

**U.S. Department of Labor**

**Office of Inspector General—Office of Audit**

**REPORT TO THE EMPLOYMENT  
AND TRAINING ADMINISTRATION**



**ETA COULD NOT DETERMINE THE  
IMPACT ITS FACE FORWARD  
PROGRAM HAD ON PARTICIPANTS  
AGES 17 AND UNDER**

**DATE ISSUED: MARCH 31, 2020  
REPORT NUMBER: 02-20-001-03-390**



## **BRIEFLY...**

### **ETA COULD NOT DETERMINE THE IMPACT ITS FACE FORWARD PROGRAM HAD ON PARTICIPANTS AGES 17 AND UNDER**

**March 31, 2020**

#### **WHY OIG CONDUCTED THE AUDIT**

Juvenile arrest and incarceration can follow youth for the rest of their lives and become a major barrier to inclusion in the workforce. Face Forward grants were intended to help previously incarcerated youth overcome this barrier and prevent recidivism (re-incarceration due to a new offense). Prior OIG audits have identified ETA's history of grantees not meeting grant objectives and related performance goals. We were concerned similar problems existed with the Face Forward grants.

ETA awarded 64 Face Forward grants, totaling \$102 million. Services offered by Face Forward grantees included expungement of juvenile records, education and training, and employment placement. The Face Forward program ended on September 30, 2018; however, ETA has continued to award grants that address the full range of challenges faced by Face Forward participants attempting to transition back to the community.

#### **WHAT OIG DID**

We conducted a performance audit to answer:

Were ETA's goals and metrics reliable indicators of Face Forward's performance, and did grantees achieve those goals?

To determine this, we reviewed processes and performance data from July 1, 2013, to

September 30, 2018. This included substantial testing of performance data for eight grantees.

#### **WHAT OIG FOUND**

The goals and metrics established by ETA were not reliable indicators of Face Forward's performance. As a result, ETA could not determine the impact its Face Forward program had on participants ages seventeen and under. Grantees also did not achieve performance goals for key outcomes. We based our conclusions on the following:

The reported performance outcomes for participants aged 17 and under were unreliable as the underlying performance data was incomplete. Only 5,278 (58 percent) of the 9,028 participants in this age group were included. Reported recidivism rates for participants were also unreliable because of incomplete performance data. Only 3,989 (28 percent) of the 14,128 participants were tracked by grantees for potential recidivism.

Reported rates for other key performance indicators were unreliable due to inaccurate calculations. Reported performance for Industry Recognized Credentials, Employment Placement, Employment Retention, High School Diploma Attainment, School Retention, and Recidivism were overstated by 37 to 52 percent.

Despite the incomplete data and overstatements, reported performance indicated grantees did not achieve key goals for high school diploma attainment, expungements, and credentialing.

#### **WHAT OIG RECOMMENDED**

We made recommendations to ETA regarding the development of grantee performance measures, grant design, program guidance, and others. ETA agreed with our recommendations and stated it has already taken corrective actions to correct the issues identified.

#### **READ THE FULL REPORT**

<http://www.oig.dol.gov/public/reports/oa/2020/02-20-001-03-390.pdf>

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## **INSPECTOR GENERAL'S REPORT**

John P. Pallasch  
Assistant Secretary  
for Employment and Training  
200 Constitution Avenue  
Washington, DC 20210

The Department of Labor's Office of Inspector General (OIG) conducted an audit of the Employment and Training Administration's (ETA) Face Forward Grant program. ETA established Face Forward within its Reintegration of Ex-offenders Grant Program. ETA awarded grants that were designed to improve education and employment outcomes of court-involved youth prior to adjudication. Face Forward conveyed the idea of youth leaving their past transgressions behind and looking forward towards a promising future. Juvenile arrests can follow youth for the rest of their lives and become a major barrier to inclusion and advancement in the workforce. ETA awarded 64 Face Forward grants, totaling \$102 million, with a period of performance from July 1, 2013, through September 30, 2018.

The Face Forward program ended on September 30, 2018; however, ETA has continued to award grant funding under Reentry Employment Opportunity (REO) grants that address the full range of challenges faced by Face Forward participants involved in the criminal justice system attempting to transition back to the community.

Face Forward grantees were to use funds to develop programs that offered diversion, expungement, and/or sealing of juvenile records, in addition to case management, education, and training services. Prior OIG audits have identified ETA's history of grantees not meeting grant objectives and related performance goals. Given this concern, we conducted an audit of Face Forward to determine the following:

Were ETA's goals and metrics reliable indicators of Face Forward's performance, and did grantees achieve those goals?

We determined the goals and metrics established by ETA were not reliable indicators of Face Forward's performance, as they were not sufficiently complete and accurate to demonstrate the program's impact on participants. Furthermore, as reported by grantees, they did not achieve performance goals for key outcomes.

We based our conclusions on an analysis of performance data reported by all Face Forward grantees, from July 1, 2013, through September 30, 2018. In addition, we selected a random sample of 8 grantees who were awarded grants for \$16 million, and reviewed internal controls considered significant to the audit objective, interviewed Department of Justice officials, ETA, and grantee personnel, and reviewed 345 participant records.

## RESULTS

ETA expended \$102 million on Face Forward grants without having reliable performance data to assess program results. We found ETA's goals and metrics were not sufficiently complete and accurate to determine the program's impact on participants, especially those aged 17 and under. The types of outcomes reported for participants aged 17 and under only accounted for 58 percent of the participants in this group. The status of the remaining 42 percent of participants were unknown by ETA.

Moreover, grantees only tracked an even smaller subset of participants for potential recidivism (re-incarceration due to a new offense) – a key outcome. Reported recidivism rates for participants were unreliable because of incomplete performance data. Only 3,989 (28 percent) of the 14,128 participants were tracked by grantees for potential recidivism.

We also question the reliability of ETA's key performance data, due to the errors in source data reported by grantees. Reported performance for Industry Recognized Credentials, Employment Placement, Employment Retention, High School Diploma Attainment, School Retention, and Recidivism were overstated by 37 to 52 percent.

Finally, based on reported performance, grantees did not achieve key performance goals for diploma attainment, expungements, and credentialing.

Consequently, ETA did not have complete and accurate data to assess program results and to determine whether Face Forward participants' education and employment outcomes were improved.

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**ETA’S PERFORMANCE OUTCOMES WERE NOT SUFFICIENTLY RELIABLE TO DEMONSTRATE THE PROGRAMS IMPACT**

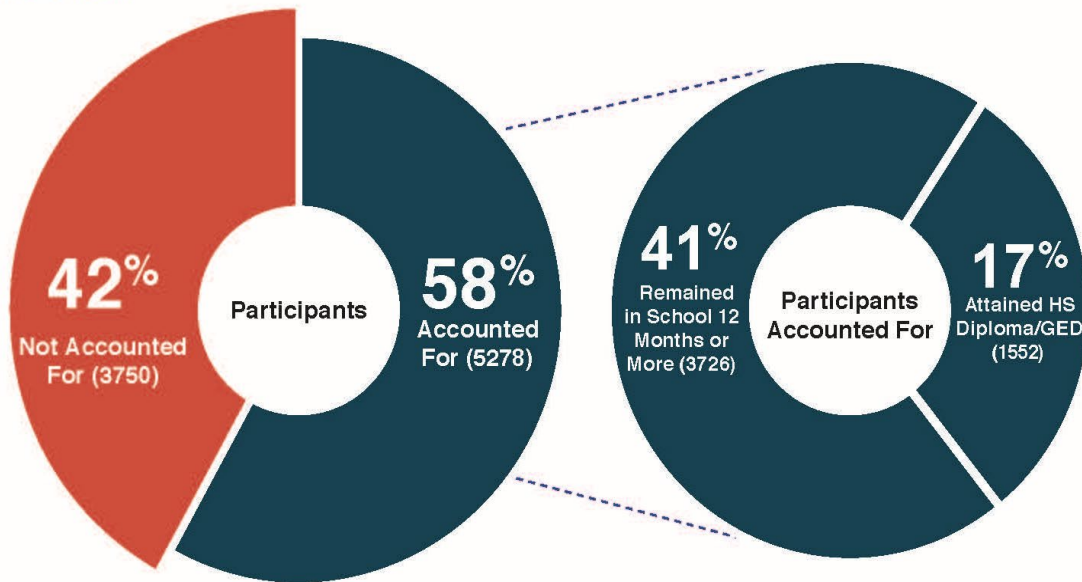
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*17 YEAR-OLD PARTICIPANTS NOT CONSISTENTLY TRACKED*

ETA established several outcomes to measure performance; however, the underlying data was incomplete and did not demonstrate the program’s impact on participants. The reported performance outcomes for participants aged 17 and under only accounted for 5,278 of 9,028 participants in this group. The status of the remaining 3,750 participants were not reported and not known by ETA. For outcomes that were reported, 41 percent of participants were retained in school for 12 months or more, and 17 percent attained a HS Diploma or General Equivalency Diploma, as seen in Figure 1.

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FIGURE 1: PERCENT OF PARTICIPANTS ACCOUNTED FOR (RETAINED AND ATTAINED) – AGE 17 AND UNDER



Source: Grantee reported performance information – Unaudited

While ETA lacked information on nearly half of participants 17 and under, this group constituted approximately two thirds of total program enrollment. Based on total enrollment, those aged 17 and under represented 9,028 of 14,128 participants, while those aged 18 and older accounted for 5,100 of 14,128 participants.

Neglecting to account for the status of the population of those aged 17 and under occurred because ETA did not establish procedures to account for participants that exited the program before attaining a reportable outcome. Without this data, ETA could not fully determine whether their education and employment outcomes were improved.

***RECIDIVISM OUTCOMES WERE NOT CONSISTENTLY TRACKED***

Recidivism, which means the tendency of a convicted criminal to reoffend, was not a reliable measure because the data reported by ETA was not complete. ETA’s criteria limited the population of individuals that grantees tracked for recidivism. Based on the reported outcomes through September 30, 2018, only 3,989 of 14,128 participants were tracked by grantees for potential recidivism, as seen on Table 1 below.

**Table 1 : Reported Recidivism**

	UNIVERSE	
	Participants	%
Total Enrollment	14,128	100%
Participants Enrolled While Confined or Within 3 Months of Release/Probation	3,989	28%
Actual Recidivism Reported	549	14%

Source: Grantee reported performance information – Unaudited

While Face Forward targeted court-involved youth who may have had prior juvenile convictions, ETA only required grantees to track recidivism for participants who enrolled while incarcerated or within 3 months of release from a correctional facility or probation. Therefore, any participants who enrolled after the 3-month timeframe, or who committed a new offense after the 12th month, were not tracked by grantees.

ETA established a goal of less than 20 percent for this outcome and grantees reported a combined recidivism rate of 14 percent. However, due to ETA's criteria and the incomplete data, ETA did not have the ability to properly measure this key outcome, and had no way of determining whether program services had the desired effect of mitigating recidivism, and improving education and employment outcomes.

Moreover, ETA stated that unlike adult records, there is no public data available on juvenile records. States have strict confidentiality rules protecting information on juveniles. This makes it difficult for some grantees to obtain recidivism data. However, we found that grantees used alternative methods to obtain this information by contacting local probation officers, participants, and their families. For example, ETA's reported recidivism rates did not include the grantee AMIkids, Inc. During our onsite review, AMIkids provided us internal records that showed 48 participants had re-offended. ETA acknowledged that recidivism information could be obtained using alternate methods.

#### *PERFORMANCE RATES REPORTED BY GRANTEES WERE INACCURATE*

Performance rates reported by grantees were unreliable due to the significant number of discrepancies between the outcomes reported, and the outcomes documented and supported by grantees. We attempted to verify performance outcomes reported to ETA by the 8 grantees in our sample against participant records maintained by grantees, and concluded the reported data was not sufficiently reliable. We also found that the universe of grantees double counted two key outcomes.

#### *SAMPLED GRANTEES OVERSTATED REPORTED OUTCOMES*

There were overstatements ranging up to 52 percent for the various outcomes reported to ETA. Grantees attributed some of these discrepancies to computation issues within the Youth Offender Management Information System (YOMIS) implemented by ETA to track grantee performance. ETA acknowledged the existence of errors and terminated the use of YOMIS, and grantees reverted to using Excel spreadsheets for reporting performance. However, ETA did not address and retroactively correct the reported errors. As a result, ETA did not have accurate data on program outcomes, and risked making program decisions based on inaccurate data. Table 2 illustrates the outcomes reported and verified.



**Table 2: Sampled Grantees – Reporting Overstatements**

Performance Goals	Sampled Grantees			
	(A) Outcomes Reported	(B) Outcomes Verified by Audit	(C) Auditor Identified Exceptions	(D) Overstatement Rate (C/A)
Industry Recognized Credentials	85	53	32	38%
Placement In Employment	77	45	32	42%
Employment Retention	62	30	32	52%
Attainment HSD / GED	60	32	28	47%
School Retention	34	18	16	47%
Recidivism	19	12	7	37%

***DOUBLE COUNTING OF TWO KEY OUTCOMES***

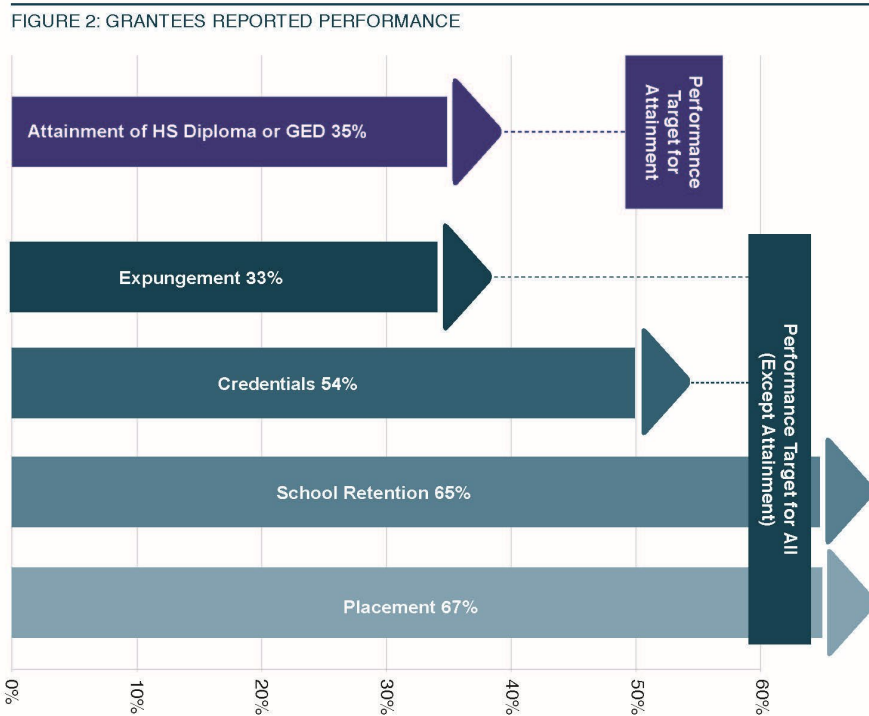
Based on our analysis of performance data for the universe of grantees, we determined performance rates reported by 41 percent (26 out of 63<sup>1</sup> grantees) of grantees for the following 2 key outcomes were unreliable: 1) attainment of HS Diploma or GED; and 2) school retention for participants aged 17 and under. These were overstated due to incorrect computations of achievement rates by grantees. Grantees counted participants in both outcomes when they should have been mutually exclusive. This resulted in double counting of outcomes by grantees.

These inaccurate computations occurred because ETA lacked sufficient controls for reporting. The electronic reporting system designed by ETA for grantee reporting of performance data lacked edit checks that would have discovered the double counting of program participants. In addition, the reporting guidelines provided by ETA were unclear because, when followed, some grantees double counted participants and others did not. Our analysis of computational errors is shown in the Exhibit.

<sup>1</sup> In May 2019, ETA informed us that a grantee from Iowa was inactive and reported no performance data.

**GRANTEES DID NOT ACHIEVE THREE OF FIVE KEY PERFORMANCE GOALS**

Based on reported performance through September 30, 2018, grantees did not achieve performance goals for attainment of H.S. Diploma or GED, expungement, and credentials. However, grantees reported exceeding the school retention goal for participants aged 17 and under, and placement in employment,<sup>2</sup> for participants aged 18 and above. Figure 2 shows our analysis of reported performance.



Source: Grantee reported performance information – Unaudited

Grantees were required to estimate the number of participants to be enrolled into their programs, while the other performance goals were determined by applying ETA’s pre-determined percentages to the enrolled population. Certain outcomes were age specific and only applied to a segment of participants, while other

<sup>2</sup> Out of school participants aged 18 and above at enrollment and placed in unsubsidized jobs, post-secondary education, or occupational training.

outcomes applied to the entire population of enrolled participants. See Table 3 for a list of ETA’s goals and measures.

**Table 3: ETA’s Measures and Goals**

<b>Measures</b>	<b>Population Measured</b>	<b>Goals</b>
Enrollment	All participants	100%
Placement	18 and older	60%
Industry Recognized Credentials	18 and older	60%
Employment Retention	18 and older	50%
Attainment of HS Diploma or GED	17 and under	50%
School Retention	17 and under	60%
Entered Occupational Training	All participants	60%
Mentoring	All participants	60%
Diversion	All participants with cases to be diverted	60%
Expungement	All participants with records needing expungement	60%
Recidivism Rate	Specific Criteria	20%

Grantees were also required to collaborate with local components of the Juvenile Justice System and local non-profit legal organizations to assist with diversion and expungement services. However, grantees failed to meet the expungement goal of 60 percent, and reported an achievement rate of 33 percent. Moreover, 3 of the 8 sampled grantees were located in states that did not allow expungements (Massachusetts, New York, and Arizona). The remaining 5 grantees were in New Jersey, Illinois, Missouri, and Florida, which allowed expungements under very specific conditions.

Based on the program description in the grant solicitation and discussions with ETA, there were inherent challenges associated with the target population of court-involved youth. These factors, along with other obstacles, likely contributed to the limited achievement of goals.

Additionally, ETA did not fully consider the statutory challenges that limited expungements in certain states when designing the grant program. This occurred because ETA developed Face Forward grants as a pilot and demonstration project, where it tried new concepts, such as expungement, without fully understanding the potential problems for this program goal. However, even

though ETA became aware of the adverse effects several states guidelines had on this goal, it did not adjust the goals during later grant awards.

As grantees did not achieve key goals related to credentials, expungements, and attainment of HS Diplomas and GEDs, participants were not benefitted to the extent intended.

## **OIG'S RECOMMENDATIONS**

To improve future REO grants that use funds to improve employment opportunities for individuals that have been incarcerated in the youth or adult criminal justice system, we recommend the Assistant Secretary for Employment and Training:

1. Develop measures that are sufficient to summarize key aspects of performance that accurately demonstrate the program's impact.
2. Redefine the criteria for recidivism to track any return to prison for a new offense while enrolled in the program, and not limit it only to a small group of participants.
3. Develop guidance for validating required performance data submitted by grantees of workforce development programs.
4. Implement automated edit checks to improve the completeness and accuracy of performance data reported by grantees.
5. Perform additional due diligence during the grant design process to identify programmatic outcomes that may not be achievable.

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**SUMMARY OF ETA'S RESPONSE**

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ETA stated that the report provides insight into the challenges of establishing performance measures for demonstration grants such as Face Forward. ETA acknowledged that by using complex performance measures and outdated performance management systems, it was difficult to quantify the impact of the Face Forward program on participants aged 17 and younger.

ETA generally agreed with each of our five recommendations and said it is committed to working with the OIG to ensure that future Reentry Employment Opportunities Funding Opportunity Announcements incorporate goals and metrics based on obtainable data that accurately demonstrate the program impact on participants.

ETA's written response to our draft report is included in its entirety in Appendix B.

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We appreciate the cooperation and courtesies ETA extended us during this audit. OIG personnel who made major contributions to this report are listed in Appendix C.



Elliot P. Lewis  
Assistant Inspector General for Audit

**EXHIBIT: OVERSTATED OUTCOMES****Grantees Overstating Outcomes for Attainment of a HS Diploma or GED  
and for School Retention**

<b>Grantees</b>	<b>Face Forward Round</b>	<b>17 and Under Participants Adjusted for HSD/GED at Time of Enrollment</b>	<b>Not Active in School</b>	<b>Retained</b>	<b>Not Active in School + Retained Exceeds Total Population</b>
<b>1</b> Alternatives For Girls BCFS Health and Human Services TX1-	<b>1</b>	100	95	6	1
<b>2</b> CC	<b>1</b>	154	152	74	72
<b>3</b> Colorado Judicial Department Comprehensive Community	<b>1</b>	96	98	59	61
<b>4</b> Solutions, Inc.	<b>1</b>	28	28	1	1
<b>5</b> Connection Training Services	<b>1</b>	43	21	54	32
<b>6</b> DeKalb County Juvenile Court Full Employment Council, Inc. - MO1	<b>1</b>	76	57	41	22
<b>7</b> - KC Housing Authority of the City of	<b>1</b>	36	37	13	14
<b>8</b> Spartanburg Knoxville Leadership Foundation -	<b>1</b>	89	89	44	44
<b>9</b> TN1 Memphis Leadership Foundation -	<b>1</b>	113	74	48	9
<b>10</b> TN2 National Urban League, Inc. (Serving	<b>1</b>	72	82	73	83
<b>11</b> Ohio)	<b>1</b>	65	58	37	30
<b>12</b> Pima Prevention Partnership	<b>1</b>	132	110	27	5
<b>13</b> Safe Passages - CA3 St. Louis Agency on Training and	<b>1</b>	80	80	13	13
<b>14</b> Employment - MO2	<b>1</b>	51	57	0	6
<b>15</b> Youth Development, Inc.	<b>1</b>	69	70	2	3
<b>16</b> Centro CHA	<b>2</b>	71	70	51	50
<b>17</b> FreshMinistries, Inc.	<b>2</b>	200	137	156	93
<b>18</b> Volunteers of America	<b>2</b>	92	94	76	78
<b>19</b> Change Happens!	<b>2</b>	130	99	83	52
<b>20</b> Pathways-Va, Inc.	<b>2</b>	155	155	148	148
<b>21</b> AMIkids Inc.	<b>2</b>	695	483	256	44
<b>22</b> Safer Foundation	<b>2</b>	411	206	242	37
<b>23</b> PathStone Corp.	<b>2</b>	164	146	36	18
<b>24</b> Youth Employment Ptrshp Inc	<b>3</b>	86	70	61	45
<b>25</b> The Workplace	<b>3</b>	73	73	72	72
<b>26</b> National Urban League	<b>3</b>	423	191	272	40

Source: Grantee reported performance information – Unaudited

## APPENDIX A: SCOPE, METHODOLOGY, & CRITERIA

### SCOPE

Per Table 4, our audit covered approximately \$102 million in grant funds awarded to 64 grantees, with a period of performance from July 1, 2013, to September 30, 2018. We randomly selected 8 of the 64 grants that received approximately \$16 million in grant awards, and conducted onsite reviews of financial and program performance, including a review of 345 participant files. Additionally, we analyzed performance data reported by all Face Forward grantees.

**Table 4: Face Forward Grants**

	Performance Period	Grantees	\$ Amount	Sampled Grantees	Sample Grantees \$ Amount
Face Forward 1	7/1/2013 – 9/30/2016	28	\$26,610,725	3	\$2,778,061
Face Forward 2	7/1/2014 – 9/30/2017	21	44,134,048	4	12,211,538
Face Forward 3	7/1/2015 – 9/30/2018	15	31,516,784	1	1,050,000
Totals		64	\$102,261,557	8	\$16,039,599

We performed fieldwork at ETA's National Office in Washington, DC; and grantee locations in Arizona, Florida, Illinois, Massachusetts, Missouri, New Jersey, and New York. Fieldwork also included meetings with ETA regional office officials in Massachusetts onsite and Illinois. We also met with the Director of the Federal Inter-agency Re-Entry Council at the Department of Justice.

### METHODOLOGY

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To answer our audit objective, we:

- Reviewed ETA's procedures to gain an understanding of internal controls considered significant to the audit objective, and confirmed our understanding of ETA's Face Forward processes through interviews and document reviews
- Randomly selected 8 grantees for conducting onsite testing from ETA's universe of 64 Face Forward grantees
- Reviewed relevant internal controls at the 8 sampled grantees
- Reviewed laws, policies, procedures, documents, audit reports, and Face Forward Solicitation for Grant Applications
- Interviewed staff and officials from ETA's national office, met with staff from the Chicago and Boston regional offices, and interviewed personnel at the 8 sampled grantees
- Obtained both quarterly financial and performance reports submitted by sampled grantees to ETA, traced key financial and performance data to source documents, confirmed results with sampled grantees, and notified ETA's national office
- Analyzed reported performance outcomes for the universe of grants through September 30, 2018

We assessed the reliability of computer-processed data provided by ETA and sampled grantees. Through our testing, we noted significant differences between the outcomes documented in 345 participant files at 8 grantees versus the number of outcomes reported to ETA. We have addressed these issues in our report and made a recommendation to correct these data reliability issues going forward. Refer to finding, "ETA's Performance Outcomes Were not Sufficiently Reliable to Demonstrate the Program's Impact."

## **CRITERIA**

- The Workforce Investment Act (1998), which was superseded by the Workforce Innovation and Opportunity Act (2014)



- OMB Circular A-110 Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations
- Solicitation for Grant Awards, Face Forward 1, 2, and 3
- Fieldwork Standards for Internal Controls for Performance Audits in Federal Government, section 6.16 through 6.22, GAO-12-331G, dated December 2011
- ETA MIS Handbooks, dated September 2014 and for 2017
- Face Forward 1 & 2 Denominators and Numerator Goals and Updated Face Forward and HPHC IV Goals Memo, March 11, 2015

**APPENDIX B: AGENCY'S RESPONSE TO THE REPORT**

U.S. Department of Labor

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



**MAR 27 2020**

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

FROM: JOHN PALLASCH

SUBJECT: Response to Office of Inspector General Draft Report No.  
02-20-001-03-390, *ETA Could Not Determine the Impact Its Face  
Forward Program Had on Participants Ages 17 and Under*

Thank you for the opportunity to respond to the draft audit report related to the Reentry Employment Opportunities (REO) Face Forward grants. The report provides the opportunity for the Employment and Training Administration (ETA) to reflect on the design and validation of its REO demonstration grant performance measures to strengthen grant outcomes.

The draft Office of Inspector General (OIG) report provides insight into the challenges of establishing performance measures for demonstration grants such as the Face Forward grants. ETA acknowledges that by using complex performance measures and outdated performance management systems, it was difficult to quantify the impact of the Face Forward program on participants aged 17 and younger.

ETA commits to working with the OIG to ensure that future REO Funding Opportunity Announcements (FOA) incorporate goals and metrics based on obtainable data that accurately demonstrate the program impact on participants.

**REO Demonstration Grants**

REO demonstration grant funds are authorized annually by the Department of Labor Appropriations Act (most recently for FY 2020, P.L. 116-94) for ex-offender activities and under section 169 of the Workforce Innovation and Opportunity Act (WIOA) (29 U.S.C. § 3224). Until December 2018, the grants were also authorized and impacted by section 212 of the Second Chance Act. Since the passage of the First Step Act of 2018 (Public Law 115-391), however, REO grants are authorized and governed only by annual appropriations and WIOA section 169. As a result, ETA is no longer statutorily required to measure recidivism, although the Agency intends to continue to study this important outcome.

**ETA's Responses to the OIG's Recommendations**

The OIG made the following recommendations based on its review of ETA's grant award processes, oversight, and performance measurement.

**OIG Recommendation 1: Develop measures that are sufficient to summarize key aspects of performance that accurately demonstrate the program’s impact.**

ETA Response: ETA agrees with this recommendation. Current REO grants rely on the same WIOA performance indicators used for measuring the WIOA formula programs. Youth-serving grant recipients must report on five of the six WIOA primary indicators of performance:

- i. Education and Employment Rate – Second Quarter After Exit;
- ii. Education and Employment Rate – Fourth Quarter After Exit;
- iii. Median Earnings – Second Quarter After Exit;
- iv. Credential Attainment; and
- v. Measurable Skill Gains.

By relying on established measures and calculations, REO grant recipients now have established numerators and denominators for performance measures. ETA can also provide grant recipients with consistent technical assistance and desk references used for other programs. ETA believes that this addresses the OIG’s recommendation and requests the OIG consider this recommendation for closure.

**OIG Recommendation 2: Redefine the criteria for recidivism to track any return to prison for a new offense while enrolled in the program, and not limit it only to a small group of participants.**

ETA Response: ETA agrees that the criteria for tracking recidivism is problematic but believes it is important to use the Department of Justice’s (DOJ) method of calculating recidivism. DOJ’s Office of Justice Programs, Bureau of Justice Statistics measures recidivism with (1) a starting event of release from incarceration; (2) a measure of failure following the starting event, such as a subsequent arrest, conviction, or return to prison; and (3) a follow-up period that continues from the starting event date to a predefined end date (e.g., one year). Often it takes youth time to learn about or be ready to enroll in the program. This results in a smaller percentage of youth entering the program at the point when they are eligible for inclusion in DOJ’s recidivism calculation. By using a consistent method of calculating recidivism across DOJ and ETA’s reentry programs, it is easier to compare interventions, and the field will be in a better position to determine what interventions lessen the likelihood of returning to incarceration.

Although no longer required by law to do so, ETA remains committed to tracking recidivism because it is an important factor in determining the impact of programs like REO. As described in the recently-released FY 2019 FOAs, grant recipients are expected to track and report the recidivism rate goal and have a recidivism rate lower than the state rate in which the program operates. In those FOAs, ETA defined the recidivism rate as the percentage of participants who were in or returning from an adult correctional facility prior to enrolling in the program and have been convicted of a new criminal offense committed within 12 months of their release from the correctional facility. Grant recipients have until the end of the grant period of performance to achieve this measure. ETA set the goal for this measure at a rate lower than the recidivism rate for the state in which the grant recipient is operating. ETA believes that this addresses the OIG’s recommendation and requests the OIG consider this recommendation for closure.

**OIG Recommendation 3: Develop guidance for validating required performance data submitted by grantees of workforce development programs.**

ETA Response: ETA agrees with this recommendation. ETA is working to improve the data validation process, as well as the overall quality of data we receive from our grant recipients. ETA will shortly publish guidance for all ETA-funded grant recipients on validating performance data. Further, ETA has created edit checks in its performance reporting systems that improve accuracy of submitted data. Examples of edit checks/logic rules within the current REO performance reporting systems in order to improve accuracy of submitted data are as follows:

- Employment Status at Program Entry: A) IF Date of Program Entry (WIOA) (PIRL 900) is NOT blank, THEN Employment Status at Program Entry (WIOA) (PIRL 400) must = 0, 1, 2 or 3.
- Highest School Grade Completed at Program Entry (WIOA): C) IF Date of Program Entry (WIOA) (PIRL 900) is NOT blank AND is >= 07/01/2016, THEN Highest School Grade Completed at Program Entry (WIOA) (PIRL 407) is a Mandatory Field.
- Type of Training Service #1(WIOA): B) IF Date Entered Training #1 (WIOA) (PIRL 1302) is NOT blank, THEN Type of Training Service #1 (WIOA) (PIRL 1303) must = 01 – 12.

ETA believes that this addresses the OIG’s recommendation and requests the OIG consider this recommendation for closure.

**OIG Recommendation 4: Implement automated edit checks to improve the completeness and accuracy of performance data reported by grantees.**

ETA Response: As noted above in the response to OIG Recommendation 3, ETA has created edit checks in its performance reporting systems that improve the accuracy of submitted data. Further, ETA is developing a module in its Grant Performance Management System for REO grant recipients. Once the module is deployed, grant recipients will be able to use the system to track services to participants, and data on participants necessary for performance reporting will be automatically uploaded to the performance reporting system, reducing human error in reporting. When released in 2021, the module will further increase accuracy of performance data.

**OIG Recommendation 5: Perform additional due diligence during the grant design process to identify programmatic outcomes that may not be achievable.**

ETA Response: ETA agrees with this recommendation. ETA has significant experience in measuring and capturing employment outcomes and, since adjusting REO grant performance measures to align with WIOA measures, has been able to improve employment outcomes reporting. ETA anticipates that it will continue to be challenging to fully measure recidivism, which is an important indicator of the interventions used in the REO grants. There is no single administrative data set that captures whether someone has re-offended. Such data may appear in state, local, or federal records, which may not be available to grant recipients, especially if there has been a disruption in communication with a participant. Furthermore, state confidentiality

laws restrict the ability of many probation officers to provide recidivism data on juveniles, and relying on participants and their families for recidivism data is not a substitute for official records. ETA is refining instructions to grant recipients on how to capture recidivism and will also rely on evaluations to measure this impact.

ETA appreciates the opportunity to respond to your draft audit report and its recommendations. In addition, ETA looks forward to working with the OIG to continue to refine its FOAs. If you have questions, please contact Kimberly Vitelli, Acting Administrator, Office of Workforce Investment, at 202-693-3639.

## **APPENDIX C: ACKNOWLEDGEMENTS**

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