

**U.S. Department of Labor
Office of Inspector General
Office of Audit**

BRIEFLY...

Highlights of Report Number: 18-11-006-03-390, 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. Title VIII of the Recovery Act provided the Department of Labor (DOL) with an additional \$1.2 billion in Workforce Investment Act (WIA) formula funds for youth employment and training activities. These funds are administered by the Employment and Training Administration (ETA). The Act allowed the Department to retain 1 percent (\$12 million) of these funds for program administration and oversight.

WHY OIG CONDUCTED THE AUDIT

The Office of Inspector General (OIG) conducted an audit to determine how Local Areas are using the additional WIA Youth Program funds provided by the Recovery Act, and to determine the impact of extending the age limit from 21 to 24 year old youth – both in terms of participants served in that age range, the services provided to the extended population, and the outcomes achieved. Specifically, our audit objectives were to answer the following questions:

- (1) How did Local Areas spend or how were they planning to spend their allocation of WIA Youth Formula Funds?
- (2) Who were the participants in the WIA Youth Program?
- (3) What services were participants in the WIA Youth Program receiving?
- (4) What were the outcomes for participants enrolled in the WIA Youth Program?
- (5) To what extent were employers using the Work Opportunity Tax Credit to hire disconnected youth (ages 16 to 24) as provided by the Recovery Act?

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/2011/18-11-006-03-390.pdf>

March 2011

RECOVERY ACT: WORKFORCE INVESTMENT ACT Youth Program

WHAT OIG FOUND

The OIG found that Local Areas had spent \$1.044 billion of their Recovery Act WIA Youth funding by September 30, 2010, and that 80 percent of those funds were spent on summer employment opportunities and paid and unpaid work experiences consistent with ETA's Recovery Act program goals. We also noted that \$5.8 million was spent on green industry activities (i.e., solar, recycling, etc.).

We found that 49 percent of WIA Youth Program participants were 14-17 years old and that a majority were minorities. Participants received services in all 10 Section 129 program elements, to include summer employment opportunities, tutoring, and adult mentoring. These services contributed to the attainment of work readiness skills for 76 percent of participants and to the attainment of part-time or full-time employment for 9 percent.

Local Areas did not track the use of the Work Opportunity Tax Credit by employers.

WHAT OIG RECOMMENDED

There were no findings and recommendations as a result of this audit. ETA agrees with the audit results contained in this report.