

BRIEFLY...

Highlights of Report Number: 18-10-006-03-001, to the Assistant Secretary for Employment and Training.

WHY READ THE REPORT

Congress enacted the American Recovery and Reinvestment Act of 2009 (Recovery Act), to promote economic recovery, and assist those impacted by the recession. The Recovery Act, provided \$50 million to the Department of Labor for its YouthBuild program, to provide educational and job training opportunities to at-risk youth to better prepare them for the work place. On June 12, 2009, the Employment and Training Administration (ETA) awarded the Recovery Act grants.

The U.S. DOL, Office of Inspector General (OIG) conducted a performance audit of ETA's Recovery Act YouthBuild grant solicitation and award process. The Act expanded the population permitted to be served under the YouthBuild program to include individuals who have dropped out of high school and re-enrolled in alternative schools, if that re-enrollment is part of a sequential service strategy. Prior to the Recovery Act, if an individual dropped out of high school and subsequently enrolled in an alternative school, that person would not be eligible to enroll in the YouthBuild program without first dropping out of school again.

WHY OIG CONDUCTED THE AUDIT

Our audit objectives were to answer the following questions:

1. Did ETA select YouthBuild grantees using merit based criteria as required by Recovery Act guidelines?
2. Did YouthBuild Recovery Act grant agreements require adherence to Recovery Act reporting requirements?
3. Did YouthBuild Recovery Act grant agreements meet Congress' intent to broaden the program eligibility to students in alternative programs of education?

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2010/18-10-006-03-001.pdf>

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RECOVERY ACT: ETA TOOK RECOMMENDED CORRECTIVE ACTION TO ENSURE CONGRESSIONAL INTENT COULD BE MET IN THE YOUTHBUILD PROGRAM

WHAT OIG FOUND

The OIG found that ETA selected YouthBuild Recovery Act grantees on the basis of merit, and the grant agreements required adherence to Recovery Act Section 1512 reporting requirements. However, ETA did not make grantees aware of the expanded population permitted to be served under the provisions of the Recovery Act raising the potential that the \$50 million provided by the Act may not be spent as permitted by Congress. According to ETA, it did not incorporate these provisions because it wanted to award the grants expeditiously in keeping with OMB guidance, which encouraged timely expenditure of Recovery Act funds. In September 2009, the OIG issued an Alert Memorandum to ETA recommending Recovery Act grantees be informed of the expanded population that could be served. In response to the Alert Memorandum, on October 7, 2009, the ETA Grant Officer sent a memorandum to all YouthBuild grantees informing them of the expanded population that may be served. In addition, on December 4, 2009, ETA issued Training and Employment Guidance Letter (TEGL) 11-09 clarifying the expanded population and defining high-school dropout, alternative school, and sequential service program.

WHAT OIG RECOMMENDED

To better ensure Congressional intent could be met in the YouthBuild program we recommended that the Assistant Secretary for Employment and Training notify Recovery Act grantees immediately of the expanded population that could be served under the Recovery Act. ETA promptly notified Recovery Act grantees by memorandum of the expanded population and subsequently issued a TEGL with further clarification, thus resolving concerns raised by our recommendation.

ETA's Assistant Secretary generally agreed with the report stating it is reflective of earlier comments provided to us.