

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**THE REFUGEE MATCHING GRANT PROGRAM:
BALANCING FLEXIBILITY AND ACCOUNTABILITY**



**JUNE GIBBS BROWN
Inspector General**

**AUGUST 1994
OEI-09-92-00060**

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EXECUTIVE SUMMARY

PURPOSE

This inspection assessed (1) how voluntary agencies and their affiliates deliver and (2) how the Office of Refugee Resettlement monitors services to refugees participating in the Voluntary Agency Matching Grant Program.

BACKGROUND

The Voluntary Agency Matching Grant Program was established in 1979 as an alternative to State-administered refugee resettlement programs. The program's goal is to help refugees attain economic self-sufficiency without accessing welfare. The Office of Refugee Resettlement (ORR), within the Administration for Children and Families, funds the program through matching grants to private, national voluntary agencies (*volags*). Volags typically subcontract with community-based social service agencies (*affiliates*) to provide direct services. In 1992, Federal funding was approximately \$39.2 million. Volags and affiliates provide services for refugees during their second through fourth months in United States. In 1992, the matching grant program served about one-third of all refugees arriving in the United States.

The ORR requires that affiliates place employable refugees in "appropriate" jobs as soon as possible. It has established a guideline--but does not require--that at least 60 percent of cases (a single individual or family) be economically self-sufficient at the end of 4 months.

For background purposes, we reviewed program guidelines, performance reports, and volag self-sufficiency outcome data for the last 3 program years. From September through November 1993, we conducted on-site visits or telephone interviews with the 6 participating and 6 nonparticipating volags and 159 of the 165 participating affiliates. We asked volags and affiliates to describe their history, the refugees that they serve, the services they provide, and how the program is monitored. We obtained their opinions about the program's guidelines, performance goals, and how the program could be improved. We also interviewed ORR officials.

FINDINGS

Program flexibility allows affiliates to tailor services to a diverse refugee population

Affiliates serve refugees (1) from many different countries, (2) with a range of skills, needs, and characteristics, and (3) whose needs have changed since the program's inception. Flexibility has allowed affiliates to tailor specific services, such as case management, English-language training, maintenance assistance, and acculturation to the refugees they serve.

Refugees and affiliates must overcome multiple barriers to attain self-sufficiency

When asked about the barriers that affect refugees' self-sufficiency, volags and affiliates noted multiple problems including (1) refugees' English and job skills, (2) poor local economies, (3) lack of adequate medical coverage, and (4) disincentives caused by high welfare payments and easy access in some States. Some affiliates have developed unique methods to overcome these barriers.

Approximately half of the affiliates believe that ORR overemphasizes early employment

Approximately half of the affiliates believe that at least some refugees would be better served by an extended training and resettlement approach. In general, these affiliates believe that the decision to emphasize extended training instead of early employment should be made on a case-by-case basis.

Program effectiveness measures are inadequate

Almost half of the affiliates believe that job placement at 4 months is not, by itself, an appropriate measure of the program's success. Furthermore, ORR has no long-term effectiveness measures.

Generating and documenting matching funds limits the numbers and types of refugees served

Affiliates are required to match Federal grants with cash and/or donated goods and services. Generating and documenting the match takes away from affiliates' ability to provide services and has had some unforeseen consequences. These include affiliates (1) limiting the number of refugees they serve, (2) refusing to serve certain types of refugees, (3) delaying the donations of goods and services, and (4) refusing to participate in the program.

RECOMMENDATIONS

The ORR should develop performance indicators by revising and expanding its current measures and data collection techniques

While 4-month self-sufficiency could continue to be one performance measurement, ORR should routinely collect longer-term refugee self-sufficiency data. Many affiliates already collect longer-term data or would experience minimal difficulty collecting it. Both long-term and 4-month self-sufficiency measures should take into account (1) the health of the local economy, (2) services available in the community, (3) types of refugees served, and (4) affiliate enrollment policies.

The ORR should consider options to reduce the burden of the match requirement

The ORR should conduct a study to determine how the match requirement could be revised to reduce the paperwork burden on grantees without compromising Federal grant administration audit requirements.

AGENCY COMMENTS

The ORR provided comments on the draft report. In response, we added and modified text in the body of the report and revised our recommendations. The full text of ORR's comments appears in the appendix.

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	
INTRODUCTION	1
FINDINGS	6
• Program flexibility	6
• Refugees and affiliates face barriers	8
• Overemphasis on early employment	9
• Effectiveness measures	11
• Match requirements pose problems	13
RECOMMENDATIONS	15
APPENDIX	

INTRODUCTION

PURPOSE

This inspection assessed (1) how voluntary agencies and their affiliates deliver and (2) how the Office of Refugee Resettlement monitors services to refugees participating in the Voluntary Agency Matching Grant Program.

BACKGROUND

The Voluntary Agency Matching Grant Program (MGP) was established in 1979 as an alternative to State-administered refugee resettlement programs. The program's goal is to help refugees attain economic self-sufficiency without accessing welfare. The Office of Refugee Resettlement (ORR), within the Administration for Children and Families, funds the program through matching grants to private, national voluntary agencies (volags). Volags typically subcontract with community-based social service agencies (affiliates) to provide direct services. In 1992, Federal MGP funding was approximately \$39.2 million.

Through contracts with the State Department and ORR, volags provide services to refugees during their first 4 months in the United States. The State Department provides overseas orientation and funds 12 volags to provide reception and placement services for all refugees during their first 30 days in this country. These services include sponsorship assignment, community orientation, and initial food, clothing, and shelter. After providing reception and placement services—and if refugees are not employed and are in need of support—volags may either refer refugees to State welfare agencies or enroll them in the MGP. Of the 12 volags that provide reception and placement services, 6 participate in the MGP. The following chart lists the volags and the number of refugees they served in the MGP in 1992:

Volag	Refugees Served		MGP Funding	
	Number	Percentage	Millions	Percentage
Council of Jewish Federations*	33,852	86.1	\$33.9	86.5
United States Catholic Conference	3,754	9.5	3.8	9.7
Lutheran Immigration and Refugee Service	670	1.7	0.7	1.8
International Rescue Committee	602	1.5	0.3	0.8
American Council for Nationalities Service	458	1.2	0.5	1.3
TOTAL	39,336	100.0	\$39.2	100.1**

* A sixth volag, the Episcopal Ministries, participates as a subgrantee of the Council of Jewish Federations
 ** The total percentage is greater than 100.0 percent because of rounding

Refugee eligibility and selection

The volags select refugees to participate in the MGP from those who participated in the State Department's reception and placement program. Refugees generally are eligible to participate as long as one family member is employable. Aged and disabled refugees, who are eligible to receive Supplemental Security Income shortly after their arrival, are automatically excluded from the program. In 1992, the MGP served about one-third of all refugees arriving in the United States. The Council of Jewish Federations serves more than 85 percent of the MGP refugees. Its New York City affiliate alone serves approximately half of all Council of Jewish Federation refugees and more than one-third of all refugees in the MGP.

Authorizing legislation

Although Congress never specifically established the MGP, authorization for the MGP is found in subpart (c) of 8 U.S.C. 1522. Subpart (c) authorizes ORR to make grants and contracts with public or private non-profit agencies "primarily for the purpose of facilitating refugee employment and achievement of self-sufficiency." The law states that these grants essentially are designed to

assist refugees in obtaining the skills which are necessary for economic self-sufficiency, including projects for job training, employment services, day care, professional refresher training, and other recertification services....to provide training in English where necessary....[and] to provide where specific needs have been shown...health (including mental health) services, social services, educational and other services.

Program guidelines

The ORR has not promulgated regulations to implement the law authorizing the MGP. Instead, ORR developed and distributed guidelines that set forth the MGP's goals, requirements, and recommendations concerning how volags and affiliates should provide MGP services. Volags and affiliates have great flexibility to design programs that best meet the needs of their refugees as long as they meet ORR's minimum requirements.

The guidelines require volags and their affiliates to provide refugees with case management, job counseling and placement, and cash or other maintenance assistance from their second through at least their fourth month in the country. In addition, ORR requires that volags and affiliates continually work to develop new job opportunities. They must follow up with employers or refugees within 2 weeks after a refugee has been hired in order to identify any adjustment problems. Volags and affiliates must be able to provide other services as necessary including job training, English language training, and acculturation services, either directly or through referral.

The guidelines refer to other social services that are available to refugees. Refugees may receive food stamps and either Medicaid or refugee medical assistance for up to 8 months. Federal regulations state that if a refugee becomes ineligible for Medicaid or refugee medical assistance solely because of increased earnings from employment, the refugee's eligibility should be extended for an additional 4 months or until the refugee has been receiving assistance for 8 months, whichever comes first. The volags must ensure that refugees do not accept public cash assistance while enrolled in the MGP.

Volags may continue to provide MGP services to refugees beyond the 4-month period. They must ensure, however, that overall costs for Federal reimbursement do not exceed the total allowable limit of \$1,000 per refugee.

Early employment objectives and the 4-month, 60 percent self-sufficiency guideline

According to Federal regulations and the MGP guidelines, affiliates should place employable refugees in "appropriate" jobs as soon as possible, and refugees must accept entry-level jobs. In general, ORR believes that an appropriate job is one that matches a refugee's physical skills and abilities. Refugees are supposed to maintain a "good-faith" effort to attain employment while acquiring enough competency in English to secure and retain employment. The early employment approach is intended to minimize the chance that a refugee will require welfare assistance after the MGP. Affiliates may provide additional job training, English classes, and acculturation services to help the employed refugee rise above the entry level.

The ORR has established a guideline--but does not require--that at least 60 percent of cases (a single individual or family) be economically self-sufficient at the end of 4 months. According to the guidelines, refugees are deemed self-sufficient when they "no longer need public, matching grant or other financial assistance because they are employed." The ORR does not attempt to measure "social adjustment," although it is a primary goal of the MGP. Overall, volags and affiliates are not meeting the 60 percent self-sufficiency goal, primarily because the Council of Jewish Federations, the largest volag, is far below the goal.

Match Requirement

The MGP guidelines state that volags and affiliates are required to match Federal funds dollar-for-dollar. The Federal government matches affiliate contributions up to \$1,000 per refugee resettled. As much as 80 percent of the match may be obtained through in-kind donations, but at least 20 percent of the affiliates' contribution must be cash. Because the first 30 days that refugees spend in this country are covered by the State Department's reception and placement program, goods and services donated during this period cannot be counted towards the MGP's match requirement.

Reporting and Monitoring

Volags have the primary responsibility of ensuring that their affiliates provide quality MGP services. The ORR does not routinely conduct on-site monitoring of affiliates. Volags submit quarterly statistical reports to ORR showing the number of refugees served and their self-sufficiency status at the end of 4 months. At 7 months, volags report on the employment status of refugees who were self-sufficient at 4 months in order to assess their job retention. Volags are supposed to verify the accuracy of affiliates' reports, the quality of their services, and their compliance with Federal guidelines. The ORR does not have requirements for how frequently volags must monitor their affiliates and does not routinely receive copies of the volags' site visit reports.

State refugee assistance programs

Refugees who do not participate in the MGP, plus some refugees who complete the MGP, receive services through State-administered refugee resettlement programs that ORR funds. In contrast to the MGP, extensive regulations govern the administration of the State programs. The regulations require States to enroll all refugees and provide services that are similar to those received by MGP refugees. The ORR does not require States to provide case management, however. The MGP refugees who are not self-sufficient at the end of 4 months may receive support from Aid to Families with Dependent Children, if eligible, or they may apply to State welfare agencies for an additional 4 months of cash assistance in States where such assistance is available.

Recent Policy Developments

In early 1992, the Bush Administration proposed replacing the State-administered refugee cash and medical assistance programs with a "Private Resettlement Program" that would have used volags to deliver services to all refugees. In February 1993, a U.S. District Court blocked implementation of the proposal because ORR had not allowed sufficient public notice and comment. In the next 2 years, Congress will consider reauthorizing the MGP and other ORR programs. The ORR is currently holding a series of town-hall forums throughout the country to obtain views concerning future directions of refugee resettlement programs, including the MGP.

Related Studies

The Inspector General's Office of Audit Services is currently reviewing the adequacy of eligibility controls and the appropriateness of job training in the State-administered programs. The Office of Audit Services also recently completed an audit that examines ORR's oversight of the entire refugee resettlement program, including the MGP. In a November 1993 draft report on refugee resettlement, the United States General Accounting Office found that the MGP had substantial financial surpluses in 1991 and 1992. The surpluses primarily resulted from fewer refugees arriving from the

former Soviet Union. This caused the Council of Jewish Federations to settle fewer refugees than it had anticipated.

METHODOLOGY

For background purposes, we reviewed MGP program guidelines, performance reports, and volag self-sufficiency outcome data for the last 3 program years. From September through November 1993, we conducted on-site visits or telephone interviews with the 6 participating and 6 nonparticipating volags and 159 of the 165 participating affiliates. We asked volags and affiliates to describe their history, the refugees that they serve, the services they provide, and how the program is monitored. We obtained their opinions about the program's guidelines, performance goals, and how the program could be improved. We did not attempt to verify the information and data that they provided to us. We also interviewed ORR officials.

We conducted this inspection in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

FINDINGS

The Voluntary Agency Matching Grant Program allows volags and affiliates to provide a valuable range of integrated services to refugees who have recently entered the United States. Program monitoring is largely the responsibility of the volags; the Federal government's oversight is minimal. The key to success may be the program's ability to respond timely to changing conditions and fluctuations in the number and nature of refugees it serves.

Volags and affiliates have taken advantage of the MGP's innate flexibility by altering and adapting their services to assist a diverse population of refugees whose needs have changed and intensified over time. As evidenced by the following specific findings and recommendations (which indicate the need for some "fine-tuning"), this flexibility, in tandem with appropriate accountability measures, needs to be supported and strengthened to assure the success of the MGP.

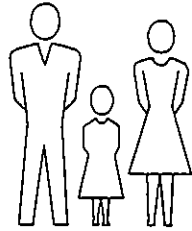
PROGRAM FLEXIBILITY ALLOWS AFFILIATES TO TAILOR SERVICES TO A DIVERSE REFUGEE POPULATION

Both as written and in their implementation, the MGP guidelines neither mandate nor advocate a single model for achieving refugee self-sufficiency. While the guidelines focus on the goal of assisting refugees to attain self-sufficiency, they specify few program requirements or means to achieve this goal. These decisions are left up to the individual affiliates.

Affiliates believe that flexibility is necessary because of the refugees' diversity. Affiliates serve refugees from countries ranging from the former Soviet Union to Somalia and Vietnam, and almost all must try to find jobs for refugees with a wide range of skills, from farmers and laborers to doctors and scientists.

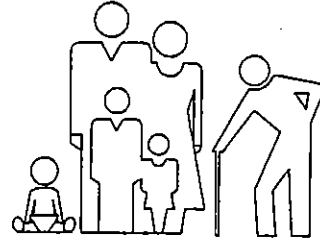
Affiliates have needed the MGP's flexibility to alter their services over time. According to at least one-third of the affiliates, refugees participating in the MGP when it was initiated were significantly easier to serve than today's refugees. They believe that today's refugees are older, less healthy, less employable, and not as motivated, although this contradicts information that ORR has collected on refugees entering the United States. Some affiliates are finding that families are becoming "top heavy" as older refugees between the ages of 50 and 65 join their relatives. These refugees were already retired in their former countries and often are less motivated to learn new customs and skills. The following chart illustrates some of the changes that affiliates have experienced in trying to adapt.

Changes in the refugee population present challenges,
according to MGP affiliates



In the early 1980s,
refugee families
were:

- ▶ young
- ▶ small
- ▶ well-educated
- ▶ highly-skilled
- ▶ healthy
- ▶ generally English-proficient



In comparison, a number of
affiliates report that recent
refugee families tend to be:

- ▶ older
- ▶ larger
- ▶ less educated
- ▶ less highly-skilled
- ▶ less healthy
- ▶ lacking English proficiency

The MGP's flexibility has allowed affiliates to address these refugee changes. Affiliates have been able to refocus from providing fewer and less intensive services, such as simple job placement, to providing a wider range of more intensive services, such as English-language training, health services, job training, and case management.

Because of the flexible guidelines, affiliates can tailor various services such as case management, English-language training, and maintenance assistance to the refugees they serve. For example, while some refugees might require intensive case management, others might require very little assistance. Because the MGP guidelines do not require case managers to meet with refugees a specific number of times, affiliates have the flexibility to devote case management resources to the refugees who need them most. Similarly, affiliates vary the amount and extent of English-language training and maintenance assistance based on individual refugees' needs as well as the resources available in the community.

The MGP guidelines specifically encourage affiliates to use their resources to provide services beyond those specified in the MGP guidelines. The guidelines state that "agencies are encouraged to develop special programs which take into account client characteristics and the agency's experience." More than two-thirds of affiliates provide additional services such as job training, medical services, child care, and, after 4 months, food and rent assistance and interest-free loans. Some of these affiliates go beyond these services in offering seminars on various subjects including: American holidays and customs, automated teller machines and the banking system, health

insurance, hygiene, and American work ethics. Some affiliates noted that they provide mental health counseling and social services to help refugees manage the trauma of relocation. By providing additional services, affiliates believe that refugees have a better chance of attaining self-sufficiency rather than entering the welfare system.

REFUGEES AND AFFILIATES MUST OVERCOME MULTIPLE BARRIERS TO ATTAIN SELF-SUFFICIENCY

When asked about the barriers that affect refugees' self-sufficiency, volags and affiliates noted multiple problems including (1) refugees' English and job skills, (2) poor local economies, (3) lack of adequate medical coverage, and (4) disincentives caused by high welfare payments and easy access in some States. Approximately 60 percent of affiliates and 5 of the 6 volags said that they face three or more barriers. Despite encountering multiple barriers, some affiliates described unique methods to overcome these obstacles.

Lack of English and appropriate job skills are the top two barriers to refugee self-sufficiency, according to affiliates. More than two-thirds of all affiliates indicated that refugees' lack of English skills is a major problem, making it the most frequently mentioned barrier to self-sufficiency. Affiliates also have problems finding employment for refugees because some refugees lack the basic skills required by American employers. Others are well-educated but lack appropriate skills. Affiliates cited examples of engineers still using drafting equipment rather than Computer-Aided Design and computer programmers unskilled in the use of English computer languages.

Five of the six volags and many affiliates believe that the downturn in the American economy has led to fewer job opportunities for refugees. In many communities, jobs traditionally filled by refugees have become scarce, and refugees now must compete with Americans for these jobs. In areas with large layoffs and plant closures, affiliates mentioned that competition with skilled American workers is overwhelming for refugees who have few transferable job skills, cannot speak English, and have no job history. Almost half of all affiliates mentioned the economy as a major barrier, and 82 percent of the affiliates that reported recent declines in self-sufficiency indicated that the economy is the major reason.

Almost one-third of the affiliates described difficulties obtaining Medicaid or other medical assistance for refugees. In some cases, State agencies do not understand refugees' eligibility for medical programs. For example, affiliates described instances where States confused refugees with immigrants and did not give them the medical services to which they were entitled. In addition, more than half of all affiliates reported that some refugees who have family members that may need medical attention do not take jobs because they fear losing Medicaid or other medical assistance, a fear that is sometimes unfounded. This problem is compounded by some States that do not provide extended medical coverage although Federal government regulations indicate that eligibility should continue for a short time after employment.

By working directly with the State agencies or with ORR's assistance, some affiliates noted that they have been able to resolve this issue.

The availability and amount of State welfare and social services can have a direct impact on refugees' ability and willingness to become self-sufficient. More than one-third of affiliates, including many in California, New York, Illinois, and Michigan, experience difficulty with refugees who appear less motivated because welfare benefits in their State are generous. In fact, networks of refugees exist in some of these States that educate refugees about the welfare system before they enter the country. Conversely, other affiliates mentioned that because their States offered little or no general assistance, nearly all refugees are self-sufficient at the end of 4 months. For example, one affiliate hypothesized that the lack of welfare in their State explains why their self-sufficiency rate was 98 percent compared to New York's 5 percent.

Affiliates volunteered unique methods to overcome these barriers. These include developing new training and job opportunities for refugees, finding unique solutions to lack of health coverage, working to change some refugees' attitudes about welfare, and finding ways to provide more intensive services than other affiliates. Some examples include:

- one affiliate that links professionally-trained refugees to local university professors who act as mentors,
- one affiliate that has agreements with local companies to employ and provide English classes for refugees with very poor English,
- one affiliate that has developed on-going referral relationships with more than 120 local companies and corporations, and
- a few affiliates that have devoted tremendous time and resources to develop relationships with local hospitals and health care providers to provide free or low-cost medical services.

APPROXIMATELY HALF OF THE AFFILIATES BELIEVE THAT ORR OVEREMPHASIZES EARLY EMPLOYMENT

Although ORR, most volags, and many affiliates believe that early employment is the most effective approach to refugee resettlement, approximately half of the affiliates believe that an extended training and resettlement approach would better serve all or some of their refugees. Almost all affiliates attempt to obtain early employment for refugees; however, more than half of the affiliates indicated that they would prepare refugees for other types of employment if ORR did not emphasize early employment. The ORR, however, believes that this approach conflicts with Section 412 of the Immigration and Nationality Act, which states that Congress intended refugee resettlement funds to be used to place employable refugees "on jobs as soon as possible after their arrival in the United States."

Affiliates agree that the overall goal of the MGP is to help refugees obtain economic self-sufficiency, but they disagree on the definition of "economic self-sufficiency" and how to achieve it. Some affiliates believe that refugees are best served if they find employment quickly and learn English and acculturate through working. Other affiliates believe that early employment is not synonymous with "economic self-sufficiency." They believe that the emphasis on early employment frequently results in inappropriate job placements. For example, affiliates felt pressured to place refugees in such poor matches as mathematicians taking pizza delivery jobs and electrical engineers working as janitors. According to these affiliates, when refugees are placed in inappropriate jobs, they do not retain them and, because they are no longer eligible for refugee assistance, they enter the welfare system. Affiliates assert that, in these cases, refugees become more entrenched in the welfare system because they no longer have access to the services, training, and support that the affiliates provide.

Approximately half of the affiliates believe that at least some refugees would be better served if they could concentrate on learning English, overcoming culture shock, undergoing intensive job training, and having their social service needs met while enrolled in the MGP. This approach would result in a more appropriate, higher-level job placement and long-term economic self-sufficiency, according to its advocates. They contend that long-term economic self-sufficiency is better achieved by taking time--up to a year, according to some--to fully acculturate and train refugees rather than placing them in inappropriate entry-level jobs. For example, one affiliate believes that this extended approach would allow many of their refugees who become manicurists to forego these entry-level jobs and instead concentrate on adapting their computer or medical skills to United States' standards.

In general, affiliates that would like the flexibility to provide extended training believe that the decision should be made on a case-by-case basis. This would allow them to design effective resettlement plans for each refugee based on that refugee's skills, needs, and desires. The following chart illustrates how differences among refugees warrant different strategies to serve them.

Why is early employment an appropriate strategy for some refugees and not for others?

Some refugees...

...speak English well and can communicate with employers;

...have skills that American employers need or are willing to accept entry-level employment;

...fit easily in American culture or live in ethnic communities;

...have no significant health or mental health needs and adapt well to the United States;

...understand that the United States does not routinely provide welfare;

...retain jobs regardless of their personal feelings about the work;

...while others

...speak no English and have no knowledge of the English alphabet when they arrive.

...require extensive training to become employable or were well-established in their professions and are overwhelmed by the thought of "starting over" in an entry-level position.

...are in deep culture shock because their native lands were much different.

...come to the United States with severe health needs, including mental illness, which may be induced or aggravated by immigration.

...believe that the government provides or should provide routine income supplements.

...quit jobs that they believe are inappropriate given their skills or knowledge.

PROGRAM EFFECTIVENESS MEASURES ARE INADEQUATE

Many affiliates believe that job placement at 4 months is not, by itself, an appropriate measure of the MGP's success

Although volags report the employment status of all refugees at 4 months, these data alone do not effectively measure volag performance. Almost half of all affiliates disagree with or have reservations about the 4-month, 60 percent employment goal. According to affiliates, the 4-month data do not reflect their different enrollment policies, variations in their local economies, or the diversity of the refugees they serve.

Different affiliate enrollment policies affect volags' 4-month employment rates. Some affiliates, especially those working with the Council of Jewish Federations, make it a policy to place all eligible refugees into the MGP while others select refugees they believe make the best candidates for achieving early employment. When asked about its affiliates' enrollment policies, the Council of Jewish Federations stated that its national policy is to enroll all eligible refugees. In contrast, less than 14 percent of the other volags' affiliates enroll all eligible refugees. These affiliates select only refugees whose motivation, health, and family size and composition make them more easily employable.

Of those affiliates that disagree with the 4-month, 60 percent employment goal, 38 percent believe it is not appropriate because it does not take into account the local economy. Downturns in the American economy have reduced job opportunities in many communities. For example, one volag had an agreement with a major hotel to place its refugees as soon as they arrived in the United States. When the hotel was forced to eliminate jobs, the first jobs to go were the ones refugees had filled. Because of this, the volag has had to search for new job opportunities for its MGP refugees. Therefore, even if refugees are willing to accept any employment opportunity, they may be forced to wait until jobs become available or they must relocate.

Another factor that the 4-month, 60 percent employment goal does not address is the fact that some affiliates serve refugees who have greater needs, fewer skills, and are more challenging to serve in general than refugees served by other affiliates. Refugees from the former Soviet Union tend to be more skilled than refugees from other parts of the world, but they may be more difficult to serve because they prefer, and perform better, in jobs that utilize their skills. Other refugees may come from an agrarian society where many people are pre-literate farmers, shepherds, and fisherman who have received minimal health services. These refugees require more intensive services and often are less attractive to potential employers.

Affiliates offered suggestions to improve how ORR measures their performance. Some affiliates recommended that ORR be more flexible and adjust the goal based on such factors as local economies and refugee characteristics. While they do not necessarily advocate a scoring system for individual refugees, they would like to see ORR adjust the goal to take into consideration special circumstances that are obvious and can be documented. Other affiliates contend that 4 months is not long enough to accurately measure self-sufficiency. These affiliates would like ORR to lengthen the program or measure self-sufficiency at a later date.

The ORR has no long-term effectiveness measures

The ORR cannot measure and compare the success of the affiliates' different resettlement approaches because it lacks long-term effectiveness measures. Affiliates that limit enrollment and focus on early employment typically have high 4-month self-sufficiency rates. Affiliates that do not limit enrollment and emphasize longer-term intensive training and resettlement services typically have lower self-sufficiency rates at 4 months. Many of these affiliates assert that if ORR measured self-sufficiency after a year or more, it would find that they have higher self-sufficiency rates and that refugees have found higher-level employment. The ORR does not believe that long-term effectiveness measures can be developed or would be appropriate for a 4-month program.

Although ORR collects 7-month refugee data, these data are problematic. At 7 months, ORR requires affiliates to report the employment status of refugees who were employed at 4 months. While these data may be useful to assess the refugees'

job retention, some affiliates clearly do not understand the purpose of the 7-month report and submit incorrect data. These affiliates simply report the percentage of all refugees who are self-sufficient at 7 months. The ORR does not validate these data.

Most affiliates could track refugees for a longer period of time if required. Approximately 83 percent of affiliates indicated that they already track refugees after 7 months or that they would have minor or no difficulties tracking them for at least another year. The remaining 17 percent of affiliates indicated that they would have major difficulties tracking refugees after 7 months, mainly because they serve large numbers of refugees or their refugees move frequently and do not stay in contact.

Comparing the MGP to State refugee programs has been impossible because they have different effectiveness measures

Although ORR has attempted to compare the effectiveness of the MGP and State-administered refugee programs, no successful comparison has been completed. In 1991, ORR commissioned a study that would have compared the self-sufficiency outcomes of comparable refugees enrolled in the MGP and State programs. The ORR cancelled the study because of problems with the contractor.

Furthermore, according to ORR, any comparison between the programs would be difficult for two reasons. First, affiliates can choose which refugees to enroll in the MGP. States, on the other hand, must enroll and serve all or some of the remaining refugees. Second, not all volags participate in the MGP, and those that do may only allow affiliates in good job opportunity areas to participate. Therefore, their self-sufficiency rates would be significantly higher than State agencies'.

GENERATING AND DOCUMENTING MATCHING FUNDS LIMITS THE NUMBERS AND TYPES OF REFUGEES SERVED

Generating and documenting the match takes away from affiliates' ability to provide services and has had some unforeseen consequences on the operation of the MGP. These include affiliates (1) limiting the number of refugees they serve, (2) refusing to serve certain types of refugees, (3) delaying the donations of goods and services, and (4) refusing to participate in the MGP.

The match policy causes some affiliates to limit the number of refugees that they serve. When asked what factors limit the number of refugees that they could serve, approximately 40 percent of affiliates mentioned concerns about the match requirement. Concerns included generating the match, documenting in-kind services, and unwillingness of volunteers to complete burdensome paperwork. For example, one affiliate noted that volunteers refused to help when told of the accountability and paperwork involved.

Approximately 16 percent of affiliates have restricted the types of refugee they will serve mainly because of the match. In most instances, these affiliates refuse "free

cases," or restrict enrollment to refugees who are being reunited with their families. By requiring the families to pay for their relatives' entry into this country, these affiliates have a much easier time generating and documenting the match. In addition, many of these refugees need fewer services, and affiliates can more easily generate the match as friends and family assist refugees with English tutoring, transportation to job sites and health services, and informal acculturation.

More than one-third of the affiliates have had problems with ORR's requirement that goods and services donated during the refugees' first 30 days in the country not count towards the MGP match. Affiliates utilize many donated resources during refugees' first month in the country. They may not count these resources as part of the MGP match, because these goods and services technically are provided to refugees under the State Department's reception and placement program. To get around this, approximately 22 percent of all affiliates have delayed the donation of nonessential items or have "loaned" items for the first 30 days. For example, one affiliate acknowledged that, in certain circumstances, it has asked refugees to sleep in sleeping bags until it could count donated beds towards the MGP match. Other affiliates have avoided delaying the donation of items, but still believe that ORR should count some or all of these items toward the match.

The ORR states that loaning goods is not appropriate and stresses that employment-related services donated during the first 30 days may be counted towards the match. Affiliates clearly are more concerned with durable items such as furniture not counting towards the match. The ORR also states that it has asked volags to determine what "minimum requirements" refugees should receive during the first 30 days so that it can count any extra services towards the MGP match, but ORR asserts that volags have rejected this idea.

Six volags provide reception and placement services but do not participate in the MGP. Three of these volags indicated that the match and burdensome paperwork requirements are the major reasons that they do not participate. As a result, refugees who enter the country under their auspices do not have access to MGP services and must participate in State-administered resettlement programs if they require services after initial reception and placement.

RECOMMENDATIONS

THE ORR SHOULD DEVELOP PERFORMANCE INDICATORS BY REVISING AND EXPANDING ITS CURRENT MEASURES AND DATA COLLECTION TECHNIQUES

The ORR should collect appropriate data in order to establish comprehensive performance indicators for all volags and affiliates participating in the MGP. While 4-month self-sufficiency could continue to be one performance measurement, ORR should routinely collect longer-term refugee self-sufficiency data. Many affiliates already collect longer-term data or would experience minimal difficulty collecting it.

Both long-term and 4-month self-sufficiency measures should take into account (1) the health of the local economy, (2) services available in the community, (3) types of refugees served, and (4) affiliate enrollment policies. Besides economic self-sufficiency, other performance indicators could include the quality and integration of services provided by volags, the extent to which the entire family receives services, and social adjustment measures such as refugees' English improvement and participation in acculturation activities.

The ORR should examine the performance indicators for other Federal and State job-training programs and consider coordinating with these programs in developing these standards. The HHS' Job Opportunities and Basic Skills Training program and the Department of Labor's adult training program under the Job Training Partnership Act have established performance indicators to measure their programs' success.

THE ORR SHOULD CONSIDER OPTIONS TO REDUCE THE BURDEN OF THE MATCH REQUIREMENT

Most affiliates make extensive use of in-kind services, but many do not count some or all of it towards the match due to the burdensome nature of the paperwork. This has a negative impact on the numbers and types of refugees that they serve and the quality of the services that they provide. We recommend that ORR conduct a study to determine how the match requirement could be revised to reduce the paperwork burden on grantees without compromising Federal grant administration audit requirements.

AGENCY COMMENTS

The ORR concurred with the recommendation on the match requirement. It did not state if it concurred with the recommendation on developing performance indicators. The ORR stated that "the data currently collected measures employment, the cornerstone of the Refugee Act" and that, beyond 4 months, "it would be difficult to discern outcomes that would be attributable to the Matching Grant Program."

Given the flexibility that ORR allows for volags and affiliates to provide longer-term services to meet refugees needs to attain self-sufficiency, the current measures are not adequate to determine the program's success or to provide information on ways the program could be improved. The mandate for Federal agencies to develop comprehensive and appropriate performance indicators is found throughout efforts to reform and improve government. The *Report of the Administration for Children and Families' Monitoring Team* and the National Performance Review both contain strong endorsements of appropriate and adequate effectiveness measures, including long-term performance indicators. The General Performance and Results Act of 1993 requires that all Federal agencies develop comprehensive performance indicators and review their performance based on these indicators starting no later than 1999.

A full copy of ORR's comments appears in the appendix.

APPENDIX

ORR COMMENTS ON THE DRAFT REPORT

The ORR provided comments on a draft of this report. In response, we revised the report to address most of its concerns. The draft report contained three recommendations. Based on ORR's comments, we eliminated the first recommendation which suggested that ORR revise its program guidelines to clarify the goals of the MGP and address affiliates' concern that ORR overemphasizes early employment. The full text of ORR's comments begins on the next page.



DEPARTMENT OF HEALTH & HUMAN SERVICES

AUG 2 1994

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AIG-CFAA
AIG-MP
OGC/IG
EXSEC ✓

TO: Juna Gibbs Brown
Inspector General

FROM: Mary Jo Bane
Assistant Secretary *MTB*
for Children and Families

SUBJECT: Response to OIG Draft Report: "The Refugee Matching
Grant Program: Balancing Flexibility and
Accountability," OEI-09-92-00060

This responds to the draft report resulting from a recent review of the refugee Voluntary Agency Program (Matching Grant).

General Comments

The report reflects responses of local affiliates of the national agencies that receive funding for the Matching Grant Program (MGP) to questions posed by the OIG. The report's recommendations are based largely on these responses. Information which is impressionistic is often presented as fact e.g., the "changes in refugee population" chart on page 7 that compares demographic characteristics of refugees who arrived in the early 1980's with more recent arrivals. The report would be strengthened if it included hard data.

The Matching Grant program is a discretionary program. It operates within basic parameters and specified required services and assistance to refugees that have been developed based on extensive consultations with the participating agencies in the context of the Refugee Act and available appropriations. Within the Matching Grant guidelines, grantees exercise considerable discretion in developing models to serve refugees according to the needs of the refugees in the communities in which they reside, and which conform to the capacities of the different agencies nationally and locally. Grantees apply for funding and participate in that context. They are not required to participate or to enroll all of their clients i.e., they are free to choose which refugees are best served by this program.

Response to Recommendations

OIG Recommendation

While the MGP's guidelines state that three goals of the program are to help refugees (1) achieve economic self-sufficiency, (2) obtain early employment, and (3) achieve social adjustment, many affiliates believe that these goals conflict. For this reason, the guidelines should be revised to more clearly define and encourage program flexibility.

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Page Two - June Gibbs Brown

ACF Response

These are indeed the goals of the program. The Refugee Act requires that all resources appropriated to the program be expended "...in order to achieve economic self-sufficiency among refugees as quickly as possible..." and that "...employable refugees should be placed on jobs as soon as possible after their arrival in the United States." The Matching Grant program's goals are broad, but consistent with the Refugee Act.

As the report notes, we have been flexible in how the goals are to be achieved in the program. Grantees are able to tailor services to a diverse refugee population.

OIG Recommendation

The ORR should develop performance indicators by revising and expanding its current measure and data collection techniques... Both long-term and 4-month self-sufficiency measures should take into account (1) the health of the local economy, (2) services available in the community, (3) types of refugees served, and (4) affiliate enrollment policies. Besides economic self-sufficiency, other performance indicators could include the quality and integration of services provided by volags, the extent to which the entire family receives services, and social adjustment measures such as refugees' English improvement and participation in acculturation activities.

ACF Response

The data currently being collected measures employment, the cornerstone of the Refugee Act. We have revised measures to permit the agencies to report as successful outcomes refugees employed or self-sufficient two months beyond the end of the program. Beyond that, it would be difficult to discern outcomes that would be attributable to the Matching Grant program.

OIG Recommendation

The ORR should consider options to reduce the burden of the match requirement.... We recommend that ORR conduct a study to determine how the match requirement could be revised to reduce the paperwork burden on grantees without compromising Federal grant administration audit requirements.

ACF Comment

We agree and have been working with the agencies in this regard.

Page Three - June Gibbs Brown

Technical Comments

OIG Statement (p. 3)

According to the guidelines, affiliates should place employable refugees in "appropriate" jobs as soon as possible, and refugees must accept entry-level jobs. The ORR believes that an appropriate job is one that matches a refugee's physical skills and abilities.

ACF Comment

The guidelines actually state, "Federal policy requires that rather than resorting to public cash assistance, refugees must accept entry level employment." The intent of the policy is to indicate that work at any level is preferable to welfare.

ORR states its understanding of appropriate employment at 45 CFR 400.81, "Criteria for appropriate employability services and employment." These criteria encompass broader parameters than physical skills and limitations and apply to all recipients of refugee cash assistance, not just the Matching Grant Program.

OIG Statement (p. 2)

Authorization for the MGP is found in subpart (C) of 8 U.S.C. 1522... The law states that the MGP essentially is designed to...

ACF Comment

The law does not specifically refer to the MGP in the referenced subpart. The law gives general authority to the Director, ORR, to make grants and contracts with public or private nonprofit agencies.

OIG Statement (p. 3)

Refugees who find employment are eligible for Medicaid or refugee medical assistance for an additional 4 months even if their income exceeds a program's eligibility guidelines.

ACF Comment

45 CFR 400.104 states "If a refugee who is receiving refugee medical assistance becomes ineligible solely by reason of increased earnings from employment, the refugee's medical assistance eligibility shall be extended by a period of four months or until the refugee reaches the end of his or her time eligibility period for refugee medical assistance...whichever comes first."