vocational Training
18 and Under (51)	18% (9)	41% (21)	59% (30)	2% (1)	16% (8)
19-21 (32)	38% (12)	3% (1)	28% (9)	0% (0)	41% (13)
22-24 (17)	29% (5)	(0%) (0)	24% (4)	0% (0)	71% (12)
Total Sample (100)²	26% (26) ³	22% (22)	43% (43)	1% (1)	33% (33)

(The numbers in parenthesis denote the actual number of enrollees in the respective categories.)

As shown in table 1, above:

- ! One-third of the sampled enrollees received vocational training after YOA OSY enrollment.
- ! Most of the enrollees who attended high school or attended a basic skills/GED program were 18 or younger.

²Some enrollees had more than one activity; therefore, the activity totals of all columns exceed 100 enrollees.

³Eleven youth received no services at all.

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- ! Seventy-one percent of youth ages 22 through 24 participated in vocational training. (This represented a significant increase over the results of our first round audit, in which we found 24 percent of youth 22-24 attended vocational training).

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B. The grantees attempted to meet most enrollees’ identified needs

We examined enrollees’ files to determine what specific services were being provided. Most of the case files contained indications of some type of assessment completed for each enrollee. This assessment, along with any other indication in the case file, was used to identify specific training or employment needs expressed by the youth.

Of the 100 sampled enrollees, 95 had a training need identified, and 83 (87 percent) of those had that need addressed through some type of grant-arranged assistance.

Table 2, below, shows how often identified enrollee needs were addressed, regardless of the amount of the YOA OSY-funded assistance. For example, the need for vocational training was identified in 61 cases but only addressed in 32 cases (52 percent).

**Table 2
Services Provided by Age Group
For All Sample Enrollees Where the File Identified a Need**

Age Group	High School	Basic Skis GED	ESL	Voc. Trng.	Work Exper.	Job Prep.	Job Referrals	Recr. Act.	Other Trng.
18 and Under	78% (21 of 27)	81% (29 of 36)	100% (1 of 1)	32% (8 of 25)	100% (11 of 11)	65% (28 of 43)	59% (20 of 34)	100% (9 of 9)	100% (3 of 3)
19-21	33% (1 of 3)	60% (9 of 15)	0% (0 of 1)	57% (13 of 23)	100% (13 of 13)	68% (15 of 22)	83% (24 of 29)	100% (12 of 12)	100% (2 of 2)
22-24	0% (0 of 1)	67% (4 of 6)	0% (0 of 0)	85% (11 of 13)	100% (5 of 5)	82% (9 of 11)	76% (13 of 17)	100% (5 of 5)	100% (5 of 5)
Overall	71% (22 of 31)	74% (42 of 57)	50% (1 of 2)	52% (32 of 61)	100% (29 of 29)	68% (52 of 76)	71% (57 of 80)	100% (26 of 26)	100% (10 of 10) ⁴

Although there was evidence in the case files that some form of assessment was performed for each enrollee, the type of evidence varied greatly and was minimal in many cases. We acknowledged the enrollees as needing the services they were provided, even if there was no specific need identified. As compared to our first audit, it appeared the grantees are focusing on better serving the youths’ needs.

We based our needs analysis on any available case file documentation, since there was no requirement for the demonstration grant to conduct an enrollee assessment and develop a service strategy. For example, one site’s participant application had general questions

⁴The “other training” category consisted of one youth attending community college, two youth participating in a youth leadership program, and seven youth attending support group counseling meetings.

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about what training the youth was interested in, and we gave the site credit for completing an assessment for the participant.

We analyzed how the grantees addressed participants' needs separately for those without high school educations (table 3) and those with high school educations or higher (table 4).

Table 3
Services Provided to Enrollees by Age Group
Less Than High School Graduates

For the 73 youth with less than a high school educational level **with an identified need**,⁵ the following services were provided.⁶

Age Group	High School	GED	Vocat. Ed.	Work Exp. Comm. Srvc	Job Prep. - Work Read.	Job Referrals	Recreation Activities
18 and Under	78% (21 of 27)	83% (30 of 36)	27% (6 of 22)	100% (10 of 10)	62% (24 of 39)	53% (16 of 30)	100% (8 of 8)
19-21	33% (1 of 3)	54% (7 of 13)	50% (5 of 10)	100% (4 of 4)	75% (9 of 12)	73% (11 of 15)	100% (4 of 4)
22-24	0% (0 of 1)	67% (4 of 6)	78% (7 of 9)	100% (3 of 3)	88% (7 of 8)	70% (7 of 10)	100% (4 of 4)
Total	71% (22 of 31)	75% (41 of 55)	44% (18 of 41)	100% (17 of 17)	68% (40 of 59)	62% (34 of 55)	100% (16 of 16)

As table 3 shows, the program attempted to get the youth with less than a high school education into needed training.

Youths for whom a need was identified were enrolled in vocational training at a lower rate than any other service. We also noted that for work experience and recreational activities few needs were specifically identified in the case files. However, we gave the program credit for addressing the need if the youth received the service, even if no need was specified. This resulted in the high rates of addressing the need for those two categories.

⁵One youth was not assessed, thus, no needs were identified for one less than high school sampled enrollee.

⁶The program also provided one youth with ESL training, and six youth with other training (consisting of participating in the site's formal youth recruitment program and attending support groups). Due to the minimal number of youth participating in these activities and the fact that most of the youths' needs were met for both categories, they were included in this footnote and not in the table above.

**Table 4
Services Provided to Enrollees by Age Group
High School Graduates (or Equivalent) and Above**

For 26 high school graduates **with an identified need**, the following services were provided.⁷

Age Group	Basic Skills	Vocational Education	Work Exp. - Comm. Srvc.	Job Prep. Work Read.	Job Referral	Recreation Activities
18 and Under	0% (0 of 0)	67% (2 of 3)	100% (1 of 1)	100% (4 of 4)	100% (4 of 4)	100% (1 of 1)
19-21	100% (2 of 2)	62% (8 of 13)	100% (9 of 9)	60% (6 of 10)	93% (13 of 14)	100% (8 of 8)
22-24	0% (0 of 0)	100% (4 of 4)	100% (2 of 2)	67% (2 of 3)	86% (6 of 7)	100% (1 of 1)
Total	100% (2 of 2)	70% (14 of 20)	100% (12 of 12)	71% (12 of 17)	92% (23 of 25)	100% (10 of 10)

As shown above, the grantees also attempted to address the needs for those youth with an above high school graduate educational level.

C. Services for dropouts have improved since our last review

We identified 58 high school dropouts⁸ from our 100 enrollee sample. Of these 58 youth, 52 (90 percent) participated in some educational and vocational training activities after enrollment:

- ! 9 (17 percent) returned to high school.
- ! 29 (56 percent) participated in a basic skills/GED program.
- ! 1 (2 percent) attended an ESL program.
- ! 17 (33 percent) attended some vocational training program.

As compared to our first round audit, vocational training and educational activities have increased for the dropout population in this final round audit. There was evidence in the final round sample that 4 of the 17 youth (24 percent) participating in vocational education completed the course.

⁷The program also provided four youth with other training (consisting of one youth attending community college and three youth attending support groups). Due to the minimal number of youth participating in this activity and the fact that 100 percent of the youths' needs were met, they were included in this footnote and not in the table above.

⁸We categorized dropouts as anyone not participating in the traditional school environment.

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Regarding job-related training and assistance for the 52 dropouts who received services:

- ! 33 (63 percent) participated in job preparation classes.
- ! 31 (60 percent) received job referrals.
- ! 10 (19 percent) participated in work experience activities and/or community service activities.
- ! 2 (4 percent) participated in their site's formal youth recruitment program.
- ! 4 (8 percent) participated in support groups.
- ! 11 (21 percent) participated in recreational activities.

The overall participation rates for dropouts in job-related training categories appeared to have improved as well. Of the 52 youths participating in an activity, only 6 did so in a job preparation and/or job referral activity. Most of the youth participated in another work experience and/or hard training activity.

D. Almost half of the enrollees were no longer in contact with the program at the time of our fieldwork

One emphasis of the YOA program was that program staff was supposed to function as mentors and counselors rather than routine case managers. For the four final round grantees we audited, we determined that approximately 70 percent of the grantees' expenditures as of March 31, 2000, were for (1) administration/overhead costs and (2) case managers' salaries and fringe benefits to provide direct mentoring and counseling services to youth. This was not as high as the 85 percent we identified in our earlier audit report of the first round YOA program.

Three of the four grantees contracted with community-based organizations (CBOs) to provide training courses in either general job preparation subjects or vocational subjects (computer repair, etc.). The fourth grantee provided training accounts for youth to attend local community colleges or other vocational schools on an as needed basis. As of March 2000, direct training costs were 27 percent and support service costs 3 percent of total program expenses.

While there is an emphasis on enrollee counseling/mentoring in the YOA demonstration grants and WIA Yo! operational grants to raise the youths' employment possibilities at a liveable wage, we believe more should be done to increase direct training assistance. A recent OIG audit of the JTPA Title II-C out-of-school youth program found that both participation in, and completion of, occupational skills training activities had a significant positive impact on youths' post-program earnings.

We reviewed case files for the 100 youth in our sample to determine the extent of their contact with program counselors. We found that 48 had received bona fide counseling, and 37 were not engaged in the program long enough to warrant follow-up services. We defined bona fide counseling as evidence that the case manager went a step beyond routine case management (e.g., basic referrals to training). For example, home visits, discussions of

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personal issues, or counseling with third parties on the youth's behalf were included. However, we did not give the program credit if the youth did not respond to the counselor's attempts. Additionally, of the 63 youth who were engaged in the program long enough to warrant followup services, 35 youth (56 percent) received bona fide followup counseling.

Table 5 below demonstrates whether the case notes for the 100 sample participants indicated the counselor had been in recent contact with the youth for any reason. Table 5 does not, however, address the quality or substance of the counseling provided.

**Table 5
Counselor Contact at Time of Fieldwork
Based on Participants' Case File Documentation**

Level of Contact	Youth Under 18	19-21 Year Olds	22-24 Year Olds	Total
In contact with counselor within last 3 months	23	20	10	53
No counselor contact within last 3 months	26	11	5	42
Cannot determine status from case file	1	1	1	3
Deceased	0	0	1	1
Found to be out of target area	1	0	0	1
Total	51	32	17	100

As shown above, 53 youths were still in contact with their case manager/counselors as of the time of our fieldwork⁹ (August 2000), and 42 had not had recent contact with their case manager/counselors as of that time.

⁹However, 12 of these youth were not participating in an activity.

2. In-School Youth Services/Outcomes May Distort Out-of-School Youth Demonstration Grants' Program Performance.

Of the 100 sampled enrollees, 27 were attending school (in-school) at time of enrollment in the OSY demonstration grant program. For our purposes, we defined "in school" as attending high school (16 enrollees), attending alternative high school (6 enrollees),¹⁰ attending a GED program (3 enrollees),¹⁰ or attending a post high school vocational/educational program (2 enrollees) at the time of enrollment.

ETA's Request for Proposal (RFP) specified that for these pilot projects Opportunity Areas were to be created in target communities to expand employment, education, and training opportunities for out-of-school youth ages 16 through 24, with priority given to high school dropouts. The RFP specifically stated:

*Youth employment and development activities . . . shall be used for a structured set of initiatives focused sharply on getting **out-of-school youth ages 16-24** into long-term employment at wage levels that will prevent future dependency.*
[Emphasis added.]

Because including in-school youths' activities and outcomes with those out-of-school youth may distort the OSY demonstration grants' results, we analyzed the results of all 27 in-school youth independently to determine the activities and services received as well as outcomes identified and found that 22¹¹ of the 27 youth (81 percent) participated beyond initial assessment as follows:

- ! 16 (73 percent) attended high school.
- ! 15 (68 percent) attended basic skills/GED courses.
- ! 3 (14 percent) attended vocational training courses.

None of the high school activities appeared to be OSY program-funded. One GED program appeared to be YOA OSY demonstration funded, but the rest of the activities did not. The other vocational training program was an in-school ROTC program.

Special in-school program

From our discussions with ETA at the exit conference on our first round audit, it was our understanding that while in-school youth were not to be denied services under the YOA OSY demonstration grant, they were to be served with nongrant funds and in-school youth performance statistics were not to be included with the intended OSY population.

¹⁰Youth attending alternative school and GED programs were also considered dropouts by our definition and included in the dropout statistics reported.

¹¹Some participants participated in more than one activity, so total activities exceeded 22.

Yet, we discovered one of our four audit sites was operating a specific in-school program which targeted youth 14 through 15 years of age who were currently in school but at risk of dropping out. This in-school youth program was approved in their grant. The program targeted youth already in the school's FUTURES program, already in existence prior to the YOA OSY demonstration grant funding. The FUTURES program consisted of an additional basic skills course as part of the youths' high school curriculum and extra counseling/advocate attention. The YOA OSY demonstration grant funded two additional counselors to the FUTURES program.

For this particular site, 13 of the 25 (52 percent) randomly sampled enrollees were participants in this special in-school program; consequently, a significant portion of the site's enrollees as of December 31, 1999, were in still in school at the time of enrollment. We attribute this high rate of in-school participants to our early sample selection. As of December 31, 1999, the grantee had enrolled a disproportionate number of in-school youth due to the ease of enrollment. The ETA has informed the OIG that as of December 31, 2000, in-school youth represented only 17.5 percent of the grantee's total enrollments.

While this in-school program was approved in the grant agreement, the program focus does not appear consistent with the purpose of the OSY demonstration grant program.

In our opinion, performance results reported on the in-school youth could potentially inflate performance reporting for the OSY demonstration grant program as a whole; e.g., an "attending school" activity could be misinterpreted to indicate the program influenced a dropout to return to school when the enrollee never left school.

3. The YOA OSY Program's Performance Reporting Structure Has Improved Since Our First Round Audit, But Documentation to Support Enrollees' Activities and Outcomes Needs to Be Improved.

Based on our review of the four grantees' program management information systems, we determined that the grantees had the overall systems in place to report activities and outcomes from a management standpoint; however, the level of documentation available to support those activities/outcomes was deficient.

Our main objective in looking at the reporting system was to determine whether there was a system in place, including procedures to report activities and outcomes in a traceable, preferably automated, format. We did not specifically test the accuracy of the system back to our audit sample; as a result, we cannot conclude as to the accuracy of either the information reported for our sampled youth or the systems as a whole.

Three of the four sites had automated systems which reported the youths' activities and outcomes that were traceable to the participant level, and the performance reports submitted to ETA appeared to have been traceable to supporting report schedules. The remaining site did not have an automated system; however, at the time of our fieldwork they were in the process of implementing the client management system supported by ETA. We have subsequently been informed that the system is currently operational and is being used for client tracking and reporting.

In addition to determining whether adequate reporting systems were in place, we looked at the sufficiency of the documentation maintained to support activities evidenced in the case files. Because these were demonstration grants, we accepted as little as a counselor's note in a file as documentation of a participant's involvement in an activity. However, as the WIA Yo! program becomes fully operational, mere references to an activity in a case note will not be sufficient; i.e., the level of evidence of enrollees' activities, including the extent and completion of their participation, needs to be increased if the youths' activities and outcomes are to be reported in accordance with the WIA and the Government Performance and Results Act (GPRA) reporting standards.

A. Assessing whether the grantees addressed enrollees' needs.

We based our needs analysis in finding 1 on any available case file documentation, since there was no requirement for the demonstration grant to conduct an enrollee assessment and develop a service strategy. Although there was evidence in the case files that some form of assessments were performed for enrollees, the type of evidence varied greatly and was minimal in many cases. We acknowledged the enrollees needed the services they were provided, even if there was no specific need identified.

B. Assessing the level of documentation of participants’ activities.

We classified documentation of youths’ participation in activities into the three following categories:

- ! **Indication of participation** – any notation that the youth may have attended an activity (case notes, MIS form, etc.).
- ! **Documented attendance but not completion** – evidence of attendance such as sign-in sheets, attendance reports, or counselors’ notes indicating that they observed the enrollees in class.
- ! **Documented Completion** – completion certificate or formal grade report evidencing successful completion of activity, or a case manager’s file notes clearly indicating the youth completed the activity.

Table 6 categorizes the degree of documentation to support activities in which the sample youth participated.

**Table 6
Level of Documentation Available Supporting Enrollees’ Activities
Based on Participants’ Case File Documentation**

Level of Evidence	High School	GED - B/S	Vocation Trng	WE/ComS rvc	Job Prep	Recreat Act.	Other Trng.	Total
Indication of Participation	41% (9)	30% (13)	23% (7)	69% (20)	39% (20)	42% (11)	90% (9)	42% (89)
Documented Attendance but Not Completion	59% (13)	68% (29)	51% (16)	14% (4)	21% (11)	23% (6)	10% (1)	37% (80)
Documented Completion	0% (0)	2% (1)	26% (8)	17% (5)	40% (21)	35% (9)	0% 0	21% (44)
Totals	22	43	31	29	52	26	10	213

Only an “indication of participation” was evident in the case files for 42 percent of the activities. The high school, GED, and vocational training activities were better documented than the work experience, job preparation, or recreation activities. However, also included in the high school and GED/Basic Skills statistics were the 12 enrollees who participated in a designated in-school program, where the level of documentation was acceptable in most cases. In general, for the routine out-of-school programs, the level of documentation was not as consistent. Most of the “other training” activities consisted of indication on an MIS form that the youth attended counseling support groups, but there was no other mention in the file that the youth actually attended the activity.

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For accountability and performance reporting under WIA and GPRA, evidence at an “indication of participation” level would not be sufficient to support the activities reported.

C. Assessing counseling/mentoring documentation.

Under both YOA demonstration and WIA Yo! operational grants, case management (counseling/mentoring) is considered an essential activity rather than an administrative function of the program. For this reason, the extent to which case management activities are taking place should be captured and reported as a separate activity. However, case managers’ salaries are classified as training costs along with vocational training and other related activities. As a result, the amount of YOA funds spent on counseling/mentoring versus educational and training activities cannot be separately identified from program reports.

In many instances, the counseling/mentoring contact with youth was not evident in the case files. We understand the youth may not be receptive to the counselors’ attempts at contact, and that counselors’ have legitimate concerns about maintaining client confidentiality. However, counselors’ notes about meetings and discussions with the youth should be sufficient to demonstrate the extent and nature of the contacts beyond routine case management. The notes should document even unsuccessful attempts at contacting the youth.

Our limited participant interviews (14 of 100) indicated that more bona fide counseling and mentoring assistance was occurring than was evident in the case files. This may indicate that the counselors are not keeping adequate case notes to fully support all the services they are providing and for which they should receive credit.

The YOA OSY demonstration grants we audited were operated under the JTPA. The operational Yo! grants are funded by WIA which replaced JTPA. Regardless of the enabling legislation, JTPA or WIA, youth programs are ongoing and performance outcomes will continue to be reported against established standards. The question to be answered is whether the reported outcomes can be validated and relied upon by ETA for GPRA reporting.

The JTPA, Section 165 provides:

(a) (1) Recipients shall keep records that are sufficient to permit the preparation of reports required by this Act. . . .

(c) Each State, each administrative entity, and each recipient . . . receiving funds under this Act shall --

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(2) prescribe and maintain comparable management information systems . . . designed to facilitate the uniform compilation, cross tabulation, and analysis of programmatic, participant . . . data. . . .

(d) (1) The reports required . . . shall include information pertaining to . . .
(B) the activities in which participants are enrolled, and the length of time that participants are engaged in such activities;
(C) program outcomes . . . for participants. . . .

(e) The Governor shall ensure that requirements are established for retention of all records pertinent to all grants awarded . . . including . . . **participant records and supporting documentation**. . . . [Emphasis added.]

WIA regulation 20 CFR, Part 667.300(e) provides:

Annual Performance Progress Report. An annual performance progress report for each of the three programs under title I, subpart B is required by WIA sec. 136(d).

(2) States submitting annual performance progress reports that cannot be **validated or verified as accurately counting and reporting activities** in accordance with the reporting instructions, may be treated as failing to submit annual reports, and be subject to sanctions. . . . [Emphasis added.]

The GPRA requires that program managers establish performance goals and systems to verify and validate the numbers reported. The ETA will be using grantee-reported outcomes to report the outcomes of the future WIA Yo! programs for GPRA purposes. The GPRA states:

(a) In carrying out the provisions of section 1105(a)(29), the Director of the Office of Management and Budget shall require each agency to prepare an annual performance plan covering each program activity set forth in the budget of such agency. Such plan shall-

(1) establish performance goals to define the level of performance to be achieved by a program activity . . .

(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

(5) provide a basis for comparing actual program results with the established performance goals; and

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(6) describe the means to be used to **verify and validate measured values**.
[Emphasis added.]

As these criteria demonstrate, JTPA is specific in requiring that documentation to support activities and outcomes be maintained, and both the WIA program regulations and the GPRA emphasize the necessity of having performance outcomes data that can be validated/verified. We found the level of evidence to support YOA and future Yo! programs must be improved to meet this validation/verification standard.

Recommendations

We recommend the Assistant Secretary for Employment and Training develop a system of management controls that provides reasonable assurance that the competitive WIA-funded Youth Opportunity (Yo!) Program will result in substantial and demonstrable educational gains and attainment of vocational skills by youth in the targeted areas served by the ETA grants. Specifically, we recommend ETA:

- ! Develop documentation standards and guidelines for grantees to help educate assigned staff and reinforce ETA expectations for minimum case file evidence of youth activities and accomplishments/outcomes. The standards should specifically address the level of documentation needed to adequately support reporting counseling and mentoring activities.
- ! Assure that separate performance reporting is maintained for Yo! activities, accomplishments, and outcomes for in school as opposed to out-of-school-youth. ETA should develop reporting standards and monitoring procedures to maintain consistent supportable performance reporting which we assume is the case for the competitive Yo! grants which provide for serving both in-school and out-of-school youth.
- ! Issue guidance to all Yo! program grantees encouraging the grantees to:
 - ! Assess each participant's needs when enrolled, and as necessary throughout program participation. This should be a complete formal assessment, including participants input into what needs to be done for them to keep them actively enrolled until all substantial needs are met.
 - ! Provide a wide array of quality services, particularly more vocational training, to address the participants' identified needs, either through WIA funds or other available sources (e.g., Pell grants).
 - ! Develop and implement performance incentives, including financial incentives, if necessary, to high risk dropouts for their major accomplishments such as completing high school, obtaining a GED, or successfully completing a substantial occupational skills course.

ETA's Response to Our Draft Report

ETA agreed with the need for grantees to better document services participants received and indicated ETA would work with the grantees to do so.

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Specifically ETA responded:

- ! ETA will prepare a set of guidelines for documentation levels case managers need to adequately support counseling and mentoring activities.
- ! The Yo! program MIS currently being implemented separately reports activities and outcomes for out-of-school and in-school youth. ETA agrees to develop reporting standards and monitoring procedures to maintain supportable performance reporting.
- ! ETA agrees to develop guidance to the grantees regarding participant assessments and services and work with the grantees to develop a set of incentives for high school dropouts.

ETA also reemphasized the importance of the case managers' involvement in the program as a direct service to the participants.

Finally, ETA indicated that because of the open door policy of providing services to all youth in the areas served by the Yo! program, some participants will drop out, and the program may have lower performance outcomes than programs that more carefully screen participants.

Auditor's Conclusion

We concur with ETA's response regarding our recommendations.

We also concur with ETA's comments regarding the importance of case managers and the hard to serve Yo! program population. However, in our opinion, if the Yo! program participants are to attain self-sufficiency -- the ultimate goal of the program -- the grantees should find ways to use more grant funds to provide specific vocational training. If more direct vocational training were provided, the case manager could function more as a counselor/mentor than simply case manager, and fewer participants may drop out.

**DEPUTY ASSISTANT SECRETARY'S
RESPONSE TO OUR DRAFT REPORT**