



## **SOUTH FLORIDA WORKFORCE INVESTMENT BOARD**

### **Executive Committee Meeting**

**Thursday, August 9, 2018**

**8:00 A.M.**

CareerSource South Florida Headquarters  
7300 Corporate Center Drive  
Conference Room 2  
Miami, Florida 33126

### **AGENDA**

1. Call to Order and Introductions
2. Approval of Finance and Efficiency Council Meeting Minutes
  - A. June 14, 2018
  - B. July 12, 2018
3. Information – Office of Inspector General Final Audit Report Update
4. Information – Job Placement Type Analysis
5. Information – U.S. Department of Labor – Employment Statistics Report
6. Information – TechHire Summer Boot Camps Program Update
7. Information – Miami-Dade County Summer Youth Internship Program Update

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"Members of the public shall be given a reasonable opportunity to be heard on a specific agenda item, but must register with the agenda clerk prior to being heard."



**SWFIB EXECUTIVE COMMITTEE AND BUDGET WORKSHOP**

**DATE: July 12, 2018**

**AGENDA ITEM NUMBER: 2A**

**MEETING MINUTES**

**June 14, 2018 at 8:15 A.M**

**CareerSource South Florida Headquarters**

7300 Corporate Center Drive, Conference Room 2

Miami, FL 33126

<b>EXECUTIVE COMMITTEE MEMBERS IN ATTENDANCE</b>	<b>EXECUTIVE COMMITTEE MEMBERS NOT IN ATTENDANCE</b>	<b>AUDIENCE:</b>
<ol style="list-style-type: none"> <li>1. Bridges, Jeff, <i>Chairman</i></li> <li>2. Perez, Andy, <i>Vice-Chairman</i></li> <li>3. del Valle, Juan Carlos</li> <li>4. Ferradaz, Gilda</li> <li>5. Garza, Maria</li> <li>6. Gibson, Charles</li> </ol> <p><b>SWFIB MEMBERS</b></p> <ol style="list-style-type: none"> <li>1. Mr. Carlos Manrique</li> <li>2. Ms. Michelle Maxwell</li> <li>3. Ms. Lucia Davis-Raiford</li> <li>4. Mr. Thomas Roth</li> <li>5. Mr. Obdulio Piedra</li> <li>6. Mr. Maria Regueiro</li> <li>7. Mr. Clarence Brown</li> <li>8.</li> </ol>	<p>*****</p> <p><b>SWFIB STAFF</b></p> <p>Beasley, Rick            Almonte, Ivan            Garica, Christine            Gilbert, David            Graham, Tomara            Jean-Baptiste, Antoinette            Kavehershi, Cheri            Perrin, Yian            Smith, Marian            Smith, Robert</p>	<p>Rodanes, Carlos – <i>New Horizons of South Florida</i></p> <p><i>Rodriguez, Maria – Youth Co-Op, Inc.</i></p> <p><i>Sante, Alicia – Youth Co-Op, Inc.</i></p>

Agenda items are displayed in the order they were discussed.

**1. Call to Order and Introductions**

Chairman Jeff Bridges called the meeting to order at 8:21am, asked all the members present introduced themselves and noted that a quorum of members present had not been achieved. He additionally noted that this meeting is a joint meeting to include a budget workshop.

**2. Approval of Meeting Minutes of May 10, 2018**

Ms. Maria Garza moved the approval of May 10, 2018 meeting minutes. Motion seconded by Mr. Juan Carlos del Valle; Motion Passed Unanimously

**3. Information – 2016-2020 CareerSource South Florida Strategic Operational Plan Update**

Chairman Bridges introduced the item and Mr. Beasley further presented.

He reviewed with the Board the Strategic Goals Operational Plan.

The goals were reviewed and discussed:

**Goal 1 Strategies:**

- A. Engage Employers and Seek Continuous Feed Back
- B. Ensure all service providers and Career Centers implement employer engagement in their operations.
- C. Partner with Economic Development to Assist Targeted Industries
- D. Emphasize work-based learning and training
- E. E. Close the Digital Skills Gap

**(Goal 1: Build a Demand-Driven System with Employer Engagement)**

**Feedback from members:**

- Mr. Piedra noted two strategies which are: “Job Creation will fall more and more in the hands of entrepreneurs” “They are the ones that hire employees”
- Mr. Beasley asked whether if this new initiative would fall under category 4: He inquired about a strategy.
- Mr. Piedra suggested developing a resource center that would solely focus on assisting employers with finding qualified candidates and other business services initiatives. (A resource center solely focusing on entrepreneurship)
- Ms. Ferradaz added that the resource centers would provide business workshops, as well as financial assistance classes for entrepreneurs. Chairman Bridges added there should be technical assistance workshops offered at the resource centers.
- Mr. Piedra also added there should be a point of contact that is experienced in handling the various services that would be available at the resource centers. Additionally, the resource centers would also provide information to those interested in business start-ups. Staff at the resource centers would link employers to entities that offer services to employers. He furthermore noted that budgeting and planning for business workshops would also be available. He shared that the centers are underutilized as there should be additional services provided. And he noted the centers should be there to provide various services to residence in the community. (Chairman Bridges noted the goal would be to provide external resource information)

- Mr. del Valle suggested creating a platform by getting the word out on the various services that are offered at CSSF centers. He additionally gave an example of Start-up FIU program. Mr. Bridges asked what would be the benefit of providing such services. Mr. Beasley noted the actual services would not be provided to clients; however, referrals would be provided in lieu of services. (CSSF would serve as a connecting point to bridge the gap by simply provided information to employers). Examples of entities are FIU, Miami Date College and other various organizations throughout Miami-Dade and Monroe counties.

- **The following goals would be kept based on consensus:**

Goal A – D. and he further suggested combining D. and E Chairman Bridges requested combining both D and E as well. (\* Closing the skills gap through work based learning initiatives. The word “Entrepreneurship” would also be included in the revisions.

He briefed the Council on a recent apprenticeship meeting.

Mr. Beasley also briefed the Board on challenges with skills gap in South Texas as well.

Mr. Roth briefly shared with the members regarding the potential challenges with Amazon future head quarter office. He additionally noted the challenges with human capital where students learn differently.

Mr. Beasley shared an article with the Board provided by Mr. Piedra written by Bob Wile which discusses the challenges of finding skilled workers. Each member received a copy.

Mr. Beasley also shared his comments regarding the vocational educational fields. He noted that vocational education is great for those who find it challenging in excelling in a classroom setting.

He additionally shared with the Board regarding an upcoming meeting related to blue collar occupation apprenticeships.

There was continued discussion.

He discussed the various occupations in the vocational fields that offer rewarding pay.

He furthermore explained the challenges employers face when it comes to hiring qualified candidates. He explained there are those that lack the various skills.

There was continued discussion.

Mr. Piedra explained the “brain drain” challenges due to lack of affordable housing in Miami. He further explained those with experiences and talents move elsewhere.

**Goal 2 Strategies:**

- A. Develop Integrated Business Service Teams
- B. Maximize use of the Employ Florida Marketplace (EFM) Among Workforce System Partners
- C. Strengthen the Partnerships with WIOA Required Partners
- D. Seek Excellence in customer service
- E. Conduct an analysis of Career Centers

Ms. Garza and Mr. Roth shared their comments on Item E.

**Goal 2: Strengthen the One-Stop Delivery System and Increase Integrated Service Delivery)**

Mr. Gibson asked whether if goal strategy “D” has already been implemented. Mr. Beasley responded, “Yes” then further explained.

- Chairman Bridges recommended focusing on hiring contractors that provide mystery shopper services.
- Ms. Ferradaz recommended having secret shoppers visit and call the centers as well as the headquarter office on a continuous basis.

✓ The members recommended changing the language of Goal “E” or move to #2.

**(Goal 3: Improve Services for Individuals with Barriers)**

**Goal 3 Strategies:**

- A. Develop Specific Programs and Initiatives
- B. Improve Employment Outcomes
- C. Ensure compliance with WIOA Section 188

**(Goals 4: Strategies)**

- A. Enhance CSSF Performance System
- B. Improve Credential Outcomes Credentials
- C. Analyze Technical Results to enhance efficiency

Mr. Beasley and staff shared with the Board of various partnerships. He also shared with the Board regarding tax credits for the homeless and ex-offenders.

Mr. del Valle recommended adding an additional strategy to seek additional partners.

[Mr. Carlos Manrique arrived and Chairman Bridges welcomed him]

Mr. Perez noted that piecing part time jobs in order to make ends meet has become the current trend in Miami-Dade. He noted that full time jobs would seamlessly fade as more people will work various part time jobs instead in order to survive in Miami-Dade County. He mentioned the WeWork CoWorking office space sharing concept currently being implemented. As such, he suggested the possibilities of offering tax credits for part time employment.

Mr. Beasley explained the term “sustainable employment.”

Mr. Piedra concurred with the WeWork strategy and recommended implementing something similar at the centers.

Ms. Garza concurred as well and noted an article she recently read which stated by year 2020, 50% of the labor workforce will consist of millennials that would not focus on full time employment. She suggested focusing on how this region would proactively provide better services to this group in the coming years.

- Rework
- Policy Definition
- TechHire
- Soft Skills
- Sustainable employment

There was continued discussion.

Mr. Roth explained the CoWorking is currently in high demand.

Mr. Beasley briefed the board of a recent conversation with Dr. Mark Rosenburg of FIU regarding potential partnership for short term computer training to all liberal arts students.

There was continued discussion regarding the benefits of WeWork.

Mr. Perez recommended sending staff on a tour of the Brickell CoWorking location.

Mr. Perez noted implementing organizational and time management skills.

There was continued discussion.

Mr. Roth recommended implementing co-working strategies within the centers.

#### **6. Recommendation as to Approval to Allocate funds for the National Flight Academy**

Mr. Beasley introduced and presented the item.

Mr. Perez inquired about funding allocation and Mr. Beasley provided details.

He also asked whether if the entity provides other services and Mr. Beasley further explained.

Ms. Maria Garza moved the approval to allocate funds for the National Flight Academy. Motion seconded by Mr. Juan Carlos del Valle; **Motion Passed Unanimously**

[Dr. Maria Regueiro arrived]

Mr. Beasley welcomed Dr. Regueiro and announced her recent successful launch of a newly built state of the art campus at Florida National University (FNU) in honor of her late husband.

Mr. Beasley continued his discussion.

**(Goal 4: Dedicated Commitment to Youth Participants)**

**Goal 5 Strategies**

- A. Enhance CSSF Performance System
- B. Improve Credential Outcomes for Job Seekers
- C. Provide Technical Assistance to Service Providers

Mr. Piedra inquired about the status of current youth programs and Mr. Beasley provided current updates on various partnerships.

Chairman Bridges requested additional information on current programs for the youth population and Mr. Beasley explained the current apprenticeship programs being offered this summer.

Mr. del Valle inquired about potential partnership with Talent Development Network (TDN) paid training programs. Mr. Beasley provided further details.

**(Goal 5: High ROI through Continuous Improvement)**

**Goal 6 Strategies:**

- A. National Leader in an ROI Focused Enterprise
- B. Use LMI Data for Policy Development
- C. Maximize Collaborative Partnerships
- D. Strengthen Workforce System Accountability
- E. Enhance Board Leadership

Mr. Piedra requested information on Saturday hours and Mr. Beasley briefly explained.

**(Goal 6: Strong Workforce System Leadership)**

Mr. Gibson inquired about potential funding impact. Mr. Beasley provided details.

Chairman Bridges inquired about potential funding impact and Mr. Beasley provided further details.

He noted that all of the strategies were linked.

No further questions or discussions or recommended changes to Goal 6.

Mr. Beasley suggested having SFWIB's upcoming meetings at FNU's new facility.

There was continued discussion regarding FNU's state of the art equipment and the school's current successes.

Mr. Beasley briefed the Board on CareerSource Florida's current performance model.

**5. Apprenticeship FLA Summit**

Mr. Beasley presented the item.

Ms. Maxwell informed staff that representatives from Florida Keys Community College were interested in attending the Summit. Mr. Beasley responded to contact SFWIB Assistant Director Marian Smith.

Mr. Piedra asked whether if an invitation had been extended to Commissioner Suarez. Mr. Beasley responded, "Yes" however explained that he would not be able to attend due to a prior engagement.

**7. Information – ITA Waiver Recommendation**

Mr. Beasley presented the item.

No further questions or discussions.

**8. Information – Approved PY2018-19 In-State Allocations**

**9. Information – PY 2018-19 Budget Worksheet**

Mr. Beasley presented the item.

Ms. Ferradaz inquired about the 30% of funding in reserves from prior program year.

Chairman Bridges provided details on expending carryover funds.

Mr. Beasley continued with his presentation.

- ✓ Mr. Perez recommended allocating up to \$300,000 to programs currently aligned to SFWIB's strategic goals.
- ✓ Mr. Piedra recommended allocating \$10,000 per center for equipment upgrades and other expenses.
- ✓ Chairman Bridges recommended allocating \$10,000 to two TechHire Centers
- ✓ Mr. Manrique inquired about funding allocations for the above recommendations.

Mr. Brown asked whether if this agency would seek to apply for available grants related to training funds and assistance for business owners being offered by the Community Development Block Grant Disaster Recovery (CDBG-DR) plan. Mr. Beasley noted he wasn't aware of such plan.

A copy would be provided at a later date.

There being no further business to come before the Committee, the meeting adjourned at 10:26am.





**SFWIB EXECUTIVE COMMITTEE**

**DATE: August 9, 2018**

**AGENDA ITEM NUMBER: 2A**

**MEETING MINUTES**

**July 12, 2018, 2015 at 9:00 A.M**

**CareerSource South Florida Headquarters**

7300 Corporate Center Drive, 1<sup>st</sup> floor conference room

Miami, FL 33126

<p><b>EXECUTIVE COMMITTEE MEMBERS IN ATTENDANCE</b></p> <ol style="list-style-type: none"> <li>1. Del Valle, Juan Carlos</li> <li>2. Ferradaz, Gilda</li> <li>3. Garza, Maria</li> </ol>	<p><b>EXECUTIVE COMMITTEE MEMBERS NOT IN ATTENDANCE</b></p> <ol style="list-style-type: none"> <li>4. Bridges, Jeff, <i>Chairman</i></li> <li>5. Andy Perez, <i>Vice-Chairman</i></li> <li>6. Gibson, Charles</li> </ol> <p>*****</p> <p><b>SFWIB STAFF</b></p> <p>Beasley, Rick          Almonte, Ivan          Garcia, Christine          Gilbert, David          Jean-Baptiste, Antoinette          Kavehersi, Cheri          Perin, Yian          Smith, Marian          Smith, Robert</p>	<p><b>AUDIENCE:</b></p>
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Agenda items are displayed in the order they were discussed.

**1. Call to Order and Introductions**

SFWIB Executive Director Rick Beasley presented all items in the absence of Chairman Bridges and Vice-Chairman Perez. Quorum of members present had not been achieved.

**2. A. Approval of Executive Committee Meeting Minutes of July 12, 2018**

Deferred due to lack of quorum

**3. Information – 2016-2020 CareerSource South Florida Strategic Operational Plan Update**

Mr. Beasley introduced and presented the item.

Mr. del Valle inquired about the average wage from \$14.00 to \$18.00 and Mr. Beasley provided further details.

There was continued discussion.

Ms. Garza inquired about the subsidized funds. Mr. Beasley provided further details.

- 4. Recommendation as to Approval of TechHire Summer Boot Camp Training Providers**
- 5. Recommendation as to Approval to Allocate Funds to Miami-Dade County public Schools for Construction Technology and Private Security Officer Training**
- 6. Recommendation as to Approval of the Aviation Structures and Assembly Technician Apprenticeship Program**
- 7. Recommendation as to Approval to Allocate Funding to the Early Learning Coalition (ELC) of Miami-Dade/Monroe, Inc.**
- 8. Recommendation as to Approval of Related Party Training Vendor Agreements**

Mr. Beasley introduced and presented the above items.

Ms. Garza inquired about an apprenticeship program. Mr. Beasley provided further details.

There was continued discussion. Adults Program Supervisor Robert Smith continued with the discussion.

Ms. Garza briefly shared her comments.

Mr. Beasley provided details on work base training modules.

There was continued discussion regarding the idea of apprenticeship learning. Mr. Beasley provided further on Airframe & Power plant (A & P) Licenses.

Ms. Garza inquired about the duration of the apprenticeship program and Mr. Beasley explained that the program would only consist of two years. She further inquired about subsidizing and Mr. Beasley additionally explained that CareerSource South Florida (CSSF) would only commit to one year.

Ms. Garza briefly shared the advantages of building more marketing skills.

Mr. Smith provided additional details.

Mr. del Valle asked what would happen if a student does not meet the required standards within six months. Mr. Beasley further explained and continued with his presentation.

Ms. Ferradaz provided details as well.

Ms. Garza inquired about the current demographics (particularly current age group current being served). SFWIB Programs Manager David Gilbert responded that all age groups would be served. Ms. Ferradaz provided additional details.

There was continued discussion related to potential culinary trainings at the Camillus House for the homeless population and unemployed residents in the surrounding area.

Mr. Beasley provided updates on the South Miami Center current lease.

Ms. Ferradaz inquired about CSSF's centers located near the South Miami center. Mr. Beasley advised that the Little Havana and West Dade centers are the closest.

Mr. del Valle inquired about the number of clients currently being served at the South Miami center. Both Mr. Gilbert and Mr. Beasley provided further details.

There being no further concerns to come before the Committee, the meeting adjourned at 9:20am.

**Note:** All items will potentially be revisited at a later date due to lack of quorum.



## **SFWIB EXECUTIVE COMMITTEE**

**DATE:** 8/9/2018

**AGENDA ITEM NUMBER:** 3

**AGENDA ITEM SUBJECT:** OFFICE OF THE INSPECTOR GENERAL (OIG) FINAL AUDIT REPORT UPDATE

**AGENDA ITEM TYPE:** **INFORMATIONAL**

**RECOMMENDATION:** N/A

**STRATEGIC GOAL:** **STRENGTHEN THE ONE-STOP DELIVERY SYSTEM**

**STRATEGIC PROJECT:** **Strengthen workforce system accountability**

### **BACKGROUND:**

On January 20, 2017, The Office of the Inspector General (OIG) began an audit of job placements reported by CareerSource South Florida (CSSF). The audit was requested by Miami-Dade County Commissioner Xaiver L. Suarez to validate the actual number of placements achieved within Region 23. During the time of the audit CSSF did not operate and/or provide services with the 15 Career Centers in the region. CSSF contracts with service providers (Providers) to operate its career centers (Centers). In return, Providers receive remuneration for job placements and other services they provide.

The Audit Report indicated that Federal Law/Regulations allow Local Workforce Development Boards to report multiple job placements on an individual within a program year. Those procedures reference Federal Regulation 20 CFR 651.10 as the official guidance on what is required to record a job placement. However, since program year 2014 CSSF limited the reporting of an individual jobseeker to one placement per program year. The limitation policy was a part several policies CSSF implemented to enhance employment services to jobseekers and strengthen the accountability of information reported.

The OIG audit focused on two CSSF contracted service providers, Arbor E&T, LLC (Arbor) and Youth Co-Op, Inc., (Youth Co-Op) that collectively operated 12 of the 15 Centers. The resulting audit report contains two findings: one relating to Arbor's reporting activities, and the second relating to Youth Co-Ops reported job placements. The findings stem directly from the OIG testing of job placement files and the supporting documentation. In both findings, the OIG questioned certain payments made for job placements that have either already resulted in disallowed costs that have been repaid; or should, as recommended, result in disallowed costs.

Prior to summarizing each audit finding, the report provides an overview of the job placement figures for Local Workforce Development Area (LWDA) 23, and a short explanation of what the figures represent. CSSF reported the following job placements:

- Program Year 2015-16 - 62,284
- Program Year 2016-17 - 60,283

A job placement, however, does not necessarily mean that one person found full-time employment. More often, the OIG found that the types of work involved seasonal and temporary employment, such as migrant farm work and limited duration event staffing. The employment services offered at the Centers are available to anyone regardless of age and current employment status. As such, individuals finding their first job (even if that first job was working for one week during Art Basel) would be counted in the overall placement figures.

In addition, the audit report indicated the annual job placement number contains individuals who were placed two or more times during the reporting year. For program year 2015-2016, 4,699 out of 62,284 placements reported for the year (7 percent) involved individuals with two or more placements. None of this, however, is prohibited under the federal program, albeit it may affect the remuneration amount that the Provider receives for its provision of career services. What it does reveal is that the number of job placements reported by CSSF is not a clear depiction of the number of individuals placed in sustaining employment.

#### **Miami-Dade County OIG Findings:**

- Finding One: The first audit finding addresses Arbor's reporting of job placements. Arbor had contracts to operate four Centers. Each Center had its own contract and contract performance measures, OIG Auditors found that Arbor engaged in a practice of reassigning job placements from one Center (the Hialeah Downtown Center) to its three other Centers, in order to help them meet their contract measures. As a direct result of the observations made by OIG Auditors, CSSF management performed an analysis of the placements and disallowed many of the placements claimed and sought \$151,625 in reimbursement from the Provider. Arbor has since repaid that amount. In its very short response to the OIG, Arbor did not challenge the audit report, and affirmed its commitment to being responsive to any policy changes and oversight standards going forward.
- Finding Two: The second finding addresses observations noted during a review of the job placements reported by Youth Co-Op. Audit testing of the job placement files for what are referred to as "unverified job placements," specifically at its Northside Center, which caused the OIG to question the Provider's supporting documentation. The lack of documentation caused the audit scope to be expanded to include additional testing at three employers' place of business. This additional review led OIG Auditors to question the veracity of several of the placements (32 of 83 tested), amounting to questioned costs of \$12,500.

#### **Miami-Dade County OIG Recommendations:**

- Recommendation 1: CSSF should perform the same Direct Job Placement analysis for PY15-16 and PY17-18 (year-to-date). The analysis should be performed on both Arbor and Youth Co-Op, as each Provider operates/operated more than one Center. Moving forward, any provider who operates more than one Center should also be subjected to this review as well. Reimbursement should be sought for disallowed job placements identified in the analysis.
- Recommendation 2: CSSF should explore developing some way to electronically flag discrepancies between the originating Career Center inputting job referral information into the EFM and the Center receiving payment. If it is determined that the system cannot be programmed to detect this discrepancy, then CSSF should consider extracting this information on a monthly or quarterly basis, and manually performing this analysis for those Providers operating more than one Center.

- Recommendation 3: CSSF should seek repayment of \$12,500 from Youth Co-Op for the invalidated Northside job placements.
- Recommendation 4: On a quarterly basis, CSSF should run the Placement Verification Report and select no less than two Centers to conduct further testing of its “unverified job placements.” Similar to the audits conducted of job placement by Program Type, these quarterly audits would involve 100% of the unverified placements per the exception report, but by Center regardless of Program Type. While CSSF may want to develop selection criteria to aid it in selecting the two Centers quarterly, the identification of the Centers should not be pre-announced. A continuous, regular, and random audit schedule will timely identify invalidated placements for which immediate repayment may be sought.

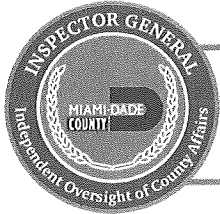
As indicated the audit response to the OIG, when any programmatic issues were brought to the attention of CSSF staff, the issue(s) were immediately addressed by evaluating practical solutions, and implementing the appropriate measure to resolve the issue. Prior to the release of the draft audit report, CSSF had implemented policy and programmatic solutions that would address three of the four OIG audit recommendations.

Please find attached the finalized Miami-Dade County OIG Audit Report and CSSF's response to the report.

**FUNDING:** N/A

**PERFORMANCE:** N/A

*ATTACHMENT*

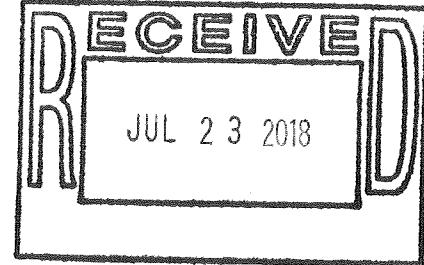


Miami-Dade County  
**OFFICE OF THE INSPECTOR GENERAL**  
Mary T. Cagle, Inspector General  
Accredited by the State of Florida Commission on Law Enforcement



July 19, 2018

Mr. Roderick Beasley, Executive Director  
CareerSource South Florida  
7300 Corporate Center Drive, Suite 500  
Miami, FL 33126




Re:    OIG Final Audit Report – South Florida Workforce Investment  
Board d/b/a CareerSource South Florida (Providers Arbor E&T, LLC  
and Youth Co-Op, Inc.) Ref. IG16-0030-A

Dear Mr. Beasley:

Enclosed please find a copy of the Office of the Inspector General's (OIG) final audit report regarding the above captioned-matter. We kindly request that you share our final report with your Board. Please do not hesitate to contact me if you have any questions.

Sincerely,

  
Mary T. Cagle

Enclosure



# Memorandum



Miami-Dade County Office of the Inspector General  
A State of Florida Commission on Law Enforcement Accredited Agency  
601 NW 1<sup>st</sup> Court ♦ South Tower, 22<sup>nd</sup> Floor ♦ Miami, Florida 33136  
Phone: (305) 375-1946 ♦ Fax: (305) 579-2656  
Visit our website at: [www.miamidadelg.org](http://www.miamidadelg.org)

To: Honorable Mayor Carlos A. Gimenez  
Honorable Chairman Esteban L. Bovo  
and Members, Board of County Commissioners, Miami-Dade County

From: Mary T. Cagle, Inspector General

Date: July 19, 2018

Subject: OIG Final Audit Report Re: *South Florida Workforce Investment Board d/b/a CareerSource South Florida – Providers Youth Co-Op, Inc. and Arbor E&T, LLC*  
Ref. IG16-0030-A

Attached please find the above-captioned final audit report issued by the Office of the Inspector General (OIG). CareerSource South Florida (CSSF) is the operating entity in Miami-Dade and Monroe Counties that implements the various workforce development programs established by the federal government and administered at the state level. The audit focused on the job placements reported by Arbor E&T, LLC (Arbor) and Youth Co-Op, Inc. (Youth Co-Op). Arbor and Youth Co-Op are CSSF-contracted service providers, who collectively operated 12 of the 15 One-Stop Centers during the audited time period. This audit report contains two findings and four recommendations. The responses received from CSSF, Arbor, and Youth Co-Op are included in the Final Report as Attachments 1, 2 and 3.

The OIG requests that CSSF provide the OIG with a status report in 90 days, on or about October 18, 2018, that addresses the status of implementing the OIG's recommendations. The OIG would like to thank the staffs of CSSF, Arbor, and Youth Co-Op for their cooperation and for the courtesies extended to the OIG throughout this audit.

For your reading convenience, an Executive Summary follows.

Attachment

cc: Rick Beasley, Executive Director, CareerSource South Florida  
Cathy Jackson, Interim Commission Auditor, and Director, Miami-Dade Audit and Management Services Department

Under Separate Cover

Cissy Proctor, Executive Director, Florida Department of Economic Opportunity  
James E. Landsberg, Inspector General, Florida Department of Economic Opportunity  
Mark Douglass, President, Arbor E&T, LLC  
Maria Rodriguez, President, Youth Co-Op, Inc.



## OIG EXECUTIVE SUMMARY

### *Audit of South Florida Workforce Investment Board d/b/a CareerSource South Florida Providers Youth Co-Op, Inc. and Arbor E&T, LLC*

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The Office of the Inspector General (OIG) conducted an audit of the job placements reported by CareerSource South Florida (CSSF). CSSF is the operating entity in Miami-Dade and Monroe Counties that implements the various workforce development programs established by the federal government and administered at the state level. Primarily, these workforce development programs consist of job training and employment services. CSSF contracts with service providers (Providers) to operate its 15 "One-Stop" career centers (Centers). In return, Providers receive remuneration for job placements, as well as for other services that they provide.

The OIG audit focused on two CSSF contracted service providers, Arbor E&T, LLC (Arbor) and Youth Co-Op, Inc. (Youth Co-Op) that collectively operated 12 of the 15 CSSF One-Stop Centers. The resulting audit report contains two findings—one relating to Arbor's reporting activities, and the second relating to Youth Co-Op's reported job placements. The findings stem directly from our testing of job placement files and their supporting documentation. In both findings, the OIG questioned certain payments made for job placements that have either already resulted in disallowed costs that have been repaid, or should, as recommended herein, result in disallowed costs.

Prior to summarizing each audit finding, this report provides an overview of the job placement figures for Region 23, and a short explanation of what these figures represent. For Program Year (PY) 2015-16, CSSF reported 62,284 job placements; for PY16-17, CSSF reported 60,283 job placements. A job placement, however, does not necessarily mean that one person found full-time employment. While it could mean that, more often we found that the types of work involved seasonal and temporary employment, such as migrant farm work and limited duration event staffing. The employment services offered at the One-Stop Centers are available to anyone regardless of age and current employment status. As such, individuals finding their first job (even if that first job was working for one week during Art Basel) would be counted in the overall placement figures.

Moreover, as learned through this audit, the annual job placement number contains individuals who were placed two or more times during the reporting year. For PY15-16, 4,699 out of 62,284 placements reported for the year (7 percent) involved individuals with two or more placements. (See Table 2 on page 10 of the Final Report for additional details.) None of this, however, is prohibited under the federal program, albeit it may affect the remuneration amount that the Provider receives for its provision of career services. What it does reveal is that the number of job placements reported by CSSF is not a clear depiction of the number of individuals placed in sustaining employment.

The first audit finding addresses Arbor's reporting of job placements. Arbor had contracts to operate four Centers. Each Center had its own contract and contract performance measures. OIG Auditors found that Arbor engaged in a practice of reassigning job placements from one Center (the Hialeah Downtown Center) to its three other Centers, in order to help them meet their contract measures. As a direct result of the observations made by OIG Auditors, CSSF management performed an analysis of the placements and disallowed many of the placements

claimed and sought \$151,625 in reimbursement from the Provider. Arbor has since repaid that amount. Moreover, in its very short response to the OIG, Arbor did not challenge the audit report, and affirmed its commitment to being responsive to any policy changes and oversight standards going forward.

The second finding addresses observations noted during a review of the job placements reported by Youth Co-Op. Audit testing of the job placement files for what are referred to as “unverified job placements,” specifically at its Northside Center, caused us to question the Provider’s supporting documentation. This lack of documentation caused the audit scope to be expanded to include additional testing at three employers’ place of business. This additional review led OIG Auditors to question the veracity of several of the placements (32 of 83 tested), amounting to questioned costs of \$12,500. The OIG recommends that CSSF seek repayment of this amount, as well as implement quarterly checks and random inspections—as further described in the finding and recommendation—to validate what it referred to as “unverified job placements.”

Youth Co-Op, in its response to the OIG’s draft report, disagreed with our finding that the job placements reported by the Northside Center were unverified and should therefore be subject to a disallowance repayment of \$12,500. Youth Co-Op proffered a series of explanations regarding the unverified job placements identified by the OIG, none of which resolves the finding—which is that the job placements reported by the Northside Center could not be validated by center personnel or the employer(s) of record. Absent this confirmation, Youth Co-Op is not entitled to the payments received. The OIG notes that CSSF fully agreed with the OIG’s recommendation and has indicated that a letter will be sent to Youth Co-Op requesting repayment of \$12,950 for the unverified placements noted in the audit observations. The increased disallowance was assessed by CSSF subsequent to reviewing the OIG’s documentation.

CSSF also responded to the OIG’s draft audit report. Besides the one specific recommendation involving the recoument of funds from Youth Co-Op, the OIG provided three recommendations—each of which is designed to enhance job placement reporting standards. CSSF responded positively to each recommendation indicating either that it will prospectively implement our suggestions and/or that it has already taken steps in the direction of our recommendations since the audit commenced.

The responses received from CSSF, Arbor, and Youth Co-Op are included in the Final Report as Attachments 1, 2 and 3. In the conclusion of the report, the OIG requests that CSSF provide the OIG with a follow-up response in 90 days that addresses the status of implementing our recommendations and the other initiatives described by CSSF.

The OIG would like to thank the staffs of CSSF, Arbor, and Youth Co-Op for their cooperation and for the courtesies extended to the OIG throughout this audit.

**MIAMI-DADE COUNTY**  
**OFFICE OF THE INSPECTOR GENERAL**



**FINAL AUDIT REPORT**

**IG16-0030-A**

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*South Florida Workforce Investment Board d/b/a CareerSource South Florida  
Providers Youth Co-Op, Inc. and Arbor E&T, LLC*

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**July 19, 2018**

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**I. INTRODUCTION**

CareerSource South Florida (CSSF) is the operating entity in Miami-Dade and Monroe Counties that implements the various workforce development programs established by the federal government and administered at the state level. Primarily, these workforce development programs consist of job training and employment services. CSSF contracts with service providers (Providers) to operate its 15 "One-Stop" career centers (Centers). In return, Providers receive remuneration for job placements, as well as for other services that they provide. The number of job placements attributed to each Center/Provider are published annually.

CSSF is governed by a local workforce development board (LWDB), which is a requirement of the federal and state laws. There are 24 LWDBs in Florida, corresponding to 24 workforce regions. Miami-Dade and Monroe Counties comprise Region 23, and its local board is named the South Florida Workforce Investment Board (SFWIB), which was established through an Interlocal Agreement between the two counties. The Interlocal Agreement also establishes that there will be an Executive Director, who reports to and carries out the policies of the SFWIB. The Executive Director and his/her staff, albeit working for the SFWIB/CSSF, are, for administrative purposes, Miami-Dade County employees.

The Office of the Inspector General (OIG) conducted an audit of the job placements reported by CSSF. The audit focused on two CSSF contracted service providers, Arbor E&T, LLC (Arbor) and Youth Co-Op, Inc. (Youth Co-Op) that collectively operated 12 of the 15 CSSF One-Stop Centers. The OIG initiated this audit pursuant to a request from the Miami-Dade County District 7 Commissioner who questioned the accuracy of the job placement figures reported by CSSF. As reported, the number of job placements appeared very high in relation to the seemingly unaffected unemployment rates in the region.

**II. RESULT SUMMARY**

This audit report contains two findings and four recommendations. The findings stem directly from our testing of job placement files and their supporting documentation. Finding 1 involves the testing of the Provider's documentation; Finding 2 involves the testing of the eventual employer's documentation. In both cases, OIG Auditors found discrepancies with the job placements as reported by these Providers that has either resulted in disallowed costs or should, as recommended herein, result in disallowed costs, which should then be recovered by CSSF.

Prior to summarizing each audit finding, it is essential to provide an overview of the job placement figures for Region 23, and a short explanation of what these figures represent. For Program Year (PY) 2015-16, CSSF reported 62,284 job placements; for

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PY16-17, CSSF reported 60,283 job placements. A job placement, however, does not necessarily mean that one person found full-time employment. While it could mean that, more often we found that the types of work involved seasonal and temporary employment, such as migrant farm work and limited duration event staffing. The employment services offered at the One-Stop Centers are available to anyone regardless of age and current employment status. As such, individuals finding their first job (even if that first job was working for one week during Art Basel) would be counted in the overall placement figures.

Moreover, as learned through this audit, the annual job placement number contains individuals who were placed two or more times during the reporting year. For PY15-16, 4,699 out of 62,284 placements reported for the year (7 percent) involved individuals with two or more placements. (See Table 2 on page 10 for additional details.) None of this, however, is prohibited under the federal program, albeit it may affect the remuneration amount that the Provider receives for its provision of career services. What it does reveal is that the number of job placements reported by CSSF is not a clear depiction of the number of individuals placed in sustaining employment.

The first audit finding addresses Arbor's reporting of job placements. Arbor had contracts to operate four Centers. Each Center had its own contract and contract performance measures. OIG Auditors found that Arbor engaged in a practice of reassigning job placements from one Center (the Hialeah Downtown Center) to its three other Centers, in order to help them meet their contract measures. As a direct result of the observations made by OIG Auditors, CSSF management performed an analysis of the placements and disallowed many of the placements claimed and sought \$151,625 in reimbursement from the Provider.

The second finding addresses observations noted during a review of the job placements reported by Youth Co-Op. Audit testing of the job placement files for what are referred to as "unverified job placements," specifically at its Northside Center, caused us to question the Provider's supporting documentation. This lack of documentation caused the audit scope to be expanded to include additional testing at three employers' place of business. This additional review led OIG Auditors to question the veracity of several of the placements (32 of 83 tested), amounting to questioned costs of \$12,500. The OIG recommends that CSSF seek repayment of this amount, as well as implement quarterly checks and random inspections—as further described in the finding and recommendation—to validate what it referred to as "unverified job placements."

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**III. AUDITEE RESPONSES AND OIG REJOINDER**

This report, as a draft, was provided to the Executive Director of CSSF and to the Presidents of Arbor and Youth Co-Op for its review and comment. Their responses are included in this report as Attachment 1, 2, and 3, respectively. CSSF responded positively to each recommendation indicating either that it will prospectively implement our suggestions and/or that it has already taken steps in the direction of our recommendations since the audit commenced. Arbor responded positively to our findings and recommendations. Arbor further affirmed its commitment to being responsive to the policy changes and oversight standards established by CSSF made during course of this audit.

Youth Co-Op disagreed with our finding that the job placements reported by the Northside Center were unverified and should therefore be subject to a disallowance repayment of \$12,500. Youth Co-Op proffered a series of explanations regarding the unverified job placements identified by the OIG, none of which resolves the finding—which is that the job placements reported by the Northside Center could not be validated by center personnel or the employer(s) of record. Absent this confirmation, Youth Co-Op is not entitled to the payments received. The OIG notes that CSSF fully agreed with the OIG's recommendation and has indicated that a letter will be sent to Youth Co-Op requesting repayment of \$12,950 for the unverified placements noted in the audit observations. The increased disallowance was assessed by CSSF subsequent to reviewing the OIG's documentation.

Further summation of the auditees' responses, and the OIG rejoinders to them, are located in the body of the report at the end of the each related audit finding and recommendation.

**IV. TERMS USED IN THIS REPORT**

Arbor	Arbor E&T, LLC
CFR	Code of Federal Regulations
CSSF	CareerSource South Florida
County	Miami-Dade County
DEO	Florida Department of Economic Opportunity
Direct or DJP	Direct Job Placement
EFM	Employ Florida Marketplace
EVF	Employment Verification Form
LWDB	Local Workforce Development Board
Obtained or OE	Obtained Employment
OIG	Miami-Dade County Office of the Inspector General
PY	Program Year (July 1 through June 30)
SFWIB	South Florida Workforce Investment Board

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WIA	Workforce Investment Act (1998 federal legislation)
WIOA	Workforce Innovation and Opportunity Act (2014 federal legislation)
Youth Co-Op	Youth Co-Op, Inc.

**V. OIG JURISDICTIONAL AUTHORITY**

In accordance with Section 2-1076 of the Code of Miami-Dade County, the Inspector General has the authority to make investigations of County affairs; audit, inspect and review past, present and proposed County programs, accounts, records, contracts and transactions; conduct reviews, audits, inspections, and investigations of County departments, offices, agencies, and Boards; and require reports from County officials and employees, including the Mayor, regarding any matter within the jurisdiction of the Inspector General.

**VI. BACKGROUND**

**A. Federal, State and Local Workforce Development Legislation**

The South Florida Workforce Investment Board (SFWIB) was created in 2006 as a means to implement program requirements of the federal Workforce Investment Act (WIA) of 1998 and the State of Florida's Workforce Innovation Act of 2000. The federal WIA comprehensively reformed existing federal job training programs—dating back as early as 1933<sup>1</sup>—and required that each state create a workforce investment board to oversee job training programs within the state system and to manage federal funding. In the State of Florida, there are 24 workforce regions and each region is required to have its own local workforce development board (LWDB). The State charters the LWDBs, and the LWDBs must meet federal and state governance requirements.

The SFWIB is the local board for Florida Region 23, which covers Miami-Dade and Monroe Counties. The SFWIB was created in 2006 pursuant to an Interlocal Agreement between the two counties.<sup>2</sup> The number of members and the composition of the Board is determined by the Chief Elected Official of Miami-Dade County in

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<sup>1</sup> See the Wagner Peyser Act of 1933, a New Deal era program, which created public employment offices nationwide. Subsequent programs include the Manpower Development Training Act of 1962, the Rehabilitation Act of 1973, the Comprehensive Employment and Training Act of 1973, and the Job Training and Partnership Act of 1982.

<sup>2</sup> See Miami-Dade County Resolution No. R-315-06. The Interlocal Agreement has been amended and extended twice, most recently in July 2016, which officially changed the business/operating name from South Florida Workforce to "CareerSource South Florida."



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accordance with the criteria set forth in federal and State law.<sup>3</sup> Currently, there are 31 individuals from both the private and public sectors that comprise the SFWIB.

The SFWIB is a separate public body, albeit a governmental agency and governmental instrumentality of both Miami-Dade and Monroe Counties. Pursuant to the aforementioned Interlocal Agreement, the Executive Director and staff of the SFWIB are, for administrative purposes, Miami-Dade County employees, although they report to the SFWIB and implement its policies, decisions, activities and directives. CareerSource South Florida, Inc. is the SFWIB's operating entity.

**B. CareerSource South Florida and its Career Centers aka One-Stop Centers**

Notably, the WIA of 1998, as amended by the federal Workforce Innovation and Opportunity Act (WIOA) of 2014, created the "One-Stop" delivery system, where jobseekers can get both job training and career services (e.g., resume writing and interviewing assistance; access to computers, fax machines and photocopiers; searching and applying for job openings, etc.) at the same place. The federal framework for a workforce development system involves providing any unemployed or underemployed individual with job search, education and training activities to improve their employment prospects. Moreover, the "WIOA provides universal access to its career services to any individual regardless of age or employment status, but it also provides priority of service for career and training services to low-income and skills-deficient individuals."<sup>4</sup> For the purposes of this audit, the OIG focused on the career services provided at the One-Stop Center and the associated funding provided for job placements (see OIG Appendix A for a more detailed description of the funds paid to service providers for the two different types of job placements). The OIG did not audit job training programs.

Employers and jobseekers are connected through a network of career centers, i.e., the "One-Stop" Centers. CSSF operates 15 Centers in Miami-Dade and Monroe Counties. The Centers are operated by contracted service providers (Providers) through annual contracts. Providers are selected and awarded contracts via a competitive bid process. Each Center is to be operated independently from one another, even though the same Provider may be awarded multiple centers to operate. The 15 Centers were collectively operated by five Providers (at the time of our audit) as depicted in Figure 1, on the next page.

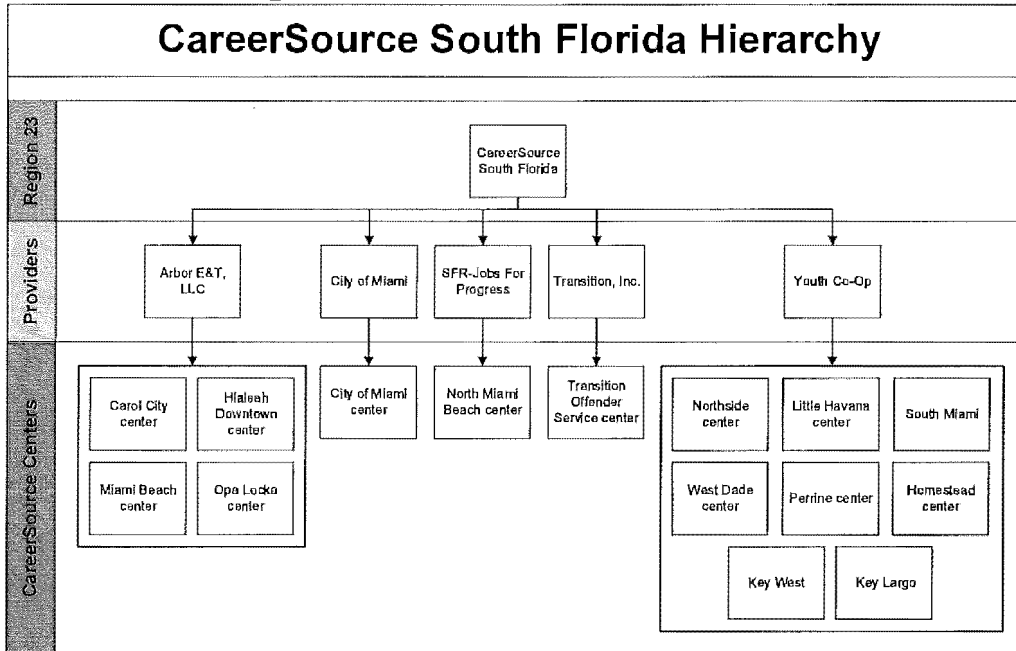
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<sup>3</sup> The designation of the Miami-Dade County Mayor as having certain powers and authorities over the composition and appointment of members to the Board is laid out in Section 1(k) of the aforementioned Interlocal Agreement.

<sup>4</sup> (Emphasis in original) See Congressional Research Service document entitled "The Workforce Innovation and Opportunity Act and the One-Stop Delivery System," October 27, 2015 at <https://www.everycrsreport.com/reports/R44252.html>.

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**Figure 1: CSSF Providers and Centers**



This audit focused on the job placements reported by Providers Arbor E&T, LLC (Arbor) and Youth Co-Op. We selected job placements reported by all 4 of the centers operated by Arbor, and 5 of the 8 centers operated by Youth Co-Op. See Section VII., Objectives, Scope and Methodology for further detail.

**C. Providers: Arbor E&T, LLC and Youth Co-Op, Inc.**

Arbor is a foreign limited liability company, headquartered in Louisville, Kentucky, registered with the State of Florida Division of Corporations since 2004. The E&T in its name stands for Education and Training. Arbor is a wholly-owned subsidiary of ResCare, Inc., which touts itself as the largest diversified health and human services provider in the U.S.<sup>5</sup> According to its website, “ResCare is the largest private provider of services to people with disabilities, the largest privately-owned home care company, the largest provider of specialized high-acuity neuro-rehab in community settings and the largest career center workforce contractor in the U.S.”

Youth Co-Op is a local South Florida not-for-profit organization incorporated in Florida since 1973. Its “mission is to improve the social and economic conditions of South Florida residents.” The organization achieves this mission through a variety of programs, which include youth programs and refugee programs, the operation of

<sup>5</sup> From ResCare’s website at <https://www.rescare.com/about/>.

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Charter schools, as well as providing workforce development programs through its operation of CSSF's Career Centers.<sup>6</sup>

**D. Reporting Mechanisms: Employ Florida Marketplace & the Balanced Scorecard Report**

While managed and operated separately, each Provider utilizes the same tools at each of the One-Stop Centers and uses the same reporting mechanism as required by its contract with CSSF. The Employ Florida Marketplace (EFM) is an online database managed by the Florida Department of Economic Opportunity that connects employers with jobseekers. EFM contains job listings posted through the network of One-Stop Centers and/or by prospective employers. Individuals seeking employment placement and/or staff assisted services from a Center must first register via the EFM. The EFM registration can be completed at any of the 15 South Florida CareerSource Centers or directly on-line via the Internet. Jobseekers can create and post resumes directly in the system and apply for jobs through EFM. Employers can also register with EFM to post job openings, as well as search for qualified jobseekers.

EFM registrations completed in person require the jobseeker to swipe his/her Florida driver's license (or ID card) at one of the kiosks located at the Center, which captures their demographic information. Upon completion of registration, the jobseeker has the option of conducting a self-guided job search in the EFM. The One-Stop Centers will provide a jobseeker with assistance from a staff member to guide them through the entire process, if needed. As more fully described in OIG Appendix A, there are two types of job placements resulting from these services for which the Center receives remuneration—services that result in a direct job placement or, alternatively, when the jobseeker obtains employment, albeit not through direct placement services. Once a jobseeker registers with EFM through one of the One-Stop Centers, it is that Center's/Provider's responsibility to track the individual's resulting job placement and report the result(s).

CSSF uses a *Balanced Scorecard Report* to measure the performance of its contracted Providers operating the Centers against the required performance standards set forth in the contract. The *Balanced Scorecard Report* captures all of the resulting job placement (direct and obtained) data entered into the EFM database. All direct job placements and obtained employments are entered into the EFM by the Providers and added to the *Balanced Scorecard Report* on a daily basis. (See Finding 2 for further details of how these placements are entered into the EFM and reconciled against various databases.)

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<sup>6</sup> See <https://www.ycoop.org/en/about-us/> and Notes to Financial Statements, pages 9-10, of Youth Co-Op, Inc.'s Financial Statements and Independent Auditor's Report, June 30, 2017.

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**VII. PROGRAM PLACEMENT OVERVIEW**

Prior to reporting on our specific audit testing and the results thereof, we believe a general discussion about job placements and their statistical reporting is warranted. In light of the Miami-Dade County District 7 Commissioner’s observation about the high number of reported job placements and its seemingly ineffective impact on the region’s visible unemployment, it is necessary to understand what type of employment comprises a job placement, and what is actually being reported.

First of all, the number of job placements reported by CSSF does not clearly convey the number of individuals placed in sustaining employment. As earlier described, CSSF utilizes the Balanced Scorecard Report to report all job placements stemming from the 15 the contracted Providers. Also as earlier described, the Balanced Scorecard Report records two categories of job placements: Direct Job Placement (DJP) and Obtained Employment (OE). A DJP refers to those jobseekers who secure employment as a result of the Provider’s recruitment effort on behalf of the prospective employer as well as facilitating the hiring process. An OE refers to those jobseekers who secure employment within 180 calendar days of receiving one or more reportable service from the Center (e.g., resume writing, interview/skills training, etc.) from the Provider that does not meet the federal definition of a DJP. (See OIG Appendix A for a more detailed description of each job placement type, the jobseeker’s interaction with the Career Center, and how payment to the Providers are effectuated.)

As shown below in Table 1, CSSF reported the following DJP and OE placements for Program Years 15-16 and 16-17. (See OIG Appendix B for the full details by Career Center and Provider for the two program years captured below.)

**Table 1 - Summary Job Placements for Region 23**

Program Year 2015-16		
Job Placement Type		
Direct Job Placement (DJP)	Obtained Employment (OE)	Total Placements
16,895	45,389	62,284
Program Year 2016-17		
Job Placement Type		
Direct Job Placement (DJP)	Obtained Employment (OE)	Total Placements
14,149	46,134	60,283

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The contracted Providers receive payment for their job placement (Direct or Obtained) according to the Federal guidelines and contractual terms of their respective contract. The payment for a DJP placement varies from the “Universal,” base rate of \$400 to a program-specific rate of \$1,700. The payment for an OE placement is \$100 per individual, per placement.

Importantly, as described earlier, the WIOA provides universal access to its career centers; in other words, anyone, regardless of age and current employment status, can get career services at any One-Stop Center. And, as such, if the jobseeker finds employment through accessing the services at the Center, his/her placement is counted and the Provider receives remuneration. This is the case for first time jobseekers and others, who may or may not have been displaced, receiving unemployment benefits or other governmental assistance.

OIG Auditors learned that the people subsequently reported on the *Balanced Scorecard Report* secured a wide range of employment types, such as seasonal work (e.g., migrant farmworkers and summer youth employment); temporary work (event staff for local events such as Art Basel and the Miami Open tennis event); part-time employment (less than 30 hours per week) and full-time employment (minimum 30 hours per week).

The duration of the employment, on the other hand, is a completely different performance metric not captured in the statistical annual reporting of job placements at the South Florida local level. For example, while classified as full-time employment, OIG Auditors found job placements where the employment only lasted for two weeks. Such was the case with one particular employer, Caballero Rivero Funeral Homes (Caballero). OIG Auditors reviewed 23 individual direct job placements made by the Hialeah Downtown Center with Caballero. Caballero required all the newly placed individuals to attend a 2-week training, which paid \$600 or a pro-rata share depending on attendance. Upon successful completion of the training program, the jobseeker could remain on staff at the funeral home. OIG Auditors reviewed the employment history for the 23 individuals and found that only 1 of 23 successfully completed the training program and remained on staff on a full-time basis. This Provider (Hialeah Downtown) received \$11,300 for the 23 job placements, while the individuals earned \$600 for the two-week period.

OIG Auditors had similar observations with 53 event staffing positions, also identified as full-time (albeit temporary) positions. The Northside Center placed these individuals with two event staffing companies. A detailed review of the employment histories for these individuals showed that although the position met the criteria of a full-time position—a minimal of 30 hours per week or its pro-rata equivalent—the actual duration only spanned from one day to two weeks depending on the event (e.g. Art Basel, the Miami Open, stadium sports games, etc.). This Career Center Provider

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(Northside) received approximately \$21,000 for these placements while the individuals earned an approximate rate of \$9 – 10 per hour for the event's duration. Clearly, these placements and this type of work is not sustained employment.

OIG Auditors also learned that although an individual secures full-time employment, they are not prohibited from abandoning that position and seeking reemployment for another full-time position in the same Program Year. As such, it is possible—and permitted by federal guidelines—to place an individual jobseeker in more than one job in the same Program Year. OIG Auditors learned that the figures reported in the *Balanced Scorecard Report* reflect the number of job placements in the Program Year, not necessarily number of individuals placed in jobs within that year. This observation was noted during a detailed review of the *Balanced Scorecard Report* for Program Years 15-16 and 16-17. Table 2, below, shows the number of individuals with more than one placement in the same Program Year.

**Table 2 – Individuals with Multiple Placements (Region 23)**

Program Year 15-16		
Number of Individuals With Multiple Placements	Number of Placements Per Individual	Total Placements
15	4	60
51	3	153
2,243	2	4,486
<b><u>2,309</u></b>		<b><u>4,699</u></b>
Program Year 16-17		
Number of Individuals With Multiple Placements	Number of Placements Per Individual	Total Placements
1	6	6
5	4	20
64	3	192
2,143	2	4,286
<b><u>2,213</u></b>		<b><u>4,504</u></b>

OIG Auditors confirmed that this practice is permitted by federal guidelines, with the requirement that the additional placements be made with a different employer.<sup>7</sup>

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<sup>7</sup> CSSF Policy states that "A Job Placement shall count only once per EFM Wagner-Peyser (WP) Participation Application ID for the same jobseeker within the same program year" with certain program-specific exceptions. If a jobseeker obtains multiple placements using the same Application ID, the subsequent payments will not be the full amount, but will be the difference between the initial and

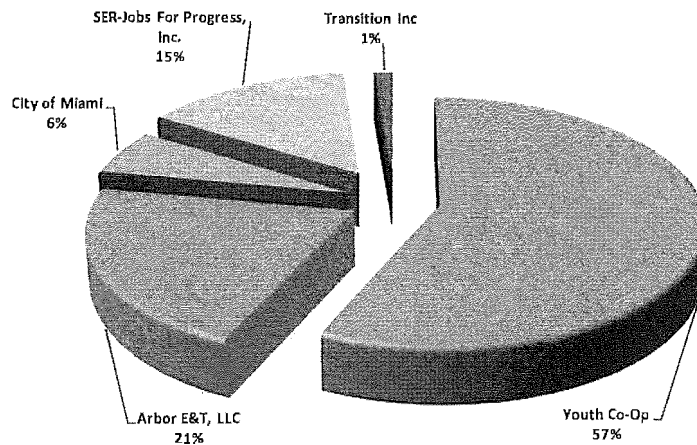
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**VIII. OBJECTIVES, SCOPE & METHODOLOGY**

The objectives of the audit were to determine whether the job placements reported by the two selected Providers (Arbor and Youth Co-Op) were supported by adequate documentation. Additionally, OIG auditors evaluated the criteria and processes utilized to report job placements. The OIG selected Arbor and Youth Co-Op, as these two Providers operated 12 of the 15 One-Stop Centers,<sup>8</sup> and by far made the overwhelming majority of job placements as depicted in Figure 2 below.

**Figure 2: Percentage of Placements by Provider for PY15-16**



From these 12 Centers, placements from 9 of them were tested (all 4 of the centers operated by Arbor, and 5 of the 8 centers operated by Youth Co-Op). Collectively, placements from these 9 Centers made up 73% and 77% of all job placements reported by CSSF for Program Years 15-16 and 16-17, respectively. (See Appendix B for further detail.)

Initially, the scope of the audit was confined to PY15-16 job placements. We selected for testing 411 job placements (60 from Arbor and 351 from Youth Co-Op).

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subsequent payment(s). For example, jobseeker A was placed in a program-specific position garnering a \$400 payment to the Provider. Subsequently, jobseeker A was placed in a second program-specific position that pays \$1,200; instead of receiving the full amount, the provider would only be paid the difference (\$800) between the initial and subsequent placement (\$1,200-\$400).

<sup>8</sup> The OIG also purposefully declined to select Providers SER-Jobs for Progress, Inc. and Transition, Inc., as OIG Auditors were made aware of recent verification audits performed by CSSF against these two Providers, both of which resulted in significant disallowances. See footnote 13 herein.

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During our initial testing phase, OIG Auditors immediately observed conditions regarding Provider documentation that warranted our selecting additional files to be tested. As such, the OIG expanded the scope of this audit to include an additional 339 placement files from Arbor for PY16-17, bringing the total number of Provider placement files up to 750.

Separate and apart from the 750 Provider placement files, described above, OIG Auditors selected for testing an additional 129 job placements. For this second batch of 129 placements we tested documentation on file at the employer's place of business. In total, OIG Auditors visited seven employers (see Finding 2). Collectively, OIG Auditors examined and tested 879 unique job placements. Table 3 details the complete audit sample.

**Table 3 – Audit Sample Summary**

<b>Provider</b>	<b>Initial Sample</b>	<b>Secondary Sample</b>	<b>Employer Site Visits</b>	<b>Totals</b>
Arbor E & T, LLC	60	339	46	445
Youth Co-Op, Inc.	351	0	83	434
<b>Totals</b>	411	339	129	<b>879</b>

OIG Auditors visited each of the nine Centers whose placements were tested. OIG Auditors interviewed the Centers' management team and discussed with them their policies and procedures, reporting requirements, demographics of their client base (e.g., farmworkers, youth, displaced workers, etc.), and the compensation structure depending on the type of job placement.

OIG Auditors also spoke with Center staff aka "Job Specialists" who interact with and assist jobseekers. The Job Specialists provided an overview of the types of career services they provide, e.g. resume building, interviewing skills, and navigating the EFM to search for job openings. They also explained the placement process and the corresponding required documentation that must be maintained in each client file, which includes CSSF's contract-required Employment Verification Form (EVF) or a mass recruitment form in lieu of an individual EVF; Employment Eligibility Verification (Form I-9); personal data (SSNs, driver's license, copy of government-issued ID, etc.); and Job Order Form (for direct job placements). Additional documentation in the form of cancelled checks, pay stubs, work visas, and Equifax Work Number printouts may also be found in the job placement files.

OIG Auditors validated job placements by matching the *Balanced Scorecard Report* with the above-listed documentation. Testing of job placement files were performed at the Centers (for Finding 1) and at the employer's place of business (for Finding 2). Additional audit testing procedures are further described in each finding.



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This audit was conducted in accordance with the Generally Accepted Government Auditing Standards and the Principles and Standards for Offices of Inspector General promulgated by the Association of Inspectors General. The AIG Principles and Standards are in conformity with the Government Auditing Standards promulgated by the Comptroller General of the United States (2011).

**IX. AUDIT FINDINGS AND RECOMMENDATIONS**

**Finding 1 Arbor attempted to meet their individual contractual obligations by reassigning job placements among their contracted Centers.**

Each of the 15 Centers are operated and managed through an individualized contract between CSSF and the selected contract provider. As mentioned earlier in this report, Arbor operated 4 Centers, and Youth Co-Op operated 8—each under a separate contract, and each having different performance measures. Notably, the number of job placements to be achieved each month differs depending on the Center, its location, and the population it serves. According to the contract, the Provider needs to meet 65% of its established measures monthly. If it doesn't meet its measure, the Provider is given a reasonable period—up to 3 months—to correct its performance deficiencies. Failure to resolve the performance deficiencies within the prescribed time, subjects the Provider's contract to termination, and a consideration that the Provider not be considered for any future contracts for up to 5 years.

The Code of Federal Regulations (CFR) defines a "job placement" as the hiring by a public or private employer of an individual referred by the Provider for a job or interview.<sup>9</sup> However, because a Provider may operate more than one Center, job placements must be reported through each individual Center. Documentation for each Center's activity should be maintained at each Center. A Provider may not mix or exchange placements from one Center to another.

Providers are required to maintain the following supporting documentation for all job placements entered into the EFM system for payment: (1) an EVF for direct job placements and (2) a *Work Number* printout, *New Hire Report* listing, or pay stubs from the client showing gainful employment.

OIG Auditors tested job placement documentation on file at 8 Centers. We tested job placement documentation from each of Arbor's 4 contracted Centers, and tested job placement documentation from 4 of the 8 Centers operated by Youth Co-Op. Table 4, on the following page, shows the number of job placement files tested from each of the selected Centers.

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<sup>9</sup> 20 CFR 651.10

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**Table 4 – OIG Tested Job Placements (Provider Files)**

Arbor E & T, LLC			
	Career Center	Contract No.	No. of Items Tested at the Provider's Location
1	Hialeah Downtown	WS-CC-PY'15-01-00	195
2	Carol City	WS-CC-PY'15-18-00	112
3	Miami Beach	WS-CC-PY'15-20-00	64
4	Opa-Locka	WS-CC-PY'15-19-00	28
<b>Total for Arbor</b>			<b>399</b>
Youth Co-Op, Inc.			
	Career Center	Contract No.	No. of Items Tested at the Provider's Location
5	Homestead	WS-CC-PY'15-12-00	55
6	Perrine	WS-CC-PY'15-09-00	145
7	West Dade	WS-CC-PY'15-10-00	95
8	Little Havana	WS-CC-PY'15-08-00	56
9	Northside	WS-CC-PY'15-11-00	0 <sup>1</sup>
10	South Miami	WS-CC-PY'15-14-00	0 <sup>2</sup>
11	Key West	WS-CC-PY'15-07-00 <sup>3</sup>	0 <sup>2</sup>
12	Key Largo		0 <sup>2</sup>
<b>Total for Youth Co-Op</b>			<b>351</b>
<b>Grand Total</b>			<b>750</b>

Note 1: Job placements were actually tested at the employer's place of business.

Note 2: No job placements were tested from this Center

Note 3: Both Centers are operated pursuant to one contract.

In order to validate the reported job placements, OIG Auditors examined each Center's *Balanced Scorecard Report* and matched it against supporting documentation such as: *Employment Verification Forms (EVF)*, *Work Number* printouts, *New Hire Reporting* data provided by the Florida Department of Economic Opportunity (DEO), cancelled payroll checks, or pay stubs. As necessary, OIG Auditors accessed the EFM system for additional information.

Audit testing of Arbor's job placement files revealed several instances showing that the job placement actually originated from another Arbor-contracted Center. In other words, the placement was improperly credited towards the receiving Center's goals. As it relates to Arbor's four Centers, Hialeah Downtown (Hialeah) was the primary donor Center providing placements to the other three Centers (Carol City, Miami Beach, and

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Opa-Locka). This form of re-assignment was seemingly done to enable the under-performing Centers to meet their monthly performance goals.

The same review of Youth Co-Op's job placement files did not reveal this condition. The remainder of this finding describes in greater detail the observations and testing results found at each of Arbor's three beneficiary Centers.

***Carol City Center***

OIG Auditors initially selected 96 job placements from PY15-16 for testing. As it relates to this specific condition,<sup>10</sup> OIG Auditors noted that one EVF was completed by personnel at the Hialeah Center, not Carol City as noted in EFM. This particular EVF showed that the jobseeker was placed with an employer that routinely employs individuals referred by Hialeah personnel. OIG Auditors addressed this observation with the Carol City Center Manager, who stated that this occurred because "computer operations take place at the Hialeah Center." The Manager continued to insist that this placement was made (resulted) by Carol City personnel despite being presented with evidence to the contrary.

In light of this observation, the testing sample was expanded to add 16 job placements from PY16-17; and an additional site visit at Carol City was conducted. Arbor's Program Manager, Regional Director, and the Carol City Center Manager were all present during the second site visit. OIG Auditors selected and reviewed 16 EVFs used to support job placements reported by Carol City personnel for PY16-17. Testing of the additional 16 EVFs revealed that 5 of the 16 files reviewed (31%) were placements resulting from efforts taking place at the Hialeah Center. All 5 EVFs clearly showed the Service Provider/Training Location as "CSSF/Hialeah Center"—not Carol City.

When presented with this information, Carol City's Management Team described this as a typographical error. OIG Auditors then presented the Management Team with documentation showing that Hialeah personnel were actively engaged in the job placement services. For example, one EFM activity report showed that job searches, job referrals and self-service resume activities (on 1/25/17, 1/26/17, and 1/30/17) were all recorded in the EFM by Hialeah personnel. OIG Auditors noted that the only activity attributed to the Carol City Center, for this example, was the actual job placement on 1/30/17, which was recorded just over an hour after the resume service was provided by Hialeah personnel.

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<sup>10</sup> OIG Auditors also noted a variety of other documentation exceptions, such as incomplete records and/or lack of supporting documentation rendering the job placements invalid. Finding 1, however, relates to job placement origination.

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OIG Auditors addressed this observation with Arbor's Program Manager who, in the presence of the Regional Director, stated "We're all just one," implying that all of Arbor's placements should be viewed collectively. OIG Auditors then asked the Regional Director for the total number of executed contracts between Arbor and CSSF. The Regional Director stated that Arbor held 4 individual contracts with CSSF. When asked to explain the ramifications of a Provider that does not meet the required job placement goals for a contracted Center, the Regional Director stated that this could possibly result in them (Arbor) losing their awarded contracts.

***Miami Beach Center***

An initial review of 38 job placements at the Miami Beach Center for PY15-16 revealed that 9 (24%) of the job placements resulted from the efforts of Hialeah Center personnel. In light of this observation, OIG Auditors selected 26 additional placements from PY16-17. This supplemental review revealed an additional 14 job placements (54%) where the services were provided by Hialeah personnel, as evidenced by the "CSSF/Hialeah Center" notation disclosed on the Service Provider/Training Location portion of the EVF.

OIG Auditors spoke with the Miami Beach Center's Manager and shared with him this finding. He responded, "Look at the traffic here! [referring to the low customer traffic] We use those placements to make our numbers".

***Opa-Locka Center***

The Opa-Locka Center's documentation is housed at the Carol City Center, as the latter manages the Opa-Locka Center's staff. As such, OIG Auditors performed the Opa-Locka documentation review at the Carol City location. A site visit to the Opa-Locka Center was also performed.

OIG Auditors selected 28 job placements from Opa-Locka's PY15-16 for testing. Examination of the supporting documentation revealed that 9 resulted from job placement efforts by Hialeah personnel, and an additional 9 placements were initiated and made by Carol City personnel. As such, 64% of job placements tested were incorrectly attributed to the Opa-Locka Center.

***Subsequent Events - CSSF Disallowances***

OIG audit testing found that three of Arbor's contracted-Centers clearly misrepresented their job placement numbers as they received placements from another Arbor-managed Center in order to meet their individual contractual obligations. This calls into question the integrity of Arbor's reported job placements entered in the EFM.

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After the site visits in March 2017, OIG Auditors discussed these specific findings with the DEO Program Manager, who had accompanied the OIG Auditors on some of the site visits. These findings were then shared with CSSF management. Shortly thereafter, CSSF's Executive Director advised all CSSF Providers that the practice of moving placements among a provider's contracted Centers is prohibited and that any personnel found to be doing this would have their EFM system access revoked.

Based on the OIG's testing results, CSSF performed additional placement analysis on all of its 15 Centers for PY16-17. The first analysis involved comparing the address of the jobseeker—who was reported as a direct placement—against the geographical area of responsibility for each Center that reported the placement. The analysis looked for jobseekers that did not reside within the Center's area of responsibility. The analysis identified 4 Centers with higher than average direct job placements where the client resided outside of the Center's area of responsibility. These 4 Centers were all contracted to Arbor.

The second analysis entailed reviewing 100% of Arbor's direct job placements for PY16-17. The review revealed 285 direct job placements where the EFM job referral Center/location differed from the Center receiving payment. Further review demonstrated that the jobseekers did not receive job placement services from the Center reporting the placement. This was determined to be a misrepresentation in violation of the contract terms for which repayment of the job placement fee was sought. These 285 misrepresented direct job placements came from the same three Centers identified by the OIG in its audit testing. (See Table 5 below for a breakdown of the disallowed placements.)

**Table 5: Results of CSSF's Direct Job Placement Analysis PY16-17**

Center	Disallowed Placements	Amount Paid
Carol City	229	\$ 119,650
Miami Beach	51	\$ 28,225
Opa-Locka	5	\$ 3,750
	<u>285</u>	<u>\$ 151,625</u>

CSSF notified Arbor of these results in a letter dated September 25, 2017. Arbor, while initially disagreeing with the disallowance amount, eventually accepted the findings and, via a check dated February 5, 2018, reimbursed CSSF \$151,625 for the disallowed placements.

As of May 2018, Arbor has only one contract—the Hialeah Downtown Center. Arbor elected not to submit bids to operate the Carol City, Opa-Locka and Miami Beach

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Centers. These three Centers are currently operated by CSSF.<sup>11</sup>

**Recommendation 1**

CSSF should perform the same Direct Job Placement analysis for PY15-16 and PY17-18 (year-to-date). The analysis should be performed on both Arbor and Youth Co-Op, as each Provider operates/operated more than one Center.<sup>12</sup> Moving forward, any provider who operates more than one Center should also be subjected to this review as well. Reimbursement should be sought for disallowed job placements identified in the analysis.

***CSSF Response***

“Immediately upon learning of Arbor's reassignment of placements among [its] various contracted Career Centers, CSSF implemented several policy and system changes to strengthen programmatic oversight.” CSSF has since “implemented new restrictions on all contracted provider staff to prevent the reassignment of placements to different Career Centers in the Employ Florida Marketplace (EFM) system. Additionally, CSSF modified workforce services contracts for all Career Center providers to prohibit this practice.”

The Direct Job Placement analysis conducted on the Arbor operated Career Centers “was also performed on all Career Centers providers that operated one or more centers for the program years specified. Arbor was identified as the only service provider to reassign its job placements among their contracted Centers. Therefore, no discrepancies were found for any of the other Career Center providers related to this issue.”

***Arbor Response***

Arbor did not provide a specific response to this finding and/or recommendation.

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<sup>11</sup> According to CSSF's Quality Assurance Supervisor, United Migrant Opportunity Services (UMOS) was operating Carol City and Opa Locka, but wanted to negotiate a partial cost reimbursement contract, which would not be in compliance with the terms of the RFP and the current performance contract. CSSF did not agree to the change and UMOS walked away from their contracts. The Cuban American National Council was operating Miami Beach, but eventually walked away from its contract because of financial hardship.

<sup>12</sup> Even though OIG audit testing of selected Youth Co-Op job placements did not uncover instances of Center-to-Center reassignment, we acknowledge that we only tested job placement documentation from 4 of Youth Co-Op's 8 Centers.

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**Recommendation 2**

CSSF should explore developing some way to electronically flag discrepancies between the originating Career Center inputting job referral information into the EFM and the Center receiving payment. If it is determined that the system cannot be programmed to detect this discrepancy, then CSSF should consider extracting this information on a monthly or quarterly basis, and manually performing this analysis for those Providers operating more than one Center.

***CSSF Response***

In addition to the policy changes implemented during the audit, "CSSF also developed an electronic customer satisfaction survey to validate the services received by the participant at the Career Centers when a direct job placement is entered in EFM. The CSSF Information Technology (IT) Unit controls this process, and the Career Centers do not have the ability to view or tamper with the results. Should the participant indicate services were never received at the Career Center, the placement is removed from EFM, and the Career Center is not eligible for payment. This process was implemented in February 2018."

***OIG Rejoinder***

The OIG is encouraged by the proactive measures employed by CSSF in addressing this finding, and look forward to reviewing it progress during future OIG follow-up assessments.

**Finding 2    Job placements reported by Youth Co-Op's Northside Center could not be validated, resulting in questioned costs that should be disallowed and subject to repayment.**

OIG Auditors selected "unverified" job placements attributed to two Career Centers (one from Youth Co-Op and one from Arbor) for further testing at the purported employers' place of business. Job placements are flagged as "unverified" when the reported job placement (as entered into the EFM by the Providers) does not match against data supplied through one of three sources:

- The New Hire Report – report from the Florida DEO, based on employer-mandated reporting of all new hires and re-hires
- Wage Credit Database – showing persons working in employment covered by State unemployment compensation laws; information reported from the Florida Department of Revenue

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- Work Number Database – a verification service provided by Equifax, a private consumer credit agency, contracted to provide employment information to the State of Florida

The resulting unverified job placements are reported on the *Placement Verification Report*. This report, which is generated on-demand, is an exception report. However, just because a placement could not be verified, by one of the three external sources described above, does not mean that it is ineligible for payment—only that it could not be verified by one of the three stated sources. Payment to the Providers is made from the Provider's *Balanced Scorecard Report* notwithstanding the noted exceptions.

CSSF staff, beginning after the close of the 15-16 program year, began performing verification audits of job placements for individuals within certain programs.<sup>13</sup> OIG Auditors, in the spring of 2017, also queried the database to generate a *Placement Verification Report* for PY15-16. In contrast to CSSF's review of program participants by category, OIG Auditors selected unverified placements by Provider and Center.

OIG auditors judgmentally selected unverified direct job placements reported by Youth Co-Op for its Northside Center, and Arbor for its Hialeah Downtown Center. We selected these two Centers based on the high number of unverified placements on the *Placement Verification Report*.

For the Northside Center, we selected 83 out of 146 unverified placements reported for PY15-16. OIG Auditors first requested supporting documentation for the job placements from the Northside Center. We were given *Mass Recruitment Employment* forms as supporting documentation. When we asked for additional support, such as EVFs, we were advised that the *Mass Recruitment Employment* form was just as good as an EVF. Not satisfied with this response, OIG Auditors decided to validate these placements via the employers.

OIG auditors found that while the Northside Center documented the referrals on the Mass Recruitment Form, the employers were unable to confirm that the individual actually started working—a chief requirement of the contract's payment provision. We concluded that Youth Co-Op received remuneration to which they were not entitled;

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<sup>13</sup> These programs include, but are not limited to, SNAP (Supplemental Nutrition Assistance Program), TANF (Temporary Aid for Needy Families), CAP (Career Advancement Program), Reemployment Assistance, Veterans, and Ex-Offenders. CSSF's verification audits resulted in significant disallowances against two of its Providers: SER-Jobs for Progress, Inc. (257 job placements disallowed, totaling \$106,350) and Transition, Inc. (54 job placements disallowed, totaling \$32,600, and reimbursement of \$27,500 for an incentive payment). Both Transition and SER-Jobs for Progress have repaid CSSF the disallowed amounts, including return of the incentive payment.



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therefore, we reaffirm our recommendation that CSSF disallow and seek reimbursement for the unverified placements.

For the Hialeah Downtown Center, we initially selected 3 of 133 unverified placements (PY15-16) for testing based on a cursory review of documentation held on-site at the Center. Due to incomplete paperwork and, what appeared to be, retroactively signed forms, OIG Auditors expanded the scope by adding three recent months of unverified placements to the sample from PY16-17.<sup>14</sup> The OIG tested all (43 of 43) of the unverified placements reported for these three additional months. Because of the apparent irregularities, described above, OIG Auditors decided to validate these placements via the employers.

OIG Auditors sought to validate job placements by contacting the identified employer, conducting site-visits at the respective employers' offices, and reviewing their records.<sup>15</sup> The combined sample size of 129 placements comprised of 7 different employers (3 employers for the Northside placements and 4 employers for the Hialeah Downtown Placements). At each of the 7 site visits, OIG Auditors interviewed the hiring manager to obtain an understanding of the hiring process and, in particular, interaction with the respective Career Center. Each employer was given a list of employees, and their employment timeframe, for which we were seeking the supporting documentation. OIG Auditors attempted to validate the reported job placements through pay stubs, cancelled payroll checks, time cards, IRS W-2 forms, and similar forms of documentation.

Our testing of the unverified placements with the four employers associated with the Hialeah Downtown Center revealed no exceptions. OIG Auditors were able to verify all EFM-reported job placements. See Table 6 below for additional details.

**Table 6 – Employer Records Testing: Placements Reported by Hialeah (Arbor)**

Employer	Job Placements Reported as "Unverified" on the Placement Verification Report				Provider Payments	Questioned Costs
	Reviewed	Validated by OIG	OIG Unable to Validate	% Validated		
General Labor Staffing, Inc.	12	12	0	100%	\$4,750	\$0
Caballero Rivera Funeral Homes	23	23	0	100%	\$11,300	\$0
JVC Franco, LLC DBA Juan Valdez Café	7	7	0	100%	\$2,800	\$0
La Victoria Distributor, Inc. DBA Gilbert's Bakery	4	4	0	100%	\$1,550	\$0
	<u>46</u>	<u>46</u>	<u>0</u>		<u>\$20,400</u>	<u>\$0</u>

<sup>14</sup> The three months added were January, February and March, 2017.

<sup>15</sup> Prior to the site visits, OIG Auditors obtained SunTax records generated by the Florida Department of Revenue (DOR), which report individual wages earned by employer on a quarterly basis.

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Our testing of the unverified placements with the 3 employers associated with the Northside Center revealed exceptions with 2 of the 3 employers. Table 7 shows the number of unverified job placements (per the *Placement Verification Report*) that we were unable to validate through the purported employers' records.

**Table 7 – Employer Records Testing: Placements Reported by Northside (Youth Co-Op)**

Employer	Job Placements Reported as "Unverified" on the <i>Placement Verification Report</i>				Provider Payments	Questioned Costs
	Reviewed	Validated by OIG	OIG Unable to Validate	% Validated		
<b>Alpha 1 Staffing</b> (Summer Youth and Ready To Work Program)	28	28	-	100%	\$17,000	\$0
<b>Centerplate</b> (Hard Rock Stadium)	25	6	19	24%	\$9,750	\$7,450
<b>Accurate Event Group</b> (Miami Open, Art Basel, etc.)	30	17	13	57%	\$11,750	\$5,050
	<u>83</u>	<u>51</u>	<u>32</u>		<u>\$38,500</u>	<u>\$12,500</u>

The records reviewed at each employer's place of business and our specific observations and findings are addressed below.

***Alpha 1 Staffing, Inc. (Alpha 1)***

Alpha 1 is a temporary staffing agency that facilitates the hiring of jobseekers for CSSF's Summer Youth, Ready-To-Work, and other programs. OIG Auditors tested a sample of 28 unverified job placements at Alpha 1's place of business. Supporting documentation reviewed consisted of payroll registers, payroll checks and employee timesheets. No exceptions were noted for the 28 placements tested. The documentation supported the reported job placements.

***Centerplate, Inc. (Centerplate)***

Centerplate provides food service and merchandise workers for the Hard Rock Stadium in Miami Gardens. OIG Auditors tested a sample of 25 unverified job placements at Centerplate's place of business. Only 6 of the 25 (24%) of the placements tested could be validated. Eighteen (18) of the 25 placements (72%) had no record of employment with Centerplate, and the remaining 1 placement involved a jobseeker who did not report for work and was, thus, terminated. The value of the 19 placements that could not be validated equals \$7,450.

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Furthermore, during the site visit, Centerplate management informed OIG Auditors that Northside Center personnel routinely requested email confirmations for jobseekers that had not been hired by Centerplate. As such, Centerplate stated that they would no longer use the Northside Center for its staffing needs.

***Accurate Event Group, Inc. (Accurate)***

Accurate provides temporary event staffing and management for various venues such as the Miami Open, Art Basel, and other events that span from one day through two weeks. OIG Auditors tested a sample of 30 unverified job placements at Accurate's place of business. Only 17 of the 30 (57%) of the placements could be validated. Regarding the 13 unvalidated placements, 10 individuals had previously been hired by Accurate as an "Annual Event Worker" on a "standby by" basis; however, records could not be produced to validate whether they had worked during the period reported by the Northside Center. For the remaining 3 purported placements, there was no record of employment. The value of the 13 placements that could not be validated equals \$5,050.

Furthermore, during the site visit, Accurate's management explained to OIG Auditors that they repeatedly advised their workers that they do not need to continue getting referred to Accurate through the Northside Center because they are already on-call to work on upcoming events. OIG Auditors were advised that many of these workers have been with Accurate for several years. Accurate's management questioned Northside reporting of these job placements when it was Accurate staff who contacted the individuals to work the upcoming events.

**Recommendation 3**

CSSF should seek repayment of \$12,500 from Youth Co-Op for the unvalidated Northside job placements.

***Youth Co-Op Response***

Youth Co-Op disagrees with our finding that these job placements were unverified and objects to the OIG's recommendation that it should therefore be subject to a disallowance repayment of \$12,500. Youth Co-Op contends that payments made to Youth Co-Op by CSSF were in compliance with the PY15-16 contract and were made pursuant to CSSF local operating procedures. Youth Co-Op asserts that, pursuant to its contract with CSSF, the "veracity of employer's attestation made in the Mass Recruitment Employment [Form]" is sufficient supporting documentation. Youth Co-Op further declares that "The draft audit report erred in concluding that more supporting documentation was required for payment purposes."

**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
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*Providers Arbor E&T, LLC and Youth Co-Op, Inc.*

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***CSSF Response***

"CSSF agreed with the initial finding of the OIG at the exit meeting. After the exit meeting, CSSF requested the names of those placements that could not be validated by the OIG for the Northside Career Center." After review of said placements, CSSF agreed with the questioned costs identified by the OIG. CSSF also identified an additional placement found to be questionable given the methodology applied by the OIG during their audit. CSSF stated that "a total of 33 placements would be disallowed for the Youth Co-Op's Northside center for an amount of \$12,950.00."

***OIG Rejoinder***

With regard to the objection raised by Youth Co-Op, its contention that one form is sufficient documentation for payment purposes is mistaken. In addition to the documentation requirements, Youth Co-Op is also required to comply with the payment provisions of the contract for PY15-16. Specifically, Exhibit D of the executed contract for PY15-16 outlines the steps required for a Direct Job Placement.

The employer-signed Mass Recruitment form, only confirms that the individuals (on the list) were referred to their job openings. However, the contract payment provisions explicitly state that job placements must be verified "from a reliable source, preferably the employer," that the individual has actually started working on the job before recording the job placement. As to the OIG-tested placements, this could not be substantiated by the documents provided by Northside nor those reviewed at the reported employer's job site. CSSF's local procedure clearly states that "Notification of a hire date will not suffice for securing placement credit." The OIG therefore reaffirms its original findings that the job placements identified as unverified should be disallowed by CSSF.

**Recommendation 4**

On a quarterly basis, CSSF, should run the *Placement Verification Report* and select no less than two Centers to conduct further testing of its "unverified job placements." Similar to the audits conducted of job placement by Program Type, these quarterly audits would involve 100% of the unverified placements per the exception report, but by Center regardless of Program Type. While CSSF may want to develop selection criteria to aid it in selecting the two Centers quarterly, the identification of the Centers should not be pre-announced. A continuous, regular, and random audit schedule will timely identify unvalidated placements for which immediate repayment may be sought.

**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
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***Youth Co-Op response***

Youth Co-Op had no objection to this recommendation.

***CSSF response***

In an effort to increase the accuracy and efficiency of the validation process, "CSSF implemented the automation of the review of placements." In addition, CSSF's recently developed internal control systems seeks to evaluate the quality of job referrals and placements.

***OIG Rejoinder***

The OIG encourages CSSF to continue developing processes that will seek to ensure the accuracy and validity of job referrals and placements.

**X. CONCLUSION**

It should go without saying that the nation's workforce development programs, especially given the large sums of money involved, require continuous monitoring and verification. These efforts must take place at all levels of the administrative process by those implementing the programs (federal, state, and local agencies), and from time to time, by external and independent auditing entities, such as offices of inspector general.

With each review, inspection, and audit, weaknesses can be identified, controls can be strengthened, and processes can be improved. Ultimately, fraud, waste, and abuse must be stamped out through continuous detection and deterrence.

\*\*\*\*\*

The OIG appreciates CSSF's acceptance of all recommendations. The OIG asks CSSF to report on the status of fully implementing these recommendations, and to include with its response any documents, new or amended policies and procedure, supporting their implementation. We kindly request that CSSF provide the OIG with this status report in 90 days, on or before October 18, 2018.

Last, the OIG would like to thank the staffs of CSSF, Arbor and Youth Co-Op for their cooperation and for the courtesies extended to the OIG throughout this audit.

**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
**OIG FINAL AUDIT REPORT**  
*South Florida Workforce Investment Board d/b/a CareerSource South Florida*  
*Providers Arbor E&T, LLC and Youth Co-Op, Inc.*

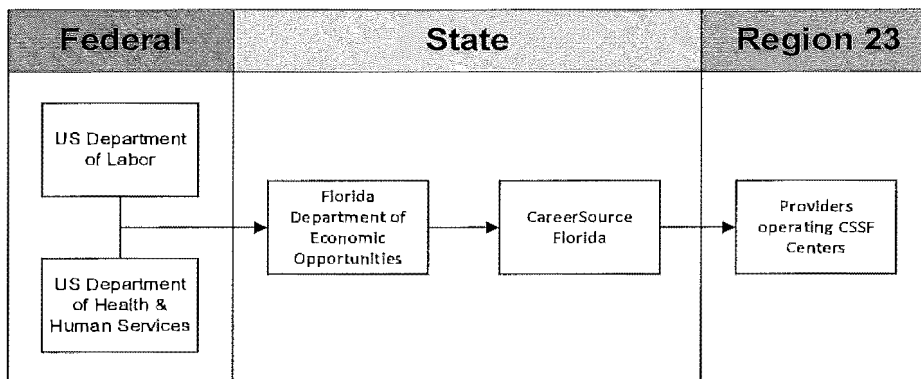
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**APPENDIX A - Funding to Providers**

**1. Overview**

There are two categories of job placements: Direct Job Placement and Obtained Employment. Each placement type has an associated payment amount that the Providers receive for job placement efforts. Direct Job Placements pay between \$400 to \$1,700 depending on the classification of the individual jobseeker. For example, an individual receiving federal assistance would garner \$1,700 per placement; an individual who had been laid off work and receiving unemployment benefits would garner \$1,200 per placement; and an individual not otherwise meeting one of the other categories would garner \$400 per placement. Obtained Employment pays a standard flat rate of \$100 per placement. The process for each of the two job placement types are further depicted in this appendix.

Funds to pay the contracted Providers for these placements comes from the federal government via the U.S. Department of Labor and the U.S. Department of Health and Human Services. These funds flow through the Florida Department of Economic Opportunities, which is the administrative entity for CareerSource Florida, to the local level.



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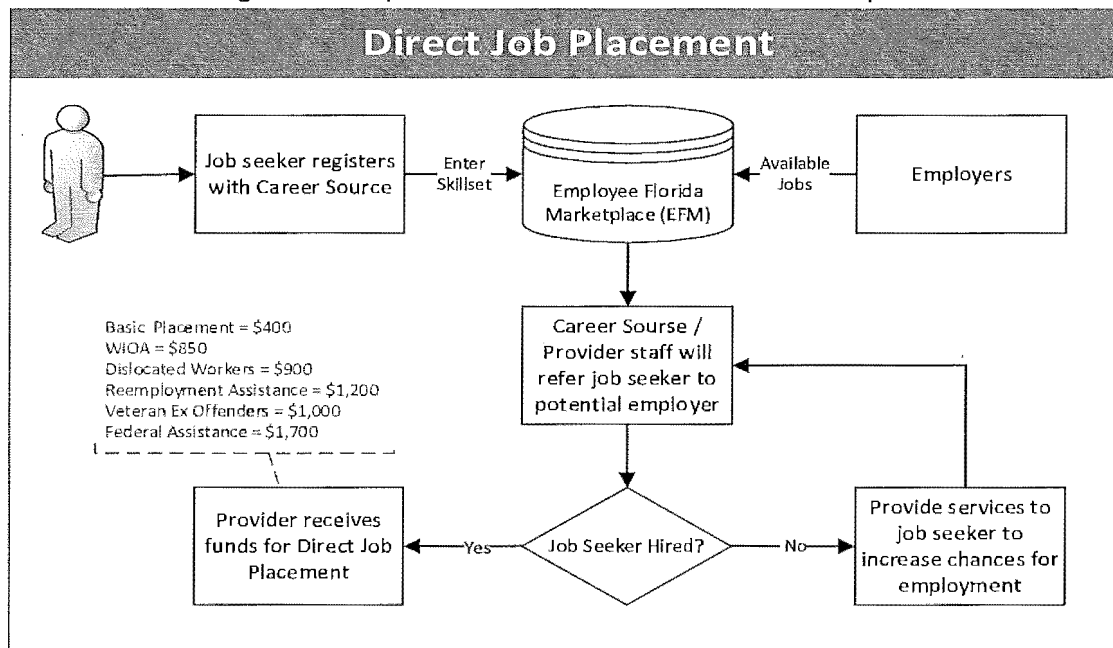
**APPENDIX A - Funding to Providers (cont.)**

**2. Direct Job Placement**

A Direct Job Placement can be claimed when a jobseeker received training assistance at a Center or when the Provider recruits the jobseeker on behalf of the prospective employer and facilitates the hiring process. The Code of Federal Regulations (20 CFR 651.10) defines a Direct Job Placement as the hiring by a public or private employer of an individual referred by the Provider for a job or an interview. To be eligible for payment of the Direct Job Placement, the Provider must fulfill all of the following requirements:

1. Prepare a job order form prior to the job referral;
2. Make prior arrangements with the employer for the referral of an individual or individual(s);
3. Refer an individual who has not been specifically designated by the employer, except for referrals on agricultural job orders for a specific crew leader or worker;
4. Verify from a reliable source, preferably the employer, that the individual has starting working;
5. Record the placement in EFM

Below is a high-level depiction of the Direct Job Placement process.



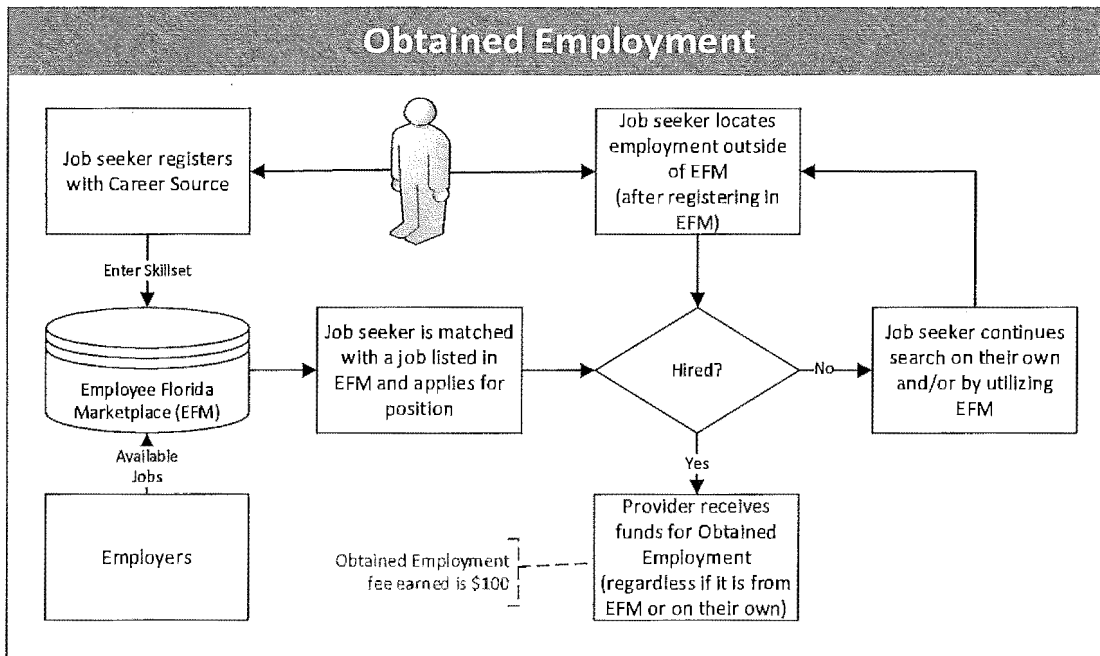
**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
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**APPENDIX A - Funding to Providers (cont.)**

**3. Obtained Employment**

Obtained Employment is the term used when a person, who has registered with a Career Center, obtains employment on their own within 180 days of the registration date. Employment may have been secured either by the jobseeker applying to job postings via the Employ Florida Marketplace or through individual efforts not involving the Career Center—albeit the Career Center may have assisted the jobseeker with services such as Resume Review, Interview Skills, or Microsoft Classes, even though none of these services are required to be provided in exchange for the \$100 placement.

Below is a high-level depiction of the Obtained Employment process.





**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
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**APPENDIX A - Funding to Providers (cont.)**

**4. Recording Placements, Payments and Verifying Employment**

Job placements can be manually entered into EFM by the Provider's staff or it can be validated through an automated process. A daily query is performed by CSSF's Information Security Department, which interfaces their registered EFM users with independent state and federal employment reports or databases. Both the manually-entered and the query-derived job placements are added to the CSSF *Balanced Scorecard Report* on a daily basis. The *Balanced Scorecard Report* keeps a tally of job placements by Center, placement type, as well as other pertinent information. CSSF utilizes the *Balanced Scorecard Report* to measure the performance of the Providers against their contracted performance standards set forth in the contract

If the job placements recorded in EFM cannot be validated through the automated query process, they are placed on a separate Placement Verification Report, but will also remain on the *Balanced Scorecard Report*. The Placement Verification Report is utilized by the Providers as well as CSSF staff to perform and obtain placement verifications. At the end of the Program Year, CSSF staff will select a sample of non-verified job placements from the Placement Verification Report and request supporting documentation from the Provider, employer or jobseeker. If CSSF determines that the job placement is valid, no further action is taken. If a disallowance is found prior to the Provider receiving payment for the placement(s), CSSF will remove it directly from the Automated Placement Invoice System to prevent payment. Conversely, if payment has already been made or it is found after the Program Year has been closed, then a report of findings is sent to the Providers and reimbursement is sought for any disallowances identified.

In order to verify that a jobseeker has indeed started working, the Provider is required to maintain the following documentation: a completed Employment Verification Form, a Work Number printout confirming that the jobseeker started working, the New Hire Report provided by DEO, or pay stubs from the employer.

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**APPENDIX B-1 – Detailed Schedule of Job Placements for PY15-16**

	Provider	Location	Job Placement Type			
			Direct Job Placement (DJP)	Obtained Employment (OE)	Total	
1	Arbor E&T, LLC	Hialeah Downtown Center	1,475	3,392	4,867	
2	Arbor E&T, LLC	Carol City Center	1,141	4,258	5,399	
3	Arbor E&T, LLC	Miami Beach Center	626	1,269	1,895	
4	Arbor E&T, LLC	Opa Locka Center	293	709	1,002	
5	Youth Co-Op	Homestead Center	2,429	2,162	4,591	
6	Youth Co-Op	Perrine Center	2,149	5,464	7,613	
7	Youth Co-Op	West Dade Center	1,970	6,545	8,515	
8	Youth Co-Op	Little Havana Center	1,528	4,033	5,561	
9	Youth Co-Op	Northside Center	1,539	4,601	6,140	
		<b>Subtotal</b>	<b>13,150</b>	<b>32,433</b>	<b>45,583</b>	<b>73%</b>
10	Youth Co-Op	Key West Center*	430	1,069	1,499	
11	Youth Co-Op	Key Largo Center*				
12	Youth Co-Op	South Miami Center	348	1,078	1,426	
13	City of Miami	City of Miami Center	872	2,828	3,700	
14	SER-Jobs For Progress, Inc.	North Miami Beach Center	1,619	7,614	9,233	
15	Transition Inc.	Transition Offender Service Center	476	367	843	
		<b>Subtotal</b>	<b>3,745</b>	<b>12,956</b>	<b>16,701</b>	<b>27%</b>
		<b>Total</b>	<b><u>16,895</u></b>	<b><u>45,389</u></b>	<b><u>62,284</u></b>	<b><u>100%</u></b>

Not selected for audit testing

\*Youth Co-Op reports job placements for Key West and Key Largo as one unit (Center) for reporting purposes.

**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
**OIG FINAL AUDIT REPORT**  
*South Florida Workforce Investment Board d/b/a CareerSource South Florida*  
*Providers Arbor E&T, LLC and Youth Co-Op, Inc.*

**APPENDIX B-2 – Detailed Schedule of Job Placements for PY16-17**

	Provider	Location	Job Placement Type			
			Direct Job Placement (DJP)	Obtained Employment (OE)	Total	
1	Arbor E&T, LLC	Hialeah Downtown Center	1,749	3,668	5,417	
2	Arbor E&T, LLC	Carol City Center	1,786	4,220	6,006	
3	Arbor E&T, LLC	Miami Beach Center	430	1,148	1,578	
4	Arbor E&T, LLC	Opa Locka Center	228	710	938	
5	Youth Co-Op	Homestead Center	1,961	2,682	4,643	
6	Youth Co-Op	Perrine Center	1,999	5,820	7,819	
7	Youth Co-Op	West Dade Center	1,550	7,302	8,852	
8	Youth Co-Op	Little Havana Center	1,193	4,566	5,759	
9	Youth Co-Op	Northside Center	993	4,521	5,514	
		<b>Subtotal</b>	<b>11,889</b>	<b>34,637</b>	<b>46,526</b>	<b>77%</b>
10	Youth Co-Op	Key West Center*	305	992	1,297	
11	Youth Co-Op	Key Largo Center*				
12	Youth Co-Op	South Miami Center	234	1,178	1,412	
13	City of Miami	City of Miami Center	797	2,635	3,432	
14	SER-Jobs For Progress, Inc.	North Miami Beach Center	485	6,177	6,662	
15	Transition Inc.	Transition Offender Service Center	439	515	954	
		<b>Subtotal</b>	<b>2,260</b>	<b>11,497</b>	<b>13,757</b>	<b>23%</b>
		<b>Total</b>	<b>14,149</b>	<b>46,134</b>	<b>60,283</b>	<b>100%</b>

Not selected for audit testing

\*Youth Co-Op reports job placements for Key West and Key Largo as one unit (Center) for reporting purposes.

**MIAMI-DADE COUNTY  
OFFICE OF THE INSPECTOR GENERAL**



**FINAL AUDIT REPORT**

**Attachment 1**

**CareerSource South Florida's Response**

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*South Florida Workforce Investment Board d/b/a CareerSource South Florida  
Providers Youth Co-Op, Inc. and Arbor E&T, LLC*

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**IG16-0030-A**



CareerSource  
SOUTH FLORIDA

careersourcesfl.com

July 2, 2018

Ms. Mary Cagle  
Inspector General  
Miami-Dade County  
Office of the Inspector General  
601 NW 1<sup>st</sup> Court, South Tower, 22<sup>nd</sup> Floor  
Miami, FL 33136

Re: Response to Office of the Inspector General (OIG) Draft Audit Report

Dear Ms. Cagle:

South Florida Workforce Investment Board (SFWIB)/CareerSource South Florida (CSSF) is in receipt of the Office of the Inspector General's (OIG) Draft Audit Report dated June 12, 2018 with regards to IG16-0030-A. CSSF would like to thank you for conducting the audit, as stewards of the tax payers dollars, CSSF always strives to provide the very best in services both effectively and efficiently.

As indicated in the Audit Report, Federal Law/Regulations allow Local Workforce Development Boards to report multiple job placements on an individual within a program year. Those procedures reference Federal Regulation 20 CFR 651.10 as the official guidance on what is required to record a job placement. However, since program year 2014 CSSF limited the reporting of an individual jobseeker to one placement per program year. The limitation policy was a part several policies CSSF implemented to enhance employment services to jobseekers and strengthen the accountability of information reported.

When the OIG staff brought an issue our attention, CSSF immediately addressed the issue by evaluating practical solutions, and implementing the appropriate measure to resolve the issue. Again, we would like to thank you for your suggestions and recommendations. The enclosed responses will indicate the OIG recommendations have already been implemented. Please find attached individual responses to each of the issues brought forward as well as the recommendations of your office.

Please feel free to call me at (305) 929-1501 or Frances Gonzalez at (305) 929-1520, should you have any questions or concerns.

Sincerely,

Rick Beasley  
Executive Director

South Florida Workforce Investment Board

info@careersourcesfl.com

7300 Corporate Center Drive, Suite 500  
Miami, Florida 33126

p: 305-554-7615 | f: 305-470-5629

Ms. Mary Cagle  
Miami-Dade County  
Office of Inspector General  
July 2, 2018  
Page 2 of 5

*Attachment*

Pc: David Gilbert, Adult Programs Manager, CSSF  
Robert Smith, Adult Programs Supervisor, CSSF  
Yian Perrin, DEO Programs Manager, CSSF  
Frances Gonzalez, Quality Assurance Coordinator, CSSF  
Audit File

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**Finding 1: Arbor attempted to meet their individual contractual obligations by reassigning job placements among their contracted Centers.**

**CSSF Response**

Immediately upon learning of Arbor's reassignment of placements among their various contracted Career Centers, CSSF implemented several policy and system changes to strengthen programmatic oversight. In May 2017, CSSF revoked system access to those Career Center staff involved reassigning job placements, as well as, implemented new restrictions on all contracted provider staff to prevent the reassignment of placements to different Career Centers in the Employ Florida Marketplace (EFM) system. Additionally, CSSF modified workforce services contracts for all Career Center providers to prohibit this practice.

In May 2017, the CSSF Office of Continuous Improvement (OCI) Quality Assurance and Adult Programs Units reviewed 100 percent of all program year 2016-17 direct job placements for all Arbor centers. As a result of the review, CSSF rejected a total of 285 direct job placements where the referral center/location and the center that received payment for the placement were different. Additionally, participants were not provided services by the center receiving payment for the placements. The total disallowed cost for the 285 direct job placements was \$151,625.00.

On February 5, 2018, Arbor submitted payment of disallowed costs.

**Recommendation 1: CSSF should perform the same Direct Job Placement analysis for PY15-16 and PY17-18 (year-to-date). The analysis should be performed on both Arbor and Youth Co-Op, as each Provider operates/operated more than one Center. Moving forward, any provider who operates more than one Center should also be subjected to this review as well. Reimbursement should be sought for disallowed job placements identified in the analysis.**

**CSSF Response**

The aforementioned review conducted on the Arbor operated Career Centers was also performed on all Career Centers providers, which operated one or more centers for the program years specified. Arbor was identified as the only service provider to reassign its job placements among their contracted Centers. Therefore, no discrepancies were found for any of the other Career Center providers related to this issue.

Further, as previously mentioned, CSSF revoked access to all Career Center staff from reassigning placements amongst the various centers in the EFM system in May 2017. Therefore, this issue is no longer occurring.

As a part of CSSF's ongoing monitoring process, the CSSF OCI Quality Assurance Unit continuously reviews for any discrepancies regarding the issue of reassigning of job placements.

Federal/State regulations allow local workforce boards to report multiple placements; however, in program year 2014-15 CSSF executed performance base contracts for Career Center service providers. The contract modification were implemented to ensure credit is not given to the Career Centers for multiple placements during a program year. A key aspect of the CSSF contract modification is count a job placement only once per distinct social security number for the same jobseeker within the program year. This checks and balance process is fully automated through the programming of the CSSF Balance Scorecard and Automated Payment Invoice System, which is proprietary to this Region.

*Recommendation 2: CSSF should explore developing some way to electronically flag discrepancies between the originating Career Center inputting job referral information into the EFM and the Center receiving payment. If it is determined that the system cannot be programmed to detect this discrepancy, then CSSF should consider extracting this information on a monthly or quarterly basis, and manually performing this analysis for those Providers operating more than one Center.*

#### CSSF Response

CSSF has developed and implemented its own proprietary automated payment system that allows CSSF to determine the parameters in which a payment is generated. As a result of which, the system is programmed to only generate a payment when the referring Career Center is the same as the Career Center resulting the placement. CSSF has also established protocols with the Career Center staff security access in the EFM system to prevent any reassignment of job referrals.

CSSF also developed an electronic customer satisfaction survey to validate the services received by the participant at the Career Centers when a direct job placement is entered in EFM. The CSSF Information Technology (IT) Unit controls this process and the Career Centers do not have the ability to view or tamper with the results. Should the participant indicate services were never received at the Career Center, the placement is removed from EFM, and the Career Center is not eligible for payment. This process was implemented in February 2018.

Moreover, CSSF has developed electronic internal control systems to evaluate the quality of job order and referral processes of the Career Centers. The system was designed to ensure Career Centers are providing services in accordance with 20 CFR 651.10.

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*Finding 2: Job placements reported by Youth Co-Op's Northside Center could not be validated, resulting in questioned costs that should be disallowed and subject to repayment.*

#### CSSF Response

CSSF agreed with the initial finding of the OIG at the exit meeting. After the exit meeting, CSSF requested the names of those placements that could not be validated by the OIG for the Northside Career Center. After review of said placements, we agree with the OIG in questioned costs. It should be noted, an additional placement was found questionable for Accurate Event Group given the methodology applied by the OIG during their review. Therefore, a total of 33 placements will be disallowed for the Youth Co-Op Northside center for an amount of \$12,950.00.



*Recommendation 3: CSSF should seek repayment of \$12,500 from Youth Co-Op for the unvalidated Northside job placements.*

CSSF agrees with the OIG recommendation. A letter will be sent to Youth Co-Op requesting repayment of \$12,950.00 for the 33 placements, which could not be validated by the OIG.

*Recommendation 4: On a quarterly basis, CSSF, should run the Placement Verification Report and select no less than two Centers to conduct further testing of its "unverified job placements". Similar to the audits conducted of job placement by Program Type, these quarterly audits would involve 100% of the unverified placements per the exception report, but by Center regardless of Program Type. While CSSF may want to develop selection criteria to aid it in selecting the two Centers quarterly, the identification of the Centers should not be pre-announced. A continuous, regular, and random audit schedule will timely identify unvalidated placements for which immediate repayment may be sought.*

CSSF has a general auditing process of all placements entered into the EFM system by Career Centers to ensure accountability and accuracy of data reported. In September 2016, CSSF implemented the automation of the review of placements and developed the Placement Verification Report. Prior to September 2016, the process was manual using a two-layer approach, whereas the DEO Programs Unit performed reviews on the front-end and the OCI Quality Assurance Unit performed the reviews on the back-end. Because of the automation, CSSF is able to validate more placements, increase the accuracy of the validation process and reduce manpower hours.

As previously discussed, CSSF has developed electronic internal control systems to evaluate the quality of job order and referral processes of the Career Centers. The system was designed to ensure Career Centers are providing services in accordance with 20 CFR 651.10. Please note all of the aforementioned reports, programs and internal controls are proprietary in nature.

Lastly, for over eight years, CSSF has required all workforce services provider contracts include the completion of jobseeker registration. CSSF defines a complete registration as: name, address, valid telephone number, e-mail address, educational background and work history. All of which must be included in an active resume in the EFM system. This requirement is more detailed and above the Federal and/or State jobseeker registration requirements. Any referral issued to jobseekers that did not have a complete registration at the time of referral will not generate a payment. This checks and balance process is fully automated from the Region's proprietary system.

**MIAMI-DADE COUNTY  
OFFICE OF THE INSPECTOR GENERAL**



**FINAL AUDIT REPORT**

**Attachment 2**

**Arbor E&T, LLC's Response**

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*South Florida Workforce Investment Board d/b/a CareerSource South Florida  
Providers Youth Co-Op, Inc. and Arbor E&T, LLC*

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**IG16-0030-A**



June 25, 2018

To: Mary T. Cagle, Inspector General  
Miami-Dade County, Office of the Inspector General

From: Mark Douglass, President  
Arbor E&T, LLC dba ResCare Workforce Services

Subject: Response to the Miami-Dade County Office of the Inspector General Draft Audit Report  
– South Florida Workforce Investment Board d/b/a CareerSource South Florida  
(Providers Arbor E&T, LLC and Youth Co-Op, Inc.) Ref. IG16-003 0-A

Thank you for the opportunity to respond to the findings in the subject audit report as detailed in *Section IX: Audit Findings and Recommendations*.

**Finding 1:** *Arbor attempted to meet their individual contractual obligations by reassigning job placements within their contracted Centers.*

Arbor leadership and staff appreciate the level of review conducted and the recommendations made to the local area to ensure future compliance. It was never the Company's intent to not be in alignment with local performance expectations and oversight standards. We value the changes made to policy which now clarify that job reassignment is prohibited and have trained our staff accordingly. It is our goal to ensure that outcomes properly reflect the investment made in each community whose citizens we have been trusted to serve. As noted in your report, Arbor elected not to bid on the contracts for the CareerSource operations in Carol City, Opa-Locka and Miami Beach. Arbor's focus is providing quality outcomes and engaging in continuous improvement at the CareerSource Hialeah Downtown Center operation. Arbor commits to being responsive to any needs for change and will cooperate fully with any additional analysis to evaluate its future standing.

**Finding 2:** *Job placements reported by Youth Co-Op's Northside Center could not be validated, resulting in questioned costs that should be disallowed and subject to repayment.*

Although Finding 2 references exceptions that do not directly involve Arbor, the Company understands that the scope of the Hialeah Downtown Center review was expanded because of the appearance of incomplete forms and other irregularities. Arbor's local management will work with its Hialeah Downtown Center staff to reinforce quality standards around documentation and strengthen internal review efforts.

In closing, the time and effort of the OIG staff to provide a thorough and detailed review is appreciated. Arbor is committed to ensuring ongoing quality improvements and will continue all efforts to adhere to local policies. We are earnest in our desire to be both a supportive and accountable partner of the workforce system.

**MIAMI-DADE COUNTY  
OFFICE OF THE INSPECTOR GENERAL**



**FINAL AUDIT REPORT**

**Attachment 3**

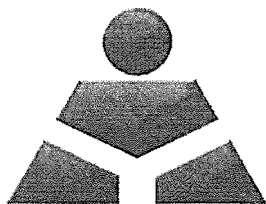
**Youth Co-Op, Inc.'s Response**

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*South Florida Workforce Investment Board d/b/a CareerSource South Florida  
Providers Youth Co-Op, Inc. and Arbor E&T, LLC*

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**IG16-0030-A**



**YOUTH CO-OP INC.**  
A NON PROFIT ORGANIZATION  
Serving South Florida Since 1973

June 21, 2018

Ms. Mary T. Cagle, Inspector General  
Miami-Dade County  
Office of the Inspector General  
601 NW 1 Court  
South Tower, 22<sup>nd</sup> Floor  
Miami, FL 33136

Dear Ms. Cagle:

The purpose of this letter is to respectfully respond to the Inspector General's Draft Audit Report provided to our offices on June 13<sup>th</sup>, 2018.

As it pertains to our agency, the audit report raises one essential issue in correlation to the Office Inspector General's finding that "Job placements reported by Youth Co-Op's Northside Center could not be validated, resulting in questioned costs that should be disallowed and subject to repayment." See Audit Report Page 18, Finding 2.

In consideration of the finding made by the OIG, two recommendations were proposed:

1. Career Source South Florida ("CSSF") to seek repayment of \$12,500 from our agency for the unvalidated job placements;
2. CSSF should modify its audit procedures to include random audits for the purposes of identifying unvalidated job placements

Youth Co-Op Inc. commends the OIG for carrying out this investigation. It is crucial to investigate and address employment issues in Miami-Dade County. We acknowledge that internal controls and modifications to audits and other related logistical improvements from CSSF should undoubtedly help mitigate discrepancies as it relates to employment verification. Our mission is to create sustaining employment for our community, therefore we have no objection to the second recommendation.

Nonetheless, we do object to the first recommendation on the grounds that the payments made to Youth Co-Op, Inc. by CSSF were in compliance with the PY 2015-16 contract and pursuant to CSSF local operating procedures.

OIG auditors investigated job placements that they were unable to verify utilizing the following three sources:

- The New Hire Report – report from the Florida DEO, based on employer-mandated reporting of all new hires and re-hires;

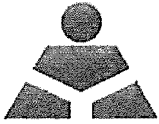
3525 NORTHWEST 7<sup>th</sup> STREET ♦ MIAMI, FLORIDA 33125 ♦ TEL. (305) 643-6730 ♦ FAX (305) 643-1908

An Equal Opportunity Employer/Program. Auxiliary aids and services are available upon request to individuals with disabilities.  
Funded by:



CareerSource  
SOUTH FLORIDA





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- Wage Credit Database – showing persons working in employment covered by State unemployment compensation laws; information reported from the Florida Department of Revenue; and
- Work Number Database – a verification service provided by Equifax, a private consumer credit agency, contracted to provide employment information to the State of Florida. *See* Audit Report Page 19, Para 2.

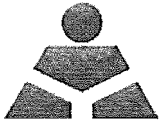
The OIG concedes that the verification methodology used by the auditors to verify job placements is not required from our agency for the purposes of receiving payment pursuant to our contract. Specifically, the OIG draft report states: “However, just because a placement could not be verified, by one of the three external sources described above, does not mean that it is ineligible for payment, only that it could not be verified by one of three stated sources.” *See* Audit Report Page 19, Para 1.

OIG auditors selected 83 job placements that did not pass their verification process to further investigate the validity of these placements. OIG auditors requested from our career center supporting documentation for the job placements in question. We provided the requested Employer Verification Form created by CSSF to verify employment for mass hirings. This form is titled *Mass Recruitment Employment* form. The form provides a list of all job placements made by our career center and requires the employer to verify the respective job placements by reviewing the list of employees, and signing/affirming that the job placement information on the form is correct, and that they are a duly authorized representative of the employer.

The *Mass Recruitment Employment* form was created by CSSF and was made available in their database since 2011. For the past years, this form has been considered an acceptable method of employment verification. Indeed, CSSF’s annual audit and programmatic monitoring review includes data validation and review of the *Mass Recruitment Employment* forms. This form has always been furnished and accepted by CSSF Quality Assurance monitors as a valid employment verification form.

It is not clear to Youth Co-Op, Inc.’s management why the *Mass Recruitment Employment* form was deemed insufficient by the OIG’s auditors. *See* Audit Report Pg. 19 & Para. 4.

The draft audit report erred in concluding that more supporting documentation was required for payment purposes. The OIG report on page 13 of the “Requirements for Documentation” section indicates that the PY 2015-16 contract required more than one supporting documents for all job placements entered into the EFM system.



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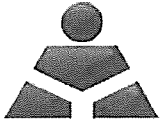
Please note, additional supporting documents beyond an employment verification form, such as the *Mass Recruitment Employment* form, was not required under the PY 2015-16 contract for the Northside Career Center. Our contract for PY 2015-16, under the "Statement of Work", Exhibit A, and established provisions for payment require only one of the following documents:

- Employment verification form completed by the employer; OR
- Employment verification form with training vendor logo completed by the employer and validated by the contractor; OR
- The work number system; OR
- Pay stub in conjunction with documented employer contact, or employer offer letter; OR
- A new hire report; OR
- The RA system formerly Unemployment Insurance (UI) system and/or Wage Credit Database with documented employer contact; OR
- For Self-Employed Individuals, attach Form 1099- Misc. (Miscellaneous Income) and/or Form W-4.

We were compliant with the payment provisions, which requires no other documentation beyond documenting the employer's verification for payment purposes. According to the Payment Provisions found in Exhibit D, page 1 and 2 of 6 in our Northside Career Center contract for PY'15-16, the following steps were required to be completed for a Wagner-Peyser Direct Job Placement:

- Prepared a job order form prior to referral, except in the case of a job development contact on behalf of a specific applicant;
- Made prior arrangements with the employer for the referral of an individual or individual(s);
- Referred an individual who has not been specifically designated by the employer, except for referrals on agricultural job orders for a specific crew leader or worker;
- Verified from a reliable source, preferably the employer, that the individual had entered on a job; and
- Appropriately recorded the placement.

Youth Co-Op Inc. has internal controls in place to ensure compliance with the payment provisions under our contract with CSSF, which includes obtaining the employer's verification prior to uploading any job placement in the EFM system for payment purposes. Similarly, we conduct random checks by contacting the employer or the participant to confirm the information included in the verification form. We check for previous employment with the Florida UI system to determine if the placement is a rehire allowable for payment per our contract.



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The OIG's auditors selected 83 job placements with three different employers to investigate and validate. The auditors contacted the employers, conducted site-visits at the respective employers' offices, and reviewed their records, to include: pay stubs, cancelled payroll checks, time cards, IRS W-2 forms, and other related documents. Although these employers had previously signed off and affirmed the veracity of these job placements to include work details, such as the date of hire, the amount of hours provided per week, and their wage rate, OIG Auditors were unable to validate 31 of these job placements with the employer's records.

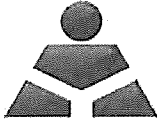
The process of validating post-employer verification for Wagner-Peyser Universal Placements (placements in question) is not a requirement under the PY 15-16 contract. Follow-up post-employment is not required for Wagner-Peyser Universal Placements. In essence, the contract as designed by CSSF, relied exclusively on the veracity of employer's attestation made in the employer verification form. Once such attestation was made, we have the contractual right to upload the placement in the EFM system and request payment. Simply put, PY 15-16's established verification process did not take into account erroneous information provided by employers nor did it require our agency to validate this information after it has been previously verified by one of the acceptable forms.

Of the 31 job placements that the OIG Auditors were unable to validate, 18 were from Centerplate. We want to clarify that Centerplate does not report in the Florida UI system; Centerplate may report in another state's UI system since their corporate offices are located in another state, but we do not have access to the UI systems in other states.

It is worth noting with regard to OIG's tested placements, that we have found inconsistencies in the information included in the UI system, the Wage Credit Database, the Work Number, and the Employer Verifications. For example:

- 1) Argueta, Adalberto was included in the disallowance for \$350 because the auditor claimed that there is no record of employment with the employer. However, the Wage Credit Database shows that this participant was employed by Accurate Event Group, Inc. during the period reported (placement recorded on November 20, 2015, and Wage Credit Database shows earnings of \$461.13 during the fourth quarter).
- 2) The following cases were included in the disallowance because the participants had worked with the same employer in the past and were rehired:
  - Anthony, Aleem
  - Johnson, Frederick
  - Gordon, Theresa
  - Miller, Brenda





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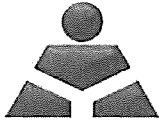
In Attachment 4, Exhibit A, page 3 of 14 of our contract, in reference to rehires it states that "There must be a break in employment of at least 120 days and/or show a new date if the job placement is with the same employer." Therefore, these placements were eligible for payment, and should not be disallowed.

Additionally, according to the UI records, some of these placements, which were reported by the employer, do not show up.

- 3) In the case of McDonald, Laverne, the employer (Accurate Event Groups, Inc.) provided the Northside Career Center with a signed verification showing a start date of 3/21/2016. When OIG performed the validation, the employer verified the start date as 9/19/2016. However, UT Wages shows earnings with Accurate Event Group, Inc. in the second quarter of 2015.
- 4) In the case of Guerrero, Humberto, the employer verified to the OIG that the start date was 3/30/15; despite what was reported to the OIG, we have a signed employer verification that the individual started to work on 3/21/2016. Also, UI information does not show any record that the individual worked for the employer.
- 5) In the case of Pierre, Andermann, the employer reported to the OIG the start date of 3/26/2013. However, this individual does not have any record of earnings in the UI system. It is also worth noting the employer signed an employment verification for 3/21/2016.
- 6) In the case of Taylor, Frances, the employer reported to the OIG the individual's employment date was 11/16/2016, although having previously signed an employment verification form for 3/21/2016. There are no UI records for this individual. We were able to contact this individual, who claims that due to a disability the individual has never worked.
- 7) In the case of Sherill, Celetha, UI record shows earnings in the fourth quarter of 2015 with Accurate Event Group, Inc.; the same employer claimed to the OIG that the individual started work on 3/16/2017. The same employer signed an employment verification for Northside confirming the individual worked the event of 3/21/2016.

It seems evident that there are discrepancies, which are not attributable to anything that could have been prevented by Youth Co-Op, Inc.

Even in cases that the OIG was able to validate with the employer, we found discrepancies in the data reported to the different systems of verification. In the case of Hamilton, Johnnie, the Ms.



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individual was reported by the Northside Career Center as working on 8/11/15. The employer confirmed to the OIG and via the employment verification that the individual was working on 8/11/15. The Work Number shows the individual worked with the same employer in 2012 and 2013 in numerous events, but it does not show earnings for 8/11/15 in their records. Therefore, we would not have been able to use other means of verification, except what the employer provided to us.

This demonstrates that no system is completely accurate or sufficiently reliable to be able to validate the placement information.

Additionally, access to information that the OIG staff reviewed after more than one year had passed, was not available at the time the placement was entered into EFM. Youth Co-Op could not have obtained the documentation from the UI system, Wage Credit Database, or Work Number (if applicable) when the placement was recorded.

Staff worked with representatives from employers, Centerplate and Accurate Event Group, Inc., to organize job fairs/mass recruitments. These employer representatives signed the employment verification, confirming that the individuals referred to their job openings were placed into employment. As explained above, Youth Co-Op Inc. has in place procedures for checks and balances to ensure documentation is as accurate as possible prior to entering data into the EFM system and for billing. When inaccuracies are detected, we remove the placement from the invoice, and do not request credit for it.

We performed our due diligence and maintained compliance with our contractual obligations. As a result, we respectfully assert that we should not be financially impacted for the reasons stated above.

Sincerely,

Maria Rodriguez  
President



**SFWIB EXECUTIVE COMMITTEE**

**DATE:** 8/9/2018

**AGENDA ITEM NUMBER:** 4

**AGENDA ITEM SUBJECT:** JOB PLACEMENT TYPE ANALYSIS

**AGENDA ITEM TYPE:** **INFORMATIONAL**

**RECOMMENDATION:** N/A

**STRATEGIC GOAL:** **STRENGTHEN THE ONE-STOP DELIVERY SYSTEM**

**STRATEGIC PROJECT:** **Strengthen workforce system accountability**

**BACKGROUND:**

On July 19, 2018, the Office of the Inspector General (OIG) finalized an audit of job placements reported by CareerSource South Florida (CSSF). The report provided an overview of the job placement figures for Region 23, and a short explanation of what these figures represent. For Program Year (PY) 2015-16, CSSF reported 62,284 job placements; for PY16-17, CSSF reported 60,283 job placements.

However, the OIG report did not indicate the reported placement figures from the Department of Economic Opportunity (DEO) Monthly Job Placement Report (MJPR). The Monthly Job Placement Report was developed by the Florida Department of Economic Opportunity and CareerSource Florida. The MJPR supports measurement, management and service improvements aimed at helping Floridians find jobs through services and resources provided by Florida's workforce system.

The Monthly Job Placement Report provides real-time measurement of job placement performance by the state's 24 Local Workforce Development Areas and the nearly 100 CareerSource centers they direct. Monthly reports address Governor Rick Scott's call for enhanced performance measurement in workforce and economic development focused on critical results that bolster Florida's economic recovery and growth.

Based on the MJPR, Region 23 reported a total of 84,584 job placements for PY15-16 and a total of 84,063 job placements for PY16-17. CSSF does not report all job placements indicated in MJPR. There is a significant difference in the number of job placements reported by DEO and CSSF. For PY15-16, there is a difference of 22,300 job placements reported and for PY16-17 a difference of 23,780 placements respectively. Based on the job placement analysis, CSSF reports on average 72.7 percent of the job placements indicated on the MJPR.

The Audit Report indicated that Federal Law/Regulations allow Local Workforce Development Boards to report multiple job placements on an individual within a program year. Those procedures reference Federal Regulation 20 CFR 651.10 as the official guidance on what is required to record a job placement. However, since program year 2014 CSSF has limited the reporting of an individual jobseeker to one placement per program year. The limitation policy was a part several policies CSSF implemented to enhance employment services to jobseekers and strengthen the accountability of information reported.

Additionally the Audit Report mentioned, a job placement, however, does not necessarily mean that one person found full-time employment. While it could mean that, more often we found that the types of work involved seasonal and temporary employment, such as migrant farm work and limited duration event staffing. The employment services offered at the One-Stop Centers are available to anyone regardless of age and current employment status.

Apart of the Job Placement Type analysis, the review indicated that 68 percent of the direct job placements were full-time job placements. Thirty-two percent of the direct job placements were in seasonal, part-time and/or temporary jobs.

Program Year	Total Job Placement Typess					
	Season	Temp	Part	Full	WIOA	Total
Program Year 15-16	15%	15%	2%	53%	16%	100%
Program Year 16-17	15%	18%	1%	47%	19%	100%
<b>Total</b>	<b>15%</b>	<b>16%</b>	<b>2%</b>	<b>50%</b>	<b>18%</b>	<b>100%</b>

Additionally, the job placement type analysis indicated from program year 15-16 through program year 16-17, a total of 31,044 direct job placements were reported. A total of 20,959 of the direct job placements were full-time jobs. A total of 10,085 direct job placements were seasonal, temporary and/or part-time jobs. The seasonal job placement types accounted for 15 percent of the direct job placements.

Program Year	Total Job Placement Typess					
	Season	Temp	Part	Full	WIOA	Total
Program Year 15-16	2,496	2,468	296	8,871	2764	16,895
Program Year 16-17	2,118	2,535	172	6,632	2692	14,149
<b>Total</b>	<b>4,614</b>	<b>5,003</b>	<b>468</b>	<b>15,503</b>	<b>5,456</b>	<b>31,044</b>

CSSF has modified the Balance Scorecard reporting system to identify the type of direct job placements.

**FUNDING:** N/A

**PERFORMANCE:** N/A

*ATTACHMENT*

Months	PY15-16 Placements			PY16-17 Placements			PY17-18 Placements			Total Placements		
	DEO Monthly	CSSF Monthly	Difference +/-	DEO Monthly	CSSF Monthly	Difference +/-	DEO Monthly	CSSF Monthly	Difference +/-	DEO Monthly	CSSF Monthly	Difference +/-
JULY	6,481	5,702	779	8,314	6,416	1,898	5,584	4,609	975	20,379	16,727	3,652
AUGUST	6,712	5,600	1,112	7,526	5,641	1,885	5,102	4,229	873	19,340	15,470	3,870
SEPTEMBER	7,432	5,904	1,528	7,331	5,302	2,029	3,840	3,041	799	18,603	14,247	4,356
OCTOBER	6,194	4,742	1,452	8,058	5,790	2,268	4,812	3,588	1,224	19,064	14,120	4,944
NOVEMBER	6,880	5,007	1,873	8,551	5,874	2,677	3,193	2,405	788	18,624	13,286	5,338
DECEMBER	7,296	5,113	2,183	6,829	4,659	2,170	3,894	2,670	1,224	18,019	12,442	5,577
JANUARY	5,634	3,992	1,642	7,740	5,096	2,644	3,057	1,910	1,147	16,431	10,998	5,433
FEBRUARY	6,811	4,802	2,009	6,734	4,377	2,357	2,375	1,405	970	15,920	10,584	5,336
MARCH	8,116	5,669	2,447	6,490	4,690	1,800	3,912	2,180	1,732	18,518	12,539	5,979
APRIL	7,851	5,453	2,398	4,418	3,202	1,216	3,104	1,659	1,445	15,373	10,314	5,059
MAY	7,649	5,124	2,525	6,741	5,360	1,381	3,055	1,606	1,449	17,445	12,090	5,355
JUNE	7,528	5,176	2,352	5,331	3,876	1,455	3,064	1,497	1,567	15,923	10,549	5,374
<b>TOTALS</b>	<b>84,584</b>	<b>62,284</b>	<b>22,300</b>	<b>84,063</b>	<b>60,283</b>	<b>23,780</b>	<b>44,992</b>	<b>30,799</b>	<b>14,193</b>	<b>213,639</b>	<b>153,366</b>	<b>60,273</b>

Months	PY15-16 Placements			PY16-17 Placements			PY17-18 Placements			Total Placements		
	DEO Monthly	CSSF Monthly	Difference +/-	DEO Monthly	CSSF Monthly	Difference +/-	DEO Monthly	CSSF Monthly	Difference +/-	DEO Monthly	CSSF Monthly	Difference +/-
JULY	6,481	5,702	88.0%	8,314	6,416	77.2%	5,584	4,609	82.5%	20,379	16,727	82.1%
AUGUST	6,712	5,600	83.4%	7,526	5,641	75.0%	5,102	4,229	82.9%	19,340	15,470	80.0%
SEPTEMBER	7,432	5,904	79.4%	7,331	5,302	72.3%	3,840	3,041	79.2%	18,603	14,247	76.6%
OCTOBER	6,194	4,742	76.6%	8,058	5,790	71.9%	4,812	3,588	74.6%	19,064	14,120	74.1%
NOVEMBER	6,880	5,007	72.8%	8,551	5,874	68.7%	3,193	2,405	75.3%	18,624	13,286	71.3%
DECEMBER	7,296	5,113	70.1%	6,829	4,659	68.2%	3,894	2,670	68.6%	18,019	12,442	69.0%
JANUARY	5,634	3,992	70.9%	7,740	5,096	65.8%	3,057	1,910	62.5%	16,431	10,998	66.9%
FEBRUARY	6,811	4,802	70.5%	6,734	4,377	65.0%	2,375	1,405	59.2%	15,920	10,584	66.5%
MARCH	8,116	5,669	69.8%	6,490	4,690	72.3%	3,912	2,180	55.7%	18,518	12,539	67.7%
APRIL	7,851	5,453	69.5%	4,418	3,202	72.5%	3,104	1,659	53.4%	15,373	10,314	67.1%
MAY	7,649	5,124	67.0%	6,741	5,360	79.5%	3,055	1,606	52.6%	17,445	12,090	69.3%
JUNE	7,528	5,176	68.8%	5,331	3,876	72.7%	3,064	1,497	48.9%	15,923	10,549	66.3%
<b>TOTALS</b>	<b>84,584</b>	<b>62,284</b>	<b>73.6%</b>	<b>84,063</b>	<b>60,283</b>	<b>71.7%</b>	<b>44,992</b>	<b>30,799</b>	<b>68.5%</b>	<b>213,639</b>	<b>153,366</b>	<b>71.8%</b>

# CSSF Balanced Scorecard Report

Report Date: 7/1/2015 To 6/30/2017

Program Year	Total Job Placement Typess						Total Job Placement Typess					
	Season	Temp	Part	Full	WIOA	Total	Season	Temp	Part	Full	WIOA	Total
Program Year 15-16	2,496	2,468	296	8,871	2764	16,895	15%	15%	2%	53%	16%	100%
Program Year 16-17	2,118	2,535	172	6,632	2692	14,149	15%	18%	1%	47%	19%	100%
<b>Total</b>	<b>4,614</b>	<b>5,003</b>	<b>468</b>	<b>15,503</b>	<b>5,456</b>	<b>31,044</b>	<b>15%</b>	<b>16%</b>	<b>2%</b>	<b>50%</b>	<b>18%</b>	<b>100%</b>

# CSSF Balanced Scorecard Report

Report Date: 7/1/2015 To 6/30/2018

	PY15-16 Placements						PY16-17 Placements						PY17-18 Placements						Totals Placements					
	Season	Temp	Part	Full	WIOA	Total	Season	Temp	Part	Full	WIOA	Total	Season	Temp	Part	Full	WIOA	Total	Season	Temp	Part	Full	WIOA	Total
Hialeah Downtown	2	278	13	908	274	1,475	0	309	3	1,087	350	1,749	2	89	7	1,279	315	1,692	4	676	23	3,274	939	4,916
City of Miami	1	426	15	275	155	872	0	173	44	481	99	797	4	240	9	169	77	499	5	839	68	925	331	2,168
Carol City	102	55	21	681	282	1,141	8	113	10	1,215	440	1,786	1	37	8	100	39	185	111	205	39	1,996	761	3,112
Florida Keys	35	20	33	289	53	430	25	36	10	150	84	305	1	53	22	113	26	215	61	109	65	552	163	950
Miami Beach	2	10	12	483	119	626	0	60	5	217	148	430	3	0	2	96	28	129	5	70	19	796	295	1,185
North Miami Beach	51	156	17	1,270	125	1,619	59	30	5	272	119	485	46	69	4	158	126	403	156	255	26	1,700	370	2,507
Northside	450	60	94	695	240	1,539	76	370	22	353	172	993	4	133	16	332	215	700	530	563	132	1,380	627	3,232
Opa Locka	11	30	10	178	64	293	5	11	3	132	77	228	0	35	3	31	8	77	16	76	16	341	149	598
South Miami	7	14	2	250	75	348	4	23	0	156	51	234	0	3	1	210	9	223	11	40	3	616	135	805
Transition	0	3	3	271	199	476	21	39	3	156	220	439	5	31	4	139	232	411	26	73	10	566	651	1,326
Homestead	1,325	251	12	637	204	2,429	1,214	251	18	289	189	1,961	933	267	101	283	99	1,683	3,472	769	131	1,209	492	6,073
Little Havana	24	315	25	801	363	1,528	19	507	1	391	275	1,193	3	216	0	428	315	962	46	1,038	26	1,620	953	3,683
Perrine	206	591	9	1,121	222	2,149	279	425	18	1,072	205	1,999	161	471	90	514	192	1,428	646	1,487	117	2,707	619	5,576
West Dade	280	259	30	1,012	389	1,970	408	188	30	661	263	1,550	255	310	89	368	274	1,296	943	757	149	2,041	926	4,816
<b>Total</b>	<b>2,496</b>	<b>2,468</b>	<b>296</b>	<b>8,871</b>	<b>2,764</b>	<b>16,895</b>	<b>2,118</b>	<b>2,535</b>	<b>172</b>	<b>6,632</b>	<b>2,692</b>	<b>14,149</b>	<b>1,418</b>	<b>1,954</b>	<b>356</b>	<b>4,220</b>	<b>1,955</b>	<b>9,903</b>	<b>6,032</b>	<b>6,957</b>	<b>824</b>	<b>19,723</b>	<b>7,411</b>	<b>40,947</b>

Youth Co-Op Centers	2,327	1,510	205	4,805	1,546	10,393	2,025	1,800	99	3,072	1,239	8,235	1,356	1,397	296	1,925	1,095	6,069	5,708	4,707	600	9,802	3,880	24,697
	93.2%	61.2%	69.3%	54.2%	55.9%	61.5%	95.6%	71.0%	57.6%	46.3%	46.0%	58.2%	95.6%	71.5%	83.1%	45.6%	56.0%	61.3%	94.6%	67.7%	72.8%	49.7%	52.4%	60.3%

Arbor E & T	117	373	56	2,250	739	3,535	13	493	21	2,651	1,015	4,193	2	89	7	1,279	315	1,692	132	955	84	6,180	2,069	9,420
	4.7%	15.1%	18.9%	25.4%	26.7%	20.9%	0.6%	19.4%	12.2%	40.0%	37.7%	29.6%	0.1%	4.6%	2.0%	30.3%	16.1%	17.1%	2.2%	13.7%	10.2%	31.3%	27.9%	23.0%



# CSSF Balanced Scorecard Report

Report Date: 7/1/2015 To 6/30/2018

Career Center Location	PY15-16 Placements						PY16-17 Placements						PY17-18 Placements						Totals Placements					
	Season	Temp	Part	Full	WIOA	Total	Season	Temp	Part	Full	WIOA	Total	Season	Temp	Part	Full	WIOA	Total	Season	Temp	Part	Full	WIOA	Total
Hialeah Downtown	0.1%	18.8%	0.9%	61.6%	18.6%	100.0%	0.0%	17.7%	0.2%	62.1%	20.0%	100.0%	0.1%	5.3%	0.4%	75.6%	18.6%	100.0%	0.1%	13.8%	0.5%	66.6%	19.1%	100.0%
City of Miami	0.1%	48.9%	1.7%	31.5%	17.8%	100.0%	0.0%	21.7%	5.5%	60.4%	12.4%	100.0%	0.8%	48.1%	1.8%	33.9%	15.4%	100.0%	0.2%	38.7%	3.1%	42.7%	15.3%	100.0%
Carol City	8.9%	4.8%	1.8%	59.7%	24.7%	100.0%	0.4%	6.3%	0.6%	68.0%	24.6%	100.0%	0.5%	20.0%	4.3%	54.1%	21.1%	100.0%	3.6%	6.6%	1.3%	64.1%	24.5%	100.0%
Florida Keys	8.1%	4.7%	7.7%	67.2%	12.3%	100.0%	8.2%	11.8%	3.3%	49.2%	27.5%	100.0%	0.5%	24.7%	10.2%	52.6%	12.1%	100.0%	6.4%	11.5%	6.8%	58.1%	17.2%	100.0%
Miami Beach	0.3%	1.6%	1.9%	77.2%	19.0%	100.0%	0.0%	14.0%	1.2%	50.5%	34.4%	100.0%	2.3%	0.0%	1.6%	74.4%	21.7%	100.0%	0.4%	5.9%	1.6%	67.2%	24.9%	100.0%
North Miami Beach	3.2%	9.6%	1.1%	78.4%	7.7%	100.0%	12.2%	6.2%	1.0%	56.1%	24.5%	100.0%	11.4%	17.1%	1.0%	39.2%	31.3%	100.0%	6.2%	10.2%	1.0%	67.8%	14.8%	100.0%
Northside	29.2%	3.9%	6.1%	45.2%	15.6%	100.0%	7.7%	37.3%	2.2%	35.5%	17.3%	100.0%	0.6%	19.0%	2.3%	47.4%	30.7%	100.0%	16.4%	17.4%	4.1%	42.7%	19.4%	100.0%
Opa Locka	3.8%	10.2%	3.4%	60.8%	21.8%	100.0%	2.2%	4.8%	1.3%	57.9%	33.8%	100.0%	0.0%	45.5%	3.9%	40.3%	10.4%	100.0%	2.7%	12.7%	2.7%	57.0%	24.9%	100.0%
South Miami	2.0%	4.0%	0.6%	71.8%	21.6%	100.0%	1.7%	9.8%	0.0%	66.7%	21.8%	100.0%	0.0%	1.3%	0.4%	94.2%	4.0%	100.0%	1.4%	5.0%	0.4%	76.5%	16.8%	100.0%
Transition	0.0%	0.6%	0.6%	56.9%	41.8%	100.0%	4.8%	8.9%	0.7%	35.5%	50.1%	100.0%	1.2%	7.5%	1.0%	33.8%	56.4%	100.0%	2.0%	5.5%	0.8%	42.7%	49.1%	100.0%
Homestead	54.5%	10.3%	0.5%	26.2%	8.4%	100.0%	61.9%	12.8%	0.9%	14.7%	9.6%	100.0%	55.4%	15.9%	6.0%	16.8%	5.9%	100.0%	57.2%	12.7%	2.2%	19.9%	8.1%	100.0%
Little Havana	1.6%	20.6%	1.6%	52.4%	23.8%	100.0%	1.6%	42.5%	0.1%	32.8%	23.1%	100.0%	0.3%	22.5%	0.0%	44.5%	32.7%	100.0%	1.2%	28.2%	0.7%	44.0%	25.9%	100.0%
Perrine	9.6%	27.5%	0.4%	52.2%	10.3%	100.0%	14.0%	21.3%	0.9%	53.6%	10.3%	100.0%	11.3%	33.0%	6.3%	36.0%	13.4%	100.0%	11.6%	26.7%	2.1%	48.5%	11.1%	100.0%
West Dade	14.2%	13.1%	1.5%	51.4%	19.7%	100.0%	26.3%	12.1%	1.9%	42.6%	17.0%	100.0%	19.7%	23.9%	6.9%	28.4%	21.1%	100.0%	19.6%	15.7%	3.1%	42.4%	19.2%	100.0%
<b>Total</b>	<b>14.8%</b>	<b>14.6%</b>	<b>1.8%</b>	<b>52.5%</b>	<b>16.4%</b>	<b>100.0%</b>	<b>15.0%</b>	<b>17.9%</b>	<b>1.2%</b>	<b>46.9%</b>	<b>19.0%</b>	<b>100.0%</b>	<b>14.3%</b>	<b>19.7%</b>	<b>3.6%</b>	<b>42.6%</b>	<b>19.7%</b>	<b>100.0%</b>	<b>14.7%</b>	<b>17.0%</b>	<b>2.0%</b>	<b>48.2%</b>	<b>18.1%</b>	<b>100.0%</b>

Youth Co-Op Centers	2,327	1,510	205	4,805	1,546	10,393	2,025	1,800	99	3,072	1,239	8,235	1,356	1,397	296	1,925	1,095	6,069	5,708	4,707	600	9,802	3,880	24,697
	22.4%	14.5%	2.0%	46.2%	14.9%	100.0%	24.6%	21.9%	1.2%	37.3%	15.0%	100.0%	22.3%	23.0%	4.9%	31.7%	18.0%	100.0%	23.1%	19.1%	2.4%	39.7%	15.7%	100.0%

Arbor E & T	117	373	56	2,250	739	3,535	13	493	21	2,651	1,015	4,193	2	89	7	1,279	315	1,692	132	955	84	6,180	2,069	9,420
	3.3%	10.6%	1.6%	63.6%	20.9%	100.0%	0.3%	11.8%	0.5%	63.2%	24.2%	100.0%	0.1%	5.3%	0.4%	75.6%	18.6%	100.0%	1.4%	10.1%	0.9%	65.6%	22.0%	100.0%



## **SFWIB EXECUTIVE COMMITTEE**

**DATE:** 8/09/2018

**AGENDA ITEM NUMBER:** 5

**AGENDA ITEM SUBJECT:** U.S. DEPARTMENT OF LABOR REPORT

**AGENDA ITEM TYPE:** **INFORMATIONAL**

**RECOMMENDATION:** N/A

**STRATEGIC GOAL:** **STRENGTHEN THE ONE-STOP DELIVERY SYSTEM**

**STRATEGIC PROJECT:** **National leader in an ROI-focused enterprise**

### **BACKGROUND:**

CareerSource South Florida's core purpose is to improve the quality of life through a workforce well equipped to meet industry demands. On June 7, 2018, the Department of Labor (DOL) released a report titled "Contingent and Alternative Employment Arrangements". This report begins to address the issue of full-time jobs versus part-time, temporary versus permanent, and contingent versus alternative types of employment.

For the purpose of this report, full-time is defined by the Department of Internal Revenue's definition of 30 or more hours in a 40 hour work week. Temporary employment is defined by the source of payment to the jobseeker and not the length of time, those workers who are paid by a temporary agency. Contingent workers are those who do not have an implicit contract for ongoing employment and Alternative employment includes; independent contractors, on-call workers, temporary help agency, and workers paid by a contract firm.

The information was obtained using a current population survey that included a monthly sample of 60,000 households and provides data on employment and unemployment in the United States. The following are the highlights of the report:

- There is an estimated 5.9 million contingent workers, those who do not expect their job to last and they account for 3.8 percent of total employment.
- Contingent workers are more likely to work in professional and related occupations and in construction and extraction occupations than noncontingent workers.
- In terms of alternative employment arrangements, 6.9 percent of all workers were independent contractors, 1.7 percent were on-call workers, 0.9 percent were temporary agency workers, and 0.6 percent were provided by contract firms.

According to this report, full-time permanent employment is still the number one sought after type of employment and that has not been affected by the GIG economy. However, the DOL did not have any previous data on individuals who do short task jobs through a mobile app or website and were paid through the same app or website such as Uber, nor has there been an industry definition of GIG employment or how best to capture this data. The DOL added additional questions to their most recent survey and that information will be available in late September.

The U.S. Department of Labor report is attached.

**FUNDING:** N/A

**PERFORMANCE:** N/A

*ATTACHMENT*



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USDL-18-0942

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## CONTINGENT AND ALTERNATIVE EMPLOYMENT ARRANGEMENTS — MAY 2017

In May 2017, 3.8 percent of workers—5.9 million persons—held contingent jobs, the U.S. Bureau of Labor Statistics reported today. These contingent workers are persons who do not expect their jobs to last or who report that their jobs are temporary. Using three different measures, contingent workers accounted for 1.3 percent to 3.8 percent of total employment in May 2017. (See tables A and 1.) In February 2005, the last time the survey was conducted, all three measures were higher, ranging from 1.8 percent to 4.1 percent of employment.

In addition to contingent workers, the survey also identified workers who have various alternative work arrangements. In May 2017, there were 10.6 million independent contractors (6.9 percent of total employment), 2.6 million on-call workers (1.7 percent of total employment), 1.4 million temporary help agency workers (0.9 percent of total employment), and 933,000 workers provided by contract firms (0.6 percent of total employment). (See tables A and 5.)

Contingent work and alternative employment arrangements are measured separately. Some workers are both contingent and working in an alternative arrangement, but this is not automatically the case. The measures of contingent work and alternative employment arrangements apply only to a person's sole or main job. For individuals with more than one job, this is the job in which they usually work the most hours.

### Note on New Questions in 2017 Contingent Worker Supplement

Four new questions were added to the May 2017 Contingent Worker Supplement. These questions were designed to identify individuals who found short tasks or jobs through a mobile app or website and were paid through the same app or website. **BLS continues to evaluate the data from these new questions; the data do not appear in this news release.** When available, additional information will be at [www.bls.gov/cps/electronically-mediated-employment.htm](http://www.bls.gov/cps/electronically-mediated-employment.htm). Findings from this research will be published in a *Monthly Labor Review* article by September 30, 2018.

**Table A. Contingent workers and workers in alternative arrangements as a percent of total employment, May 2017**

<b>Contingent workers</b>	<b>Percent of total employed</b>
<p><i>Contingent workers</i> are those who do not have an implicit or explicit contract for ongoing employment. Persons who do not expect to continue in their jobs for personal reasons such as retirement or returning to school are not considered contingent workers, provided that they would have the option of continuing in the job were it not for these personal reasons.</p> <p><b>Estimate 1</b>  <b>Wage and salary workers who expect their jobs will last for an additional year or less and who had worked at their jobs for 1 year or less.</b> Self-employed workers and independent contractors are excluded from this estimate. Temporary help and contract workers are included in this estimate based on the expected duration and tenure of their employment with the temporary help or contract firm, not with the specific client to whom they are assigned.</p> <p><b>Estimate 2</b>  <b>Workers, including the self-employed and independent contractors, who expect their employment to last for an additional year or less and who had worked at their jobs (or been self-employed) for 1 year or less.</b> Temporary help and contract workers are included in this estimate based on the expected duration and tenure with the client to whom they are assigned, instead of their tenure with the temporary help or contract firm.</p> <p><b>Estimate 3</b>  <b>Workers who do not expect their jobs to last.</b> Wage and salary workers are included even if they already have held the job for more than 1 year and expect to hold the job for at least an additional year. The self-employed and independent contractors are included if they expect their employment to last for an additional year or less and they had been self-employed or independent contractors for 1 year or less.</p>	<p>1.3</p> <p>1.6</p> <p>3.8</p>
<b>Alternative employment arrangements</b>	
<p><b>Independent contractors</b>  Workers who are identified as independent contractors, independent consultants, or freelance workers, regardless of whether they are self-employed or wage and salary workers.</p> <p><b>On-call workers</b>  Workers who are called to work only as needed, although they can be scheduled to work for several days or weeks in a row.</p> <p><b>Temporary help agency workers</b>  Workers who are paid by a temporary help agency, whether or not their job is temporary.</p> <p><b>Workers provided by contract firms</b>  Workers who are employed by a company that provides them or their services to others under contract, are usually assigned to only one customer, and usually work at the customer's worksite.</p>	<p>6.9</p> <p>1.7</p> <p>0.9</p> <p>0.6</p>

See the Technical Note for the concepts and key questions used to identify these workers.

This information was obtained from the Current Population Survey (CPS), a monthly sample survey of about 60,000 households that provides data on employment and unemployment in the United States. Data on contingent and alternative employment arrangements were collected periodically in supplements to the CPS from February 1995 to February 2005. The May 2017 supplement was sponsored by the U.S. Department of Labor's Chief Evaluation Office. Table A presents a summary of the three contingent worker estimates and four alternative employment arrangements. The concepts and definitions used in the supplement are included in the Technical Note in this news release. Also see [www.bls.gov/cps/contingent-and-alternative-arrangements-faqs.htm](http://www.bls.gov/cps/contingent-and-alternative-arrangements-faqs.htm) for answers to frequently asked questions.

### **Highlights from the May 2017 data:**

- Under the broadest measure of contingency, there were 5.9 million contingent workers; these workers who did not expect their jobs to last accounted for 3.8 percent of total employment. (See table 1.)
- Contingent workers were more than twice as likely as noncontingent workers to be under age 25. They were also more than twice as likely as noncontingent workers to work part time. (See table 2.)
- Young contingent workers (16- to 24-year-olds) were much more likely than their noncontingent counterparts to be enrolled in school (62 percent and 36 percent, respectively). (See table 3.)
- Contingent workers were more likely to work in professional and related occupations and in construction and extraction occupations than noncontingent workers. (See table 4.)
- More than half of contingent workers (55 percent) would have preferred a permanent job. (See table 10.)
- In terms of alternative employment arrangements, 6.9 percent of all workers were independent contractors, 1.7 percent were on-call workers, 0.9 percent were temporary help agency workers, and 0.6 percent were workers provided by contract firms. (See table A.)
- The demographic characteristics of workers in alternative employment arrangements varied between the four arrangements. Compared to workers in traditional arrangements, independent contractors were more likely to be older, temporary help agency workers were more likely to be Black or Hispanic or Latino, and workers provided by contract companies were more likely to be men. (See table 6.)
- While 79 percent of independent contractors preferred their arrangement over a traditional job, only 44 percent of on-call workers and 39 percent of temporary help agency workers preferred their work arrangement. (See table 11.)

- The proportion of workers employed in alternative arrangements who also were classified as contingent workers ranged from 3 percent of independent contractors to 42 percent of temporary help agency workers. (See table 12.)

## **Contingent Work**

In May 2017, the three estimates of contingent workers ranged from 1.3 percent to 3.8 percent of employment. (See table A and the Technical Note for an explanation of the concepts.) In February 2005, the last time the survey was conducted, all three measures were higher, ranging from 1.8 percent to 4.1 percent of employment. In February 1995, the first year the survey was conducted, the estimates ranged from 2.2 percent to 4.9 percent. The characteristics of workers in contingent jobs in May 2017 were generally similar to those in prior surveys.

The analysis in this news release focuses on the third and largest estimate of contingent workers—all those who do not expect their current job to last.

## **Demographic Characteristics of Contingent Workers**

Using the broadest estimate of contingency, 5.9 million workers were classified as contingent in May 2017. Contingent workers were more than twice as likely as noncontingent workers to be under 25 years old (28 percent versus 12 percent). Of these young workers, 3 in 5 contingent workers were enrolled in school, compared with fewer than 2 in 5 youth with noncontingent jobs. Contingent workers ages 25 to 64 were found at all levels of educational attainment. Contingent workers were about twice as likely as noncontingent workers to have less than a high school diploma (14 percent, compared with 7 percent) and slightly more likely to hold at least a bachelor's degree (44 percent, compared with 41 percent). (See tables 1, 2, and 3.)

In May 2017, 47 percent of both contingent and noncontingent workers were women. In past surveys, contingent workers were slightly more likely to be women than were noncontingent workers. In May 2017, contingent workers remained slightly less likely than noncontingent workers to be White (76 percent, compared with 79 percent) and much more likely to be Hispanic or Latino (22 percent, compared with 16 percent).

Contingent workers are more likely to work part time than are noncontingent workers. In May 2017, about 2 in 5 contingent workers worked less than 35 hours per week, compared with fewer than 1 in 5 noncontingent workers. However, the vast majority of part-time workers were not employed in contingent arrangements.

## **Occupation and Industry of Contingent Workers**

As in previous surveys, contingent workers were distributed throughout the major occupational groups. In May 2017, nearly one-third of contingent workers were employed in professional and related occupations, compared with one-fourth of noncontingent workers. Contingent workers were also more likely than their noncontingent counterparts to work in construction and extraction occupations (11 percent and 5 percent, respectively). Contingent workers were less

likely than noncontingent workers to be employed in management, business, and financial operations occupations (8 percent and 17 percent, respectively). (See table 4.)

By industry, about one-third of contingent workers were employed in the education and health services industry, compared with roughly one-fourth of noncontingent workers. Contingent workers also were more likely than noncontingent workers to be employed in the agriculture and construction industries. Contingent workers were less likely to work in retail trade and manufacturing than were noncontingent workers.

### **Job Preferences of Contingent Workers**

Just over half of contingent workers would have preferred a permanent job in May 2017, while one-third preferred their contingent employment arrangement. (The remainder expressed no clear preference.) The share of contingent workers who would have preferred a permanent job was about the same as in past surveys. (See table 10.)

### **Compensation of Contingent Workers**

Contingent workers earned less than their noncontingent counterparts in May 2017. Among full-time workers, median weekly earnings for contingent workers (\$685) were 77 percent of those of noncontingent workers (\$886). The disparity in earnings likely reflects the many differences in the demographic characteristics of contingent and noncontingent workers and the jobs they hold. (See table 13.)

Contingent wage and salary workers were half as likely to be covered by employer-provided health insurance as noncontingent workers. One-fourth of contingent workers had employer-provided health insurance in May 2017, compared with half of noncontingent workers. Although most contingent workers did not receive health insurance from their jobs, a substantial share—nearly 3 in 4—had health insurance from some source, including coverage from another family member's policy, through a government program, or by purchasing it on their own. Overall, contingent workers were less likely than noncontingent workers to have health insurance coverage from any source (73 percent and 84 percent, respectively). The gap in health insurance coverage between contingent and noncontingent workers is smaller than in 2005. (See table 9.)

Among wage and salary workers, contingent workers were about half as likely as noncontingent workers to be eligible for employer-provided pension or retirement plans in May 2017—23 percent of contingent workers compared with 48 percent of noncontingent workers. Overall, the proportion of contingent workers who actually participated in employer-provided plans (18 percent) also was much lower than that of noncontingent workers (43 percent).

### **Alternative Employment Arrangements**

The May 2017 survey collected information on the number and characteristics of workers in four alternative employment arrangements—independent contractors, on-call workers, temporary help agency workers, and workers employed by contract companies.



Compared with February 2005 (the last time the survey was conducted), the proportion of the employed who were independent contractors was lower in May 2017, while the proportions employed in the other three alternative arrangements were little different. Workers in the four groups continued to differ significantly from each other as well as from workers in traditional arrangements.

### **Independent Contractors**

Independent contractors (including independent consultants and freelance workers) remained the largest of the four alternative work arrangements. In May 2017, there were 10.6 million independent contractors, representing 6.9 percent of total employment. This estimate is smaller than the 7.4 percent of workers in February 2005 who were independent contractors. (See tables A and 5.)

Independent contractors are generally older than workers in other alternative and traditional arrangements. In May 2017, more than 1 in 3 independent contractors were age 55 or older, compared with fewer than 1 in 4 workers in traditional arrangements. This reflects the fact that the likelihood of employed persons being independent contractors increases with age. (See tables 5 and 6.)

As in past surveys, men were more likely to be independent contractors than were women; about two-thirds of independent contractors were men in May 2017. Independent contractors also remained more likely to be White than workers in other alternative and traditional arrangements.

Independent contractors were more likely than those in traditional arrangements to be in management, business, and financial operations occupations; sales and related occupations; and construction and extraction occupations. In terms of industry, independent contractors were more likely than traditional workers to be employed in construction and in professional and business services. (See table 8.)

Independent contractors overwhelmingly prefer their work arrangement (79 percent) to traditional jobs. Fewer than 1 in 10 independent contractors would prefer a traditional work arrangement. (See table 11.)

Only 3 percent of independent contractors were also contingent workers in May 2017—the same percentage as workers in traditional arrangements. (See table 12.)

### **On-call Workers**

On-call workers are defined as those who report to work only when called, although they can be scheduled to work for several days or weeks in a row. In May 2017, there were 2.6 million on-call workers, accounting for 1.7 percent of total employment. The demographic characteristics of on-call workers were generally similar to those in traditional arrangements except that on-call workers were somewhat more likely to be age 65 or older. (See tables 5 and 6.)

About 45 percent of on-call workers worked part time, a much higher proportion than either traditional workers or workers in other alternative arrangements.

On-call workers were more likely than those in traditional arrangements to work in professional and related occupations, service occupations, construction and extraction occupations, and transportation and material moving occupations. By industry, on-call workers were more likely to work in education and health services and in construction. (See table 8.)

In May 2017, 43 percent of on-call workers would have preferred to work in a traditional arrangement, about the same percentage as preferred their alternative arrangement. Roughly 1 in 5 on-call workers was also a contingent worker. (See tables 11 and 12.)

### **Temporary Help Agency Workers**

In May 2017, 1.4 million workers were paid by a temporary help agency, about 0.9 percent of total employment. As in earlier surveys, they were much more likely than workers in traditional arrangements to be Black or Hispanic or Latino. Temporary help agency workers ages 25 to 64 were less likely than traditional workers or workers in other arrangements to have attended college—about half of temporary help agency workers had completed at least one year of college, compared with roughly two-thirds of those in other alternative or traditional arrangements. About 1 in 4 temporary help agency workers had a part-time schedule—a slightly higher proportion than for traditional workers. (See tables 5, 6, and 7.)

Temporary help agency workers were heavily concentrated in the production, transportation, and material moving occupations and in manufacturing industries. In May 2017, 46 percent of temporary help agency workers would have preferred a traditional job, less than the 56 percent in February 2005. In May 2017, 42 percent of temporary help agency workers were also contingent workers, a smaller share than in past surveys. (See tables 8, 11, and 12.)

### **Workers Provided by Contract Firms**

The smallest of the four alternative arrangements was contract company employment, with 933,000 workers or 0.6 percent of total employment in May 2017. These individuals work for companies that provide workers or their services to other organizations under contract; they usually are assigned to one client at a time and work at the client's place of business. Two-thirds of contract company workers were men, compared with about half of traditional workers. Workers provided by contract firms were more likely to be Asian than were traditional workers or workers in other arrangements. (See tables 5 and 6.)

In May 2017, more than one-third of contract company workers were in professional and related occupations and one-fourth were in service occupations. Computer professionals and security guards are common occupations for workers provided by contract firms. By industry, contract company workers were much more likely to be employed in public administration than those in other alternative or traditional arrangements. Fifteen percent of contract company workers were also contingent workers. (See tables 8 and 12.)

## **Compensation of Workers in Alternative Employment Arrangements**

Among full-time workers, there was wide variation in the median earnings of those in alternative employment arrangements relative to one another and to workers in a traditional arrangement. In May 2017, median weekly earnings were highest for contract company workers (\$1,077). Earnings for independent contractors (\$851) were roughly similar to those for workers in traditional arrangements (\$884), while earnings for on-call workers (\$797) and temporary help agency workers (\$521) were lower. (See table 13.)

Differences in earnings for workers in the four alternative arrangements reflect, in part, variations in the occupational distributions and the demographic characteristics of the workers. For example, contract company workers are concentrated in professional and related occupations, which tend to be more highly paid. On the other hand, temporary help agency workers are less likely to have attended college and are concentrated in lower-paying production, transportation, and material moving occupations.

Workers in alternative arrangements remained less likely than workers in traditional arrangements to have employer-provided health insurance. In May 2017, 41 percent of contract company workers had employer-provided health insurance, compared with 28 percent of on-call workers and 13 percent of temporary help agency workers. In contrast, 53 percent of workers in traditional arrangements received health insurance benefits through their employers. (Estimates of employer-provided health insurance were not tabulated for independent contractors.) (See table 9.)

Although most workers in alternative arrangements did not receive health insurance through their jobs, a large share had health insurance from some source, including coverage from another family member's policy, through a government program, or by purchasing it on their own. Compared with workers in traditional arrangements (84 percent) and those employed by contract companies (85 percent), workers in the other alternative employment arrangements were less likely to be covered by health insurance from any source. In particular, temporary help agency workers were the least likely to have health insurance from any source (67 percent). The likelihood of having health insurance was higher for workers in all categories in May 2017 than in February 2005, with the largest increase among temporary help agency workers.

Eligibility for employer-provided pension or retirement plans varies across employment arrangements. In May 2017, temporary help agency workers (13 percent) and on-call workers (35 percent) were less likely to be eligible for employer-provided plans than were contract company workers (48 percent) or those in traditional arrangements (51 percent). Overall, the proportions of workers in alternative arrangements who actually participated in employer-provided plans were lower than for those in traditional arrangements. (These data were not collected for independent contractors.)

# Technical Note

The data presented in this news release were collected through a supplement to the May 2017 Current Population Survey (CPS), a monthly survey of about 60,000 eligible households that provides data on employment and unemployment for the nation. The CPS is conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics (BLS).

The May 2017 supplement obtained information from workers on whether they held contingent jobs—jobs that are expected to last only a limited period of time—and whether they had alternative employment arrangements, such as working as independent contractors, as on-call workers, through temporary help agencies, or through contract firms. Contingent work and alternative employment arrangements are measured separately. A person in an alternative employment arrangement may or may not be a contingent worker. Likewise, a contingent worker may or may not be in an alternative employment arrangement.

Supplement questions were asked of all employed people except unpaid family workers. For people holding more than one job, the questions referred to the characteristics of their main job—the job in which they worked the most hours. The collection of these data was sponsored by the U.S. Department of Labor's Chief Evaluation Office. Additional information, including articles and archived news releases, is available online at [www.bls.gov/cps/lfcharacteristics.htm#contingent](http://www.bls.gov/cps/lfcharacteristics.htm#contingent). Answers to frequently asked questions are available online at [www.bls.gov/cps/contingent-and-alternative-arrangements-faqs.htm](http://www.bls.gov/cps/contingent-and-alternative-arrangements-faqs.htm).

Four new questions were added to the May 2017 supplement. These questions were designed to identify individuals who found short tasks or jobs through a mobile app or website and were paid through the same app or website. Data from these new questions are not included in this news release. For information about these questions, see [www.bls.gov/cps/electronically-mediated-employment.htm](http://www.bls.gov/cps/electronically-mediated-employment.htm).

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

## Concepts and definitions

Information about general employment and earnings concepts in the CPS is available on the BLS website at [www.bls.gov/opub/hom/cps/concepts.htm](http://www.bls.gov/opub/hom/cps/concepts.htm).

*Defining and estimating the contingent workforce.* **Contingent workers** are those who do not have an explicit or implicit contract for continuing employment. Several questions are asked in the supplement to determine whether

a worker's job is contingent. These include whether the job is temporary or not expected to continue, how long the worker expects to be able to hold the job, and how long the worker has held the job.

The key factor used to determine if workers fit the conceptual definition of contingent is whether their job is temporary or not expected to continue. The first questions of the supplement are:

1. Some people are in temporary jobs that last for a limited time or until the completion of a project. Is your job temporary?

2. Provided the economy does not change and your job performance is adequate, can you continue to work for your current employer as long as you wish?

Workers who answered either "yes" to the first question or "no" to the second are then asked a series of questions to distinguish workers who are in temporary jobs from those who, for personal reasons, are temporarily holding jobs that offer the opportunity of ongoing employment. A job is defined as being short term or temporary if the person holding it is working only until the completion of a specific project, temporarily replacing another worker, being hired for a fixed time period, filling a seasonal job that is available only during certain times of the year, or if other business conditions dictate that the job is short term.

For example, a person hired for 6 months to replace a teacher on paternity leave and a person hired to work in a company's shipping department for the holiday season would both be considered contingent workers. In contrast, students holding jobs at fast-food restaurants while in school might view their jobs as temporary if they intend to leave them at the end of the school year. The jobs themselves, however, would be filled by other workers once the students leave, and thus, the students are not contingent workers.

Workers also are asked how long they expect to stay in their current job and how long they have been with their current employer. Workers are asked how long they expect to remain in their current job because being able to hold a job for a year or more could demonstrate at least an implicit contract for ongoing employment. In other words, the employer's need for the worker's services is not likely to end tomorrow. Similarly, the information on how long a worker has been with their employer shows whether a job has been ongoing. Having remained with an employer for more than a year may demonstrate that, at least in the past, there was an explicit or implicit contract for continuing employment.

To assess the impact of altering some of the defining factors on the estimated size of the contingent workforce,

three measures of contingent employment were developed, as follows:

**Estimate 1** is the narrowest definition of contingent work. Under Estimate 1, contingent workers are wage and salary workers who expect to work in their current job for 1 year or less and who have worked for their current employer for 1 year or less. All self-employed workers—both incorporated and unincorporated—and independent contractors are excluded from the count of contingent workers under Estimate 1. Although they may face financial risks, people who work for themselves, by definition, have ongoing employment arrangements. Individuals who work for temporary help agencies or contracting companies are considered contingent under Estimate 1 if they expect their employment arrangement with the temporary help or contracting company to last for 1 year or less and they have worked for that company for 1 year or less.

**Estimate 2** expands the definition of contingent work by including the self-employed—both the incorporated and the unincorporated—and independent contractors who expect to be, and have been, in such employment arrangements for 1 year or less. (The questions asked of the self-employed are different from those asked of wage and salary workers.) In addition, temporary help and contract company workers are classified as contingent under Estimate 2 if they have worked and expect to work for the customers to whom they are assigned for 1 year or less. For example, a "temp" secretary who is sent to a different customer each week but has worked for the same temporary help agency for more than 1 year and expects to be able to continue with that agency indefinitely is contingent under Estimate 2, but not under Estimate 1. In contrast, a "temp" who has been assigned to a single client for more than a year and expects to be able to stay with that client for more than a year is not counted as contingent under either estimate.

**Estimate 3** is the broadest definition of contingent work—people who do not expect their jobs to last—and the focus of the analysis in this news release. Estimate 3 expands the definition of contingent work further by removing the 1-year requirement on both expected duration of the job and current tenure for wage and salary workers. The estimate includes all wage and salary workers who do not expect their employment to last, except for those who, for personal reasons, expect to leave jobs that they would otherwise be able to keep. Thus, a worker who has held a job for 5 years could be considered contingent if he or she now views the job as temporary. The 1-year requirement on expected and current tenure is retained for the self-employed and independent contractors.

*Defining alternative employment arrangements.* **Alternative employment arrangements** are determined by the workers' relationship to their employer. To provide estimates of the number of workers in alternative employment arrangements, the supplement includes

questions about whether individuals are paid by a temporary help agency or contract company, or whether they are on-call workers or independent contractors. (The survey also includes questions about day laborers. Estimates for day laborers are not presented as a separate category of alternative arrangements in this news release because the group is very small. They are included in estimates of total employment.)

Contingent work, which is determined by expectations about the duration of a person's job, is a separate concept from alternative employment arrangements. Some workers are both contingent and working in an alternative arrangement, but this is not automatically the case.

Definitions of the four main alternative employment arrangements follow, as well as the key questions used to identify workers in each category:

**Independent contractors** are those who are identified as independent contractors, consultants, or freelance workers in the supplement, regardless of whether they are identified as wage and salary workers or self-employed in the basic CPS labor force status questions. To distinguish independent contractors from business operators such as a restaurant owner, the supplement includes a question for workers who identified as self-employed (incorporated and unincorporated) in the basic CPS that asks, "Are you self-employed as an independent contractor, independent consultant, freelance worker, or something else (such as a shop or restaurant owner)?" Those identified as wage and salary workers in the basic CPS are asked, "Last week, were you working as an independent contractor, an independent consultant, or a freelance worker? That is, someone who obtains customers on their own to provide a product or service." Nearly 9 in 10 independent contractors are self-employed. Conversely, 3 in every 5 self-employed workers are independent contractors.

**On-call workers** are called into work only when they are needed. This category includes workers who answer "yes" to the question, "Some people are in a pool of workers who are ONLY called to work as needed, although they can be scheduled to work for several days or weeks in a row, for example, substitute teachers and construction workers supplied by a union hiring hall. These people are sometimes referred to as ON-CALL workers. Were you an ON-CALL worker last week?" Individuals with regularly scheduled work, which might include periods of being "on call" to perform work at unusual hours, such as medical residents, are not included in this category.

**Temporary help agency workers** are those who are paid by a temporary help agency. This category includes workers who say their job is temporary and answer "yes" to the question, "Are you paid by a temporary help agency?" Also included are workers who say their job is not temporary and answer affirmatively to the question, "Even though you

told me your job is not temporary, are you paid by a temporary help agency?" Temporary help agency workers include both the permanent staff of the agencies and those who are placed with other companies in temporary assignments.

**Workers provided by contract firms** are those who work for a contract company, usually work for only one customer, and usually work at the customer's worksite. This refers to individuals who are employed by firms who contract out their workers or their workers' services, rather than all workers employed by firms that provide services under contract, such as advertising agencies and law firms. This category includes workers who answer "yes" to the question, "Some companies provide employees or their services to others under contract. A few examples of services that can be contracted out include security, landscaping, or computer programming. Did you work for a company that contracts out you or your services last week?" These workers also responded "no" to the question, "Are you usually assigned to more than one customer?" Finally, these workers responded "yes" to the question, "Do you usually work at the customer's worksite?"

### **Comparability of the estimates**

The concepts of contingent work and alternative employment arrangements used in the May 2017 survey are the same as those collected in the past. The questions used to identify these workers were essentially unchanged from past surveys. However, there are a few issues that could affect the comparability of these estimates with those from prior years. The prime concern is that the 2017 supplement was collected in May and earlier surveys were conducted in February of 1995, 1997, 1999, 2001, and 2005. The seasonality of contingent jobs and alternative employment arrangements is not known. However, any seasonality may affect the size and composition of the contingent workforce and people working in alternative employment arrangements. For example, a seasonal job that is only available at a certain time each year counts as a contingent job. The number and types of these kinds of jobs available in February and May might be different.

Two tables in this news release present slightly different displays of data than prior releases. Table 13 of this news release contains usual weekly earnings estimates for

workers in noncontingent and traditional arrangements, which were omitted from the February 2001 and 2005 news releases. Earnings for noncontingent and traditional workers were not collected in February 2001 and 2005. Earnings for such workers had been published in earlier news releases.

The estimates of workers eligible for employer-provided pension or retirement plans in table 9 of this news release are not strictly comparable with those of earlier years because the May 2017 estimates exclude all self-employed workers and independent contractors. In previous years, some of these workers were included in the estimates.

Other data presented in this news release are not strictly comparable with those for earlier years due to several other methodological issues. Comparability of estimates over time is affected by the introduction of population controls and changes in the classification of industries and occupations. Additional information about comparability of data over time is available at [www.bls.gov/cps/documentation.htm](http://www.bls.gov/cps/documentation.htm).

### **Reliability of the estimates**

Statistics based on the CPS are subject to both sampling and nonsampling error. When a sample, rather than the entire population, is surveyed, there is a chance that the sample estimates may differ from the true population values they represent. The component of this difference that occurs because samples differ by chance is known as *sampling error*, and its variability is measured by the standard error of the estimate. There is about a 90-percent chance, or level of confidence, that an estimate based on a sample will differ by no more than 1.6 standard errors from the true population value because of sampling error. BLS analyses are generally conducted at the 90-percent level of confidence.

The CPS data also are affected by *nonsampling error*. Nonsampling error can occur for many reasons, including the failure to sample a segment of the population, inability to obtain information for all respondents in the sample, inability or unwillingness of respondents to provide correct information, and errors made in the collection or processing of the data.

Information about the reliability of data from the CPS and guidance on estimating standard errors is available at [www.bls.gov/cps/documentation.htm#reliability](http://www.bls.gov/cps/documentation.htm#reliability).

**Table 1. Employed contingent and noncontingent workers by selected characteristics, May 2017**

(In thousands)

Characteristic	Total employed	Contingent workers			Noncontingent workers
		Estimate 1	Estimate 2	Estimate 3	
<b>AGE AND SEX</b>					
Total, 16 years and over.....	153,331	1,958	2,511	5,858	147,473
16 to 19 years.....	4,842	316	330	501	4,340
20 to 24 years.....	14,212	567	647	1,110	13,102
25 to 34 years.....	33,991	472	616	1,419	32,572
35 to 44 years.....	32,065	271	392	992	31,073
45 to 54 years.....	32,745	175	285	817	31,928
55 to 64 years.....	26,236	116	179	680	25,556
65 years and over.....	9,240	41	62	338	8,902
Men, 16 years and over.....	81,545	1,062	1,349	3,085	78,461
16 to 19 years.....	2,365	166	180	271	2,093
20 to 24 years.....	7,412	310	340	560	6,852
25 to 34 years.....	18,169	274	376	853	17,316
35 to 44 years.....	17,585	144	196	503	17,082
45 to 54 years.....	17,099	94	139	408	16,691
55 to 64 years.....	13,840	65	94	337	13,503
65 years and over.....	5,076	10	23	152	4,924
Women, 16 years and over.....	71,785	896	1,162	2,773	69,012
16 to 19 years.....	2,477	150	150	230	2,247
20 to 24 years.....	6,800	257	306	550	6,250
25 to 34 years.....	15,823	198	240	566	15,257
35 to 44 years.....	14,480	127	196	489	13,991
45 to 54 years.....	15,646	81	146	408	15,238
55 to 64 years.....	12,396	51	85	343	12,053
65 years and over.....	4,164	31	39	186	3,977
<b>RACE AND HISPANIC OR LATINO ETHNICITY</b>					
White.....	120,638	1,451	1,885	4,428	116,211
Black or African American.....	18,588	225	295	742	17,846
Asian.....	9,110	182	224	445	8,665
Hispanic or Latino ethnicity.....	25,525	435	538	1,299	24,225
<b>FULL- OR PART-TIME STATUS</b>					
Full-time workers.....	125,240	1,051	1,349	3,466	121,774
Part-time workers.....	28,091	907	1,162	2,391	25,699

NOTE: Noncontingent workers are those who do not fall into any estimate of "contingent" workers. Estimates for the above race groups (White, Black or African American, and Asian) do not sum to totals because data are not presented for all races. Persons whose ethnicity is identified as Hispanic or Latino may be of any race. Detail for other characteristics may not sum to totals due to rounding.

**Table 2. Distribution of employed contingent and noncontingent workers by selected characteristics, May 2017**

(Percent distribution)

Characteristic	Contingent workers			Noncontingent workers
	Estimate 1	Estimate 2	Estimate 3	
<b>AGE AND SEX</b>				
Total, 16 years and over.....	100.0	100.0	100.0	100.0
16 to 19 years.....	16.2	13.1	8.6	2.9
20 to 24 years.....	29.0	25.8	18.9	8.9
25 to 34 years.....	24.1	24.5	24.2	22.1
35 to 44 years.....	13.8	15.6	16.9	21.1
45 to 54 years.....	8.9	11.4	13.9	21.7
55 to 64 years.....	5.9	7.1	11.6	17.3
65 years and over.....	2.1	2.5	5.8	6.0
Men, 16 years and over.....	54.2	53.7	52.7	53.2
16 to 19 years.....	8.5	7.2	4.6	1.4
20 to 24 years.....	15.8	13.6	9.6	4.6
25 to 34 years.....	14.0	15.0	14.6	11.7
35 to 44 years.....	7.3	7.8	8.6	11.6
45 to 54 years.....	4.8	5.6	7.0	11.3
55 to 64 years.....	3.3	3.7	5.7	9.2
65 years and over.....	0.5	0.9	2.6	3.3
Women, 16 years and over.....	45.8	46.3	47.3	46.8
16 to 19 years.....	7.7	6.0	3.9	1.5
20 to 24 years.....	13.1	12.2	9.4	4.2
25 to 34 years.....	10.1	9.6	9.7	10.3
35 to 44 years.....	6.5	7.8	8.3	9.5
45 to 54 years.....	4.2	5.8	7.0	10.3
55 to 64 years.....	2.6	3.4	5.9	8.2
65 years and over.....	1.6	1.5	3.2	2.7
<b>RACE AND HISPANIC OR LATINO ETHNICITY</b>				
White.....	74.1	75.1	75.6	78.8
Black or African American.....	11.5	11.8	12.7	12.1
Asian.....	9.3	8.9	7.6	5.9
Hispanic or Latino ethnicity.....	22.2	21.4	22.2	16.4
<b>FULL- OR PART-TIME STATUS</b>				
Full-time workers.....	53.7	53.7	59.2	82.6
Part-time workers.....	46.3	46.3	40.8	17.4

NOTE: Noncontingent workers are those who do not fall into any estimate of "contingent" workers. Estimates for the above race groups (White, Black or African American, and Asian) do not sum to totals because data are not presented for all races. Persons whose ethnicity is identified as Hispanic or Latino may be of any race. Detail for other characteristics may not sum to totals due to rounding.



**Table 3. Employed contingent and noncontingent workers by school enrollment and educational attainment, May 2017**

(Percent distribution)

Characteristic	Contingent workers			Noncontingent workers
	Estimate 1	Estimate 2	Estimate 3	
<b>SCHOOL ENROLLMENT</b>				
Total, 16 to 24 years (thousands).....	884	977	1,611	17,442
Percent.....	100.0	100.0	100.0	100.0
Enrolled in school.....	60.1	59.2	61.6	35.7
Not enrolled in school.....	39.9	40.8	38.4	64.3
Less than a high school diploma.....	3.3	3.8	4.6	5.3
High school graduates, no college <sup>1</sup> .....	12.5	13.5	13.9	27.7
Some college or associate degree.....	15.3	14.9	11.5	19.5
Bachelor's degree and higher <sup>2</sup> .....	8.9	8.6	8.3	11.7
<b>EDUCATIONAL ATTAINMENT</b>				
Total, 25 to 64 years (thousands).....	1,034	1,472	3,908	121,129
Percent.....	100.0	100.0	100.0	100.0
Less than a high school diploma.....	13.0	13.1	13.5	7.0
High school graduates, no college <sup>1</sup> .....	23.8	21.2	22.1	25.2
Some college or associate degree.....	23.4	24.5	20.9	27.2
Bachelor's degree and higher <sup>2</sup> .....	39.8	41.2	43.5	40.6

<sup>1</sup> Includes persons with a high school diploma or equivalent.

<sup>2</sup> Includes persons with bachelor's, master's, professional, and doctoral degrees.

NOTE: Noncontingent workers are those who do not fall into any estimate of "contingent" workers. Detail may not sum to totals due to rounding.

**Table 4. Employed contingent and noncontingent workers by occupation and industry, May 2017**

(Percent distribution)

Characteristic	Contingent workers			Noncontingent workers
	Estimate 1	Estimate 2	Estimate 3	
<b>OCCUPATION</b>				
Total, 16 years and over (thousands).....	1,958	2,511	5,858	147,473
Percent.....	100.0	100.0	100.0	100.0
Management, professional, and related occupations.....	31.0	33.3	39.1	40.7
Management, business, and financial operations occupations.....	5.6	7.4	7.9	17.2
Professional and related occupations.....	25.4	25.9	31.2	23.5
Service occupations.....	18.2	18.8	17.1	17.2
Sales and office occupations.....	20.7	18.0	16.2	21.5
Sales and related occupations.....	5.1	5.2	4.9	10.1
Office and administrative support occupations.....	15.5	12.8	11.3	11.4
Natural resources, construction, and maintenance occupations.....	15.1	15.8	15.3	9.0
Farming, fishing, and forestry occupations.....	3.5	2.7	2.7	0.7
Construction and extraction occupations.....	11.0	11.5	10.6	5.0
Installation, maintenance, and repair occupations.....	0.6	1.6	2.0	3.2
Production, transportation, and material moving occupations.....	14.9	14.1	12.2	11.6
Production occupations.....	4.9	4.6	4.6	5.8
Transportation and material moving occupations.....	10.0	9.5	7.7	5.8
<b>INDUSTRY</b>				
Total, 16 years and over (thousands).....	1,958	2,511	5,858	147,473
Percent.....	100.0	100.0	100.0	100.0
Agriculture and related industries.....	4.5	4.0	3.2	1.6
Mining, quarrying, and oil and gas extraction.....	0.4	0.3	0.2	0.5
Construction.....	9.6	10.9	10.8	6.7
Manufacturing.....	6.5	5.8	6.3	10.6
Wholesale trade.....	1.5	1.1	1.0	2.3
Retail trade.....	8.5	8.1	6.2	10.7
Transportation and utilities.....	3.8	5.5	4.1	5.1
Information.....	1.6	1.5	1.6	1.9
Financial activities.....	1.9	2.3	2.6	7.1
Professional and business services.....	12.7	16.3	14.9	12.0
Education and health services.....	29.1	25.3	31.3	22.7
Leisure and hospitality.....	12.1	10.1	9.3	9.3
Other services.....	5.2	6.7	5.3	4.9
Public administration.....	2.7	2.1	3.3	4.7

NOTE: Noncontingent workers are those who do not fall into any estimate of "contingent" workers. Detail may not sum to totals due to rounding.

**Table 5. Employed workers with alternative and traditional work arrangements by selected characteristics, May 2017**

(In thousands)

Characteristic	Total employed	Workers with alternative arrangements				Workers with traditional arrangements
		Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
<b>AGE AND SEX</b>						
Total, 16 years and over.....	153,331	10,614	2,579	1,356	933	137,853
16 to 19 years.....	4,842	43	107	25	14	4,647
20 to 24 years.....	14,212	330	263	195	53	13,370
25 to 34 years.....	33,991	1,593	516	303	224	31,361
35 to 44 years.....	32,065	2,160	565	283	207	28,849
45 to 54 years.....	32,745	2,562	446	276	206	29,263
55 to 64 years.....	26,236	2,426	399	170	124	23,110
65 years and over.....	9,240	1,500	283	105	106	7,253
Men, 16 years and over.....	81,545	6,820	1,355	709	625	72,035
16 to 19 years.....	2,365	42	53	20	9	2,235
20 to 24 years.....	7,412	187	169	100	28	6,931
25 to 34 years.....	18,169	1,016	271	170	157	16,554
35 to 44 years.....	17,585	1,430	329	122	144	15,557
45 to 54 years.....	17,099	1,611	208	166	146	14,971
55 to 64 years.....	13,840	1,547	209	81	81	11,914
65 years and over.....	5,076	986	117	50	60	3,873
Women, 16 years and over.....	71,785	3,794	1,224	647	308	65,818
16 to 19 years.....	2,477	1	55	5	5	2,412
20 to 24 years.....	6,800	143	94	95	25	6,439
25 to 34 years.....	15,823	577	245	133	67	14,807
35 to 44 years.....	14,480	730	237	161	63	13,292
45 to 54 years.....	15,646	951	238	110	60	14,292
55 to 64 years.....	12,396	878	190	88	44	11,196
65 years and over.....	4,164	514	166	55	45	3,380
<b>RACE AND HISPANIC OR LATINO ETHNICITY</b>						
White.....	120,638	8,975	2,019	797	614	108,237
Black or African American.....	18,588	880	323	351	132	16,902
Asian.....	9,110	461	129	104	115	8,297
Hispanic or Latino ethnicity.....	25,525	1,566	449	345	163	22,973
<b>FULL- OR PART-TIME STATUS</b>						
Full-time workers.....	125,240	7,485	1,428	1,042	785	114,496
Part-time workers.....	28,091	3,129	1,151	314	148	23,357

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Detail may not add to totals because the total employed includes day laborers (an alternative arrangement, not shown separately) and there are a small number of workers who were both "on call" and "provided by contract firms." Estimates for the above race groups (White, Black or African American, and Asian) do not sum to totals because data are not presented for all races. Persons whose ethnicity is identified as Hispanic or Latino may be of any race. Detail for other characteristics may not sum to totals due to rounding.

**Table 6. Distribution of employed workers with alternative and traditional work arrangements by selected characteristics, May 2017**

(Percent distribution)

Characteristic	Workers with alternative arrangements				Workers with traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
<b>AGE AND SEX</b>					
Total, 16 years and over.....	100.0	100.0	100.0	100.0	100.0
16 to 19 years.....	0.4	4.2	1.9	1.5	3.4
20 to 24 years.....	3.1	10.2	14.4	5.6	9.7
25 to 34 years.....	15.0	20.0	22.3	23.9	22.7
35 to 44 years.....	20.4	21.9	20.9	22.2	20.9
45 to 54 years.....	24.1	17.3	20.3	22.1	21.2
55 to 64 years.....	22.9	15.5	12.5	13.3	16.8
65 years and over.....	14.1	11.0	7.7	11.3	5.3
Men, 16 years and over.....	64.3	52.5	52.3	67.0	52.3
16 to 19 years.....	0.4	2.0	1.5	1.0	1.6
20 to 24 years.....	1.8	6.5	7.4	3.0	5.0
25 to 34 years.....	9.6	10.5	12.5	16.8	12.0
35 to 44 years.....	13.5	12.7	9.0	15.4	11.3
45 to 54 years.....	15.2	8.1	12.2	15.7	10.9
55 to 64 years.....	14.6	8.1	6.0	8.6	8.6
65 years and over.....	9.3	4.5	3.7	6.5	2.8
Women, 16 years and over.....	35.7	47.5	47.7	33.0	47.7
16 to 19 years.....	0.0	2.1	0.4	0.5	1.7
20 to 24 years.....	1.3	3.7	7.0	2.6	4.7
25 to 34 years.....	5.4	9.5	9.8	7.1	10.7
35 to 44 years.....	6.9	9.2	11.8	6.8	9.6
45 to 54 years.....	9.0	9.2	8.1	6.4	10.4
55 to 64 years.....	8.3	7.4	6.5	4.7	8.1
65 years and over.....	4.8	6.4	4.1	4.9	2.5
<b>RACE AND HISPANIC OR LATINO ETHNICITY</b>					
White.....	84.6	78.3	58.8	65.8	78.5
Black or African American.....	8.3	12.5	25.9	14.1	12.3
Asian.....	4.3	5.0	7.7	12.3	6.0
Hispanic or Latino ethnicity.....	14.8	17.4	25.4	17.4	16.7
<b>FULL- OR PART-TIME STATUS</b>					
Full-time workers.....	70.5	55.4	76.9	84.1	83.1
Part-time workers.....	29.5	44.6	23.1	15.9	16.9

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Estimates for the above race groups (White, Black or African American, and Asian) do not sum to totals because data are not presented for all races. Persons whose ethnicity is identified as Hispanic or Latino may be of any race. Detail for other characteristics may not sum to totals due to rounding.

**Table 7. Employed workers with alternative and traditional work arrangements by school enrollment and educational attainment, May 2017**

(Percent distribution)

Characteristic	Workers with alternative arrangements				Workers with traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
<b>SCHOOL ENROLLMENT</b>					
Total, 16 to 24 years (thousands).....	373	370	220	67	18,018
Percent.....	100.0	100.0	100.0	-	100.0
Enrolled in school.....	22.6	39.8	14.0	-	38.5
Not enrolled in school.....	77.4	60.2	86.0	-	61.5
Less than a high school diploma.....	7.1	9.8	13.6	-	5.0
High school graduates, no college <sup>1</sup> .....	37.0	17.9	43.9	-	26.2
Some college or associate degree.....	22.0	24.6	17.6	-	18.7
Bachelor's degree and higher <sup>2</sup> .....	11.3	7.9	11.0	-	11.5
<b>EDUCATIONAL ATTAINMENT</b>					
Total, 25 to 64 years (thousands).....	8,741	1,926	1,031	761	112,582
Percent.....	100.0	100.0	100.0	100.0	100.0
Less than a high school diploma.....	9.7	10.6	10.5	4.0	6.9
High school graduates, no college <sup>1</sup> .....	24.6	26.7	37.1	27.4	25.0
Some college or associate degree.....	26.8	28.8	26.0	25.4	27.0
Bachelor's degree and higher <sup>2</sup> .....	38.9	33.9	26.3	43.1	41.1

<sup>1</sup> Includes persons with a high school diploma or equivalent.

<sup>2</sup> Includes persons with bachelor's, master's, professional, and doctoral degrees.

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Detail may not sum to totals due to rounding. Dash indicates no data or data that do not meet publication criteria (values not shown where base is less than 75,000).

**Table 8. Employed workers with alternative and traditional work arrangements by occupation and industry, May 2017**

(Percent distribution)

Characteristic	Workers with alternative arrangements				Workers with traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
<b>OCCUPATION</b>					
Total, 16 years and over (thousands).....	10,614	2,579	1,356	933	137,853
Percent.....	100.0	100.0	100.0	100.0	100.0
Management, professional, and related occupations.....	43.4	35.6	21.7	49.1	40.7
Management, business, and financial operations occupations.....	23.9	5.3	4.6	13.9	16.7
Professional and related occupations.....	19.5	30.3	17.1	35.1	24.0
Service occupations.....	18.1	23.7	13.8	24.6	17.0
Sales and office occupations.....	16.0	11.3	19.3	6.5	22.0
Sales and related occupations.....	13.5	4.5	2.8	2.4	9.8
Office and administrative support occupations.....	2.5	6.8	16.5	4.1	12.1
Natural resources, construction, and maintenance occupations.....	15.9	16.1	6.1	13.3	8.5
Farming, fishing, and forestry occupations.....	0.4	1.2	0.4	0.4	0.8
Construction and extraction occupations.....	12.1	11.7	3.4	8.8	4.5
Installation, maintenance, and repair occupations.....	3.3	3.2	2.2	4.0	3.2
Production, transportation, and material moving occupations.....	6.7	13.2	39.2	6.6	11.8
Production occupations.....	1.7	2.6	19.8	2.2	6.0
Transportation and material moving occupations.....	5.0	10.6	19.3	4.4	5.8
<b>INDUSTRY</b>					
Total, 16 years and over (thousands).....	10,614	2,579	1,356	933	137,853
Percent.....	100.0	100.0	100.0	100.0	100.0
Agriculture and related industries.....	2.0	1.8	0.4	0.4	1.6
Mining, quarrying, and oil and gas extraction.....	0.1	0.8	0.6	1.6	0.5
Construction.....	19.3	11.4	3.6	7.2	5.8
Manufacturing.....	2.2	3.7	32.2	12.0	11.1
Wholesale trade.....	1.5	1.1	3.6	1.0	2.3
Retail trade.....	6.4	6.0	1.2	3.2	11.1
Transportation and utilities.....	5.7	8.6	3.0	6.6	5.0
Information.....	2.2	2.3	1.9	2.0	1.9
Financial activities.....	9.6	3.4	4.2	8.5	6.9
Professional and business services.....	25.1	6.6	26.8	17.0	10.7
Education and health services.....	9.6	35.3	15.0	18.3	24.0
Leisure and hospitality.....	6.2	10.1	2.0	4.4	9.6
Other services.....	9.7	4.6	3.1	2.5	4.6
Public administration.....	0.4	4.2	1.2	14.7	5.0

NOTE: Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Detail may not sum to totals due to rounding. For temporary help agency workers and workers provided by contract firms, the industry classification is that of the place to which they were assigned. For a very small percentage of these workers, the industry was not provided.

**Table 9. Employed contingent and noncontingent workers and those with alternative and traditional work arrangements by health insurance coverage and eligibility for employer-provided pension or retirement plans, May 2017**

Characteristic	Total employed (thousands)	Percent with health insurance coverage		Percent eligible for employer-provided pension or retirement plan <sup>1</sup>	
		Total	Provided by employer <sup>1</sup>	Total	Included in employer-provided plan
Contingent workers:					
Estimate 1.....	1,958	75.1	13.4	14.2	8.3
Estimate 2.....	2,511	72.2	12.0	12.2	7.3
Estimate 3.....	5,858	73.4	25.1	23.4	18.4
Noncontingent workers.....	147,473	83.5	49.8	47.6	43.4
With alternative arrangements:					
Independent contractors.....	10,614	75.4	-	-	-
On-call workers.....	2,579	77.0	28.2	35.4	30.1
Temporary help agency workers.....	1,356	67.3	12.8	12.7	6.6
Workers provided by contract firms.....	933	85.3	41.3	48.1	38.3
With traditional arrangements.....	137,853	84.0	53.4	50.8	46.3

<sup>1</sup> Excludes the self-employed (incorporated and unincorporated) and independent contractors.

- Not applicable.

NOTE: Noncontingent workers are those who do not fall into any estimate of "contingent" workers. Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories.

**Table 10. Employed contingent workers by their preference for contingent or noncontingent work arrangements, May 2017**

(Percent distribution)

Preference	Contingent workers		
	Estimate 1	Estimate 2	Estimate 3
Total, 16 years and over (thousands).....	1,958	2,511	5,858
Percent.....	100.0	100.0	100.0
Prefer noncontingent employment.....	62.5	58.8	55.1
Prefer contingent employment.....	29.9	31.8	32.8
It depends.....	7.0	8.5	9.5
Not available.....	0.6	0.9	2.6

NOTE: Noncontingent employment refers to work that does not fall into any estimate of "contingent" workers. Detail may not sum to totals due to rounding.



**Table 11. Employed workers with alternative work arrangements by their preference for a traditional work arrangement, May 2017**

(Percent distribution)

Preference	Independent contractors	On-call workers	Temporary help agency workers
Total, 16 years and over (thousands).....	10,614	2,579	1,356
Percent.....	100.0	100.0	100.0
Prefer traditional arrangement.....	8.8	43.0	46.4
Prefer alternative arrangement.....	79.1	43.8	38.5
It depends.....	7.5	12.2	12.1
Not available.....	4.5	1.0	3.0

NOTE: Detail may not sum to totals due to rounding.

**Table 12. Employed workers with alternative and traditional work arrangements by contingent and noncontingent employment, May 2017**

Arrangement	Total (thousands)	Percent distribution			
		Contingent workers			Noncontingent workers
		Estimate 1	Estimate 2	Estimate 3	
With alternative arrangements:					
Independent contractors.....	10,614	-	3.2	3.2	96.8
On-call workers.....	2,579	7.7	7.8	21.1	78.9
Temporary help agency workers.....	1,356	16.8	22.9	42.0	58.0
Workers provided by contract firms.....	933	3.6	5.1	15.0	85.0
With traditional arrangements.....	137,853	1.0	1.1	3.1	96.9

- Not applicable. Excludes independent contractors and the self-employed (incorporated and unincorporated).

NOTE: Noncontingent workers are those who do not fall into any estimate of "contingent" workers. Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories.

**Table 13. Median usual weekly earnings of full- and part-time contingent and noncontingent wage and salary workers and those with alternative and traditional work arrangements by sex, race, and Hispanic or Latino ethnicity, May 2017**

Characteristic	Contingent workers			Noncontingent workers	Workers with alternative arrangements				Workers with traditional arrangements
	Estimate 1	Estimate 2	Estimate 3		Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
<b>FULL-TIME WORKERS</b>									
Total, 16 years and over.....	\$592	\$611	\$685	\$886	\$851	\$797	\$521	\$1,077	\$884
Men.....	609	653	719	957	897	860	522	1,157	953
Women.....	524	587	625	808	738	673	520	673	809
White.....	568	595	702	914	895	814	511	1,118	913
Black or African American.....	602	609	581	699	654	748	520	740	697
Asian.....	956	995	1,042	1,153	990	-	1,058	1,519	1,147
Hispanic or Latino ethnicity.....	467	475	524	686	700	676	492	964	685
<b>PART-TIME WORKERS</b>									
Total, 16 years and over.....	197	197	228	257	333	229	263	322	255
Men.....	187	186	233	262	377	295	297	-	256
Women.....	206	205	224	255	307	211	246	303	254
White.....	199	198	229	266	342	236	257	339	264
Black or African American.....	160	160	203	221	294	182	252	-	224
Asian.....	262	262	269	222	487	213	-	-	215
Hispanic or Latino ethnicity.....	220	221	264	254	272	316	305	-	253

Dash indicates no data or data that do not meet publication criteria (values not shown where base is less than 75,000).

NOTE: Noncontingent workers are those who do not fall into any estimate of "contingent" workers. Workers with traditional arrangements are those who do not fall into any of the "alternative arrangements" categories. Earnings data for contingent and noncontingent workers exclude the incorporated self-employed and independent contractors. Data for independent contractors include the incorporated and unincorporated self-employed; these groups, however, are excluded from the data for workers with other alternative and traditional arrangements. Full- or part-time status is determined by hours usually worked at sole or primary job. Persons whose ethnicity is identified as Hispanic or Latino may be of any race.



## **SFWIB EXECUTIVE COMMITTEE**

**DATE:** 8/9/2018

**AGENDA ITEM NUMBER:** 6

**AGENDA ITEM SUBJECT:** TECHHIRE SUMMER BOOT CAMPS PROGRAM UPDATE

**AGENDA ITEM TYPE:** **INFORMATIONAL**

**RECOMMENDATION:** N/A

**STRATEGIC GOAL:** **DEDICATED COMMITMENT TO YOUTH PARTICIPATION**

**STRATEGIC PROJECT:** **Expand career exploration pathway programs**

### **BACKGROUND:**

At its February 15, 2018 meeting, the South Florida Workforce Investment Board (SFWIB) approved its second TechHire Summer Boot Camp Program. The TechHire Summer Boot Camp initiative was expanded to provide youth ages 15-22 with the skills to become entry-level professionals in high demand Information Technology (IT) careers.

The TechHire Summer Boot Camps were designed to expose our future workforce in the IT Industry by connecting youth participants to both traditional and nontraditional educational resources. This includes a mix of accelerated learning programs, such as Gaming and Coding, Web Development, Comp TIA A+, Auto CAD, and other innovative channels.

In partnership with Miami-Dade County Public Schools, the TechHire Summer Boot Camps exposed 253 youth to a six-week IT training session. The session began June 18 through July 27, 2018. The boot camps were held throughout Miami-Dade County at various Miami-Dade County Public Schools. Of the 253 youth, 248 youth completed the program and obtain a Certificate of Completion.

A total of 1,139 youth showed interest in the TechHire Summer Boot Camps. Of the 1,139 interested youth, 594 youth (52 percent) were income eligible for the program. A total of 124 youth (11 percent) were not qualified for the program and 179 youth (15 percent) did not complete the registration process. Eighty-seven percent of the participating youth received free and/or reduced lunch. Ten percent of the participants received Temporary Assistance for Needy Families.

The students that completed the boot camp will receive the \$300 stipend. Students that elected to take the certification exam are in the process of completing the examination and will be eligible for the additional \$200 stipend upon passing the credential examination. Additionally, through a generous donation from Azulle Tech, a US-based technology company which strives to bring innovative computer products and affordable mini PCs to families and businesses, each program participant will receive a Mini PC Stick.

The following Youth Service Providers were responsible for administering the program, which includes payroll, job placement, and work readiness training. Each youth participant is participating in the direct deposit program through a financial institution of their choice. Youth are currently working up to 40 hours per week and the program ends on August 19, 2018.

<b>Organizations</b>	<b># of Placements</b>
Adults Mankind Organization	67
Cuban American National Council	86
Youth Co-Op	95
<b>Total:</b>	<b>248</b>

**FUNDING:** Temporary Assistance for Needy Families

**PERFORMANCE:** N/A

*NO ATTACHMENT*



## **SFWIB EXECUTIVE COMMITTEE**

**DATE:** 8/9/2018

**AGENDA ITEM NUMBER:** 7

**AGENDA ITEM SUBJECT:** MIAMI-DADE COUNTY SUMMER YOUTH INTERNSHIP PROGRAM UPDATE

**AGENDA ITEM TYPE:** **INFORMATIONAL**

**RECOMMENDATION:** N/A

**STRATEGIC GOAL:** **DEDICATED COMMITMENT TO YOUTH PARTICIPATION**

**STRATEGIC PROJECT:** **Expand career exploration pathway programs**

### **BACKGROUND:**

At the February 15, 2018 meeting, the South Florida Workforce Investment Board (SFWIB) approved funding to support the Together for Children Youth Initiative. The Together for Children Youth initiative includes a partnership with Miami-Dade County, The Children's Trust, Royal Caribbean Cruise line, JP Morgan Chase, Miami Dade County Public Schools (The School Board), the Foundation for New Education Initiatives, Inc., and the SFWIB. The initiative launched a Summer Youth Internship Program (SYIP) to provide employment opportunities to South Florida's future workforce, while decreasing crime within Miami-Dade County.

Together for Children is a coalition of government, education, business, law enforcement, justice, and funding entities that have joined together to leverage resources that promote youth safety and addresses the root cause of breaking the cycle of youth violence plaguing communities. The coalition of partners recruited a total of 2,948 youth for the SYIP.

The following are the program results for the 2018 SYIP:

- Of the 2,948 youth that were eligible and applied to the internship program, 2,609 were enrolled.
- Of the 2,609 youth enrolled in the program, 894 were served through the SFWIB investment
- The program intentionally recruited participants from high-risk populations.
- Of those that enrolled in the program, 86% (2,254) qualified for free/reduced lunch and 9.5% (248) were youth with disabilities.
- All participants that completed the program earned high school credits. An additional 126 youth received college credit through dual enrollment as compared to 48 during the 2017 Summer Youth Internship Program. This reflects an increase of 62%.

The program awarded over \$4 million in program stipends to interns, with 85% of stipend funding coming from Miami-Dade County, The Children's Trust and Career Source South Florida.

The SFWIB invested \$1.5 million dollars in Temporary Assistance for the Needy Families (TANF) funds to cover summer youth employment activities and services for youth with barriers to employment, particularly those youth who's families are receiving cash assistance and or free and or reduced lunch.

The SYIP provided participants ages 15-18 with 30 hours of work per week and receive a wage subsidy of \$1,337.50 over a five week period. In addition to receiving a wage subsidy participants earned high school course credits and be given opportunity to earn college credits.

The wage subsidy consists of the following:

- \$100 within the first week of the internship to cover transportation and other incidental expenses to help remove barriers that may prohibit participation; and
- Two subsequent payments of \$618.75 each.

These funds were distributed via direct deposit through collaboration with the South Florida Educational Federal Credit Union and the Foundation for New Education Initiatives, Inc.

The internships assisted youth in obtaining needed skills while gaining a better understanding of the workplace by linking participants to employers that will provide work experience and career advice. The program was designed to provide entry-level positions with local businesses, the private sector, and community-based organizations.

**FUNDING:** Temporary Assistance for Needy Families

**PERFORMANCE:** N/A

*NO ATTACHMENT*