



BRIEFLY...

ETA DID NOT ENSURE ARPA GRANTS DEMONSTRATED IMPROVEMENTS IN ACCESS TO UNEMPLOYMENT BENEFITS

Why We Did the Audit

The American Rescue Plan Act of 2021 (ARPA) provided DOL \$1 billion in funding to prevent and detect fraud, promote equitable access, and ensure timely payment of unemployment insurance (UI) benefits. Subsequently, the Employment and Training Administration (ETA) awarded \$219 million in first-of-their-kind grants to 45 states and the District of Columbia (states) to promote equitable access to UI programs.

We are aware Executive Order 14151 may impact the future of this specific grant program. However, because our audit focused on grant implementation and performance measurement, our results are not isolated to these grants and can help inform ETA's grant governance practices agencywide.

Based on prior OIG audits, we were concerned about ETA's ability to deploy this grant funding. Therefore, we performed an audit to determine:

To what extent did ETA administer these grants in accordance with ARPA and DOL's objectives for UI access, and are grant recipients on target to achieve performance outcomes?

Read the Full Report

For more information, go to:

<https://www.oig.dol.gov/public/reports/oig/2025/19-25-006-03-315.pdf>.

What We Found

While ETA designed these grants in accordance with ARPA and DOL goals and objectives, we found ETA did not ensure the grants demonstrated improvements in access to UI benefits nor were they awarded in a way that would maximize impact of the funding. This was inconsistent with ETA guidance and federal law on government performance and results. Specifically, ETA awarded more than \$20.7 million in ARPA funding for 16 projects that failed to provide evidence of the existence of a UI access issue in their state's grant application. We identified those monies as funds for better use. This occurred because ETA did not establish effective criteria for reviewing grant applications. Consequently, a risk exists that completed and ongoing state projects may demonstrate limited to no impact on improving access to UI benefits.

In addition, ETA did not ensure states reported complete and accurate outcome metrics and status updates in quarterly progress reports. Of 10 sampled states with closed-out grants, 3 did not achieve all expected outcomes; we are claiming a total of more than \$2.8 million as questioned costs and recommend recovery. Further, based on the latest quarterly progress reports reviewed, two sampled states with active grants (still within their period of performance) were either not on target to achieve all project goals or their status was unknown. These problems occurred because ETA did not effectively monitor grant reporting and performance. Incomplete reporting of outcome metrics and inaccurate status updates can hinder ETA's ability to perform real-time monitoring, provide timely interventions, and demonstrate the grants achieved their goals.

Finally, ETA's grant rollout was inefficient and the design was duplicative of another program. Specifically, ETA announced these grants and subsequently announced another ARPA grant opportunity—Tiger Team grants. Both programs had similar goals and required separate assessments of the same UI environment to inform grant activities. However, ETA did not coordinate the two opportunities in a way that would maximize the impact of the grant funding. This prevented synergies between the two programs where Tiger Team recommendations could have informed grant projects, mitigated duplication of efforts, and increased project effectiveness.

What We Recommended

We made four recommendations to ETA to improve grant governance in the areas of awarding, monitoring, and planning as well as funds recovery. Specifically, we recommended ETA: establish a policy requiring evaluation criteria to ensure grant applications include appropriate evidence; develop additional guidance and staff training to improve monitoring; review and recover \$2.8 million in questioned costs; and develop guidance for the planning of new discretionary grant programs. ETA agreed with and provided corrective action information in response to all four recommendations.