



BRIEFLY...

ETA DID NOT SUFFICIENTLY PLAN AND EXECUTE THE AMERICAN APPRENTICESHIP INITIATIVE GRANT PROGRAM

September 30, 2021

WHY OIG CONDUCTED THE AUDIT

The Employment and Training Administration (ETA) oversees the Registered Apprenticeship Program (RAP). The RAP gives working apprentices on-the-job training, related classroom instruction, wage increases as their skills and knowledge increase, and a nationally recognized credential at program end. ETA awarded around \$175 million in grants during the American Apprenticeship Initiative (AAI) grant program to, among other goals, expand registered apprenticeships into high-growth occupations and industries that use H-1B visas to hire foreign workers. Inadequate planning and execution of a grant program can lead to difficulties assessing achievement of intended results, inaccurate data collected and reported, and monitoring challenges.

WHAT OIG DID

Given these risks, we performed an audit to determine the following:

Did ETA sufficiently plan and execute the American Apprenticeship Initiative grant program?

We analyzed various planning and execution aspects, AAI data in the grantee performance system through the quarter ending March 31, 2019, and related aspects of the RAP.

READ THE FULL REPORT

<https://www.oig.dol.gov/public/reports/oa/2021/05-21-004-03-375.pdf>

WHAT OIG FOUND

ETA did not sufficiently plan and execute the AAI grant program. Despite progress in achieving some of the program's goals, we found systemic weaknesses throughout the AAI grant program, in the execution of the grants as well as in the planning and award processes.

Execution: Most apprenticeships (88.5 percent) did not meet the specialty occupation criteria for H-1B visas, and, often, they were not in occupations using H-1B visas. As a result, ETA will have difficulty demonstrating the program has helped reduce the U.S. need for foreign workers under the H-1B visa program. Instead, ETA could have put more than \$155 million in funds to better use by having grantees create apprenticeships that either start in H-1B occupations or have career pathways leading to H-1B occupations at the end of the apprenticeship.

Planning: ETA did not sufficiently plan the program goals, metrics, and the reporting system. It violated the Paperwork Reduction Act, and the data quality issues negatively impacted aspects of a \$6.6 million contractor evaluation of the AAI grant program. ETA will have difficulty measuring success objectively for each goal and the overall grant program, monitoring the grantees, and accurately reporting on the grant program using the data.

Award: The award process had significant weaknesses, such as incorrect award amounts, incorrect timing of compliance reviews, incorrect scoring of grantee proposals, and inaccurate public reporting. These prevented ETA from correcting inaccurate scores or proposal deficiencies. ETA could have put \$4.5 million to \$10 million of funds to better use in future grant programs if it had made AAI awards adhering to its guidance.

WHAT OIG RECOMMENDED

We made seven recommendations to improve the planning and execution of future grant programs and the RAP. ETA agreed with six of the recommendations, but disagreed with one because it believed the grantees should correct data in the reporting system instead of ETA.