

**TO: Youth Council**

**DATE: 2/8/02**

**FROM: Operations Committee**

**For Action**

**For Information**

**Meeting Notes**

**SUBJECT: ARBOR, Inc Follow-up Report**

**PROPOSED MOTION: That the Youth Council review the ARBOR, Inc program evaluation presented by the Operations Committee and decide whether to renew the ARBOR, Inc contract for older youth.**

**DISCUSSION: ARBOR, Inc has been providing employment and training services for Merced County WIA eligible youth since November 2000. During this time, they have enrolled 94 youth, exited 43, placed 22 youth into unsubsidized employment for an entered employment rate of 51% (which is 13% less than the contracted rate) and helped 16 youth earn credentials.**

**ARBOR, Inc has been formally monitored once, with numerous discrepancies discovered. The first monitoring visit revealed a lack of knowledge concerning the Workforce Investment Act, the ARBOR Work Statement Narrative, poor documentation of required paperwork, doubts concerning ARBOR fiscal policies, and low enrollment totals. The second follow-up monitoring visit again revealed a lack of knowledge of the Work Statement Narrative, and therefore a lack of contract compliance. The Workforce Investment Board (WIB) has directed continued monitoring of the ARBOR contract to assure contract compliance.**

**ARBOR's top management from corporate headquarters in Pennsylvania has personally visited both the Youth Council and the WIB meetings to make presentations concerning the quality of the Merced ARBOR program. During the visit to the Youth Council, when the decision was being made to downsize the ARBOR program, ARBOR announced that if downsizing was dictated, the Westside ARBOR would close at the end of December. Youth Council members were disturbed but accepting of the loss. As soon as ARBOR learned of the Council's decision to downsize the contract, without notifying the Youth Council or staff, ARBOR closed the Westside office before the end of November, one month early.**

**ARBOR made an appearance on January 24, 2002 before the WIB. Mr. Charles Jameson, ARBOR V.P. , gave out an "Older Youth Program Report". Analysis of the report reveals the following items were reported in error, based on staff review of records, discussion with clients, employers, accrediting agencies and State management information system records:**

- a. Enrollment Claims: ARBOR claims 115 enrolled as of January 18. State records show enrollments are 94 as of February 1, 2002.**
- b. Paid Work Experience: ARBOR claims 25 clients were hired by their work experience (WEX) site employers. ARBOR Merced's data shows only 15 hired by their WEX site employer, yet also lists another 10 individuals who were hired by organizations where no ARBOR work experience site existed.**
- c. Program Exits: Placed into unsubsidized employment. ARBOR claims to have placed 31 clients into unsubsidized employment. WIB staff found only 22 clients were placed into unsubsidized verifiable employment for an employment rate of 51%, 13% less than the contracted rate of 64.66%.**
- d. Credentials: ARBOR claims that 29 credentials have been awarded to 23 youth. WIB staff could confirm only 18 credentials for 16 youth. ARBOR has been using testimony from the participant as its primary source to verify credentialing.**

**The Operations Committee suggests that the Youth Council withhold the decision concerning renewing the ARBOR contract until the March 8 Youth Council meeting. In taking this action, it will give the committee/Council time to analyze Mr. Jameson's report and make a decision as appropriate.**

**ATTACHMENT(S): ARBOR Older Youth Program Analysis**

## **AN ANALYSIS ARBOR, INC – OLDER YOUTH PROGRAM REPORT**

On January 24, 2002, Mr. Charles Jameson, V.P. ARBOR, Inc, made an appearance before the Merced County Workforce Investment Board. He made an oral presentation on the health and accomplishments of ARBOR Career Center's older youth program. He also handed out a written program report. The report was in-depth and was unexpected. Before the presentation, no attempt had been made by ARBOR to provide the report to any WIB or Youth Council member, nor to WIB/Youth Council staff.

Since that time an analysis of the report has been accomplished. The analysis used data provided by the Merced ARBOR Career Center, the client files located at the ARBOR Career Center, and the master client files located at Private Industry Training Department. The data that was chosen to be verified has proven enlightening. The WIB staff found the ARBOR claims investigated to be inflated and unsubstantiated. The attachments will discuss the following claims:

1. Enrollments
2. Paid Work Experience Site Hirings
3. Placements into unsubsidized employment
4. Credentials

## INTAKE / ENROLLMENT

ARBOR claims that they have enrolled 102 youth through December 31, and 115 as of January 18. Staff review revealed these numbers to be incorrect. As of February 1, 2002, there are only 94 ARBOR clients enrolled, no eligibility packets for potential ARBOR clients are at PITD, and ARBOR staff concedes that they have no clients with eligibility packages to be sent to PITD.

It is difficult to understand how ARBOR could have different enrollment figures than the Youth Council. The process to gain enrollment works like this:

1. ARBOR identifies the client, establishes eligibility, and collects the qualifying paperwork.
2. The eligibility package is sent to PITD where it is reviewed for accuracy and to verify the eligibility. This action was added after the first monitoring visit because of ARBOR enrolling clients whose eligibility was suspect.
3. PITD then enters the client into the State management information system. Once entered, a client is "enrolled" and can be counted. If they are not in the system, they don't get counted.

ARBOR states that they are proud of their enrollment growth, especially during the period from July to December 2001. It must be noted that they have contracted to enroll 175 older youth. With 94 clients enrolled in the first 14 months of the contract, ARBOR must now enroll 81 clients in the last 5 months of the contract period.

## ENROLLMENT CLAIMS

Date	ARBOR	State System
Dec 31	102	86
Jan 18	115	91
Feb 1	?	94

## **PROGRAM SERVICES/PAID WORK EXPERIENCE**

ARBOR states that 52 participants were placed into work experience positions, 5 are still active, 47 have completed their work-based training, and 25 have been hired by their work experience site. ARBOR Pennsylvania also provided a listing of the private companies and non-profit organizations where ARBOR clients were placed for work experience.

Staff requested from ARBOR Merced the names of the 25 hired individuals, where they were hired and their present status. Analysis of that data revealed the following:

1. Ten (10) of the clients who were described as having been hired by their work experience site had employers listed who were not among the work experience employers listed in the ARBOR, Inc program report.

2. An analysis of those 10 clients further revealed the following:

a. Client is listed as being hired by Santos Ford. Hired June 1, 2001. Quit July 17, 2001. PITD had purchased tools for the client (tools remain County property). Client left job, retained his tools, and has not been heard from since last July. ARBOR shows present status as employed. Santos Ford was not an ARBOR work experience site.

b. Client is shown as having TFD Enterprises as the WEX site. Review of the files indicates WEX site was MCOE/ROP in Los Banos. In conversation with the Director of the ARBOR Career Center, she stated employment with MCOE/ROP lasted only 2 days. Diary entries state that the individual was hired by TFD Enterprises on Oct 1 and quit on Nov 21. ARBOR shows present status as employed in Patterson. No documentation to substantiate present employer could be found.

c. Client shown to have been employed by Circle K, again not an ARBOR WEX site. Status shows employed at Arby's in Ohio. The exit paperwork for the client shows she relocated to Idaho. The diary notes indicate client moved to a specific town in Indiana. Notes indicate contact with an aunt in Michigan who confirms client lives in Indiana. No documentation of contact with client since she moved or of contact with the Arby's in the town in Indiana. ARBOR shows status of employed at Arby's in Ohio/Idaho.

d. Client is listed as employed by Garcia's Landscape and Yard Service. ARBOR shows his status as laid off/employed elsewhere (as of 12/01) unable to get in touch. First, Garcia's Landscape and Yard Service was not one of ARBOR's work experience sites. Second, even though ARBOR states that the client is employed "elsewhere", no documentation nor verification exists to corroborate that claim.

## **PROGRAM PERFORMANCE**

Program Exits - 43

Placements into unsubsidized employment – 31

Entered employment rate – 72%

Average wage at placement - \$8.35 an hour

Number of 90-Day Retention – 15

Number of Older Youth Achieving a Credential – 29

The above data was presented by ARBOR as the capstone of their older youth program. Staff chose to verify the number of placements into unsubsidized employment, and the number of youth achieving a credential.

### **Placements into Unsubsidized Employment**

First, ARBOR 31 clients have been placed into unsubsidized employment. ARBOR Merced's data only shows 25 clients placed into unsubsidized employment. WIB/Youth Council staff's research results in even lower numbers. For a client to be accepted as placed in unsubsidized employment, one of two criteria must have been documented. First is the Exit Form where the employer is listed along with phone numbers, contacts, addresses and wages. The second is a diary entry with at least the employer's name, phone number and location. Using this criteria, staff could only verify 22 clients who had actually been placed in unsubsidized employment, not the 31 as claimed in the ARBOR report.

Examples of discrepancies follow:

a. ARBOR lists client as completed activities/employed. No file was found. In interview with ARBOR case manager, he stated that the client completed work skills training but not his GED and he exited unemployed. Case manager heard that client was now working with his dad. Interview with Executive Director indicated she heard client was working with someone else. No verification, no documentation, no file. Staff does not consider this client to be employed.

b. ARBOR shows client as completed activities/employed/relocated to LA. Diary noted indicate client was exited, has relocated and now unable to find. No verifiable employer mentioned anywhere in the files. Staff does not consider this client as employed.

The review of client files further revealed the following:

c. There were a total of 10 clients who were exited as "Summer Youth/No Follow-up". All of the clients were exited unemployed. Interviews with the ARBOR staff indicate that these clients were treated as being involved in a summer program only; therefore, ARBOR believed that no follow-up was required. Both the Workforce Investment Act and the ARBOR contract clearly state that all youth exited require follow-up. When WIB staff visited ARBOR to perform training concerning summer programs and follow-up, it was discovered that there was no copy of the Workforce Investment Act at ARBOR. The only individual to have ever had possession of

the Act was the Executive Director. She had been given a copy by PITD after the first monitoring visit. This visit she reported that her copy of the Act had been stolen.

d. ARBOR of Merced hired two of its participants. When the older youth contract was amended to reduce numbers, ARBOR laid off both youth.

e. Using ARBOR's own figures, 31 clients were placed into unsubsidized employment. The number of 90-Day Retentions is 15. Sixteen clients placed by ARBOR did not remain in their initial jobs for 3 months.

**CREDENTIALS: Number of Youth Achieving a Credential – 29.**

Using the data from ARBOR Merced, what ARBOR is claiming is that 23 of its youth have been awarded 29 credentials. WIB staff requested a listing of those youth and copies of the credentials. WIB staff either reviewed the client files or contacted the accrediting agency to verify the credentials. The following was found:

Only 18 credentials could be verified. Eleven (11) were found to have been claimed but not awarded.

a. ARBOR shows client certified in general welding, sheet metal welding. Cal Trade Welding School verifies client left school, put on hold for personal problems. No course completion, no certification.

b. Client from Merced claims GED certification. No record of GED completion at only source for testing in Merced County, Merced Adult School.

c. Two (2) clients given credit for Forklift Driving Certificate. A conversation with Sierra Beverages reveal the certificates were earned before enrollment with ARBOR.

d. One (1) client given credit for Forklift Driving Certificate. Again, Sierra Beverages says that certification has not occurred.

e. One (1) client from Los Banos claims to have GED. Merced Adult School shows attendance but no GED earned.

f. One (1) client joined the US Navy. ARBOR is listing the credential he earned in the Navy after being exited from ARBOR. Inappropriate claim.

g. One (1) client is claimed to have earned his high school diploma. Merced Adult School confirms his enrollment and continued attendance, but graduation has not been attained.

h. Two (2) clients were given credit for Core Computer Maintenance and Certified Computer Repair; a total of 4 credentials. The credential is actually Computer Maintenance and Repair, or 1 credential for each client.

Again, ARBOR claims to have 29 credentials awarded to 23 youth. WIB staff can confirm only 18 credentials to 16 youth. Several reasons can be offered to explain the differences in data:

a. ARBOR has been accepting credentialing notification from its youth and not verifying the award.

b. Copies of the credentials are rarely included in the client file. Search of the files found credentials only from MCOE/ROP, and one letter from Merced College.

c. One credential for Computer Maintenance and Repair was counted as two credentials, one for maintenance and one for repair. Two clients had earned this credential.