

Department of Children and Family Services

Strategies to Empower People (STEP) Program

Performance Audit Services - June 2012

Audit Control # 40110005



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Report Highlights

Why We Conducted This Audit

The purpose of the audit was to determine if the Department of Children and Family Services (DCFS) has established sufficient oversight over the Strategies to Empower People (STEP) program to ensure that transportation costs are reasonable and services are provided appropriately. We also evaluated whether STEP participants obtained employment upon leaving the program. DCFS administers and oversees the STEP program. The goal of the STEP program is to provide opportunities for work-eligible families of the Federal Independence Temporary Assistance Program (FITAP) to receive job training, employment, and supportive services, such as transportation to work activities, to enable them to become self-sufficient. During FY 2011, approximately \$5.4 million (61%) of the \$8.9 million in STEP program funds were used to provide transportation services through contracted transportation providers or through reimbursements to recipients.

STEP Program Statistics

FY 2011 Costs: \$8.9 million

Number of Recipients: 2,856

Percent of Total Costs Spent on
Transportation: 61%

What We Found

DCFS could have saved from \$3 to \$5 million in transportation costs over the last three years if its rates were comparable to other states and other state agencies.

- The rates DCFS paid to its contract providers are 62% higher than the rates these providers customarily charge the public for transportation and are 51% higher than what the Department of Health and Hospitals pays in the Non-Emergency Medical Transportation program.
- The reimbursements DCFS paid to STEP participants who use their own vehicle for transportation are higher than other states surveyed. During our audit period, the maximum monthly reimbursement was \$500. The average maximum monthly rate in other states surveyed was \$180.

DCFS did not provide sufficient oversight over the program to ensure transportation services and payments were supported with documentation.

- Analysis of a sample of cases showed that DCFS' records on transportation costs and services did not contain all necessary documentation to support transportation payments or, conversely, the files contained documentation that showed that transportation services were not needed and should not have been paid.
- Because DCFS does not review electronic payment data, approximately 584 recipients were paid high payment amounts for transportation even though they only had one day of service during that month.

Currently, the STEP program is not meeting its primary purpose because most STEP recipients do not obtain employment after leaving the program.

- The STEP program does not currently meet its primary goal of employment for participants. DCFS' target is for 40% of STEP participants to obtain employment. In FY 2008, 61% left the program with employment. However, in FY 2011, only 25% of STEP recipients left the program with employment.

Management did not agree with all elements of these findings. See management's full response in the report.

View the full report at lla.la.gov.

For more information, contact Karen LeBlanc, Performance Audit Manager, at 225-339-3800.