

# U.S. Department of Labor

## Office of Inspector General—Office of Audit

### REPORT TO THE EMPLOYMENT AND TRAINING ADMINISTRATION



### JOB TRAINING GRANTS TO COMMUNITY COLLEGES: DESPITE PARTICIPANT FOLLOW-UP DIFFICULTIES, MOST WERE PLACED IN TRAINING-RELATED JOBS

This audit was performed by Harper, Rains, Knight & Company, P.A., under contract to the Office of Inspector General, and by acceptance, it becomes a report of the Office of Inspector General.

*Eelish P. Lewis*

Assistant Inspector General for Audit

Date Issued:  
Report Number:

March 02, 2017  
18-17-001-03-390

## BRIEFLY...

March 02, 2017

### **JOB TRAINING GRANTS TO COMMUNITY COLLEGES: DESPITE PARTICIPANT FOLLOW-UP DIFFICULTIES, MOST WERE PLACED IN TRAINING-RELATED JOBS**

#### **WHY OIG CONDUCTED THE AUDIT**

DOL's Employment and Training Administration (ETA) awarded \$143 million of the \$750 million received from the 2009 American Recovery and Reinvestment Act to 35 community colleges and other post-secondary schools in grants to train participants for jobs in Health Care and Other High Growth and Emerging Industries (HCHG). OIG received several hotline complaints charging grantees misused these grant funds and provided programs that did not result in industry-recognized credentials, job placements, or other activities required by the grant agreements.

#### **WHAT OIG DID**

We conducted a performance audit to determine the following:

Did the training provided by the community colleges and other schools under the HCHG grant program enable participants to gain employment in training-related fields?

Did grantees claim costs in accordance with the grant agreement and did the grantees charge costs that were reasonable, allowable, and allocable?

#### **READ THE FULL REPORT**

To view the report, including the scope, methodology, and full agency response, go to: <https://www.oig.dol.gov/public/reports/oa/2017/18-17-001-03-390.pdf>

#### **WHAT OIG FOUND**

The training provided by a sample of 10 community colleges and other schools (grantees) under the HCHG grant program enabled most participants to gain employment in training-related fields. Sampled grantees trained participants in the healthcare and emerging industry fields as required by the grant solicitation, and 54 percent of sampled participants who completed training gained training-related employment. However, the number of participants entering employment after exiting the program may have been underreported due to difficulties grantees encountered in following up with participants.

We identified a best practice used by one grantee that could help other ETA grantees in their efforts to follow up with participants after they graduate. The University of Texas Medical Branch required participants to sign a program responsibility agreement upon entering the program. The agreement included a responsibility to contact a program counselor at least once every two weeks for the duration of the training. The grantee stated this regular communication contributed to greater success in maintaining contact after participants exited the program.

We also found the sampled grantees claimed costs in accordance with the grant agreement, and those costs were reasonable, allowable, and allocable. We identified isolated problems related to tracking and tagging equipment purchased with grant funds, classification of costs across budget categories, sole source purchase documentation, misclassification of administrative costs, and compliance with budget line item limits. All of these exceptions can be, in part, attributed to the lack of consistent oversight ETA provided to these new grantees.

#### **WHAT OIG RECOMMENDED**

We recommended the Assistant Secretary for Employment and Training expand the use of best practices, explore ways to obtain more complete participant placement and retention data, and place more emphasis on identifying and correcting financial and programmatic issues commonly experienced by new grantees.

## TABLE OF CONTENTS

<b>INDEPENDENT AUDITOR'S REPORT .....</b>	<b>1</b>
<b>RESULTS IN BRIEF .....</b>	<b>1</b>
<b>BACKGROUND .....</b>	<b>2</b>
<b>RESULTS .....</b>	<b>2</b>
Participants Gained HCHG-Related Employment, but Grantees Had Difficulty Tracking Employment Outcomes .....	3
Cost Claimed by Sampled Grantees Were Reasonable, Allowable and Allocable.....	6
<b>RECOMMENDATIONS .....</b>	<b>8</b>
<b>EXHIBITS</b>	
(1) Sampled Grantees' Targeted Industries and Certificates/Credentials Offered .....	10
(2) Sampled Grantee Participant Outcomes .....	14
<b>APPENDICES</b>	
(A) Objectives, Scope, Methodology, and Criteria .....	20
(B) ETA's Response .....	22



Harper, Rains, Knight & Company

March 02, 2017

## **Independent Auditors' Report**

Byron Zuidema  
Deputy Assistant Secretary  
for Employment and Training  
200 Constitution Avenue, NW  
Washington, DC 20210

The American Recovery and Reinvestment Act of 2009 provided the Department of Labor (DOL) \$750 million to award through competitive grants for job training and placement programs in high-growth and emerging-industry sectors. Of this amount, DOL's Employment and Training Administration (ETA) awarded 35 Health Care and Other High Growth and Emerging Industries (HCHG) grants to community colleges and other post-secondary schools totaling \$143 million. The OIG received several hotline complaints regarding grantees' misuse of grant funds, as well as complaints that the participants in these programs did not receive industry-recognized credentials, job placements, or other deliverables required by the grant agreements.

Our audit objectives were to determine the following:

Did the training provided by the community colleges and other schools under the HCHG grant program enable participants to gain employment in training-related fields?

Did grantees claim costs in accordance with the grant agreement and did the grantees only charge costs that were reasonable, allowable, and allocable?

## **RESULTS IN BRIEF**

The training provided by a sample of 10 community colleges and other schools (grantees) under the HCHG grant program enabled most participants to gain employment in training-related fields. Sampled grantees trained participants in the healthcare and emerging industry fields as required by the grant solicitation, and

**Certified Public Accountants • Consultants • [hrkepa.com](http://hrkepa.com)**

1052 Highland Colony Parkway, Suite 100  
Ridgeland, MS 39157  
p: 601-605-0722 • f: 601-605-0733

700 12th Street NW, Suite 700  
Washington, DC 20005  
p: 202-558-5162 • f: 601-605-0733

54 percent of sampled participants who completed training gained training-related employment. However, the number of participants entering employment after exiting the program may have been underreported due to difficulties grantees encountered in following up with participants.

We identified a best practice used by one grantee that could help other ETA grantees in their efforts to follow up with participants after they graduate. The University of Texas Medical Branch required participants to sign a program responsibility agreement upon entering the program. The agreement included a responsibility to contact a program counselor at least once every two weeks for the duration of the training. The grantee stated this regular communication contributed to greater success in maintaining contact after participants exited the program.

We also found the sampled grantees claimed costs in accordance with the grant agreement, and those costs were reasonable, allowable, and allocable. We identified isolated problems related to how equipment purchased with grant funds was tracked and tagged, classification of costs across budget categories, sole source purchase documentation, misclassification of administrative costs, and compliance with budget line item limits. All of these exceptions can be, in part, attributed to the lack of consistent oversight ETA provided to these new grantees.

## **BACKGROUND**

The American Recovery and Reinvestment Act of 2009 (Recovery Act) was signed into law by President Barack Obama on February 17, 2009, to create jobs, promote economic growth, and assist those most impacted by the recession. It gave priority to projects that prepared workers for careers in the health care sector and other high-growth and emerging industries. As such, DOL used its Recovery Act funds to invest in projects that focused on one or more health care subsectors or other high-growth occupational categories and tasked DOL's ETA to identify and support grant projects that addressed these jobs. ETA's goals were to:

- Develop a pipeline of credentialed healthcare workers;
- Support local partnerships in executing integrated job placement and training strategies; and
- Support training and articulation agreements with accredited institutions that lead to industry-recognized, portable credentials.

## **RESULTS**

The 10 grantees in our sample trained participants in the healthcare and emerging industry fields as required by the grant solicitation, and more than half the participants (54 percent) who completed their training found employment in training-related fields. Moreover, the number of participants entering employment and the number finding

training-related employment may have been underreported due to difficulties these grantees experienced in following up on participants after they exited the program.

The 10 sampled grantees claimed costs in accordance with the grant agreement and charged costs that were reasonable, allowable, and allocable. Issues we identified related to how property purchased with grant funds was tagged and tracked, how costs were charged by budget category, how sole source purchases were justified, how administrative costs were reported, and how budget line item variations were handled are discussed below.

---

### **PARTICIPANTS GAINED HCHG-RELATED EMPLOYMENT, BUT GRANTEES HAD DIFFICULTY TRACKING EMPLOYMENT OUTCOMES**

---

We found all 10 sampled grantees provided training in the fields indicated in the Solicitation for Grant Application (SGA), and at least 54 percent of sampled participants who completed training gained training-related employment. However, the sampled grantees had limited success tracking participant employment outcomes; therefore, it is possible a greater number of sampled participants entered employment and entered training-related employment than we could verify.

### **TRAINING PROVIDED BY GRANTEES**

The 10 sampled grantees provided training in a wide variety of healthcare and emerging industries, including nursing, biotechnology, alternative energy, drone maintenance, green/hybrid vehicle maintenance, and petrochemical programmable logic. The sampled grantees reported serving 8,895 participants.<sup>1</sup> Of those participants, we randomly sampled 300 (30 per school). Of those 300 participants, 215 had completed training at the time of our testing, including 67 in health care fields and 148 in other high-growth fields, such as photovoltaic design, unmanned aerial systems, and robotics. Examples of the types of training grantees conducted are provided below.

- At the University of Texas-Medical Branch, 26 of the 30 sampled participants completed training. Participants received training in the following certificate and degree programs: Certified Nursing Assistant (10 participants), Licensed Vocational Nursing (1 participant), Associates Degree in Nursing (5 participants), and Bachelor's Degree in Nursing (10 participants). Of the 26 sampled participants who completed training at the University of Texas-Medical Branch, 24 were employed after training. All 24 employed participants were employed in healthcare-related positions.

---

<sup>1</sup> Reported population, training, and employment numbers were calculated from the Form ETA-9153, Standardized Quarterly Performance Report, provided by ETA for each grantee. The grantees self-report the amount on the Form ETA-9153 and the amounts, in total, are unaudited.

- At San Jacinto Community College, 27 of 30 sampled participants completed training. Participants received training in advanced troubleshooting (5 participants), computer numerical control (4 participants), electricity (1 participant), industrial automation (4 participants), instrumental technology (1 participant), new hire training for local chemical companies (8 participants), programmable logic control (1 participant), process operator (2 participants), and technical specialist (1 participant). Participants received from 4 to 296 hours of classroom instruction. All 27 of the sampled participants who completed training at San Jacinto Community College found employment during or after training, and 24 found employment in positions directly related to the training they received. The 3 remaining employed participant files lacked sufficient data to determine if the employment was directly related to training.
- At Northland Community and Technical College, 15 of 30 sampled participants completed training. Participants received training in Unmanned Aerial Systems (UAS) (9 participants), Welding (5 participants), and Commercial Vehicle Operation Program (1 participant). Training ranged in length from 30 credit hours to 200 for the advanced UAS programs. Of the 15 sampled participants who completed training at Northland Community and Technical College, 8 were employed during or after training. Five participants were employed in the welding industry and 3 participants were employed in the UAS industry.

See Exhibit 1 for complete descriptions of the training provide by each of the sampled grantees.

## **EMPLOYMENT OUTCOMES**

For each sampled participant, we determined:

- 1) the type of training received;
- 2) the number of training hours completed;
- 3) if the participant completed training;
- 4) if the participant obtained a job during or after training; and
- 5) if the job was training related.

In our sample of 300 participants, 215 had completed training at the time of our testing. Of those 215, 117 (54 percent) entered employment related to the training received.<sup>2</sup>

Table 1 reflects the results of our testing of training related employment outcomes achieved by the sampled grantees.

---

<sup>2</sup> Of our sample, 119 entered employment related to the training received; however, 2 of the participants did not complete training prior to being employed. For the purpose of this audit, we counted any participant who gained employment after entering the training as entered employment. This included individuals that were unemployed, dislocated, or incumbent workers prior to the training.

**Table 1: Training-Related Outcome by Grantee**

<b>Grantee</b>	<b>Confirmed Completed Training</b>	<b>Training-Related Employment</b>	<b>Rate</b>
Calhoun	27	13	48%
Governors State	22	14	64%
Hudson Valley	5	3	60%
Ivy Technical	25	8	32%
Kern	28	11	39%
Northland	15	7	47%
San Bernardino	21	2	10%
San Jacinto	27	24	89%
Trident Technical	19	11	58%
University of Texas-Medical Branch	26	24	92%
<b>Total</b>	<b>215</b>	<b>117</b>	<b>54%</b>

A brief description of reasons for differing employment results for two sampled grantees follows.

- San Jacinto was successful in finding employment for participants mainly because of its best practice of working directly with employers to provide training geared toward the specific needs of the employers, instead of just providing more generalized training.
- San Bernardino's low entered employment number was mainly caused by its inability to contact participants after they exited the program. The grantee could not obtain job placement information for 11 of the 21 sampled participants who completed training.

See Exhibit 2 for the participation and employment results reported by each of the 10 sampled grantees.

#### **FOLLOW-UP WITH PROGRAM EXITERS**

Overall, for the 8,895 reported participants in the programs operated by our 10 sampled grantees, grantees reported 6,430 (72 percent) completed training, 3,078 (48 percent) entered employment, and 2,615 (41 percent) entering training-related employment. Due to difficulties grantees experienced in following up on participants after they exited the program, the number of participants entering employment and the number finding training-related employment may have been underreported.



Under the terms of their grant agreements, grantees were required to follow up with program exiters to obtain outcome data for two quarters after they exited the program. The required follow-up proved problematic, as grantees reported difficulty contacting participants after they exited their programs. Factors grantees cited as contributing to their lack of success in following up with participants included participants who did not provide contact information after obtaining employment and participants who refused to participate in follow-up inquiries.

While most grantees reported difficulties in following up with exiters, the University of Texas Medical Branch had a 100 percent success rate in contacting the 26 exiters in our sample. The University of Texas Medical Branch stated it required participants to sign a program responsibility agreement upon entering the program. The agreement included a responsibility to contact a program counselor at least once every two weeks. Failure to contact the counselor could result in expulsion from the program. The grantee stated this best practice of regular communication during training contributed to greater success in maintaining contact after participants exited the program.

---

#### **COSTS CLAIMED BY SAMPLED GRANTEEES WERE REASONABLE, ALLOWABLE, AND ALLOCABLE**

---

Overall, we found the 10 sampled grantees' claimed costs were reasonable, allowable, and allocable. However, our audit found issues with how equipment purchased with grant funds was tracked and tagged and how costs were classified across budget categories. Additionally, we identified instances where documentation did not support a sole source purchase, where administrative costs were not reported, and where budget line item flexibility was exceeded. All of the exceptions can be, in part, attributed to ETA's lack of consistent oversight.

#### **TRACKING AND TAGGING EQUIPMENT**

The audit found four grantees did not track or tag equipment purchased with grant funds as required by Title 29, section 95.34 of the U.S Code. The grantees either did not tag the equipment because it was not required by their internal accounting procedures or because they were unaware of the requirement to tag individual equipment when it was part of a larger piece of equipment. Equipment that is not tagged cannot be identified as government equipment.

#### **ASSIGNING COSTS TO BUDGET CATEGORIES**

The audit found five grantees did not assign costs to the correct budget cost categories. These errors resulted either from miscommunication with ETA or misunderstanding by the grantee. Multiple sampled grantees stated ETA's Federal Project Officers (FPO) failed to follow up with written communication to document conversations and answers to questions provided over the phone.

## **DOCUMENTING JUSTIFICATION FOR A SOLE-SOURCE PURCHASE**

For a supply expenditure exceeding \$25,000, one grantee was unable to provide documentation that it had solicited multiple bids or that it had justified its final vendor selection, as required by OMB Circular A-110. The expenditure was for \$31,750. The grantee stated it searched for suppliers and determined the item could only be obtained from one provider; however, the grantee did not maintain documentation supporting its sole-source justification.

## **REPORTING ADMINISTRATIVE COSTS**

One grantee misreported the administrative portion of its grant expenditures. This happened because ETA rejected the grantee's ETA 9130, *U.S. DOL ETA Financial Report*, due to a submission error in the administrative account. The grantee stated the regional ETA office instructed it to report no balance for administrative costs as all costs are direct. Per review of the grant close-out package, the ETA 9130 continued to show no balance in administrative costs.

## **EXCEEDING BUDGET LINE ITEM AUTHORITY**

One grantee exceeded the 20 percent budget line item flexibility as stated in the grant agreement for one cost category. The amount exceeded the 20 percent line by approximately \$3,100. The grantee also exceeded the zero percent budget line item flexibility by \$114,620 for the Personnel cost category. The grantee informed us that it had numerous conversations with its FPO regarding this issue and the FPO advised it was standard practice to make any final budget modifications as part of the closeout process. The grantee continued operations believing it could correct the actual expenses during close-out, without justification. The grantee was then advised by ETA during close-out that a budget modification and justification were required prior to proceeding with the close-out process. The grantee provided the modification and justification and the close-out proceeded. The grantee stated that had it been aware a separate budget modification and justification needed to have been filed with the final closeout report, it would have submitted one.

## **MONITORING ISSUES**

Increased and better focused monitoring by ETA could have identified and corrected the financial issues noted above. ETA did not conduct monitoring visits for three grantees during the life of their grants. At the grantee post award training forum with new grantees, ETA set expectations that monitoring visits would occur approximately halfway through the grant's period of performance.<sup>3</sup> One grantee reported multiple on-site visits from ETA were scheduled and canceled due to budgetary concerns. The grantee stated issues encountered regarding financial transactions could have been

---

<sup>3</sup><http://www.doleta.gov/regions/reg06/Documents/ConferenceFiles2010/ARRANewGranteeForum/Monitoring%20Review%20and%20Common%20Findings/Monitoring%20-%20Common%20Findings%206-3-2010%20update.pdf>

corrected prior to this audit had ETA's on-site visits occurred. Another grantee suggested DOL provide training on the differences in administrative and indirect costs early in the project period.

## **RECOMMENDATIONS**

To improve its administration and oversight in similar grant programs, we recommend the Assistant Secretary for Employment and Training:

1. Expand the use of best practices, such as those at San Jacinto Community College and University of Texas-Medical Branch, to improve performance outcomes and participant follow-up.
2. Explore ways to obtain more complete placement and retention data for participants.
3. Emphasize to ETA's federal project officers the importance of working with new grantees to identify and correct the financial and programmatic issues they commonly experience.

---

## **MANAGEMENT RESPONSE**

---

The Assistant Secretary for Employment and Training generally agreed with our recommendations and indicated ETA will ensure best practices continue to be widely disseminated and continue to explore and identify strategies to support the collection of placement and retention data. Also, ETA will emphasize to the federal project officers the importance of working closely with first time grantees and that new grantees should be considered a key factor in their initial risk assessments.

We appreciate the cooperation and courtesies ETA and grantee personnel extended to the Office of Inspector General and its contractor Harper, Rains, Knight & Company, P.A., during this audit.

## Exhibits

---

**EXHIBIT 1**

**SAMPLED GRANTEES' TARGETED INDUSTRIES AND  
CERTIFICATES/CREDENTIALS OFFERED**

<b>Grantee</b>	<b>Target Industry</b>	<b>Planned Training per SGA</b>	<b>Training Verified Onsite</b>
Calhoun Community College	Clean Energy	-Associate degree in renewable energy -Duct and Envelop Tightness (DET) Certification -Photovoltaic (PV) Design and Installation Certificate	-Associate degree in renewable energy -Duct and Envelop Tightness (DET) Certification -Photovoltaic (PV) Design and Installation Certificate -BPI Building Analysis Certificate -Energy Code Training Certificate -Energy Star Training Certificate -Wright Soft Certificate
Governors State University	Healthcare/ Nursing	-Certified Nursing Assistant/Aide (CNA) -Licensed Practical Nurse (LPN) -Bachelor degree in Social Work	-Certified Nurse's Aide Certificate -Clinical Faculty Academy Certificate -Direct Support Professional Training Certificate -Job Readiness & Skill-Based Training Certificate -Basic Nursing Assistant/EKG/Phlebotomy Certificate -Addiction Studies Certificate -Licensed Practical Nurse -Master's degree - Social Work

<b>Grantee</b>	<b>Target Industry</b>	<b>Planned Training per SGA</b>	<b>Training Verified Onsite</b>
Hudson Valley Community College	Biotechnology	-Associate degrees in applied science -Polymerase chain reaction (PCR) training certificates	-Polymerase chain reaction (PCR) training certificates -Associate degree - Biology -PCR Training Certificate
Ivy Technical College	Advanced Manufacturing  Transportation Distribution and Logistics  Information Technology	Course certificates in robotics, soldering, computer skills, welding -Commercial Drivers Licenses (CDL)	Course certificates in robotics, soldering, computer skills, welding -Commercial Drivers Licenses (CDL)
Kern Community College District	Clean Energy	PowerTech, SolarTech and WindTech. These courses were designed to prepare participants for industry standard examinations.	Participants who completed training received course certificates in: -PowerTech, -SolarTech -WindTech.
Northland Community College	Drone Aviation	-National Center for Aerospace and Transportation Technology (NCATT) Certification -Cirrus Aircraft Composite Repair certification	-National Center for Aerospace and Transportation Technology (NCATT) Certification -Cirrus Aircraft Composite Repair certification -Commercial Driver's License (CDL) -Welding classroom certificates

Grantee	Target Industry	Planned Training per SGA	Training Verified Onsite
San Bernardino Community College District	Logistics	<ul style="list-style-type: none"> <li>-Certified Logistics Associate (CLA)</li> <li>-Certified Logistics Technician (CLT)</li> <li>-Forklift Operation and Certified Logistics Training</li> <li>-Computer Skills Course (MS Word and MS Excel)</li> <li>-Diesel Exhaust Retrofit Familiarization &amp; Installation - Diesel Technician</li> <li>-Employment Refresher Skills Course and CASAS (Comprehensive Adult Student Assessment Systems) Workplace Appraisals for Math and Reading</li> <li>-Forklift Training</li> <li>-Green Vehicle LNG Technician Training Program</li> <li>-Homeland Security - No professional certification</li> <li>-Hybrid EV Diagnosis &amp; Repair, Advanced Hybrid Diagnosis &amp; Repair</li> </ul>	<ul style="list-style-type: none"> <li>-Certified Logistics Associate (CLA)</li> <li>-Certified Logistics Technician (CLT)</li> <li>-Forklift Operation and Certified Logistics Training</li> <li>-Computer Skills Course (MS Word and MS Excel)</li> <li>-Diesel Exhaust Retrofit Familiarization &amp; Installation - Diesel Technician</li> <li>-Employment Refresher Skills Course and CASAS (Comprehensive Adult Student Assessment Systems) Workplace Appraisals for Math and Reading</li> <li>-Forklift Training</li> <li>-Green Vehicle LNG Technician Training Program</li> <li>-Homeland Security - No professional certification</li> <li>-Hybrid EV Diagnosis &amp; Repair, Advanced Hybrid Diagnosis &amp; Repair</li> </ul>

<b>Grantee</b>	<b>Target Industry</b>	<b>Planned Training per SGA</b>	<b>Training Verified Onsite</b>
San Jacinto Community College	Petrochemical	<ul style="list-style-type: none"> <li>-Computer Numerically Controlled (CNC) Operator</li> <li>-Programmable Logic Controller (PLC)</li> <li>-Industrial Instrumentation</li> <li>-Custom Instrumentation</li> <li>-Process Plant Science</li> <li>-Advance Troubleshooting</li> <li>-New Hire UOP</li> <li>-New Hire Operator-BASF</li> <li>-Electrical Helper</li> <li>-NH Process Operator Boot Camp</li> <li>-NH Engineer Training</li> <li>-Technical Specialist</li> <li>-Fieldbus Processor Control Systems</li> </ul>	<ul style="list-style-type: none"> <li>-Computer Numerically Controlled (CNC) Operator</li> <li>-Programmable Logic Controller (PLC)</li> <li>-Industrial Instrumentation</li> <li>-Custom Instrumentation</li> <li>-Process Plant Science</li> <li>-Advance Troubleshooting</li> <li>-New Hire UOP</li> <li>-New Hire Operator-BASF</li> <li>-Electrical Helper</li> <li>-NH Process Operator Boot Camp</li> <li>-NH Engineer Training</li> <li>-Technical Specialist</li> <li>-Fieldbus Processor Control Systems</li> </ul>
Trident Technical College	Healthcare/ Nursing	<ul style="list-style-type: none"> <li>-Certified Nursing Assistant (CNA) certificate</li> <li>-Associate degree in Nursing</li> </ul>	<ul style="list-style-type: none"> <li>-Certified Nursing Assistant (CNA) certificates</li> <li>-Associate degree in Nursing</li> <li>-Medical Assistant Certificate</li> </ul>
University of Texas Medical Branch- Galveston	Healthcare/ Nursing	<ul style="list-style-type: none"> <li>-Certified Nursing Assistants (CNA)</li> <li>-Licensed Vocational Nurses (LVN)</li> <li>-Associate degree in Nursing</li> <li>-Bachelor degree in Nursing</li> </ul>	<ul style="list-style-type: none"> <li>-Certified Nursing Assistants (CNA)</li> <li>-Licensed Vocational Nurses (LVN)</li> <li>-Associate degree in Nursing</li> <li>-Bachelor degree in Nursing</li> </ul>



**EXHIBIT 2**

**SAMPLED GRANTEE PARTICIPANT OUTCOMES**

<b>Calhoun Community College</b>					
	<b>Total Participant Served</b>	<b>Completed Training</b>	<b>Received Credential</b>	<b>Entered Employment</b>	<b>Entered Training Related Employment</b>
<b>Reported Results</b>	<b>303</b>	<b>251</b>	<b>238</b>	<b>30</b>	<b>21</b>
<b>Summary of Participant Training and Employment Outcomes</b>					
<p>Of the 30 sampled participants at Calhoun Community College, 27 completed training with 3 still enrolled in the program at the time of the audit. Participants received training in the following degree and certificate programs: Renewable Energy Associates degree (4 participants), Duct and Envelope Tightness Verification Certificate (8 participants), Photovoltaic (PV) Design and Installation Certificate (6 participants), Building Performance Institute (BPI) Building Analyst Certificate (4 participants), Energy Code Training Certificate (3 participants), Energy Star Training Certificate (1 participant), and Wright Soft Certificate (1 participant).</p> <p>Of the 30 sampled participants at Calhoun Community College, 15 were employed during or after training. Fourteen of the participants gained training related employment; however, only 13 of the 14 completed the training prior to employment.</p>					

<b>Governors State University</b>					
	<b>Total Participant Served</b>	<b>Completed Training</b>	<b>Received Credential</b>	<b>Entered Employment</b>	<b>Entered Training Related Employment</b>
<b>Reported Results</b>	<b>528</b>	<b>258</b>	<b>182</b>	<b>250</b>	<b>239</b>
<b>Summary of Participant Training and Employment Outcomes</b>					
<p>Of the 30 sampled participants at Governors State University, 22 completed training. Participants received training in the following certificate, license, and degree programs: Certified Nurses Aid Certificate (1 participant), Clinical Faculty Academy Certificate (10 participants), Direct Support Professional Training Certificate (4 participants), Job Readiness and Skill-Based Training Certificate (1 participant), Basic Nursing Assistant Certificate (2 participants), Addiction Studies Certificate (1 participant), Licensed Practical Nurse (2 participants), and Social Work Master's degree (1 participant).</p> <p>Of the 30 sampled participants at Governors State University, 16 were employed during or after training. Fourteen of the participants gained employment directly related to the healthcare field in which they were trained. The remaining 2 participants gained part-time employment; one at a local restaurant and the other at a day care facility.</p>					

<b>Hudson Valley Community College</b>					
	<b>Total Participant Served</b>	<b>Completed Training</b>	<b>Received Credential</b>	<b>Entered Employment</b>	<b>Entered Training Related Employment</b>
<b>Reported Results</b>	<b>464</b>	<b>236</b>	<b>172</b>	<b>42</b>	<b>26</b>
<b>Summary of Participant Training and Employment Outcomes</b>					
<p>Of the 30 sampled participants at Hudson Valley Community College, 5 completed training. Participants received training in the following certificate programs: Biotechnology Certificate (2 participants), Biology Associate degree (1 participant) and Polymerase Chain Reaction (PCR) Training Certificate (2 participants). The length of training consisted of 27 credit hours for the Biotechnology Certificate, 64 credit hours for Biology Associates degree and 32 credit hours for the PCR Training Certificate. Hudson Valley had difficulty in getting participants to remain in the program. From our sample of 30 participants, 7 participants transferred to a different program while 17 others withdrew from the program for various reasons. Hudson explained the difficulty in placing participants by “a decline in the economy and slowing of industry hiring. Direct communication with industry managers was not effective because they were not hiring.”</p> <p>Of the 30 sampled participants at Hudson Valley Community College, 5 were employed during or after training. Three participants gained employment at local high schools teaching classes in areas related to the training. The remaining 2 participants withdrew from school before completing the training to take jobs unrelated to the training.</p>					

<b>Ivy Technical Community College</b>					
	<b>Total Participant Served</b>	<b>Completed Training</b>	<b>Received Credential</b>	<b>Entered Employment</b>	<b>Entered Training Related Employment</b>
<b>Reported Results</b>	<b>1897</b>	<b>1603</b>	<b>1539</b>	<b>917</b>	<b>806</b>
<b>Summary of Participant Training and Employment Outcomes</b>					
<p>Of the 30 sampled participants at Ivy Technical Community College, 25 completed training. Participants received training in Basic Robotics (1 participant), Commercial Driver's License (CDL) Training (4 participants), Certified Logistics Associate and Technician Training (3 participants), CompTIA Internet and Computing Core Certification (1 participant), Certified Production Technician (CPT) Training (2 participants), EIG Basic Refresher Course (2 participants), Fork Truck Operator Training (1 participant), Gas Metal Arc Welding Certificate Prep Course (3 participants), Computer Numerical Control (1 participant), Microsoft Office Skills Training (1 participant), Soldering Certification (4 participants), Lean Six Sigma Green Belt Training (1 participant), and CompTIA A+ and Net+ Certification (2 participants).</p> <p>Of the 30 sampled participants at Ivy Technical Community College, 16 were employed during or after training. Eight of the participants obtained employment directly related to training. Three participants obtained jobs as truck drivers or similar positions, 3 participants obtained jobs as solderers, and 2 participants' job titles were not available. The remaining 8 participants obtained various jobs that were unrelated to the training received.</p>					

<b>Kern Community College District</b>					
	<b>Total Participant Served</b>	<b>Completed Training</b>	<b>Received Credential</b>	<b>Entered Employment</b>	<b>Entered Training Related Employment</b>
<b>Reported Results</b>	<b>519</b>	<b>495</b>	<b>492</b>	<b>181</b>	<b>81</b>
<b>Summary of Participant Training and Employment Outcomes</b>					
<p>Of the 30 sampled participants at Kern Community College District, 28 completed training. Participants received training in PowerTech (28 participants). Once the participants completed training in the PowerTech course, they had the option to continue training in SolarTech or WindTech. Of the participants continuing with the training, 14 received additional training in the SolarTech field and 11 received training in the WindTech field. The training consisted of 210 classroom hours in the PowerTech program, followed by 245 hours in SolarTech or 280 hours in WindTech.</p> <p>Of the 30 sampled participants at Kern Community College District, 13 were employed during or after training. Eleven participants were employed in wind or solar power industry.</p>					

<b>Northland Community and Technical College</b>					
	<b>Total Participant Served</b>	<b>Completed Training</b>	<b>Received Credential</b>	<b>Entered Employment</b>	<b>Entered Training Related Employment</b>
<b>Reported Results</b>	<b>189</b>	<b>121</b>	<b>66</b>	<b>98</b>	<b>94</b>
<b>Summary of Participant Training and Employment Outcomes</b>					
<p>Of the 30 sampled participants at Northland Community and Technical College, 15 completed training. Participants received training in Unmanned Aerial Systems (UAS) (9 participants), Welding (5 participants), and Commercial Vehicle Operation Program (CVOP) (1 participant). Training ranged in length from 30 credit hours up to 200 for the advanced Unmanned Aerial System UAS programs.</p> <p>Of the 30 sampled participants at Northland Community and Technical College, 8 were employed during or after training. Five participants were employed in the welding industry and 3 participants were employed in the UAS industry. Of the 8 employed in training related fields, only 7 of the 8 completed training prior to employment.</p>					

San Bernardino Community College District					
	Total Participant Served	Completed Training	Received Credential	Entered Employment	Entered Training Related Employment
Reported Results	3150	1828	1681	517	416
Summary of Participant Training and Employment Outcomes					
<p>Of the 30 sampled participants at San Bernardino Community College District, 21 completed training. Participants received training in forklift operation (5 participants), warehouse distribution and logistics (6 participants), diesel mechanic (1 participant), green vehicle technician (1 participant), hybrid vehicle diagnosis and repair (1 participant), homeland security (4 participants), computer skills training (2 participants), and liquefied natural gas vehicles (1 participant).</p> <p>Of the 30 sampled participants at San Bernardino Community College District, 3 gained verifiable employment during or after training. Two of the employed participants were incumbent workers at intake into training and improved their position at the company after training. The third participant gained employment as a clerk at local store unrelated to the training received.</p> <p>San Bernardino's low employment number is possibly due to the grantees inability to contact participants upon exiting the program. Our sample of 30 participants at San Bernardino included 11 participants that completed training, but employment information could not be obtained by the grantee.</p>					

San Jacinto Community College					
	Total Participant Served	Completed Training	Received Credential	Entered Employment	Entered Training Related Employment
Reported Results	888	884	884	444	442
Summary of Participant Training and Employment Outcomes					
<p>Of the 30 sampled participants at San Jacinto Community College, 27 completed training. Participants received training in advanced troubleshooting (5 participants), computer numerical control (4 participants), electricity (1 participant), industrial automation (4 participants), instrumental technology (1 participant), new hire training for local chemical companies (8 participants), programmable logic control (1 participant), process operator (2 participants), and technical specialist (1 participant). Training consisted of 1 day courses up to 296 classroom hours. The success of San Jacinto in finding participant employment was due, in large part, to the structure of the program. San Jacinto worked directly with employers to provide training for new hires. San Jacinto provided training that allowed participants to have the skills necessary to complete the jobs they were hired to perform.</p> <p>Of the 30 sampled participants at San Jacinto Community College, 27 were employed during or after training. Of those employed, 24 were employed in positions directly related to the training received. The 3 remaining employed participant files lacked sufficient data to determine if the employment was directly related to training.</p>					

<b>Trident Technical College</b>					
	<b>Total Participant Served</b>	<b>Completed Training</b>	<b>Received Credential</b>	<b>Entered Employment</b>	<b>Entered Training Related Employment</b>
<b>Reported Results</b>	<b>535</b>	<b>337</b>	<b>337</b>	<b>237</b>	<b>157</b>
<b>Summary of Participant Training and Employment Outcomes</b>					
<p>Of the 30 sampled participants at Trident Technical College, 19 completed training. Participants received training in Certified Nursing Assistant (CNA) (10 participants), Associates degree in Nursing (5 participants), and Medical Assistance (4 participants). Training consisted of 6 weeks for the CNA, 2 years for the Associates degree and 6 months for the Medical Assistance.</p> <p>Of the 30 sampled participants at Trident Technical College, 13 were employed during or after training. Of those employed, 11 were employed in various medical fields and professions directly related to the training. The two remaining employed participants were employed in a clothing store and by a temp agency unrelated to the training.</p>					

<b>University of Texas-Medical Branch</b>					
	<b>Total Participant Served</b>	<b>Completed Training</b>	<b>Received Credential</b>	<b>Entered Employment</b>	<b>Entered Training Related Employment</b>
<b>Reported Results</b>	<b>467</b>	<b>417</b>	<b>417</b>	<b>362</b>	<b>333</b>
<b>Summary of Participant Training and Employment Outcomes</b>					
<p>Of the 30 sampled participants at the University of Texas-Medical Branch, 26 completed training. Participants received training in the following certificate and degree programs: Certified Nursing Assistant (10 participants), Licensed Vocational Nursing (1 participant), Associates degree in Nursing (5 participants), and Bachelor's degree in Nursing (10 participants). Training consisted of 75 hours for the CNA, 54 hours for the Vocational Nurse, 2 years for the Associates degree and 4 years for the Bachelor degree.</p> <p>Of the 30 sampled participants at the University of Texas-Medical Branch, 24 were employed after training. All 24 employed participants were employed in healthcare related positions.</p>					

## Appendices

---

## **APPENDIX A**

### **OBJECTIVES, SCOPE, METHODOLOGY, AND CRITERIA**

---

#### **Objective**

The objectives of our audit of the HCHG grants to community colleges and other post-secondary schools were as follows:

1. Did the training provided by the community colleges and other schools participating in the HCHG grant program enable participants to gain employment in training-related fields?
2. Did grantees claim costs in accordance with the grant agreement and were those costs reasonable, allowable, and allocable?

#### **Scope**

The scope of the audit covered HCHG grants to community colleges and other post-secondary schools. Our audit covered the grantees performance period from grant award date through the reporting period ending June 30, 2013.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

#### **Methodology**

In planning and performing our audit, we obtained an understanding of ETA's and the sampled grantee's internal controls considered relevant to our audit objectives. The testing of these controls was not determined to be significant to our audit objectives. We considered the internal control relevant to our audit objectives by obtaining an understanding of those controls through interviews and reviews of ETA's and the selected grantees policies and procedures. The objective of our audit was not to provide assurance on the internal controls; therefore, we did not express an opinion on these internal controls. Our consideration of internal controls relevant to our audit objectives would not necessarily disclose all matters that might be significant deficiencies. Because of inherent limitations in internal controls, noncompliance may nevertheless occur and not be detected.

We performed procedures to stratify the population and judgmentally selected a sample of 10 community colleges and post-secondary school grantees.<sup>4</sup> For each grantee, we randomly selected 30 participants across all training programs and we selected a stratified random sample of up to 30 transactions charged to each of the grant budget categories. For each sampled participant, we designed our test to determine the type of training received, the number of hours completed, if the participant completed training, if the participant obtained a job during or after training, and if the job was training related. For each grant budget category, we designed our test to determine if the costs were for allowable grant expenditures, if the costs were incurred during the grant period of performance, if the costs were categorized to the correct budget category, if the costs were correctly allocated as administrative or indirect, and if the costs were reasonable and allowable under the grant agreement or federal statute.

We conducted our fieldwork at the individual grantee and sub-grantee/partner offices, and DOL Headquarters in Washington, DC. We conducted structured interviews with key DOL/ETA and grantee personnel.

### **Criteria**

We used the following to perform the audit:

- OMB Circular A-21 “Cost Principles for Educational Institutions”
- OMB Circular A-133 “Audits of States, Local Governments and Non-Profit Organizations”
- OMB Circular A-110 “Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations”
- American Recovery and Reinvestment Act of 2009 (ARRA) – P.L. 111-5
- Solicitation for Grant Application SGA/DFA PY 09-01

---

<sup>4</sup>The 10 community colleges and post-secondary schools selected were: Calhoun Community College, Governors State University, Hudson Valley Community College, Ivy Technical Community College, Kern Community College District, Northland Community and Technical College, San Bernardino Community College District, San Jacinto Community College, Trident Technical College, and the University of Texas Medical Branch.



**APPENDIX B**

**ETA'S RESPONSE**

---

U.S. Department of Labor

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



**JAN 19 2017**

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

FROM: PORTIA WU *PW*  
Assistant Secretary

SUBJECT: Response to Office of Inspector General (OIG) Draft Report No.  
18-17-001-03-390 - *Job Training Grants to Colleges: Despite  
Participant Follow-up Difficulties, Most Were Placed in Training-  
Related Jobs*

Thank you for the opportunity to respond to the subject OIG draft report. The Employment and Training Administration (ETA) appreciates the acknowledgement by the OIG in the *Results in Brief* section of the report that the "...grant program enabled most participants to gain employment in training-related fields" and "...the sampled grantees claimed costs in accordance with the grant agreement that were reasonable, allowable, and allocable."

Below are the three recommendations made by the OIG as provided in the report, along with ETA's responses to the recommendations:

**OIG Recommendation 1:** Expand the use of best practices, such as those at San Jacinto Community College and University of Texas-Medical Branch, to improve performance outcomes and participant follow-up.

**ETA Response:** ETA agrees with this recommendation. As part of ETA's comprehensive technical assistance efforts, ETA has been regularly sharing promising practices with ETA's discretionary grantees. ETA will continue to disseminate documented promising practices collected from ETA grantees, including promising strategies related to the collection of employment data through participant follow-up. In addition, ETA will ensure that these practices are widely disseminated across ETA grant programs that can benefit from such strategies.

**OIG Recommendation 2:** Explore ways to obtain more complete placement and retention data for participants.

**ETA Response:** ETA agrees with this recommendation and has been, and will continue to, explore and identify strategies that support this collection of data. For example, beginning in 2014, ETA began to allow grantees of several of ETA's H-1B funded

technical skills training grant programs to use a small percentage of grant funds for incentive payments to participants to provide information on their employment status after they leave the program, similar to methods used by evaluators for participant data collection, to support grantee efforts in collecting employment follow-up data and increasing reported employment and retention results. ETA will continue to track the impact and success of this strategy, which will be used to inform future grant programs and technical assistance efforts.

**OIG Recommendation 3:** Emphasize to ETA's federal project officers the importance of working with new grantees to identify and correct the financial and programmatic issues they commonly experience.

**ETA Response:** ETA provides in-depth Federal Project Officer (FPO) training to FPOs that includes discussion of the specific topics that the OIG identified in its draft report (the requirement to tag and track equipment purchased with grant funds; the budget categories on the SF-424A and the allowable costs associated with each budget category; the differences between program and administrative costs and direct and indirect costs; and the circumstances as to when budget modification requests are necessary/should be submitted). All grantees receive comprehensive fiscal training as part of their orientation to the grant program as well.

The Office of Grants Management (OGM) will speak to the need to work more closely with first time grantees during the next Grants Management call, which is a forum where OGM, program office officials, and regional office grant managers get together monthly to discuss issues that cut across grant programs. ETA will also emphasize in the next (and all future) sessions of FPO training the importance of FPOs working more closely with first time grantees to ensure that they fully understand the financial and administrative requirements associated with administering a Federal award that were conveyed to the grantees in the comprehensive fiscal training. Further, FPOs will be reminded in the FPO training that being a new grantee is a factor that should be considered in the FPO's initial risk assessment, which is performed after the award of each grant. This assessment could result in the grantee receiving a higher level of technical assistance, enhanced desk reviews, and/or on-site monitoring visits to prevent issues from occurring, or to identify and correct issues as early in the period of performance as possible.

Again, we appreciate the opportunity to respond to your report and its recommendations. If you have any questions, please contact ETA's OIG Audit Liaison, Julie Cerruti, at (202) 693-3765.

**TO REPORT FRAUD, WASTE OR ABUSE, PLEASE CONTACT:**

Online: <http://www.oig.dol.gov/hotlineform.htm>  
Email: [hotline@oig.dol.gov](mailto:hotline@oig.dol.gov)

Telephone: 1-800-347-3756  
202-693-6999

Fax: 202-693-7020

Address: Office of Inspector General  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Room S-5506  
Washington, D.C. 20210