

STRATEGIES TO EMPOWER PEOPLE  
(STEP) PROGRAM

DEPARTMENT OF CHILDREN  
AND FAMILY SERVICES



PERFORMANCE AUDIT SERVICES  
PROGRESS REPORT  
ISSUED SEPTEMBER 2, 2015

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

September 2, 2015

The Honorable John A. Alario, Jr.,  
President of the Senate  
The Honorable Charles E. "Chuck" Kleckley,  
Speaker of the House of Representatives

Dear Senator Alario and Representative Kleckley:

This report provides the results of our evaluation of the Department of Children and Family Services' (DCFS) progress in addressing the primary issues identified in the June 2012 performance audit on the Strategies to Empower People (STEP) Program. The specific issues we evaluated were whether DCFS has improved its oversight over the program to ensure transportation costs are reasonable and whether STEP participants met DCFS's employment target upon leaving the program.

Appendix A contains DCFS' response to this report. I hope this report will benefit you in your legislative decision-making process.

Sincerely,

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

DGP/aa

STEP FOLLOW-UP 2015



# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



## Strategies to Empower People Program Department of Children and Family Services

September 2015

Audit Control # 40150004

### Introduction

This report provides the results of our evaluation of the Department of Children and Family Services' (DCFS) progress toward addressing the two primary issues identified in the June 2012 performance audit of the Strategies to Empower People (STEP) Program.<sup>1</sup> All individuals receiving Family Independence Temporary Assistance Program (FITAP) benefits<sup>2</sup> who are work-eligible must participate in STEP-approved work activities (i.e., unsubsidized employment, vocational education, job search-readiness, etc.). DCFS helps STEP participants get to and from their work activities by providing transportation assistance.

The **STEP Program** provides opportunities for eligible families on cash assistance to receive job preparation, work, and support services to enable them to leave the program and become self-sufficient.

The two primary issues identified in our 2012 performance audit were:

- (1) DCFS did not sufficiently oversee the STEP program to ensure that transportation costs were reasonable. In fiscal year 2011, DCFS spent approximately \$5.5 million (62%) of its \$8.9 million budget on transportation for STEP participants. The audit found the rates DCFS paid to contracted transportation providers and to participants for use of their personal vehicles were higher than other states and state agencies.
- (2) The STEP program was not meeting its performance target of 40% of participants leaving the program with employment. In fiscal year 2011, only 25% of STEP participants were employed upon leaving the program.

Overall, we found that DCFS has either addressed or is in the process of addressing these two issues by making significant changes to the STEP program. First, DCFS has reduced transportation costs by 81%, from approximately \$5.5 million in fiscal year 2011 to just over \$1 million in fiscal year 2015. This reduction is due, in part, to offering participants a monthly \$100 stipend rather than contracting for transportation services and reimbursing mileage, as well as no longer providing transportation assistance after participants leave the program with employment. Fewer participants in the STEP program also contributed to decreased transportation costs. In addition, while DCFS still has not met its target of employment for STEP participants, it recently entered into a contract with the Louisiana Workforce Commission in an effort to improve its success in finding employment for STEP participants. Our specific results are discussed in the sections that follow.

<sup>1</sup> Our 2012 performance audit on STEP can be found on our website at [https://app.lla.state.la.us/PublicReports.nsf/7CD0151D6020A95986257A15004CC4C4/\\$FILE/0002AB40.pdf](https://app.lla.state.la.us/PublicReports.nsf/7CD0151D6020A95986257A15004CC4C4/$FILE/0002AB40.pdf)

<sup>2</sup> FITAP provides cash assistance to needy families with dependent children to help pay for basic needs.

## Issue 1: Has DCFS decreased transportation costs in the STEP program?

**DCFS has decreased transportation costs by 81%, from approximately \$5.5 million in fiscal year 2011 to approximately \$1 million in fiscal year 2015, in part, by making changes in how they provide transportation assistance.** Our 2012 audit found that DCFS provided the \$5.5 million in transportation assistance to STEP participants primarily through contracting with transportation providers and providing mileage reimbursements to STEP participants. This amount also included approximately \$1 million in transportation assistance (called post-FITAP payments) once participants left the program with employment and approximately \$162,000 for other transportation expenses, such as driver’s license renewal fees and car repairs.

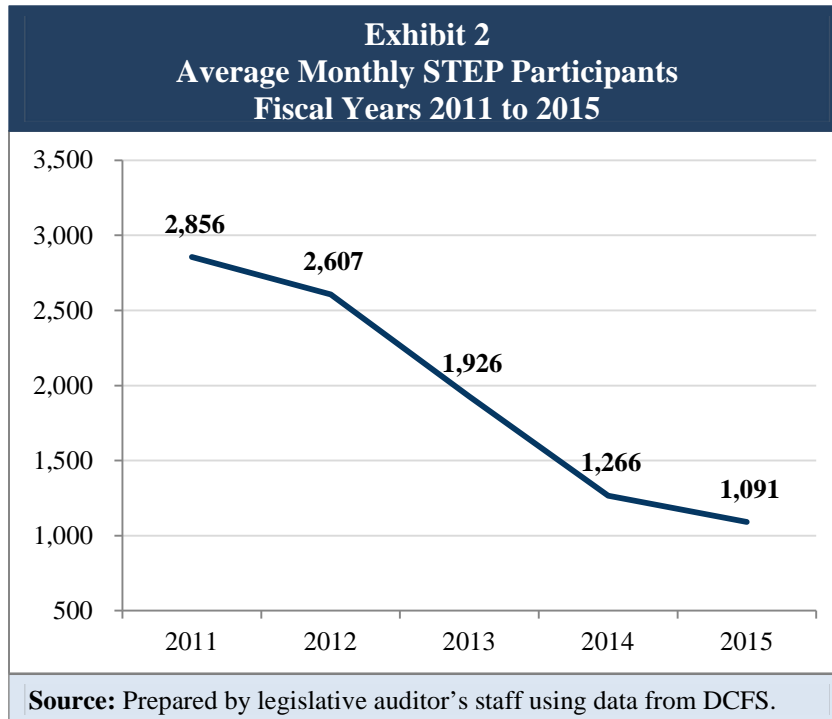
To decrease costs, DCFS eliminated the use of contracted providers and reimbursements to participants for mileage and began issuing a \$100 monthly transportation stipend beginning in October 2013 to STEP participants who actively participate in a work activity. The implementation of the monthly stipends streamlines and simplifies transportation services, as DCFS no longer has to select and monitor transportation providers or verify mileage reimbursement requests by participants. In addition, as of December 2011, DCFS no longer provides STEP participants with post-FITAP payments. These program changes have contributed to decreased transportation costs, as shown in Exhibit 1.

Exhibit 1					
STEP Transportation Costs					
Fiscal Years 2011-2015					
Type of Transportation Provided	2011*	2012	2013	2014	2015
Mileage Reimbursements	\$2,321,503	\$1,830,133	\$796,348	\$121,922	
Contracts	2,003,972	1,449,688	926,093	162,904	
Stipends**				774,800	\$1,007,000
Post-FITAP	999,885	427,351			
Supportive Service Transportation	162,346	108,498	28,454	16,091	12,987
Total	\$5,487,706	\$3,815,670	\$1,750,895	\$1,075,717	\$1,019,987
*This data was included in the June 2012 performance audit. **DCFS began issuing stipends in October 2013 (Fiscal Year 2014). <b>Source:</b> Prepared by legislative auditor’s staff using data from DCFS.					

**Fewer participants in STEP also contributed to decreased transportation costs.** The average monthly number of STEP participants eligible for transportation assistance has decreased by 62%, from 2,856 in fiscal year 2011 to 1,091 in fiscal year 2015. According to DCFS, there are several possible reasons for decreased participation including:

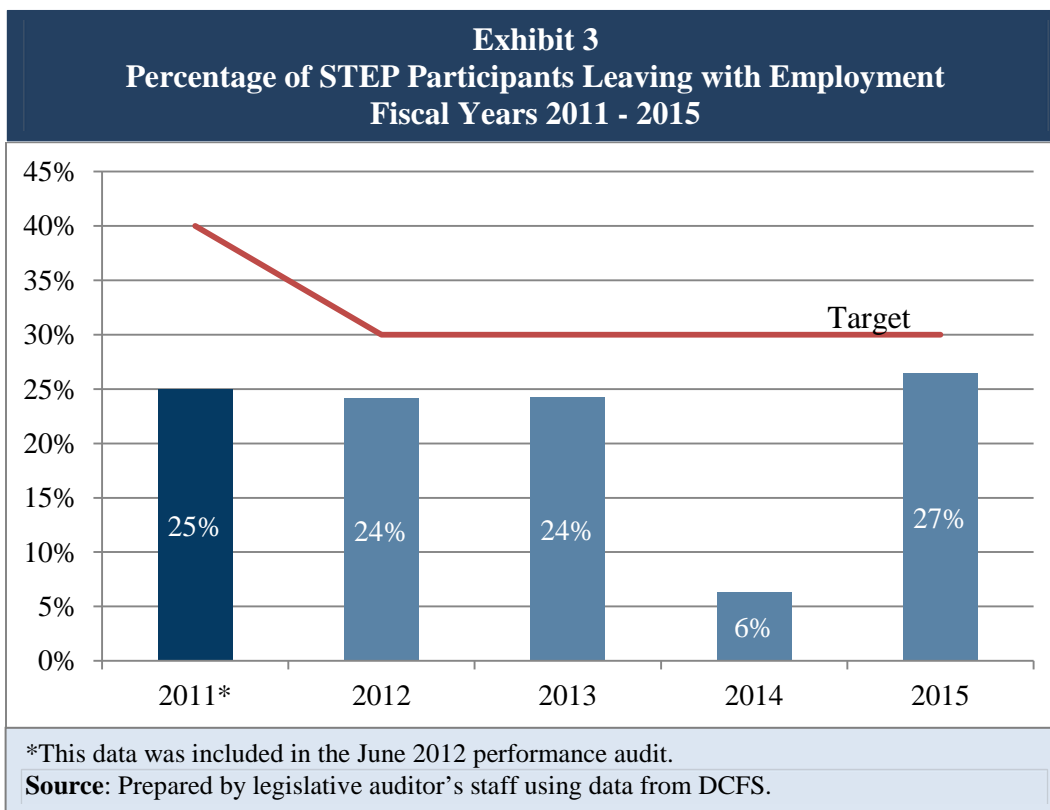
- The economy is improving, so fewer individuals need FITAP cash assistance;
- Participants may no longer be eligible because of federal time limits on FITAP cash assistance; and
- Individuals eligible for STEP may believe the amount of FITAP cash assistance is not sufficient, given the program’s work requirement.

Exhibit 2 shows the average monthly number of STEP participants eligible for transportation assistance.



## Issue 2: Has DCFS met its employment target for STEP participants?

**DCFS has still not achieved its employment goal for STEP participants leaving the program. However, the agency recently entered into a contract with the Louisiana Workforce Commission (LWC) to assist in job placement.** In the 2012 audit, we found that the STEP program was not achieving its target of 40% employment for participants leaving the program and recommended that DCFS evaluate why the program was no longer meeting this target. In fiscal year 2012, DCFS lowered its target to 30%. However, DCFS has not yet met this revised target, as shown in Exhibit 3.



In an effort to improve its success in finding employment for STEP participants, DCFS entered into an agreement, effective July 1, 2015, with LWC. LWC will provide STEP participants with case management services, which include identifying barriers to employment, developing employment plans, and ensuring participants are engaged in work activities. DCFS stated that a more immediate in-depth connection with LWC and the job market will increase the likelihood that STEP participants will leave the program with employment.



## **APPENDIX A: MANAGEMENT'S RESPONSE**





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Bobby Jindal, Governor  
Suzy Sonnier, Secretary

August 25, 2015

Daryl G. Purpera, CPA, CFE  
Legislative Auditor  
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P.O. Box 94397  
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Via Email: [dpurpera@lla.la.gov](mailto:dpurpera@lla.la.gov)

Attn: Krista Baker-Hernandez, MPP, CIA, CGAP, CRMA  
Manager, Performance Audit Services

RE: DCFS Strategies to Empower People (STEP) Program – Audit Control #40150004

Dear Mr. Purpera:

The following is submitted in response to the recent progress report on the June 2012 STEP Program performance audit. The Department of Children and Family Services (DCFS) recognizes the findings noted in this report, which indicates that DCFS has addressed or is in the process of addressing the audit by implementing changes to the STEP Program.

The progress report states that DCFS has reduced transportation costs in the STEP program by 81%. This reduction demonstrates DCFS' commitment to providing excellent service to its clients through the prudent use of federal funding.

The progress report also states that DCFS has increased employment participation for STEP participants and will further that goal through a partnership with the Louisiana Workforce Commission (LWC) effective July 2015. DCFS looks forward to continued positive employment outcomes for Louisiana citizens.

Please advise if additional clarification or information is required.

Sincerely,

Suzy Sonnier  
Secretary

cc: Kim Glapion-Bertrand, Deputy Secretary – Programs  
Sammy Guillory, Deputy Assistant Secretary – Programs  
Sharon Tucker, Deputy Secretary – Operations  
Sandra Broussard, Deputy Assistant Secretary – Operations  
Etta Harris, Undersecretary  
Charlie Dirks, Executive Counsel  
Benjamin Foster, Director – Bureau of Audit and Compliance Services





## APPENDIX B: SCOPE AND METHODOLOGY

Our evaluation focused on two primary issues identified in the June 2012 performance audit of the Department of Children and Family Services' (DCFS) oversight of the Strategies to Empower People (STEP) Program:

- (1) DCFS had not provided sufficient oversight over the STEP program to ensure that transportation costs were reasonable.
- (2) The program was no longer meeting its performance target of 40% of participants leaving the program with employment.

Because this is a progress report to determine if the agency has addressed previously identified issues, we did not follow generally-accepted *Government Auditing Standards*. Our review included fiscal years 2012 through 2015, but we also included fiscal year 2011 data from the previous report for comparison purposes. To determine if DCFS addressed the two identified issues, we performed the following:

- Obtained mileage reimbursement, contract, stipend, post- FITAP transportation assistance, and supportive service transportation data from DCFS. Calculated the cost of STEP transportation by transportation type based on this unaudited data.
- Obtained the number of STEP participants who were scheduled for a work activity and therefore eligible for STEP transportation.
- Interviewed DCFS staff to gain an understanding of the changes in the STEP program.
- Obtained the percentage of STEP participants who left the program with employment from the Louisiana Performance Accountability System.
- Obtained contract between DCFS and the Louisiana Workforce Commission regarding case management of the STEP program.