

**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 ETA acknowledges that by using complex performance measures and outdated performance management systems, it was difficult to quantify the impact of the Face Forward program on participants aged 17 and younger.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.