

ETA'S RESPONSE

U.S. Department of Labor

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



JAN 19 2017

MEMORANDUM FOR: ELLIOT P. LEWIS
Assistant Inspector General for Audit
Office of Inspector General

FROM: PORTIA WU *PW*
Assistant Secretary

SUBJECT: Response to Office of Inspector General (OIG) Draft Report No.
18-17-001-03-390 - *Job Training Grants to Colleges: Despite
Participant Follow-up Difficulties, Most Were Placed in Training-
Related Jobs*

Thank you for the opportunity to respond to the subject OIG draft report. The Employment and Training Administration (ETA) appreciates the acknowledgement by the OIG in the *Results in Brief* section of the report that the "...grant program enabled most participants to gain employment in training-related fields" and "...the sampled grantees claimed costs in accordance with the grant agreement that were reasonable, allowable, and allocable."

Below are the three recommendations made by the OIG as provided in the report, along with ETA's responses to the recommendations:

OIG Recommendation 1: Expand the use of best practices, such as those at San Jacinto Community College and University of Texas-Medical Branch, to improve performance outcomes and participant follow-up.

ETA Response: ETA agrees with this recommendation. As part of ETA's comprehensive technical assistance efforts, ETA has been regularly sharing promising practices with ETA's discretionary grantees. ETA will continue to disseminate documented promising practices collected from ETA grantees, including promising strategies related to the collection of employment data through participant follow-up. In addition, ETA will ensure that these practices are widely disseminated across ETA grant programs that can benefit from such strategies.

OIG Recommendation 2: Explore ways to obtain more complete placement and retention data for participants.

ETA Response: ETA agrees with this recommendation and has been, and will continue to, explore and identify strategies that support this collection of data. For example, beginning in 2014, ETA began to allow grantees of several of ETA's H-1B funded

technical skills training grant programs to use a small percentage of grant funds for incentive payments to participants to provide information on their employment status after they leave the program, similar to methods used by evaluators for participant data collection, to support grantee efforts in collecting employment follow-up data and increasing reported employment and retention results. ETA will continue to track the impact and success of this strategy, which will be used to inform future grant programs and technical assistance efforts.

OIG Recommendation 3: Emphasize to ETA’s federal project officers the importance of working with new grantees to identify and correct the financial and programmatic issues they commonly experience.

ETA Response: ETA provides in-depth Federal Project Officer (FPO) training to FPOs that includes discussion of the specific topics that the OIG identified in its draft report (the requirement to tag and track equipment purchased with grant funds; the budget categories on the SF-424A and the allowable costs associated with each budget category; the differences between program and administrative costs and direct and indirect costs; and the circumstances as to when budget modification requests are necessary/should be submitted). All grantees receive comprehensive fiscal training as part of their orientation to the grant program as well.

The Office of Grants Management (OGM) will speak to the need to work more closely with first time grantees during the next Grants Management call, which is a forum where OGM, program office officials, and regional office grant managers get together monthly to discuss issues that cut across grant programs. ETA will also emphasize in the next (and all future) sessions of FPO training the importance of FPOs working more closely with first time grantees to ensure that they fully understand the financial and administrative requirements associated with administering a Federal award that were conveyed to the grantees in the comprehensive fiscal training. Further, FPOs will be reminded in the FPO training that being a new grantee is a factor that should be considered in the FPO’s initial risk assessment, which is performed after the award of each grant. This assessment could result in the grantee receiving a higher level of technical assistance, enhanced desk reviews, and/or on-site monitoring visits to prevent issues from occurring, or to identify and correct issues as early in the period of performance as possible.

Again, we appreciate the opportunity to respond to your report and its recommendations. If you have any questions, please contact ETA’s OIG Audit Liaison, Julie Cerruti, at (202) 693-3765.