

U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION
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TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 23-00

TO: ALL STATE WORKFORCE LIAISONS
 ALL STATE EMPLOYMENT SECURITY AGENCIES
 ALL STATE WORKER ADJUSTMENT LIAISONS
 ALL ONE-STOP CENTER SYSTEM LEADS

Andy McConnell

for

FROM : LENITA JACOBS-SIMMONS
 Deputy Assistant Secretary

SUBJECT: Office of Inspector General (OIG) Final Audit Report on “Job Training Partnership Act, Title II-C Out-of-School Program Performance”

1. **Purpose.** To notify all States of the results of the Office of the Inspector General (OIG) performance audit report on the Job Training Partnership Act (JTPA), Title II-C Out-of-School Youth program.

2. **Background.** The OIG conducted a performance audit on the JTPA, Title II-C Out-of-School Youth program for program year 1997 (July 1, 1997 - June 30, 1998). They performed this audit for several reasons. Although the JTPA was ending June 30, 2000, the WIA youth program places an even greater emphasis on performance accountability and the OIG “believed the audit results (of this performance audit) could be beneficial to the DOL management in assessing where the WIA youth program could make improvements in administering and reporting on the WIA youth programs.” The OIG also reasoned that “with WIA’s major emphasis on performance outcomes and the Government Performance and Results Act of 1993, requirement for Federal agencies to annually report their programs’ outcomes, the validity and veracity of future WIA performance outcomes data is not just a necessity, but a requirement.”

The objectives of the audit were two-fold. First, they were to determine “whether out-of-school youth participants’ reported outcomes for positive terminations were accurate and fully documented.” Second, the objective was to determine “what impact program interventions had

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on participants' post-program earnings." The OIG randomly selected 16 youth participants at each of 34 randomly selected service delivery areas (SDAs) to utilize for this study. The youth selected were both identified in the Standardized Program Information Report (SPIR) as out-of-school at the time of enrollment and received a positive termination from the program between July 1, 1997 through June 30, 1998. The audit procedures included comparing SPIR data with information obtained from reviewing the SDAs' participant files, reviewing participants' files for documentation of services and outcomes reported, interviewing SDAs' staff regarding participant file information, evaluating and comparing SPIR definitions to States' and SDAs' definitions, reviewing States' wage files or obtaining employers' confirmations to verify reported entered unsubsidized employment outcomes, and analyzing and comparing training activities to reported outcomes and participants' earnings. The OIG conducted their fieldwork from August 4, 1999 to April 4, 2000.

3. **Findings and Recommendations.** This OIG audit resulted in some significant findings and recommendations. The OIG found that "documented reported positive program outcomes for the JTPA Title II-C Out-of-School Youth Program were significantly lower than those reported." Specifically, "a significant number of entered unsubsidized employment terminations were reported in error and others were in question." In addition, the OIG found that "documentation supporting youth employability enhancements was seriously deficient." The OIG provided three recommendations to the ETA around this first group of findings:

- Notify all States and the substate WIA grantees of the audit results and emphasize the necessity for States and their grantees to validate outcome data as part of their monitoring program and training provider eligibility determinations.
- Emphasize to the States and the substate grantees the importance of documenting not only reported outcomes but also specific services provided, dates services were provided, and actual program exit date.
- Include in the ETA's monitoring program, a review of the States' and the substate WIA grantees' implementing such a data validation effort.

Additionally, the OIG provided one set of findings and a recommendation around the second objective of the audit. They found that "participants' post-program earnings were affected by program interventions and level of participants' participation." Specifically, post-program earnings were directly impacted by the type of training a participant received. Additionally, they found that almost half of the training activities to address participants' barriers were not completed. Around this group of findings, the OIG recommends that the ETA emphasize the importance of the WIA program's not only enrolling youth in occupational skills training activities, but also finding ways to keep them actively participating in the program to completion, to maximize their post-program earnings.

The entire OIG final audit report can be found on the OIG's website at www.oig.dol.gov/public/reports/oa/main.htm.

4. **Next Steps.** In response to the recommendation to emphasize the importance of enrolling youth in occupational skills training and keeping youth actively engaged in the program to completion, the ETA has already issued comprehensive guidance on youth services under the WIA, which included a section on how to engage and retain participants until they receive all needed services to successfully transition to adulthood and careers. The guidance was issued as Training and Employment Guidance Letter (TEGL) No. 18-00, dated April 23, 2001, and is available on the ETA web site.

In addition, the ETA is undertaking a data validation initiative which is attempting to create both more precise programming specifications and also more precise standards for validating data quality. This validation initiative is already underway with an assessment of the ETA validation requirements completed. Based on the recommendation of the assessment, an internal workgroup has been formed to develop recommendations on a series of policy and technical issues regarding validity system design including data to be validated, documentation and quality standards, reporting, performance, validation specifications, and the definitive source for verifying data elements. The ETA expects the validation system to be designed and pilot-tested by September 2002.

5. **Action Required.** States are requested to:

- notify local workforce investment area grantees of the audit results;
- emphasize to State staff and local grantees the necessity to validate outcome data as part of monitoring and training provider eligibility determination;
- emphasize to State staff and local grantees the importance of documenting reported outcomes, services provided, service dates, and actual program exit dates; and
- emphasize to local grantees the importance of developing service design and case management policies and procedures to ensure that a youth's individual service strategy is fully realized.

6. **Inquiries.** Questions on this TEGL should be directed to the appropriate Regional Office.