Evaluation of
The Employment and Training Administration's
Awards Process for Welfare-to-Work Competitive Grants (Round 1)

U.S. Department of Labor
Office of the Inspector General
Office of Analysis, Complaints and Evaluations

Report No. 2E-03-386-0001
March 29,2000

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Executive Summary

The Office of Inspector General (OIG) conducted this evaluation in response to a request from Senator Christopher S. Bond expressing concerns regarding the awarding of Welfare-to-Work (WtW) competitive grants. Specifically, the objective of our review were to:

A. Assess the competitive grant-making process developed and implemented by the Department of Labor (DOL), including an examination of its due diligence review, and

B. Determine whether or not the Department ensured that the grantees corrected each of the deficiencies identified before federal funds were awarded.

Findings

The agency that administers the Department of Labor's Welfare-to-Work Competitive Grant selection process is the Office of Grants and Contracts Management/Division of Federal Assistance (OGCM/DFA) in the Employment and Training Administration (ETA). Our findings on the grant selection process are as follows:

1. ETA applied the criteria listed in the Solicitation of Grant Application to evaluate grant applications, but the absence of the "Work-First" requirement and lack of definition of the term "innovation" are important weaknesses in the SGA criteria.

2. ETA carried out the grant selection timely, but we have concerns about other due diligence aspects of the process. These concerns are the inefficiencies in the pre-award clearance process and deficiencies in the record storage and tracking system.

3. In accordance with Federal regulations, grantees were not allowed to correct deficiencies that were identified in their applications before federal funds were awarded. ETA did, as permitted, ask for clarification of non-programmatic information.

Recommendations

We are making recommendations to assist ETA in improving future Pre-Award Grant selection processes.

1. To avoid any possible weaknesses in the SGA, we recommend that, in the future, the Office of Welfare-to-Work include all welfare-to-work legislative requirements in the grant criteria and that the criteria be clearly defined.

2. To safeguard against awarding grants prior to receiving full pre-clearance responsibility reviews, we recommend that OGCM/DFA work with the Special Program Service Unit to set up a process that will ensure up to date information on applicant eligibility.

3. To avoid potential problems with records management, we recommend that OGCM/DFA implement a record storage and tracking system with adequate controls. This system should include the following items:
   a) Retention of the notes of the entire technical review panel
   b) An electronic tracking system that is capable of allowing multiple users to locate specific application files.

Agency Response and OIG Conclusion

The agency's response to the OIG's draft final report agrees that the grant making process for the Welfare-to-Work Competitive Grant Round One has weaknesses in the Solicitation of Grant Award, Pre-Award Clearance Process and OGCM/DFA record storage and tracking systems and several steps that have been implemented by ETA to the issues raised in the report. The response also expresses that "the process was conducted in a fair and impartial manner and did not result in the award of grants to non-competitive, unqualified applicants."

The OIG does not believe that ETA has adequately addressed the important issues raised in the draft report. Due to an insufficient response, we consider all recommendations provided to ETA as unresolved. Although ETA has provided us with a good-faith listing of potential changes, a commitment to establish a clear and sufficient set of internal controls that will correct the deficiencies listed in the draft report has not been presented. Furthermore, the OIG cannot confirm ETA's assertion that "the process was conducted in a fair and impartial manner and did not result in the award of grants to non-competitive, unqualified applicants". This assertion was outside this evaluation's scope. ETA's complete response can be found in Appendix F.

Purpose

The Office of Inspector General conducted this evaluation in response to a request from Senator Christopher S. Bond expressing concerns regarding the awarding of Welfare-to-Work (WtW) competitive grants. Specifically, the objective of our review were to:

1. Assess the competitive grant-making process developed and implemented by the Department of Labor, including an examination of its due diligence review, and

2. Determine whether or not the DOL ensured that the grantees corrected each of the deficiencies identified before federal funds were awarded.

First, to assess the competitive grant-making process developed and implemented by the Department, including an examination of its due diligence review, we answered the following questions:

- What criteria did the Employment and Training Administration (ETA) use to evaluate the WtW competitive grants?

- Did ETA grant review staff complete the grant review with due diligence?

Second, to determine whether or not the DOL ensured that the grantees corrected each of the deficiencies identified before federal funds were awarded, we answered the following question:

- Did ETA ensure that the grantees correct any of the deficiencies identified in their applications before federal funds were awarded?

This evaluation provides an understanding of the pre-award grant process as followed by ETA in the WtW Round One Competitive Grant Selection. Our analysis supports the Secretary's strategic goal two of "Economic Security of Workers and Families," because the purpose of the WtW Competitive Grant is to prepare recipients of Temporary Aid to Needy Families (TANF) to become economically self-sufficient.

Background

Under the Balanced Budget Act of 1997[1], the Secretary of Labor is authorized to provide WtW grant funds to welfare-to-work States[2] and local communities to move the TANF recipients who are least job ready into unsubsidized employment[3]. The competitive grant process allows private and public agencies to create opportunities for TANF recipients to gain access to the labor market by placing them into fields that have a shortage of low-skill jobs[4]. The policy objective of the WtW competitive grant process is "Work First". The primary focus of "Work First" is based on the TANF concept of placing individuals in employment activities. The "Work First" approach recognizes that individuals may be provided, when appropriate, with educational and skill based training that is job related. Other services may also be provided to ensure lasting employment and the achievement of self-sufficiency.

The WtW competitive grant program is administrated by Office of Grants and Contracts Management/Division of Federal Assistance (OGCM/DFA) in ETA. The OGCM/DFA implements the process for the program specifications in the Solicitation of Grant Application (SGA), grant selection timetables, and evaluation of the grant applications. The Office of Welfare-to-Work is responsible for both legislative interpretation and program creation of the WtW program.

The first round of competitive grants, announced May 27, 1998, totaled $199 million. These funds were awarded to 51 competitive grantees.

Welfare-to-Work Competitive Grant Round 1:At A Glance		
Total Amount Awarded*:	$199,000,000.00	
Average Grant Award:	$3,901,960.78	
	Totals	**Percentage**
Number of Grant Applications Received:**	621	100%
Number of Grant Applications Non-Competitive:**	355	57%
Number of Grant Applications Non-Responsive:**	40	6%
Number of Grant Applications Deemed Competitive:**	226	36%
Number of Grant Applications Awarded*:	51	8%

[1] H.R. 2015 sec.5001

[2] Sec. (a) (II) (B) (i).

[3] Sec. (a) (II) (B) (i) (I).

[4] Id.

(*- Information is based on the ***Welfare-to-Work Competitive Grant Post Award Survey Results. Report Number: 05-99-008-03-386.*** Issued March 24, 1999.)
(**- Information is based on documents provided to the OIG by ETA/OGCM/DFA. See Appendix E for terms definitions.)

Scope

This evaluation limited its focus to the pre-award competitive grant making process administered by the Office of Grant and Contract Management, Division of Federal Assistance. Our evaluation did not include an examination of grantee operations. An Office of Inspector General (OIG) report, issued March 24, 1999, focused on and examined the programmatic and financial operational readiness of first round grant recipients (Welfare-to-Work Competitive Grant Post Award Survey Results, Report Number: 05-99-008-03-386). Although the scope and objective of the prior OIG audit was different from this evaluation, we found fault in one area that the prior OIG audit also found weaknesses, namely, the application of the work-first requirement.

Methodology

To answer the questions of this review, initially we obtained information through interviews of ETA staff and reviews of the Solicitation for Grant Application for Welfare-to-Work Round One[5], the Procedural Guidance For Panel Review For Solicitation For Grant Application[6] and the WtW Competitive Proposal Review and Selection Process[7] (see Appendix A for process map). We later reviewed other documentation listed below to expand the analytical basis of our findings. The methodology section is broken into the following steps.

1. Review of Federal Polices and Interviews of ETA Staff

We outlined the grant selection process by interviewing ETA staff and examining the following grant related documents: a) the SGA, b) the Interim Final Regulation of the Welfare-to-Work program, c) the Procedural Guidance For Panel Review For Solicitation For Grant Application, d) Employment and Training Order Number 2-87 concerning procurement management, and e) the General Records Schedule 3 for Procurement, Supply and Grant Records.

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[5] 62 Federal Register 67902-67918 (December 30, 1997).

[6] Procedural Guidance For Panel Review For Solicitation For Grant Application. Provided by ETA/OGCM/DFA Staff

[7] WtW Competitive Proposal Review and Selection Process. Provided by ETA/OGCM/DFA Staff.

These documents form the foundation for our analysis and shaped the findings and recommendations given to ETA concerning both the grant selection process and records maintenance.

2. Review of Solicitation of Grant Application

Our review of the SGA identified five weighted criteria (Relative Need for Assistance, Innovation, Outcomes, Local Collaboration and Sustainability, Demonstrated Capacity) and the "Areas of Special Interest". We used this information to identify structural weaknesses within the SGA.

3. Statistical Sampling of Awarded and Non-Competitive Grant Applications

We used a statistical sampling method to identify grant applications for review. Using a proportional allocation formula with a weighted design, we generated two random samples of files (the first sample contained non-competitive applicants and the second contained awarded applications).

OGCM/DFA received a total of 621 grant applications in Round One. The grant applications were classified as either non-responsive, non-competitive, or competitive (see Appendix E for term definitions). The following is the number of applications that were placed in each category: 40 applications were non-responsive, 355 applications were non-competitive, and 226 application were competitive. Of the 226 competitive grant applications, 51 grants were awarded.

The first sample consisted of 64 non-competitive applications representing the five regions into which ETA divided the U.S. (Four geographical regions and a region that considered applicants with multiple sites. These multiple sites applicants operate facilities in several different states or geographical regions.) This initial sample was chosen from a universe of 355 with a 95% statistical confidence level.

Initially, the second sample consisted of 22 awarded applications; however, four grants were added to make a total of 26 applications. We reviewed these additional applications to help answer questions that surfaced during this review. The second sample also used a 95% statistical confidence level with a universe of 51.

We used the sampled applications to identify what information OGCM/DFA utilized to evaluate the grant applications (SGA criteria and equitable point distribution) and to determine OGCM/DFA processes and internal controls.

We conducted our review in accordance with the *Quality Standards for Inspections* published by the President's Council on Integrity and Efficiency. We did not independently verify the documentation provided to us by ETA.

Findings

1. ETA applied the criteria listed in the SGA to evaluate grant applications, but the absence of the "Work- First" requirement and lack of definition of the term "innovation" are important weaknesses in the SGA criteria.

The following table shows the five criteria in the SGA with their respective scoring values.

The SGA Criteria and Point Distribution

Criteria	Points
1. Related Need for Assistance	20
2. Innovation	20
3. Outcomes	25
3a. Quality of proposed employment outcomes	—
3b. The extent to which the proposed plan of services responds to identified needs	—
3c. The barriers faced by proposed participants	—
3d. The conditions in local area as well as the likelihood that proposed service plan will result in the proposed outcome	—
3e. Reasonableness of the level of investment in relation to the proposed outcome	—
4. Local Collaboration and Sustainability	25
5. Demonstrated Capability	10
Total	**100**

(Please see Appendix B for a brief summary of each of the criteria.)

- *OGCM/DFA correctly used the "Areas of Special Interest" to designate grant funds.*

  OGCM/DFA used the "Areas of Special Interest" as a mechanism to delineate the type of program the applicant will preform if awarded grant funds. This information was not used as a part of the procedure to disqualify an applicant from the competitive process. The SGA mentions "Areas of Special Interest",on page 67903,(per our interpretation of the SGA) as strongly suggested strategies to be used by applicants. This suggestion could be interpreted by applicants as information that could garner them extra points in the competitive process. We could not find any evidence that these indicators were used as criteria for final point distribution. The Welfare-to-Work Pre-Screen Review Sheet, in Appendix C, shows that the "Areas of Special Interest" did not receive any official scoring by

OGCM/DFA grant evaluation staff.

Areas of Special Interest
Geographic Distributions (70% urban/30% rural)
70% Hardest to Employ workers
30% Welfare Recipients associated with long term welfare dependency
Other Special Interest Needs (Disabilities, Mental Health & Substance Abuse, Transportation, Housing Issues, Rural Issues, Noncustodial Parents, and Employer Strategies)

(Note: The above chart is based on the information provided in the Solicitation of Grant Application on p.67903)

• *OGCM/DFA used no further criteria in assessing the grant applications.*

We found that the coordination between the DOL and Department of Health and Human Services (HHS) in the grant review process proceeded according to the method prescribed in the SGA. Grant applications were forwarded to HHS based on grantee choice and whether it was deemed most competitive by OGCM/DFA.

• *Absence of "Work-First" requirement and lack of definition of the term "innovation" are important weaknesses in the SGA criteria.*

This is an area that lacked clarity and could be misinterpreted by grantees. Although *"Work First"* principles were mentioned in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) legislation[8], the Welfare-to-Work Interim Final Rule[9], and the Solicitation for Grant Application in the Program Scope and Funding section on page 67902, it was not listed as one of the five weighted criteria. In many of the non-competitive grant applications we reviewed, references to the lack of "Work First" related activities in the grant application were cited as a general weakness. We believe that the way the SGA was written, it would be easy for a grant applicant to focus on the five criteria listed and leave out narrative information that identifies how the grantee's program would highlight "Work First" activities.

The definition of *"Innovation"* did not provide us with enough information to

[8] H.R. 3734

[9] Federal Register: November 18, 1997; Volume 62, Number 222, pgs. 60587-61613.

identify objective performance measures (further discussion of this is in Appendix B). Two readers could reasonably disagree on the relative merit of a proposed program along this dimension.

We believe that including the “Work First” regulation and a clear definition of “Innovation” could have resulted in a more complete and less ambiguous SGA.

The Office of Welfare-to-Work told us that in Rounds 2 and 3 they incorporated subsequent remedial measures to clarify the SGA.

2. ETA carried out the grant selection timely, but we have concerns about other due diligence aspects of the process. These concerns are the inefficiencies in the pre-award clearance process and deficiencies in the record storage and tracking system.

- *ETA’s completion of the grant selection process in 104 days, less than the projected 120-day time period, is commendable*.

We found that OGCM/DFA completed the grant selection process in 104 working days. It is not uncommon for any given grant selection process to take up to 120 working days to complete.

- *ETA’s process for ensuring that potential grantees have no history of engaging in fraud, waste and abuse of Federal funds is insufficient.*

We found no established procedures that could assist the DOL in identifying grantees that may have administrative problems with other Federal agencies. Regarding external information, it is possible for other Federal agencies to be conducting an investigation that may disqualify a potential DOL grantee without ETA’s knowledge.

Internally, we found that information passed between divisions and agencies may be insufficient. The current system allows final decisions to be made at the discretion of the Grant Officer. During our evaluation, we found that pre-clearance information was received by the grant officer after the grants were awarded. This current system of controls may be insufficient because it does not adequately safeguard ETA from issuing grants prior to receiving full pre-clearance responsibility reviews on applicants.

During the pre-clearance responsibility review, OGCM/DFA requests ETA Special Program Service Unit (SPSU) to create an applicant profile. SPSU solicits information from the Office of the Comptroller; ETA Division of Accounting/Debt Collection Unit, OGCM/ Division of Resolution and Appeal (DRA); and the Office of Inspector General to gain information about grantees whose applications have been deemed most competitive. Although these DOL agencies provide information for the applicant profile to SPSU,

some of the most needed information is in the public domain (i.e. current General Service Administration debarment listing). OGCM/DFA and/or SPSU can access this information directly.

- *OGCM/DFA's record storage and record tracking system is deficient and lacks controls.*

  We found that OGCM/DFA staff had difficulty locating the files we requested and seemed to be confused as to where the records were stored. Because critical information resides with individuals rather than systems, document retrieval depends on the presence in the office of specific individuals. Likewise, no electronic record tracking system capable of identifying who may have specific grant files exists. This can cause problems such as those we encountered, when another entity needs access to a file in the absence of the employee responsible for it. We confirmed our observations through interviews with ETA staff, who told us that ETA, as a whole, has not implemented a storage and tracking system. This deficiency caused us to experience a three-week delay in obtaining relevant documents from OGCM/DFA.

  Based on our examination of grant files and interviews with OGCM/DFA staff, we found grant review panel notes lacked sufficient detail. The files we reviewed only had notes from the review panel chairperson reflecting his (or her) thoughts on selection (based on discussions held with the entire review panel during grant evaluation). Notes from the other members of the review panel were not included. The summary notes reviewed were limited in providing information to help applicants improve grant applications for subsequent rounds.

3. In accordance with Federal regulations, grantees were not allowed to correct deficiencies that were identified in their applications before federal funds were awarded. ETA did, as permitted, ask for clarification of non-programmatic information.

- Based on the information provided by ETA, grantees are not allowed to make corrections to grant applications once they have been received by OGCM/DFA for the selection process. During the negotiation process, OGCM/DFA, through the Grant Officer, may ask for clarification of non-programmatic information. Based on our analysis, we found no evidence that the process allowed one grantee to have an unfair advantage over another. We were told that grantees, in the negotiation process, were selected based on their most competitive status (see Appendix E).

Recommendations

We are making recommendations to assist ETA in improving future Pre-Award Grant selection processes.

1. To avoid any possible weaknesses in the SGA, we recommend that in the future, the Office of Welfare-to-Work include all welfare-to-work legislative requirements in the grant criteria and that the criteria be clearly defined.

   Agency Response

   "The Office of Welfare-to-Work (OWtW) was responsible for writing the Solicitations. After its experience with the first solicitation (upon which the OIG report focuses) and the second, which overlapped, OWtW undertook ... actions to clarify the terms "areas of special interest", "innovation" and "work first"..."

   OIG Conclusion

   We consider this recommendation unresolved because we have not reviewed the second and third round grant solicitations. We will consider this recommendation closed, after we evaluate these rounds to identify whether the changes mentioned in ETA's response were implemented.

2. To safeguard against awarding grants prior to receiving full pre-clearance responsibility reviews, we recommend that OGCM/DFA work with SPSU to set up a process that will ensure up to date information on applicant eligibility.

   Agency Response

   "The ETA has established procedures for conducting pre-award clearance reviews of potential grantees and contractors. These procedures, however, do not call for obtaining information external to the Department. While we can see the benefit for obtaining this additional clearance information, adding that aspect to the process will require additional staff time and possible legal clarification to ensure that the integrity of the process is not compromised."

   "... SPSU is not asked to create an applicant profile, but rather is asked to determine if any information from Federal audits, investigations or collection procedures is available which would or could preclude approval of an award to an applicant. SPSU then requests those offices listed to

provide any information which might adversely impact ETA's decision to award funds to the applicant."

"The ETA will convene a workgroup to re-examine the pre-award clearance process. We anticipate that the workgroup would include individuals currently engaged in the process, including OIG staff."

OIG Conclusion

We concur with the corrective action of convening a work group to re-examine the pre-award clearance process. However, we believe that ETA should augment their current system of controls to ensure that all pre-clearance information is provided to the Grant Officer before an award is given. *This recommendation remains open and will be closed pending our receipt of ETA's revised pre-award clearance process and a proposed workgroup meeting schedule.*

3. To avoid potential problems with records management, we recommend that OGCM/DFA implement a record storage and record tracking system with adequate controls. This system should include the following items:
   a) Retention of the notes of the entire technical review panel
   b) An electronic tracking system that is capable of allowing multiple users to locate specific application files.

Agency Response

"The panel report is a composite summary of each review panel member's notes. Once this report has been reviewed and accepted by the Grant Officer, there is no need to retain the notes from individual panel members."

"ETA agrees that we do not have adequate space for maintaining copies of proposals received from non-selected applicants. This number could be in excess of 100 applications per solicitation."

OIG Conclusion

We consider the recommendation for record maintenance unresolved for the following reasons:

a) The Federal Records Act, 44 U.S.C. et seq., 3101 mandates all Federal agencies must maintain records "... containing adequate and proper

documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency and designed to furnish the information necessary to protect the legal and financial rights of the Government and of persons directly affected by the agency's activities." In addition, The General Records Schedule 3, Procurement, Supply and Grant Records, Transmittal 8, December 1998, outlines that unsuccessful grant application files (including applications, correspondence, and other records related to unsuccessful applications) should be kept for 3 years. Although ETA follows the General Records Schedule requirement for maintaining the applications and the composite summary for the specified period of time, it is mandated in the General Records Act that ETA must keep all pertinent information that substantiates why a decision was made. This information includes the notes of each individual on the technical review panel.

b) We concur with ETA's response regarding inadequate space for maintaining copies of proposals received from unsuccessful grant applicants. This recommendation remains unresolved and will be considered closed upon our receipt of a revised procedure for ETA's record storage system.

Contributors

Nigel R. Gardner, Project Leader
Daryll D. Butler
Teserach Ketema, Team Leader

Amy C. Friedlander, Director, Division of Evaluations and Inspections

Appendix A

WtW Competitive Proposal Review & Selection Process (Steps 1-9)

(Based on documentation provided by DFA, 10/10/99)

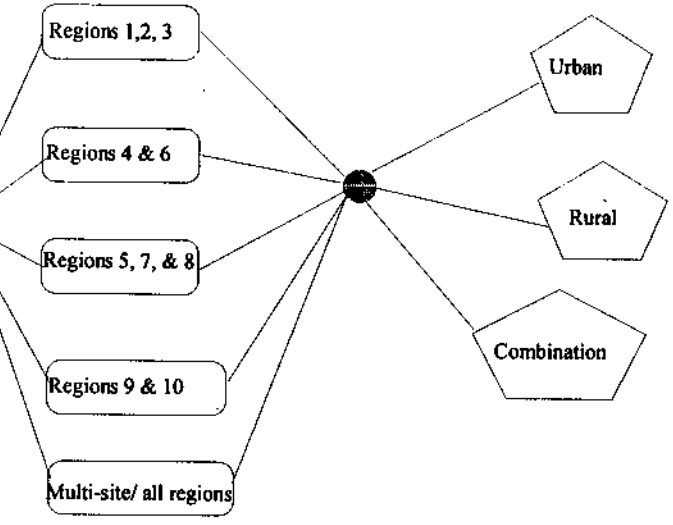
1. SGA Published 12/30/97 with closing date of 03/10/98

2. All applications were logged by DFA (formally DAA)

3. Each application pre-screened for eligibility by DFA and WtW team

4. Non-responsive applications are put aside for further review before the end of the regular panel review process. **Note: This action will determine non-compliance.**

5. All eligible applications were separated into 5 geographic groups and two or three sub-groups. **Note: This action provided an equitable review of proposals.**



6. Panel members secured from DOL National and Regional office staff and peer review. 22 three person panels to review 580 eligible applications.

7. Panel members are briefed on roles and responsibiltities

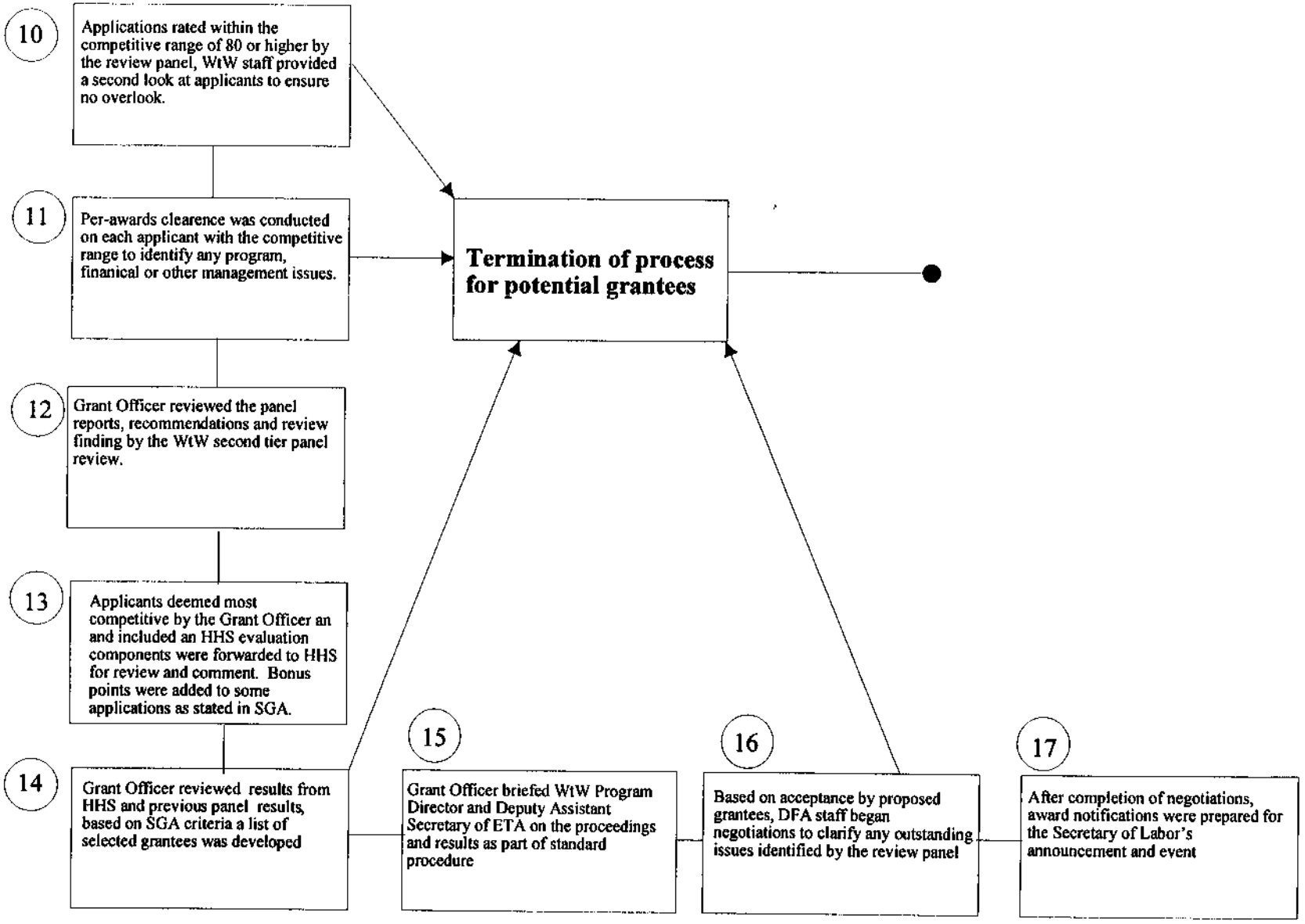
8. Panel members reviewed and rated proposals/ debriefed with DFA staff

9. Each panel chairperson prepared a report outlining strengths and weaknesses along with a composite scoring system. Report goes to Grants Managment Staff in DFA.

Appendix A: Cont'd

WtW Competitive Proposal Review & Selection Process (Steps 10-17)

(Based on documentation provided by DFA, 10/10/99)



Appendix A: Cont'd

WtW Competitive Proposal Review & Selection Process (Steps 18-20)

(Based on documentation provided byDFA, 10/10/99)

18

Congressional Affairs was provided with tthe list of all applicants so that they could provide the appropriate Congressional notifications

19

Awards are made to the winners

20

Letters were sent to all unsucessful applicants which included the identified strengths and weaknesses of their applications

Appendix B: Solicitation of Grant Application criteria definitions

This appendix summarizes the definitions of the five criteria used to score the grant applications. We include brief comments when appropriate. Please note that the "Outcomes" criterion has five subsections that must be taken into consideration to meet the criteria.

1. Related Need for Assistance

   Related Need for Assistance as a criterion was self-explanatory as laid out in the SGA. Applicants were to provide socioeconomic information on the locale and population of potential grantees. This information would demonstrate whether a grant proposal was reasonable in addressing need for assistance based on the following: a) concentration of poverty, b) long-term welfare dependence, c) labor market deficiencies, and d) other barriers to lasting unsubsidized employment.

2. Innovation

   We found that one can raise a question on Innovation as a measurable criterion. The definition of innovation in The SGA is as follows:

   > "Innovation" [20 points] which shall consider the extent to which the project incorporates new and better strategies for moving welfare recipients into lasting unsubsidized employment leading to economic self-sufficiency. These strategies can include, but are not limited to, new and better ways that services can be accessed by participants in the local community, new and better ways for local organization to work together, or the replication of effective strategies in a new setting (p. 67905).

   This definition of innovation did not provide us with enough information to identify objective performance measures.

3. Outcomes

   According to the SGA the "Outcomes" criterion measures and compares the quality of proposed employment and potential earnings outcomes of applicants service plans versus the likelihood that the proposed service plan will result in the stated outcomes. The determination is based on the

reasonableness of the level of investment necessary to produce the outcome.

4. Local Collaboration and Sustainability

According to the SGA, this criterion outlines to what extent local partnerships will collaborate in the ongoing effort to maintain the WtW program presented in the grant application provided to ETA.

5. Demonstrated Capability

The SGA, under "Demonstrated Capability", states,

> ... it shall be taken into consideration the extent to which an applicant and its partner organizations demonstrate a history of success in serving comparable target groups (TANF recipients), the extent to which a proposal uses current or former welfare recipients, and the extent to which the applicant demonstrates the ability to manage the grant:
>
> For those proposals that are deemed by the Grant Officer to be most competitive, applicants for projects to operate in designated Empowerment Zones and Enterprise Communities (EZ/EC) will be eligible for 5 bonus points.
>
> In addition, proposals that are deemed by the Grant Officer to be most competitive, that plan to serve at least 450 WtW participants, and that are willing to participate in a random assignment evaluation may be awarded from zero to five bonus points (based on an HHS assessment of the suitability of the project for evaluation against the criteria outlined in Appendix A). page 67906

This factor has been specified as a factor only after the most competitive grantees have been chosen. In some of the cases of non-competitive grantees, some grantees were in EZ/EC communities and other designated themselves as HHS assessment candidates.

Appendix C: Pre-Screen Sheet

Welfare-To-Work
Pre Screen Review Sheet

Applicant #_____

Summary ____ Urban ____ Rural ____ HHS ____

Applicant Name: _____

_____

Certifications:

PIC or Subdivision _____

Comments: _____

State _____

Comments: _____

Other Documentation ____ Explain: _____

_____

Area of Special Interest

Target Populations

__Noncustodial Parents
__Learning Disabled Individuals
__Substance Abusers
__Public Housing Residents

Key Services Strategies

__Expanded/accessible Transportation
__Expanded/accessible Child Care
__Work & Learning Skills Development
__Family-focused Assistance
__Job Creation/Self-Employment
__Non-traditional Occupations f/ Women

Integration Strategies

__Proactive Employer Involve.
__Integration Child & Family Assistance Services
__Workforce Development & Welfare Systems
__Community Saturation

Recommended for Panel: _____ (YES) _____ (NO)

Reviewer: _____

Appendix D: Acronyms

Acronym List

CAO	Division of Complaint, Analysis and Operations
DEI	Division of Evaluations and Investigations
DFA	Division of Federal Assistance
DOL	Department of Labor
DRA	Division of Resolution and Appeals
ETA	Employment and Training Administration
ETA/ODAR	Office of Debt and Audit Resolution
HHS	Department of Health and Human Services
GSA	General Service Administration
OIG	Office of Inspector General
OA	Office of Audit
OACE	Office of Analysis, Complaints and Evaluations
OGCM	Office of Grant and Contract Management
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act
SPSU	Special Program Service Unit
TANF	Temporary Aid to Needy Families
WTW	Welfare to Work

Appendix E

Glossary

Awarded Grant Applications-	Grant applications that were deemed competitive and were awarded funds by the Department of Labor.
Competitive Grant Applications-	Grant applications that were rated within the competitive range of 80 or higher by the review panel.
Non-Competitive Grant Applications-	Grant applications that were rated below the competitive range of 80 by the review panel.
Non-Responsive Grant Applications-	Grant applications that did not meet or comply with the minimum eligibility criteria.

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210

MAR 28 2000

MEMORANDUM FOR: JOSE M. RALLS
Acting Assistant Inspector General
Office of Analysis, Complaints and Evaluations

FROM: for RAYMOND L. BRAMUCCI
Assistant Secretary for Employment
And Training

SUBJECT: Evaluation of ETA Awards Process for
Welfare-to-Work Competitive Grant (Round 1)
Report No. 2E-03-386-0001

Thank you for the opportunity to review and comment on the subject draft OIG Report. The ETA comments are as follows:

Overall Comment

It should be noted in the report that despite the identified weaknesses, the process was conducted in a fair and impartial manner and did not result in the award of grants to non-competitive, unqualified applicants.

Solicitation for Grant Award

The Office of Welfare-to-Work (OWtW) was responsible for writing the Solicitations. After its experience with the first solicitation (upon which the OIG report focuses) and the second, which overlapped, OWtW undertook the following actions to clarify the terms "areas of special interest," "innovation" and "work first:"

1. A series of "bidders conferences" were held in five different locations throughout the country. Each bidders conference consisted of presentations and questions and answers from a combination of OWtW staff, staff from the ETA Office of Grants and Contracts Management, and successful program operators from previous competitions. Work first, innovation, and areas of special interest were clarified and demonstrated by example.

2. "A Guide To Completing A Successful Application" was created by OWTW and was distributed at each bidders conference. In addition, the Guide was posted on the WtW Internet Website.

3. Finally, a video tape presentation of the clarifications and amplifications to be presented at the bidders' conferences was made by OWtW. This tape tracked along with the Application Guide. Through an arrangement with the American Association of Community Colleges, the videotape was satellite broadcast to all Community Colleges in the country. This video opportunity for applicants was advertised on the OWtW Website and by Regional ETA staff nationwide.

Through the learning process provided by two WtW Solicitations and through the mechanisms described above, the ETA believes that the report concerns on criteria and point distribution have been addressed. As you are aware, the Congress provided no additional funding for OWTW to award grants, consequently no subsequent WtW SGAs will be published.

Pre-award Clearance Process

The ETA has established procedures for conducting pre-award clearance reviews of potential grantees and contractors. These procedures, however, do not call for obtaining information external to the Department. While we can see the benefit for obtaining this additional clearance information, adding that aspect to the process will require additional staff time and possible legal clarifications to ensure that the integrity of the process is not compromised.

Note that on page 8, last paragraph, 1st sentence, the component title is Special Program Services Unit (SPSU), not Support Unit (the title also needs to be changed in the Acronym List). For clarification purposes, in the last paragraph of page 8, SPSU is not asked to create an applicant profile, but rather is asked to determine if any information from Federal audits, investigations or collection procedures is available which would or could preclude approval of an award to an applicant. SPSU then requests those offices listed to provide any information which might adversely impact ETA's decision to award funds to the applicant.

The ETA will convene a workgroup to re-examine the pre-award clearance process. We anticipate that the workgroup would include individuals currently engaged in the process, including OIG staff.

DFA's Record Storage and Record Tracking System

The "technical review panel" is not a "selection board." It is the responsibility of the panel to review and rate each application against the criteria published in the solicitation for grant application (SGA). This panel's findings are advisory in nature to the Grant Officer who makes the final award decisions.

The panel report is a composite summary of each review panel member's notes. Once this report has been reviewed and accepted by the Grant Officer, there is no need to retain the notes from individual panel members.

ETA agrees that we do not have adequate space for maintaining copies of proposals received from non-selected applicants. This number could be in excess of 100 applications per solicitation.