

Appendix D

ETA Response to Draft Report

U.S. Department of Labor

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



SEP 30 2010

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

FROM: JANE OATES *Jane Oates*  
Assistant Secretary for Employment and Training  
Employment and Training Administration

SUBJECT: Response to Draft Report No. 18-10-013-03-390  
"Recovery Act: Employment and Training Administration  
Grant Issuance and Monitoring Policies and Procedures for  
Discretionary Grants Including Green Jobs are  
Comprehensive but Funding Challenges Threaten the  
Quality of Future Monitoring Activities"

We are pleased with the overwhelmingly positive results of the audit that clearly show how the Employment and Training Administration (ETA) was able to efficiently and effectively competitively award approximately \$750 million in Recovery Act grant awards to 244 grantees across 6 individual grant competitions with "zero errors" in this process. ETA staff worked tirelessly to ensure that the awards were made in accordance with the law and expeditiously after the passage of the Recovery Act in order to support grantees' activities to get workers trained and, ultimately, into jobs. In fact, as we approach the one year anniversaries of the beginning of these grants (starting this December), we are already showing promising progress, with over 4,000 individuals beginning education and training activities since the start of the grants.

In the audit report, the Office of the Inspector General notes zero errors against each of the audit objectives and made two additional observations regarding the implementation of these grant programs:

- The administrative funding provided to manage and monitor the grants was authorized through 9/30/10 even though the grants will be operating into 2013, posing a challenge for ETA grants management; and
- The priority for "green jobs" across the federal government required grant making activities such as ETA's work to be done simultaneous to work that statistical agencies such as the Bureau of Labor Statistics (BLS) were doing regarding green jobs definitions as well as efforts by industry associations and educational institutions to define green job competencies and develop curricula.

ETA responses to the two recommendations to the findings are outlined below:

*Recommendation 1. Take the necessary actions to identify and prioritize workloads and funding levels to ensure grants are adequately monitored. These efforts may or may not need to focus exclusively on Recovery Act funding streams.*

ETA has already taken several steps to address the challenge of ensuring adequate monitoring of ARRA grants once the Recovery Act positions have ended, including:

Assigning the ARRA grant workload to a combination of both ARRA funded and permanent ETA Federal Project Officers (FPOs), all of whom are supervised by permanent ETA management staff and a Regional Administrator to assure continuity in administration once the temporary staff left ETA.

Requesting 48 additional FTE for ARRA grant monitoring in the FY 2011 budget to increase the resources available for this task.

Developing a Workforce Analysis report for each Regional Office on how the ARRA grants monitoring work will be absorbed into on-going operations. Although the reduction in ARRA staff does pose a considerable challenge for the permanent staff in the Regions, these analysis reports ensure that risk will be mitigated through planned priority actions which will ensure that any high risk grants will receive immediate attention.

Securing contract support with remaining ARRA administrative funds for administrative tasks related to grants management in order to free-up permanent staff time for grants monitoring ETA will add a total of 18 contractors across the six regions to provide this support.

We acknowledge that there will be a lag in ETA's ability to add the 48 FTE as we await the enactment of the FY 2011 budget. It is also clear that the 48 FTE for staff plus the 18 contractor staff, when combined, are still below the 114 FTE total staff under ARRA that was working in the Regional Offices. However, the workload has already decreased as there are ARRA programs that have already ended like the extra funding for the Wagner-Peyser program, including Reemployment Services, and the CSEOA program, and not all discretionary grants continue for a full three years.

Based on the significant number of necessary actions that ETA has already undertaken plus the plans which we have put in place regarding this challenge to identify and prioritize workloads and funding levels to ensure grants are adequately monitored, I request that this finding be closed. We take the stewardship of public resources seriously, as your report accurately acknowledges in many sections, and we are taking advantage of all possible avenues to ensure an adequate level of grant monitoring as a key element of our ARRA grants management process.

Before leaving our comments on this section, ETA would like to note that the current title of the document does not reflect the excellent work of ETA outlined in the overall report

accurately. The current title seems unnecessarily negative, using the phrase “threaten the quality,” implying there is increased risk to the proper use of federal funds, which we feel is unwarranted. Please consider the following substitute title: "ETA Grant Issuance and Monitoring Policies and Procedures for Discretionary Grants including Green Jobs are Comprehensive but funding Challenges Require Increased Attention to Future Monitoring Activities."

On page 14, we have the actual number of increases in grant work load per FPO, and would like that reflected, rather than the estimate that the OIG has cited. Based on Workload Analysis done by each region, the increase over 24, will be 26-37, depending on the number of grants in the region. And, finally, on page 15 and again on 16, the words “negatively impact” assume an outcome. ETA acknowledges that there will be an impact but is taking actions to minimize it with available resources.

*Recommendation 2: We recommend that ASET take the necessary actions to provide a comprehensive policy framework for its training and employment programs in carrying out its responsibilities in the green jobs area.*

ETA’s role is to operationalize the concept of green jobs and to work at the implementation level to ensure that our programs provide training that prepares people for employment. ETA focuses on: providing technical assistance to grantees; developing tools such as asset maps to understand where other federal investments have been made in green sectors; mapping green pathways and competencies to lead to credentials; and providing a comprehensive system for training grantees to ensure they are able to meet their project outcomes. During the implementation of this grant program, ETA has provided the best information available on green jobs.

Each of the green training Solicitations contained a section entitled “Green Industries and Occupations” that cited four key sources for green information in the absence of a national definition of green. First, the key energy efficiency and renewable energy sectors were outlined in the Green Jobs Act which was authorized but first received funding through the Recovery Act. Second, the applicants were directed to an Occupational Information Network (O\*NET) system report, funded by ETA, that focused on green occupations across a number of industries. Third, applicants were provided information on the Energy Policy Act of 2005, which defined “renewable energy” and “energy efficiency.” Finally, the Solicitation referenced the work that BLS was just beginning at the time in the area of defining green.

ETA also built into its investment strategy a goal to create better information on green jobs for the entire workforce system. One grant solicitation was devoted to “State Labor Market Information Improvement Grants,” which are designed to collect, analyze and disseminate labor market information, and to enhance the labor exchange infrastructure for careers within the energy efficiency and renewable energy industries.

ETA hosted six Regional Recovery and Reemployment Forums which included training workshops on Green Jobs for the workforce system and grantees. ETA has provided

training in the form of Webinars on Green Jobs for the workforce system and grantees, which remain archived online for further training. ETA has established a green jobs “community of practice” to share information and promising practices among grantees, the workforce system, industry partners and others. And, ETA has a comprehensive technical assistance plan which is being implemented to support the grantees.

Finally, ETA is aware that green definitions and data on green jobs are being developed and updated on a continual basis by our grantees and by others. ETA is already seeing early results from the State Labor Market Information Improvement grantees that are undertaking extensive surveys with employers, unions, and others to make meaningful determinations regarding green jobs and the labor market that make the most sense for them. The Bureau of Labor Statistics has published its definition of green jobs. And others are doing the same.

With the forgoing in mind, ETA will continue to provide the public workforce system with data and definitions on green jobs as they become available, and will incorporate that data and definitions into its SGAs and other policy documents as appropriate. Based on the evolving data and definitions related to Green Jobs, this approach will ensure that ETA guidance is consistent with definitions used by industry and other stakeholders.

As we discussed with your staff, ETA believes it is premature to conclude that a “comprehensive policy framework” in the nature of a “living document” is needed by the system or feasible to produce. This is largely because of the evolving nature of the green jobs initiative, the wide participation by many federal agencies in the initiative, and the broad impact of “greening” across numerous industries and occupations. As the work progresses, if it becomes clearer that such a product is feasible to produce and is needed by the system, ETA would pursue the development of such a product.

I believe that this response resolves these findings and responds to the recommendations.

cc: Edward C. Hugler