

U.S. Department of Labor

Office of Inspector General—Office of Audit

EMPLOYMENT AND TRAINING ADMINISTRATION



JOB CORPS NEEDS TO IMPROVE RELIABILITY OF PERFORMANCE METRICS AND RESULTS

Date Issued: September 30, 2011
Report Number: 26-11-004-03-370

BRIEFLY...

Highlights of Report Number **26-11-004-03-370**, issued to the Assistant Secretary, Employment and Training Administration.

WHY READ THE REPORT

The Department of Labor, Employment and Training Administration (ETA), oversees the Office of Job Corps (Job Corps), which administers and manages the Job Corps program. The program's mission is to help at-risk youth become more employable, responsible, and productive citizens.

Prior audit reports and evaluations conducted over the last 15 years cited concerns about the reliability of the metrics covering two key performance areas – job training match, which is used to measure how effectively participants are placed in jobs that match the training they received in Job Corps, and cost efficiency, which is used to measure program costs. Our audit confirmed these long-standing deficiencies persist.

Job Corps' budget for program years (PY) 2009 and 2010 totaled approximately \$3.39 billion (\$1.68 billion for PY 2009 and \$1.71 billion for PY 2010).

WHY OIG CONDUCTED THE AUDIT

We conducted the audit to address the following question:

To what extent does Job Corps have metrics in place to assess the program's performance?

Our scope covered Job Corps' performance metrics and outcomes for PY 2009 and the month of October 2010, and policies, procedures, and processes through March 7, 2011.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2011/26-11-004-03-370.pdf>.

SEPTEMBER 2011

JOB CORPS NEEDS TO IMPROVE RELIABILITY OF PERFORMANCE METRICS AND RESULTS

WHAT OIG FOUND

Our audit identified deficiencies with 22 of the 58 performance metrics. These deficiencies included reporting inaccurate results (9 metrics); not reporting results and/or establishing targets (4 metrics); and not publicly publishing required results as Job Corps asserted it would in response to our prior work on non-compliance with the Workforce Investment Act of 1998 (WIA) reporting requirements (19 metrics). For example, we found Job Corps overstated 42.3 percent (7,517) of 17,787 job training match placements it reported to comply with WIA for the periods reviewed. These overstatements included 3,226 (18.1 percent) matches where the jobs did not relate or poorly related to the students' training and 3,778 (21.2 percent) matches where students were enrolled in post-secondary education or training rather than jobs. The job training matches also included 1,569 placements in jobs that required little or no previous work-related skills, knowledge, or experience, such as fast food cooks and dishwashers that potentially could have been obtained without Job Corps training. Thus, we believe that if Job Corps improves oversight to better recruit, train, and place these students, an estimated \$61.18 million would be put to better use.

There were also problems with Job Corps' approach for calculating its cost efficiency metric, or cost per participant (\$26,551 for PY 2009). For example, the metric did not effectively measure performance. Additionally, our analysis of available Job Corps data showed alternate cost efficiency metrics, such as cost per student training slot utilized (\$37,880, if all slots are fully utilized) or job placement (\$76,574), could provide decision-makers with more reliable information to measure and manage the program's performance and costs.

WHAT OIG RECOMMENDED

The OIG recommended that ETA require Job Corps review and improve its performance metrics to provide decision-makers with useful and reliable information regarding the program's performance and costs; improve oversight of its service providers to increase the number of students who find employment that relate to and utilize the vocational training received; and develop a process to ensure work contracted for and conducted by consultants is managed appropriately.

The Assistant Secretary for Employment and Training did not completely agree with our conclusions, but fully concurred with one recommendation and partially concurred with two recommendations.

PAGE INTENTIONALLY LEFT BLANK

Table of Contents

Assistant Inspector General’s Report	1
Results In Brief	2
Objective 1 — To what extent does Job Corps have metrics in place to assess the program’s performance?	5
<i>Job Corps overstated the program’s job training match accomplishments and cost efficiency.</i>	<i>5</i>
Finding — Job Corps’ performance metrics did not always provide an accurate assessment of the program’s performance.	5
Recommendations	20
Exhibits	
Exhibit 1 Analysis of Job Corps’ 58 Performance Metrics	23
Exhibit 2 Job Corps Expenses for Prior and On-going Performance Measurement Evaluations	33
Appendices	
Appendix A Background	37
Appendix B Objectives, Scope, Methodology, and Criteria	39
Appendix C Terminology	45
Appendix D Acronyms and Abbreviations	51
Appendix E ETA Response to Draft Report.....	53
Appendix F Acknowledgements	61

PAGE INTENTIONALLY LEFT BLANK

U.S. Department of Labor

Office of Inspector General
Washington, D.C. 20210



September 30, 2011

Assistant Inspector General's Report

Ms. Jane Oates
Assistant Secretary
for Employment and Training
200 Constitution Avenue, NW
Washington, D.C. 20210

The Department of Labor (DOL), Employment and Training Administration (ETA), oversees the Office of Job Corps (Job Corps), which administers and manages the Job Corps program. This program's mission is to help at-risk youth become more employable, responsible, and productive citizens. The typical Job Corps student entering the program has not completed high school, reads slightly below the 8th grade level, has never had a full-time job, is between 16 and 24 years old, and is from an economically disadvantaged family. Given the significant academic, employability, and vocational barriers many Job Corps students face, Job Corps takes a holistic approach to education and training, assessing each student's needs and designing an individualized program or intervention to address those needs.

Job Corps' budget for program years (PY) 2009 and 2010 totaled approximately \$3.39 billion (\$1.68 billion for PY 2009 and \$1.71 billion for PY 2010). Job Corps relies on a complex performance management system consisting of 58 performance metrics to assess the program's effectiveness and meet mandated and internal accountability priorities. Over the last 15 years, the Government Accountability Office (GAO), the Office of Management and Budget (OMB), and a consultant hired by Job Corps itself have expressed long-standing concerns about the reliability of the metrics covering two key performance areas – job training match, which is used to measure how effectively participants are placed in jobs that match the training they received in Job Corps, and cost efficiency, which is used to measure program costs. Since 2007, DOL has spent \$1.46 million on consultants and an advisory committee to improve its performance metrics and outcomes, as well as other aspects of the program.

Our audit objective was to answer the following question:

To what extent does Job Corps have metrics in place to assess the program's performance?

Our scope covered Job Corps' performance metrics and outcomes for PY 2009 and the month of October 2010, and policies, procedures, and processes through

March 7, 2011. Our work was generally conducted at Job Corps headquarters in Washington, D.C.

To accomplish our objective, we interviewed Job Corps management officials and staff; interviewed program examiners at OMB to gain their feedback on Job Corps' compliance with certain OMB requirements; reviewed related GAO guidance and consulted with GAO management and senior analysts to gain GAO's perspective on performance measurement; reviewed applicable mandated and internal requirements; reviewed prior Office of Inspector General (OIG) and GAO audit reports and evaluations conducted by DOL consultants and Job Corps staff for prior deficiencies; assessed corrective actions and determined the impact on select performance results; analyzed Job Corps' performance metrics and corresponding results against key attributes for successful performance measures; determined related data applicable to our scope was sufficiently reliable to accomplish our audit objectives; and performed walkthroughs of select metrics and results.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our objective, scope, methodology and criteria are detailed in Appendix B.

RESULTS IN BRIEF

While Job Corps had 58 performance metrics in place (refer to Exhibit 1), these metrics did not always provide a clear and accurate assessment of the program's performance. In aggregate, we found reporting deficiencies with 22 of the 58 metrics; including 10 with multiple deficiencies. Specifically, Job Corps reported inaccurate results (9 metrics); did not report results and/or establish performance targets (4 metrics); or did not publish results and make them publicly available as asserted in its response to our March 2009 report on non-compliance with the Workforce Investment Act of 1998 (WIA) reporting requirements (19 metrics). Thus, Job Corps and other decision-makers (e.g., Congress, ETA) did not always have complete and accurate performance information on which to base effective decision-making.

Five of the nine metrics reported inaccurate accomplishments related to two key areas of performance – job training match (four) and cost efficiency (one). Prior audit reports and evaluations over the last 15 years expressed serious concerns about the reliability of the metrics covering these two areas. While we noted changes that supported an overall trend toward improvement, such as reducing the number of allowable broad placement categories (e.g., cashier, retail salespersons) that were considered matches for several vocations, reliability problems persist. For example, problems with how Job Corps calculated its job training matches led to an overstatement of 7,517 (42.3 percent) of its 17,787 matches reported to comply with WIA for the periods reviewed.

Specifically, 3,226 of these matches either did not relate or poorly related to the vocational training received (e.g., students trained in office administration placed in fast food restaurants); and another 4,291 matches that were enrollments in post-secondary education and training (3,778) and military enlistments (513), regardless of the students' vocational training and assigned duties.

The aggregate job training matches also included 1,569 placements in jobs that required little or no previous work-related skills, knowledge, or experience, such as fast food cooks and cashiers, janitors, and dishwashers that potentially could have been obtained without Job Corps training. While Job Corps may have helped these students become more employable and responsible, the final outcome – placements in jobs the students potentially could have obtained without Job Corps training – was not the best result the program could have achieved.

In addition, there were numerous problems with Job Corps' approach for calculating its cost efficiency metric, or cost per participant (\$26,551 for PY 2009), which Job Corps derived by dividing a portion of its appropriated expenses by the number of new participants over the course of a program year. The metric did not reflect outcomes such as job placement or training completion; excluded program administration expenses; and could inaccurately show acceptable or improved performance when program performance is actually declining. For example, increases in new participants due to a higher number of drop-outs would inaccurately reflect improvements in Job Corps' cost efficiency results because costs per participant would decrease. In response to concerns raised by OMB in 2007, Job Corps acknowledged this metric was inadequate because it was not linked to performance outcomes and indicated it would adopt efficiency metrics by September 2009 that would link to performance outcomes and account for all costs. However, Job Corps has not modified its approach and continues to use cost per participant to measure efficiency. Job Corps also told us it did not use this metric to make performance or outcome decisions, despite being provided to Congress in Job Corps' Congressional Budget Justifications for fiscal years 2009 – 2012. Our analysis of available Job Corps data showed many alternate cost efficiency metrics based on planned enrollment or outcomes, such as cost per training slot utilized (\$37,880, if all slots are fully utilized), successful outcome (\$42,952), or job placement (\$76,574), could provide decision-makers with more reliable information to measure and manage the program's performance and costs.¹

Since 2007, DOL has spent \$1.46 million on consultants and an advisory committee to improve Job Corps' performance metrics and outcomes, as well as other aspects of the program. However, many of these concerns persist because Job Corps did not place sufficient emphasis to implement the necessary improvements to more effectively assess the program's performance. For example, Job Corps did not accept its consultant's cost efficiency recommendations, which would have addressed some of our related concerns.

¹Calculations based on Job Corps data for PY 2009.

In total, we identified \$61.18 million in funds that would be put to better use if Job Corps improves oversight to more effectively recruit, train, and place these students. This included \$1.65 million Job Corps would pay the contracted service providers to place students in jobs that relate to the vocational training received² and \$59.53 million Job Corps would spend on students obtaining jobs as a result of the recruiting, training, and placement efforts provided by Job Corps.³

We recommend the Assistant Secretary for Employment and Training require Job Corps to (1) review and improve its performance metrics to provide decision-makers with useful and reliable information regarding the program's performance and costs, which includes ensuring metrics are complete and accurate, comply with WIA, and have reported results and established targets; (2) improve oversight of its service providers to increase the number of students who find employment that relate to and utilize the vocational training received; and (3) develop a process to ensure the scope of work contracted for and conducted by consultants is managed appropriately.

ETA RESPONSE

In response to our draft report, ETA stated it will take responsibility for the job training matches found to be invalid and will assess liquidated damages to the responsible contractors. However, ETA did not agree with our conclusions related to automatically counting military enlistments and educational enrollments as job training matches; placing students in jobs that required little or no training; developing and using alternate cost efficiency metrics; managing its consultants more appropriately; and overall calculation of funds put to better use.

OIG CONCLUSION

We revised our estimate of funds put to better use for students placed in jobs that required little or no training as recommended by Job Corps. Our estimate is based on the liquidated damages amount of (\$750) specified in Job Corps' PRH for invalid placements. With the exception of this revision, ETA did not provide any new information that changed the conclusions stated in the report.

²Calculation of \$1.65 million did not include overstated match placements in jobs that required little or no previous work-related skills, knowledge, or experience. See footnotes 14 and 15 for details.

³Calculation of \$59.53 million (1,569 x \$37,941) derived by multiplying 1,569 placements by the cost per training slot utilized (\$37,941 if all slots are fully utilized). See footnote 17 for additional details.

RESULTS AND FINDINGS

Objective 1 — To what extent does Job Corps have metrics in place to assess the program's performance?

Job Corps overstated the program's job training match accomplishments and cost efficiency.

Finding — Job Corps' performance metrics did not always provide an accurate assessment of the program's performance.

Our audit identified deficiencies with 22 of the 58 performance metrics. These deficiencies included reporting inaccurate results (9 metrics); not reporting results and/or establishing targets (4 metrics); and not publicly publishing WIA-required results as Job Corps asserted it would in response to our prior work (19 metrics). In addition, prior audit reports and evaluations conducted over the last 15 years cited concerns about the reliability of the metrics covering two key performance areas – job training match and cost efficiency. Our audit confirmed these long-standing deficiencies persist.

Job Corps established and uses a complex performance management system to meet mandated and internal accountability priorities and to assess the program's effectiveness. The system consists of 58 metrics developed to address multiple performance reporting requirements mandated by WIA, the Government Performance and Results Act of 1993 (GPRA), OMB, the Common Measures, DOL, and Job Corps. These various requirements and corresponding metrics provide the basis for assessing the program's performance and effectiveness, and establish accountability for achieving results, such as placements in employment, cost efficiency, and attainment of a high school diploma (HSD) or general educational development (GED) certificate. See Exhibit 1 and Appendix A for details. Job Corps uses metric results to assess the performance of Job Corps center operators and contracted service providers, which impact decisions about contract awards and renewals, incentive fees, and performance bonuses.

We analyzed Job Corps' 58 performance metrics to determine if they met certain attributes that GAO cited as key to successful performance measures. The attributes were:

- **Linkage to Goals.** Metric was aligned with agency and program mission and goals.⁴
- **Complete and Accurate Results.** Metric, by design, was consistent with mandated or internal performance measure requirements and produced the appropriate results. To address prior concerns related to Job Corps' job training

⁴GAO, GAO 03-143 (Washington, D.C.: November 2002).

match and cost efficiency metrics, we also tested the data reliability of select performance outcomes related to these metrics.⁵

- Target and Reported Results. Metric had a specific target and reported results that were quantifiable and measurable to fully evaluate progress toward expected performance.⁶

Of the 58 metrics, 25 were required by WIA. We tested these 25 WIA-required metrics to determine whether the performance results were published and publicly available as asserted by Job Corps in response to our prior work.⁷

22 of 58 Performance Metrics Had Deficiencies

In aggregate, we found all 58 performance metrics were linked or aligned with DOL and Job Corps' mission and goals. However, 22 metrics had reporting deficiencies, which included 9 metrics with inaccurate results. These nine metrics had inaccurate results because the metrics, by design, did not measure the required performance areas as mandated by WIA or OMB and therefore, did not produce the appropriate results. For metrics to be effective, they must be properly defined and correctly measured. None of these nine metrics met all of these criteria. See Exhibit 1 for details. Five of these nine metrics related to job training match (four) and cost efficiency (one).

Known Deficiencies Concerning the Reliability of Job Corps' Job Training Match and Cost Efficiency Metrics Persisted for Years

Over the last 15 years, GAO, OMB, and a consultant hired by Job Corps have expressed long-standing concerns about the reliability of the metrics covering two key performance areas – job training match and cost efficiency. For job training match, WIA requires Job Corps to measure and report how effectively participants are placed in jobs that match the vocational training they received in Job Corps. In 1997, GAO reported the program's job training match metrics were flawed because performance results included jobs that (1) did not relate, or poorly related, to the training received or (2) required relatively little training to perform ranging from a short demonstration to one month of instruction.⁸ In 1998, GAO also questioned Job Corps' policy for counting any participant that enlisted in the military as a successful job training match, regardless of the student's vocational training and assigned duties.⁹

In addition, since 2007, OMB,¹⁰ a contractor hired by Job Corps,¹¹ and GAO¹² raised concerns about the limitations of Job Corps use of cost per participant to measure cost

⁵GAO, GAO/GGD-96-118 (Washington, D.C.: June 1996).

⁶GAO, GAO 03-143 (Washington, D.C.: November 2002).

⁷DOL OIG, Report No. 04-09-003-01-370 (Washington, D.C.: March 2009).

⁸GAO, GAO/HEHS-98-1 (Washington, D.C.: October 1997).

⁹GAO, GAO/HEHS-99-15 (Washington, D.C.: November 1998).

¹⁰OMB, Program Assessment Rating Tool (PART): Job Corps (2007).

¹¹HeiTech Services, Inc., *Job Corps Cost Measure: Selecting a Cost Measure to Assess Program Results*, Contract No. DOLJ079625486, (December 2008).

¹²GAO, GAO-10-394 (Washington, D.C.: May 2010).

efficiency and recommended the use of cost efficiency metrics that link performance outcomes (e.g., placements in employment or post-secondary education or training) to actual, total program costs rather than select appropriated funding. While Job Corps has taken steps to improve its job training matches and explore alternate cost efficiency metrics, our work found these concerns persist, and Job Corps continues to use cost per participant to measure the program's cost efficiency.

18.1 Percent of Job Training Matches Included Jobs That Did Not Relate or Poorly Related to Training

To address long-standing concerns raised by GAO, Job Corps changed several policies and procedures over the years to improve its job training match crosswalk – criteria used to determine training-related placements – and enhance its overall credibility. These changes included improving the linkage between Job Corps' crosswalk and the Occupational Information Network's Standard Occupational Classification systems (O*NET-SOC), a database of occupational requirements and worker attributes, maintained by ETA. O*NET-SOC is the recognized standard for occupational information and describes occupations in terms of the skills and knowledge required; how the work is performed; and typical work settings. Between 2008 and 2010, Job Corps worked in consort with ETA to improve the linkage between training, placements, and O*NET-SOC, and issued a revised crosswalk in October 2010. According to Job Corps, the 2010 crosswalk substantially improved the fundamental linkage between training and placement by (1) categorizing training and job activities and (2) recreating the entire crosswalk from the ground up. In addition, Job Corps told us the 2010 crosswalk fixed the broad placement categories, such as cashier and retail salespersons, that were considered matches for several unrelated vocations.

As part of our testing, we reviewed Job Corps' crosswalk and related policies, metrics, and outcomes for PY 2009 and the month of October 2010 to determine whether Job Corps had taken the necessary corrective actions to address prior audit deficiencies and the validity of its job training match placements reported for these periods. See Appendix B for a detailed description of our audit methodology. While we noted crosswalk changes that supported an overall trend toward improvement, the improvements were less significant than Job Corps described. For example, Job Corps reduced the number of broad placement categories in its 2010 crosswalk, but continued to allow placements as stock clerks (sales floor) or parts salespersons to be broadly used for any vocation, including culinary and nursing. Job Corps acknowledged the data integrity risks associated with these two broad job placement categories and told us it was developing software enhancements to limit the likelihood of inaccurate matches. In addition, Job Corps continued to allow matches that were questioned 15 years ago by GAO such as auto repair students placed as car detailers or car washers and hotel/motel service industry students placed as ticket sellers at movie theaters. Other matches considered acceptable in the 2009 and 2010 crosswalks included:

- Culinary students placed as pest control workers, funeral attendants, baggage porters, concierges, tour guides, telemarketers, cashiers, telephone operators, financial examiners, accounting clerks, and file clerks (PY 2009).
- Nurse assistant and pharmacy technician students placed as cashiers, telephone operators, tax preparers, real estate agents, couriers, file clerks, and reservation and transportation ticket agents (PY 2009).
- Solar energy and weatherization students placed as janitors and pest control workers (October 2010).

In verifying the data reliability of Job Corps job training match outcomes, we reviewed the database records for all 17,787 reported matches for PY 2009 (16,234) and October 2010 (1,553). We determined whether each student's vocational training appropriately related to their job placements in accordance with WIA. We based our determination on the student's place of employment and job position, and duties (when available), regardless of whether the matches were considered acceptable by Job Corps' crosswalks. For example, we considered nursing assistant students employed as medical assistants, home health aides, or registered nurses appropriate job training matches (included in the 2009 and 2010 crosswalks). However, we questioned the matches such as the ones described above. As a result, we found 3,226 (18.1 percent) overstated matches for both periods where the jobs did not relate or poorly related to the students' training.¹³ These included:

- Non-culinary students, including office administration, medical office, and construction students, placed at fast food employers, such as McDonald's, Burger King, and Wendy's as crew persons, cashiers, or customer service. This accounted for 326 (PY 2009) and 20 (October 2010) matches.
- Non-retail students, including office administration, culinary, automobile technician, and nurse assistant students, placed as sales persons, stockers, or laborers at Walmart. This accounted for 113 (PY 2009) and 28 (October 2010) matches.
- Various students, including culinary, nurse assistant and medical office support, placed at the United States Census as enumerators, clerks, and crew. This accounted for 17 matches (PY 2009).

¹³These placements were based upon our representative simple random sample that was estimated with 95 percent confidence and assuming the highest variance in the populations.

Table 1 below summarizes our test results and the specific training areas impacted.

Table 1: Number of Job Placements That Did Not Relate or Poorly Related to Training			
	PY 2009	October 2010	Total
Reported Job Training Matches	16,234	1,553	17,787
Vocational Training Received	Not Related or Poorly Related Placements		
1) Office Administration	907	83	990
2) Construction ^a	782	70	852
3) Culinary Arts	269	15	284
4) Medical Office Support	321	25	346
5) Nurse Assistant	139	16	155
6) Automobile Technician ^a	101	6	107
7) Material Handling and Distribution	83	3	86
8) Retail Sales	58	1	59
9) Pharmacy Technician	54	11	65
10) Hotel and Lodging	53	6	59
11) Accounting	50	1	51
12) Heavy Equipment Operations ^a	49	12	61
13) Facilities Maintenance	36	15	51
14) Security and Protective	21	9	30
15) Forestry Conservation ^a	9	0	9
16) Landscaping	5	0	5
17) Dentist Assistant	4	1	5
18) Computer Technician	4	7	11
Totals	2,945	281	3,226
Percentage of Job Placements That Did Not Relate or Poorly Related to Training	18.1	18.1	18.1

Source: OIG analysis of Job Corps job training match data.

^aFor purposes of this table:

- construction included asphalt paving, bricklayer, carpentry, cement masonry, electrical, floor covering, overhead line construction, painter, plaster, plumber, sign and billboard, tile setting, and welding students;
- automobile technician included auto parts, collision repair and general service technician students;
- heavy equipment operations included heavy truck driving, machine repair and roustabout students; and
- forestry conservation included urban forestry and conservation firefighting students.

On average, Job Corps spent an estimated \$1,196 per student on career transition services (CTS) to help these students find and retain jobs that matched their training.¹⁴ Given the results, we believe the \$1.65 million spent on these efforts would be put to better use if Job Corps improves oversight of its CTS to more effectively place the students.¹⁵

Job Corps indicated its job training match metrics were in compliance and consistent with WIA, but acknowledged that job training matches may have been overstated, just not to the extent OIG identified. In response, Job Corps told us it recently installed other system mechanisms to hold career transition services providers more accountable for genuine job training match placement, such as requiring them to attest, in writing, to the validity of each job training match credit. Job Corps said it would convene a workgroup to further improve the career transition services system. Job Corps indicated it will take responsibility for any invalid matches and take steps to correct them, assess liquidated damages to applicable career transition services agencies, and prevent future occurrences.

Automatic Inclusions for Military Enlistments and Post-Secondary Education/Training Enrollments Overstated Job Training Match Placements by 3.9 Percent and 21.2 Percent Respectively

In addition, Job Corps continued to automatically count all military enlistments as job training matches without regard to the students' vocational training and assigned duties, even though GAO questioned this practice in 1998. According to Job Corps, military enlistments were captured as automatic matches as early as 1992. In 2007, Job Corps further expanded the job training match metrics to automatically count non-jobs (i.e., enrollments in post-secondary education or training) in response to recommendations from the Secretary's Advisory Committee on Job Corps, an advisory committee formed by the Secretary of Labor to provide advice and recommendations related to policies, legislation, and regulations related to Job Corps. Concerned that the job training match metrics created a disincentive for some centers to place students forward to advanced training or other more beneficial placements, the committee recommended Job Corps incentivize job training match to include rewards for advanced training, post-secondary placement or additional training that might lead to higher wage employment. Job Corps indicated that the inclusion of both military and educational placements is consistent with Job Corps' overall teaching and learning approach because these placements present students with a broad range of career, not just job, options that lead to long-

¹⁴Calculation of \$1,196 per student (\$53.38 million/44,636) is the result of dividing the total CTS expenses in the amount of \$53.38 million by the total number of students in Job Corps placement pool for PY 2009 (44,636). Expenses and number eligible graduates and former enrollees for October 2010 were not available. Numbers may not add up exactly due to rounding.

¹⁵Job Corps indicated that the estimate of \$1,196 did not account for all of the services provided beyond placements, such as identifying housing and other forms of assistance. As recommended by Job Corps, we used the liquidated damages amount of (\$750) to calculate the funds put to better use as specified in Job Corps' Policy and Requirements Handbook (PRH) for invalid placements. While we do not consider these placements to be invalid, we agreed to use this lower amount to calculate the funds put to better use. The calculation of \$1.65 million (2,194 x \$750) did not include overstated match placements in jobs that required little or no previous work-related skills, knowledge, or experience (1,032) and is the product of 2,194 (3,226 – 1,032) multiplied by \$750.

term, stable employment with self-sustaining wages. While Job Corps' broad interpretations of job training matches acknowledge the various pathways to gaining employment and the depth of the program's training, it strays from WIA by automatically counting military enlistments and non-jobs without showing how these placements match the training the students received. Moreover, Job Corps has other metrics which include placements in military and education. Including these placements in the job training match metrics overstates Job Corps' performance and dilutes the value of the metrics. These deficiencies were found in Job Corps' crosswalk, policies, and related outcomes for both of the periods reviewed and accounted an aggregate of 513 (3.9 percent) military enlistments and 3,778 (21.2 percent) placements in non-jobs (post-secondary education and training).

Overall, we found Job Corps overstated 42.3 percent (7,517) of its 17,787 job training matches reported to comply with WIA for both PY 2009 and October 2010. See Table 2 below.

Table 2: Job Training Matches Overstated by 42.3 Percent

	PY 2009	October 2010	Totals (%)
Reported Job Training Matches	16,234	1,553	17,787 (100)
Overstated Job Training Matches			
1) Job placements that did not relate or poorly related to training received.....	2,945	281	3,226 (18.1)
2) Automatic placements			
Military enlistments.....	469	44	513 (3.9)
Post-secondary education and training enrollments.....	3,368	410	3,778 (21.2)
Subtotals	3,837	454	4,291 (24.1)
Totals	6,782	735	7,517 (42.3)

Source: OIG analysis of Job Corps job training match data.

Placements in Jobs Requiring Relatively Little Training to Perform Resulted in Poor Job Training Matches

Job Corps continued to report training-related matches for job placements that required relatively little training to perform even though this practice was questioned by GAO 15 years ago. Job Corps criteria and related outcomes included 42 occupations that O*NET-SOC, upon which the crosswalk was based, identified as needing little or no previous work-related skill, knowledge, or experience to perform. According to O*NET-SOC, the average training time for employees in these occupations ranged from a few days (short demonstration) to three months.¹⁶ In comparison, graduates, who account

¹⁶The occupational categories GAO questioned in 1997 required up to one month of training. Similar categories used in the crosswalks we reviewed indicated up to three months of training.

for all job training matches, stay an average of 12 months at a cost of approximately \$37,941 per student training slot, if fully utilized.¹⁷ This raises the concern that a number of Job Corps students potentially could have obtained some of these jobs without Job Corps training.

According to Job Corps, these classifications were written with the average American worker in mind, not those from disadvantage backgrounds. The typical Job Corps student entering the program has not completed high school, reads slightly below the 8th grade level, has never had a full-time job, is between 16 and 24 years old, and is from an economically disadvantaged family. Given the significant academic, employability, and vocational barriers many Job Corps students face, we reduced the 42 occupations classified by O*NET-SOC to 15 occupations we determined needed the least amount of training to perform. These 15 occupations included fast food cooks, janitors, vehicle cleaners, dishwashers, and parking lot attendants. In aggregate, 1,569 students were placed in these jobs that potentially could have been obtained without Job Corps training.¹⁸ Incidentally, jobs at fast food restaurants accounted for over one-third or 37.3 percent of these placements.¹⁹ The specific occupations and the impact on placements for PY 2009 and October 2010 are summarized in Table 3 on the following page.

¹⁷The average cost per training slot for both periods totaled \$37,941 $((\$37,880 + \$38,002)/2)$. The cost per training slot totaled \$37,880 $(\$1,683,938,000 \text{ budgeted appropriations}/44,455 \text{ budgeted training slots})$ for PY 2009 and \$38,002 $(\$1,708,205,000/44,950 \text{ budgeted training slots})$ for October 2010.

¹⁸These placements were based upon our representative simple random sample that was estimated with 95 percent confidence and assuming the highest variance in the populations.

¹⁹This amount was calculated by dividing the total number of fast food cooks (476) and fast food cashiers (110) by these placements (1,569).

Table 3: Placements in Jobs That Could Have Been Obtained Without Job Corps Training^a

Occupation	Vocational Training												Total
	Office Administration ^b	Culinary Arts	Construction ^b	Facilities Maintenance	Medical Office Support ^b	Automobile Technician	Material Handling	Retail Sales	Nurse Assistant	Hotel and Lodging	Heavy Equip. Operations ^b	Security	
1. Fast Food Cook ^c	124	223	35	18	32	9	2	16	7	8	2	-	476
Fast Food Cashier ^c	71	17	2	1	14	-	-	3	2	-	-	-	110
2. Stock Clerk (Stockroom)	151	1	5	-	46	28	40	4	4	-	1	-	280
3. Stock Clerk (Sales Floor)	24	12	164	16	22	6	2	1	12	2	8	7	276
4. Janitor	5	8	9	124	1	1	1	-	-	2	1	-	152
5. Counter Attendant ^c	17	46	6	4	4	-	-	3	-	-	-	-	80
Counter Attendant Cashier ^c	22	7	-	-	1	-	-	-	-	-	-	-	30
6. Dishwasher	1	42	3	4	-	-	-	2	-	2	-	-	54
7. Host	7	16	-	-	2	-	-	1	4	3	-	-	33
8. Recreation Attendant	4	8	-	-	1	1	-	2	-	1	-	-	17
9. Cleaners of Vehicles	3	1	3	2	-	4	2	2	-	-	-	-	17
10. Parking Lot Attendants	8	4	-	1	2	-	-	-	-	2	-	-	17
11. Service Station Attendant	2	-	3	1	-	6	-	-	-	1	-	-	13
12. Farm Workers	-	-	2	1	-	-	-	-	-	-	4	-	7
13. Usher	1	1	1	-	-	-	-	1	-	-	-	-	4
14. Locker Room Attendant	1	1	-	-	-	-	-	-	-	-	-	-	2
15. Crossing Guard	-	-	-	-	-	-	-	-	-	-	-	1	1
Totals	441	387	233	172	125	55	47	35	29	21	16	8	1,569

Source: OIG analysis of Job Corps job training match data.

^aThese placements also include 1,032 placements that did not relate or poorly related to the training received and are accounted for in Tables 1 and 2 above.

^bFor purposes of this table:

- office administration also included accounting services, computer networking, computer technician and visual communication students;
- construction also included bricklaying, carpentry, cement masonry, electrical, floor covering, heating ventilation and air conditioning, landscaping, painting, plasterer, plumbing, tile setting, urban forestry and welding students;
- medical office also included clinical medical assistant, dentist assistant and pharmacy technician students; and
- heavy equipment operations includes students completing vocational training of heavy truck driving, manufacturing and machining.

^cFor purposes of our testing, we broke out two categories – fast food cook and counter attendant – to account for related cashier placements (e.g., cashier at a fast food restaurant).

Job Corps acknowledged these were not ideal placements, but stated that achieving and maintaining a basic entry level job at the end of the Job Corps experience is a crowning achievement for most students, particularly in a labor market of high unemployment as has been the case for the past several years. While we recognize that Job Corps efforts may have helped these students become more employable and responsible, and in some instances placed students in jobs related to the training received (e.g., culinary students at fast food restaurants), the final outcome – placements in jobs the students potentially could have obtained without Job Corps training – was not the best result the program could have achieved. Thus, we believe the funds expended for these students' training slots, which in aggregate cost an estimated \$59.53 million (1,569 x \$37,941) would be put to better use if Job Corps improves oversight to more effectively recruit, train, and place these students.

As such, the job training match metric did not provide Job Corps and other decision-makers (e.g., Congress, ETA) with reliable performance information to determine how effectively Job Corps placed students in jobs that matched the vocational training they received and to determine where Job Corps needs to improve to achieve desired outcomes. Additionally, these results are used to assess and rank the performance of Job Corps center operators and contracted service providers on performance report cards which impact incentive fee, performance bonus, and contract renewal decisions. Job training match performance accounts for 10 percent of the overall report card rating for contracted service providers that place students and 5 percent for center operators.

Cost Efficiency Metric Did Not Reflect Outcomes and Overstated Cost Efficiency

There were numerous problems with Job Corps' approach for calculating its cost efficiency metric, or cost per participant (\$26,551 for PY 2009), which Job Corps derived by dividing a portion of its appropriated funds by the number of new enrollees over the course of a program year. The metric did not reflect outcomes (e.g., job placement, HSD or GED attainment, training completion); excluded program administration expenses (\$28.66 million for PY 2009); and could inaccurately show acceptable or improved performance when program performance is actually declining. For example, increases in new enrollees due to a higher number of drop-outs would inaccurately reflect improvements in Job Corps' cost efficiency results and lower costs per participant. Even though the metric is consistent with ETA's guidance for reporting cost efficiency, OMB, consultants hired by Job Corps and ETA, and GAO have all cited the limitations of using cost per participant to measure cost efficiency as early as 2007 and recommended the use of alternate metrics that link performance outcomes to actual program costs. Given some of these limitations, Job Corps told us the metric, while used for resource, contract management and budget decisions, was not used to make performance or outcome decisions, despite being provided to Congress in Job Corps' Congressional Budget Justifications for fiscal years 2009 – 2012. For FYs 2010 and 2011, Job Corps reported PY 2009 cost efficiency, or cost per participant, totaled \$26,551. These results were based on appropriated operation and construction funds of \$1.66 billion and 62,344 estimated new enrollees for PY 2009.²⁰ The results did not include Job Corps \$28.66 million in appropriated program administration funds that were used to pay for Federal staff in Job Corps National Office that are responsible for program accountability and assessment and monitoring of contractor performance, including data integrity and financial accountability.

In 2007, OMB reported that Job Corps' efficiency metric was inadequate because it was not linked to performance outcomes. Job Corps concurred and indicated it would adopt efficiency metrics that link to performance outcomes, account for all costs, and facilitate comparisons across DOL training and employment programs by September 2009. To address these concerns, Job Corps contracted with a technical expert who recommended Job Corps use a cost per successful outcome efficiency metric based on the program's positive performance outcomes, such as graduation, job placement, and

²⁰Congressional Budget Justification, ETA, Job Corps (FY 2010 and 2011).

educational attainment; and actual operating, construction, and direct administration costs (rather than appropriations or obligations). Additionally, an ETA-commissioned study to help develop outcome-based efficiency metrics for 11 ETA-administered employment and training programs, excluding Job Corps, similarly noted the limited usefulness of cost per participant efficiency metrics and recommended the implementation of outcome-based efficiency metrics that reflect Common Measures performance outcomes and actual program costs in 2010.²¹ Among the efficiency metrics recommended for consideration were cost per placement in employment or education, cost per retained employment, and cost per post-program (average) earnings.²² In 2010, GAO indicated that appropriations or obligations may not represent the resources actually used to produce a program's outcomes in that given year and cited Job Corps as an example of a program that used incomplete cost data in its efficiency measure.

While both Job Corps and ETA's consultants recommended alternate cost efficiency metrics, they also cautioned against hasty implementation, as well as against comparisons with other employment and training programs because of varying objectives, different target populations, and different cost structures. We also recognize the challenge of developing efficiency metrics to measure and improve program performance. As such, Job Corps had several options for alternate cost efficiency metrics to better measure and manage the program's performance and costs. Many of the options considered enrollment, outcome, and cost data that were already being collected. Examples using Job Corps PY 2009 data included:²³

- *Cost per student training slot utilized (\$37,880).* Student training slots represent the program's planned capacity and the maximum number of students that can be enrolled in Job Corps at any given time during the program year. Throughout the year, multiple students can occupy one slot. However, only one student can occupy a slot at a time. This metric provides an assessment of cost relative to Job Corps ability to operate at full capacity. When Job Corps' enrollment efforts result in decreasing slot utilization, the cost per student training slot utilized increases, indicating a drop in performance. For PY 2009, an estimated 62,344 students were enrolled, but only 44,455 training slots were available, meaning each slot was occupied by 1.4 students. Total program funding equaled \$1.68 billion. As a result, the cost per slot for PY 2009, if fully utilized, averaged \$37,880 (\$1.68 billion/44,455 slots).²⁴
- *Cost per successful performance outcome (\$42,952).* Cost per successful, outcome-based measure was an option suggested by the commissioned studies

²¹Job Corps was not included because it was not part of ETA during the period of the study. However, four other DOL WIA programs were included.

²²Capital Research Corporation and Johns Hopkins University Institute for Policy Studies, *Implementing Efficiency Measures for Employment and Training Programs*, Contract No. DOLJ061A20363 (May 2010).

²³The breakdown of Job Corps actual operations, construction, and administration costs for PY 2009 was not available during our fieldwork. As a result, we used Job Corps appropriated funding for PY 2009 for each of these areas as provided in Job Corps' Congressional Budget Justifications (FY 2010 and 2011).

²⁴Calculation was based on PY 2009 data provided in Job Corps' Congressional Budget Justifications for FY 2010 and 2011. Numbers do not add exactly due to rounding.

cited above that considered and linked certain Common Measure outcomes, such as former enrollees who were placed in a job; the military; or post-secondary education or training and total program graduates to total program costs.²⁵ For PY 2009, there were 5,036 former enrollee placements and 34,169 graduates. Total program funding equaled \$1.68 billion. As a result, the cost per these successful outcomes averaged \$42,952 (\$1.68 billion/(5,036 former enrollee placements + 34,169 graduates)).²⁶

- *Cost per single Common Measure performance outcome (\$76,574).* A third option links a single Common Measure performance outcome, such as job placement, regardless of job training match, to total program costs. For PY 2009, there were 21,991 job placements. Total program funding equaled \$1.68 billion. As a result, the cost per job placement averaged \$76,574 (\$1.68 billion/21,991 job placements).²⁷

Despite the conclusions and recommendations cited by OMB, GAO, and consultants hired by both Job Corps and ETA, Job Corps has not modified its approach for calculating cost efficiency and continues to use the cost per participant metric. Job Corps did not agree that alternate metrics would provide a better indication of the program's ability to manage costs. Job Corps asserted that its cost per participant metric was designed to express the level of resources dedicated to providing each student with academic, career technical training, and post-enrollment services; and that using a cost per utilized training slot metric would distort cost efficiency. In addition, Job Corps indicated it appropriately excluded program administration costs and used appropriations in its metric calculations because administration funding was ancillary to the delivery of services to students and 100 percent of appropriations were inevitably obligated and outlayed. Furthermore, Job Corps asserted the use of performance data in cost efficiency metrics significantly distorts the program's use of resources. For example, a cost per successful outcome metric would only consider the costs and not the actual services, such as job search assistance that Job Corps is legislatively mandated to provide students who are not placed in a job or post-secondary education. While we acknowledge such services would not be reflected in this metric, the program's effectiveness is currently assessed based on its ability to achieve certain performance outcomes as defined by WIA, the Common Measures, and OMB (e.g., employment, education, and job training match placements). Therefore, we affirm the value in knowing the costs associated with these outcomes. As such, Job Corps did not provide any additional information to cause us to change our conclusions.

²⁵WIA defined former enrollees as individuals who enrolled in Job Corps, but left before completing their vocational training, or attaining a HSD or GED, as a result of participation in the Job Corps program. Graduates are defined as individuals who enrolled in Job Corps and completed their vocational training, or attained a HSD or GED, as a result of participation in the Job Corps program. Job Corps limited the WIA definition to include only those individuals who met these requirements; stayed in the program 60 or more days; and did not separate for violating Job Corps' Zero Tolerance (ZT) conduct policy.

²⁶Calculation was based on PY 2009 data provided in Job Corps' MPO-36 management report and Job Corps' Congressional Budget Justifications for FY 2010 and 2011. Numbers do not add exactly due to rounding.

²⁷Ibid.

Four Metrics Lacked Reported Results and/or Established Targets

With regards to targets and results, three metrics did not have reported results and established targets (graduate attainment of job readiness and employability skills, graduate average wage at 12 months after initial placement, and graduate placement in unsubsidized employment of less than 20 hours per week) and one metric did not have a target (average length of stay). Measureable targets and reported results are essential feedback mechanisms to identify performance gaps, set improvement goals, and improve results. Job Corps agreed that three of its metrics did not have reported results and established targets. Job Corps did not agree that it needed to establish a target for the fourth metric – average length of stay – even though Job Corps told us it has taken steps in recent years to increase student length of stay in the program, as this leads to more positive outcomes for students. Specifically, the longer a student stays in the program, the more likely students will obtain a HSD or GED certificate, or complete their vocational training. As such, we affirm our conclusion regarding the need for performance targets to improve performance for this metric. See Exhibit 1 for details.

Performance Results for 19 of 25 WIA Metrics Were Not Published and Publicly Available as Job Corps Asserted

In 2009, our work showed Job Corps did not annually report the related performance results for each Job Corps center to Congress as stipulated by WIA. While Job Corps acknowledged the results were not submitted to Congress, Job Corps asserted that all of the required information on the program's performance and outcomes were published and publicly available. In addition to reviewing the key attributes of successful performance measures, we reviewed each of Job Corps' 25 WIA mandated performance metrics to determine whether the corresponding results were published and publicly available as asserted.

We found 19 of 25 WIA mandated performance results were not published or publicly available. See Exhibit 1 for details. For example, special data runs were required to extract the results for the WIA mandated performance metrics of number of graduates who entered unsubsidized employment and were retained in the unsubsidized employment 6 months and 12 months after the first day of enrollment. These results were not published or publicly available, but were embedded in other metrics designed to measure 6 and 12 month retention in all placements including post-secondary education and training. Job Corps partially agreed that 19 metrics were not publicly reported as asserted in response to our prior audit report because some of the required performance data was rolled up into other reported performance metrics. In its response, Job Corps told us it is developing an annual report for submission to the Congress that will contain all of the required WIA performance results for PY 2010.

Long-Standing Concerns Persist Despite Spending \$1.46 Million on Consultants and an Advisory Committee

Concerns over Job Corps' metrics persist because Job Corps has not placed significant emphasis on addressing the known deficiencies our audit confirmed and implementing the necessary improvements so that its metrics effectively assess the program's performance. For example, Job Corps did not accept its contractor's recommendations to develop a cost efficiency metric that reflected cost per successful outcome from a report issued in December 2008 because it ultimately found their findings to be inappropriate or too costly to implement. Had Job Corps acted on the consultant's recommendations, some of our concerns would have been addressed. Since 2007, DOL has spent \$1.46 million on consultants and an advisory committee to improve its performance metrics and outcomes, as well as other aspects of the program. In 2010, DOL awarded contracts to more consultants to evaluate the program, including its performance measurement system, at a cost of \$748,846.²⁸ See Exhibit 2 for details. Job Corps disagreed with our conclusion and stated that the work conducted by these entities is beneficial, and worth paying for, even if the final recommendations are not always implemented. We believe the scope of work contracted for and conducted by consultants should be managed appropriately to maximize value, ensure such investments work as planned, and result in meaningful improvements.

In total, we identified \$61.18 million in funds put to better use if Job Corps improves oversight of its service providers to increase the number of students who find employment that relate to and utilize the vocational training received. This includes \$1.65 million Job Corps would spend to more effectively place students in jobs that relate to the vocational training received and \$59.53 million Job Corps would spend on students obtaining jobs as a result of the recruiting, training, and placement efforts provided by Job Corps.

ETA Response to Draft Report

In response to our draft report, ETA stated it will take responsibility for the job training matches found to be invalid and will assess liquidated damages to the responsible contractors. However, ETA incorrectly concluded that the majority of our concerns were related to Job Corps' PY 2009 crosswalk and were resolved by its October 2010 crosswalk. As indicated in our report, our testing identified problems with the matches considered acceptable by Job Corps in the crosswalks for both periods. To determine whether Job Corps had taken the necessary actions to address prior deficiencies, we reviewed Job Corps outcomes for PY 2009 and the month of October 2010 against the applicable crosswalks and policies. We found the exception rates for both PY 2009 (18.1 percent) and October 2010 (18.1 percent) remained unchanged. For example, Job Corps' PY 2009 and revised October 2010 crosswalks continued to allow matches such as hotel/motel service industry students placed as ticket sellers at movie theaters that were questioned 15 years ago by GAO.

²⁸During the time of the audit, DOL paid \$374,423 of these contract awards. This amount was included in the calculation of \$1.46 million spent since 2007.

ETA disagreed its job training matches were overstated because of military (3.9 percent) and educational (21.2 percent) placements. With regards to military placements, ETA indicated it had a process to identify suitable positions in the military, prior to a graduate's enlistment that included the use of a "clock hours" form that was developed by ETA and the military to validate Job Corps training. While we acknowledge this process can be used to help identify suitable positions in the military, this process did not include verifying whether students were actually placed in positions and performed duties that related to their vocational training after they joined the military. In addition, ETA continued to assert that placements in non-jobs, such as educational and training enrollments, should be included in its job training match results because it was recommended by the Secretary's Advisory Committee on Job Corps.

ETA did not agree that placements in jobs that required little or no training was a poor use of resources. ETA again cited the limitations of the O*NET classifications used by Job Corps, the many barriers Job Corps students face, and the economic recession. As previously noted, we acknowledged the limitations of the O*NET classifications and significant barriers many students face and adjusted our testing accordingly. ETA also indicated that it did not state that "achieving and maintaining a basic entry level job at the end of the Job Corps experience is a crowning achievement for most students." This statement was provided in writing to us in response to our discussion draft report.

This report includes a revised estimate of funds put to better use for students placed in jobs that required little or no training, as recommended by Job Corps. The estimate is based on the liquidated damages amount of (\$750) specified in Job Corps' PRH for invalid placements. While we do not consider these placements to be invalid, we agreed to use this lower amount to calculate the funds put to better use.

ETA also incorrectly stated that we had concluded in Exhibit 1 that metrics 49 and 50 were unpublished and not publicly available even though these metrics can be found on Job Corps' public website. We did not test or conclude on whether metrics 26 through 58 were published or publicly available [refer to Exhibit 1, footnote b.]

With regard to cost efficiency, ETA asserted that we incorrectly reported: 1) Job Corps uses a cost efficiency metric, 2) it is entitled "cost per participant," and 3) it is in line with ETA's efficiency measure guidance for reporting cost efficiency. We disagree. Job Corps represented in correspondence to us that it reports its annual cost per participant to Congress as the average cost per new enrollee and that this metric was in line with ETA's efficiency measure guidance as outlined in ETA Training and Guidance Letter 15-03.²⁹ In addition, Job Corps used cost efficiency, cost per participant, and cost per new enrollee interchangeably in Job Corps' Congressional Budget Justifications for 2009-2011. Further, Job Corps acknowledged its cost efficiency metric was inadequate in response to OMB's assessment in 2007 and contracted with a technical expert to propose modifications to its cost efficiency metric. To clarify, we replaced the term "new participant" used in the report with "new enrollee." We acknowledge and have cited the

²⁹ETA Training and Employment Guidance Letter No. 15-03, page 14 (December 10, 2003).

challenges of developing efficiency metrics. The development and implementation of alternate efficiency metrics is a management decision. However, our work confirmed that use of efficiency metrics that reflect outcomes and total program costs could provide decision-makers with information to better measure and manage the program's performance and costs.

ETA did not agree the work conducted by its consultants and the Secretary's Advisory Committee on Job Corps should have been managed more appropriately. ETA did not provide any new information to change our conclusions. As such, we affirm our conclusion that the work contracted for and conducted by consultants should have been managed more appropriately.

With the exception of the revision related the calculation of funds put better use, ETA did not provide any new information that would change the conclusions stated in the report.

RECOMMENDATIONS

We recommend that the Assistant Secretary for Employment and Training require Job Corps to:

1. Review and improve its performance metrics to provide decision-makers with useful and reliable information to make informed decisions regarding the program's performance and costs. This includes ensuring metrics are complete and accurate, comply with WIA, and have reported results and established targets.
2. Improve oversight of its service providers to increase the number of students who find employment that relate to and utilize the vocational training received.
3. Develop a process to ensure the scope of work contracted for and conducted by consultants is managed appropriately to maximize value, ensure such investments work as planned, and result in meaningful improvements.

We appreciate the cooperation and courtesies that Job Corps personnel extended to the Office of Inspector General during this audit. OIG personnel who made major contributions to this report are listed in Appendix [F].



Elliot P. Lewis
Assistant Inspector General
for Audit

Exhibits

PAGE INTENTIONALLY LEFT BLANK

Exhibit 1**Analysis of Job Corps' 58 Performance Metrics**

Job Corps relied on 58 performance measures to address the program's multiple performance reporting requirements mandated by WIA, the Common Measures, the GPRA, OMB, DOL, and Job Corps. Exhibit 1 shows the extent to which these measures met the following attributes:

- **Linkage to Goals.** Metric was aligned with agency and program mission and goals.
- **Complete and Accurate Results.** Metric, by design, was consistent with mandated or internal performance measure requirements and produced the appropriate results.
- **Target and Reported Results.** Metric had a specific target and reported results that were quantifiable and measurable to fully evaluate progress toward expected performance.

Of the 58 metrics, 25 were required by WIA. We tested these 25 WIA-required metrics to determine whether the performance results were published and publicly available as asserted by Job Corps in response to our prior work.

Performance Metric [Source]	Linkage to Goals	Complete and Accurate Results	Target and Reported Results^a	Published and Publicly Available^b	Description of Audit Deficiencies
1. Number of graduates and the rate of such graduation, analyzed by type of vocational training received through the Job Corps program and by whether the vocational training was provided by a local or national service provider [WIA § 159(c)(1)A].	X	X	X	X	
2. Number of graduates who entered unsubsidized employment related to the vocational training received through the Job Corps program and by whether the placement in	X		X		Job Corps' metric, by design, incorrectly included jobs that did not or poorly related to the training received, as well as military enlistments, non-jobs (education

Performance Metric [Source]	Linkage to Goals	Complete and Accurate Results	Target and Reported Results^a	Published and Publicly Available^b	Description of Audit Deficiencies
the employment was conducted by a local or national service provider [WIA § 159(c)(1)B].					and training), and volunteer service, without regard to the students' training and assigned duties. Results were not published and publicly available as asserted.
3. Number of graduates who entered unsubsidized employment not related to the vocational training received through the Job Corps program and by whether the placement in the employment was conducted by a local or national service provider [WIA § 159(c)(1)B].	X		X		This metric is inaccurate and incomplete by default for the inclusion of job placements which do not or poorly relate to training in No. 2 described above. Results were not published and publicly available as asserted.
4. Average wage received by graduates who entered unsubsidized employment related to the vocational training received through the Job Corps program [WIA § 159(c)(1)C].	X		X		Job Corps metric, by design, incorrectly included jobs that did not or poorly related to the training received, as well as military enlistments without regard to the students' training and assigned duties. Results were not published and publicly available as asserted.
5. Average wage received by graduates who entered unsubsidized employment not related to the vocational training received through the Job Corps program [WIA §	X		X		This metric is inaccurate and incomplete by default for the inclusion of job placements which do not or poorly relate to training in No. 4 described above.

Performance Metric [Source]	Linkage to Goals	Complete and Accurate Results	Target and Reported Results^a	Published and Publicly Available^b	Description of Audit Deficiencies
159(c)(1)C].					Results were not published and publicly available as asserted.
6. Average wage received by graduates placed in unsubsidized employment after completion of the Job Corps program on the first day of the employment analyzed by type of vocational training received through the Job Corps program [WIA § 159(c)(1)D(i)].	X	X	X	X	
7. Average wage received by graduates placed in unsubsidized employment after completion of the Job Corps program 6 months after the first day of the employment analyzed by type of vocational training received through the Job Corps program [WIA § 159(c)(1)D(ii)].	X	X	X	X	
8. Average wage received by graduates placed in unsubsidized employment after completion of the Job Corps program 12 months after the first day of the employment, analyzed by type of vocational training received through the Job Corps program [WIA § 159(c)(1)D(iii)].	X	X			Metric did not have a result or an established target. Results were not published and publicly available as asserted.

Performance Metric [Source]	Linkage to Goals	Complete and Accurate Results	Target and Reported Results^a	Published and Publicly Available^b	Description of Audit Deficiencies
9. Number of graduates who entered unsubsidized employment and were retained in the unsubsidized employment 6 months after the first day of the employment [WIA § 159(c)(1)E(i)].	X	X	X		Results were not published and publicly available as asserted, but were obtained through a special data run.
10. Number of graduates who entered unsubsidized employment and were retained in the unsubsidized employment 12 months after the first day of the employment [WIA § 159(c)(1)E(ii)].	X	X	X		Results were not published and publicly available as asserted, but were obtained through a special data run.
11. Number of graduates who entered unsubsidized employment for 32 hours per week or more [WIA § 159(c)(1)F(i)].	X	X	X	X	
12. Number of graduates who entered unsubsidized employment for not less than 20 but less than 32 hours per week [WIA § 159(c)(1)F(ii)].	X	X	X		Results were not published and publicly available as asserted, but were obtained through a special data run.
13. Number of graduates who entered unsubsidized employment for less than 20 hours per week [WIA § 159(c)(1)F(iii)].	X	X			Metric did not have result or an established target. Results were not published and publicly available as asserted.

Performance Metric [Source]	Linkage to Goals	Complete and Accurate Results	Target and Reported Results^a	Published and Publicly Available^b	Description of Audit Deficiencies
14. Number of graduates who entered postsecondary education or advanced training programs, including apprenticeship programs, as appropriate [WIA § 159(c)(1)G].	X	X	X		Results were not published and publicly available as asserted, but were obtained through a special data run.
15. Number of graduates who attained job readiness and employment skills [WIA § 159(c)(1)H].	X	X			Metric did not have a result or an established target. Results were not published and publicly available as asserted.
16. Number of enrollees retained in the Job Corps program for 30 days after initial placement in the program [WIA § 159(c)(2)].	X	X	X		Results were not published and publicly available as asserted, but were included in an internal management report.
17. Number of enrollees retained in the Job Corps program for 60 days after initial placement in the program [WIA § 159(c)(2)].	X	X	X		Results were not published and publicly available as asserted, but were included in an internal management report.
18. Number of enrollees served [WIA § 159(d)(1)].	X	X	X	X	
19. Average level of learning gains for graduates and former enrollees [WIA § 159(d)(2)].	X	X	X	X	
20. Number of former enrollees and graduates who entered the armed forces [WIA § 159(d)(3)].	X	X	X		Results were not published and publicly available as asserted, but were included in an internal management report.

Performance Metric [Source]	Linkage to Goals	Complete and Accurate Results	Target and Reported Results^a	Published and Publicly Available^b	Description of Audit Deficiencies
21. Number of former enrollees who entered postsecondary education [WIA § 159(d)(4)].	X	X	X		Results were not published and publicly available as asserted, but were obtained through a special data run.
22. Number of former enrollees who entered unsubsidized employment related to the vocational training received through the Job Corps program [WIA § 159(d)(5)].	X		X		Metric, by design, does not provide accurate and complete results because former enrollees have not completed vocational training. Results were not published and publicly available as asserted.
23. Number of former enrollees who entered unsubsidized employment not related to the vocational training received through the Job Corps program [WIA § 159(d)(5)].	X		X		Metric, by design, does not provide accurate and complete results because former enrollees have not completed vocational training. Results were not published and publicly available as asserted.
24. Number of former enrollees and graduates who obtained a secondary school diploma or its recognized equivalent [WIA § 159(d)(6)].	X		X		Metric, by design, incorrectly includes former enrollees who have not attained their HSD or GED certificate through Job Corps. Results were not published and publicly available as asserted.
25. Number and percentage of dropouts from the Job Corps program including the number dismissed under	X	X	X		Results were not published and publicly available as asserted, but were included in an internal

Performance Metric [Source]	Linkage to Goals	Complete and Accurate Results	Target and Reported Results^a	Published and Publicly Available^b	Description of Audit Deficiencies
the zero tolerance policy described in section 152(b) [WIA § 159(d)(7)].					management report.
26. Student attainment of a degree, GED, or certificate rate [Common Measure].	X	X	X		
27. Student placement in employment or education [Common Measure].	X	X	X		
28. Percentage of students who achieve literacy or numeracy gains of one adult basic education level [Common Measure].	X	X	X		
29. Cost per new enrollee [Common Measure].	X		X		Inaccurate and incomplete for not reflecting outcomes, excluding program administrative appropriations, and using appropriated funds in place of actual costs.
30. Percent of Job Corps students who attain industry recognized credentials [Job Corps' PRH Appendix 501(a)]. ^c	X	X	X		
31. Average wage of participants at initial placement [FY 2010 Performance Agreement].	X	X	X		
32. CTT completion rate [PRH Appendix 501(a)].	X	X	X		
33. CTT completer placement rate [PRH Appendix 501(d)].	X	X	X		

Performance Metric [Source]	Linkage to Goals	Complete and Accurate Results	Target and Reported Results^a	Published and Publicly Available^b	Description of Audit Deficiencies
34. CTT completer average hourly wage at placement [PRH Appendix 501(d)].	X	X	X		
35. CTT completer full-time job placement rate [PRH Appendix 501(d)]. ^c	X	X	X		
36. CTT completer industry recognized credential attainment rate [PRH Appendix 501(d)]. ^c	X	X	X		
37. CTT completer job training match average wage [PRH Appendix 501(d)].	X	X	X		
38. CTT completer job training match/post secondary education placement rate [PRH Appendix 501(c)].	X		X		Job Corps' metric, by design, incorrectly included jobs that did not or poorly related to the training received, as well as military enlistments and volunteer service, without regard to the students' training and assigned duties.
39. CTT completer 6 month follow-up placement rate [PRH Appendix 501(d)].	X	X	X		
40. CTT completer 12 month follow-up placement rate [PRH Appendix 501(d)].	X	X	X		
41. CTT completer 6 month follow-up average weekly wage of placements [PRH Appendix 501(d)].	X	X	X		
42. Combination	X	X	X		

Performance Metric [Source]	Linkage to Goals	Complete and Accurate Results	Target and Reported Results^a	Published and Publicly Available^b	Description of Audit Deficiencies
HSD/GED/CTT attainment rate [PRH Appendix 501(a)]. ^c					
43. Female arrival rate [PRH Appendix 501(b)].	X	X	X		
44. Total arrival rate [PRH Appendix 501(b)].	X	X	X		
45. Arrivals with Level 1 ZT non-separation rate [PRH Appendix 501(b)].	X	X	X		
46. Arrivals with 90 day commitment [PRH Appendix 501(b)].	X	X	X		
47. Graduate rate [PRH Appendix 501(b)]. ^c	X	X	X		
48. Graduate initial placement rate [PRH Appendix 501(a)].	X	X	X		
49. Student on-board strength [PRH Appendix 501(a)].	X	X	X		
50. Average length of stay [Job Corps Quarterly Highlights Report].	X	X			Metric did not have an established target. While the metric is not required to have an established target, OIG analysis found having a reported result and established target is a key attribute of successful performance measures.
51. Center quality rating [PRH Appendix 501(a)].	X	X	X		
52. Former enrollee initial placement [PRH Appendix 501(c)]. ^c	X	X	X		

Performance Metric [Source]	Linkage to Goals	Complete and Accurate Results	Target and Reported Results ^a	Published and Publicly Available ^b	Description of Audit Deficiencies
53. Average literacy gain [PRH Appendix 501(a)].	X	X	X		
54. Average numeracy gain [PRH Appendix 501(a)].	X	X	X		
55. HSD / GED attainment rate [PRH Appendix 501(a)].	X	X	X		
56. CTT completion rate [PRH Appendix 501(d)].	X	X	X		
57. Graduates of green training programs [FY 2010 Performance Agreement].	X	X	X		
58. Post-enrollment placement rate [PRH Appendix 501(a)].	X	X	X		
Totals	58	49	54	6	

Summary Analysis

- 58 of 58 metrics linked to goals
- 9 of 58 metrics did not have complete and accurate results. See metric nos. 2, 3, 4, 5, 22, 23, 24, 29, and 38. Five of these nine metrics related to job training match (four) [nos. 2, 4, 22, and 38] and cost-efficiency (one) [no. 29].
- 4 of 58 Metrics did not have reported results and/or established targets. See metric nos. 8, 13, 15, and 50.
- 19 of 25 WIA metrics did not have results published and publicly available. See metric nos. 2, 3, 4, 5, 8, 9, 10, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, and 25.
- In aggregate, 22 of 58 metrics had reporting deficiencies. See nos. 2, 3, 4, 5, 8, 9, 10, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 29, 38, and 50.
- 10 of 58 metrics had multiple reporting deficiencies. See metric nos. 2, 3, 4, 5, 8, 13, 15, 22, 23, and 24.

Source: OIG analysis of Job Corps' performance metrics.

X Indicates metric met the attribute.

^aWIA required Job Corps establish 17 core performance metrics (see nos. 1-17) and collect data on 8 additional performance areas (see nos. 18-25). Since WIA did not require metrics for these additional performance areas, we did not determine whether quantifiable targets were established. Source: WIA §159(C)(3)(d).

^bThis attribute is only applicable for the 25 WIA metrics (see metrics 1 – 25).

^cJob Corps started reporting this metric in PY 10.

Exhibit 2**Job Corps Expenses for Prior and On-going Performance Measurement Evaluations**

Since 2007, DOL has spent \$1.46 million on consultants and an advisory committee to improve its performance metrics and outcomes. In 2010, DOL awarded contracts to more consultants to evaluate the program's performance measurement system at a cost of \$748,846.^b See details below.

Consultant	Scope of Work	Cost
Advisory Committee on Job Corps	In August 2007, the Secretary of Labor formed an advisory committee to provide advice and recommendations related to policies, legislation, and regulations related to Job Corps. This included evaluating the program's efficiency and performance measures. The committee included representatives from Job Corps contractors, Job Corps staff, organized labor, the Departments of Education and Health and Human Services, and the Deputy Secretaries of Labor, Agriculture, and Interior.	\$630,994
HeiTech Services, Inc.	Contract was awarded in 2007 to identify a cost efficiency metric based on successful program outcomes to measure cost and quality.	450,000 ^a
HeiTech Services, Inc.	Contract was awarded in 2007 to perform a comprehensive and objective review of Job Corps performance management system, including extensive analysis of data and reports generated through the outcome management system.	
Mathematica Policy Research, Inc.	Contract was awarded in 2010 to determine the association between center-level performance and center-level impacts, when accounting for participant characteristics, using previously collected performance data.	374,423 ^b
Impaq International, LLC	Contract was awarded in 2010 to determine the factors that contribute to or impede the successful operation of the program.	
Total Costs		\$1,455,417

Source: OIG analysis of Job Corps contracts and expenses.

^a The award amount for both contracts totaled \$450,000.

^b The award amount for both the Mathematica Policy Research, Inc. contract (\$49,946) and Impaq International, LLC (\$698,900) totaled \$748,846. During the time of the audit, DOL paid \$374,423 of these contract awards. This amount was included in the calculation of \$1.46 million in funds spent since 2007.

PAGE INTENTIONALLY LEFT BLANK

Appendices

PAGE INTENTIONALLY LEFT BLANK

Appendix A**Background**

DOL, ETA oversees Job Corps, which administers and manages the Job Corps program. This program's mission is to help at-risk youth become more employable, responsible, and productive citizens. The program annually provides education, vocational training, and support services to approximately 60,000 students at 124 centers, residential and non-residential, located nationwide. Job Corps' budget for PY 2009 and 2010 totaled approximately \$3.39 billion (\$1.68 billion for PY 2009 and \$1.71 billion for PY 2010).

Job Corps established and uses a complex performance management system to meet mandated and internal accountability priorities and assess the program's effectiveness. The system is comprised of 58 performance metrics developed to address the program's multiple performance reporting areas required by GPRA, WIA, President's Management Agenda (PMA), PART, the Common Measures, DOL, and Job Corps. See Exhibit 1 for details. These various requirements and corresponding metrics provide the basis for assessing the program's performance and effectiveness, and establish accountability for achieving results, such as placements in employment or post-secondary education or training; cost efficiency; and attainment of a HSD or GED certificate. Many of the results, which are shown in four report cards, are used to assess the performance of Job Corps center operators and contracted service providers and impact decisions about contract awards and renewals, incentive fees, and performance bonuses: 1) outreach and admissions, 2) center, 3) career technical training, and 4) career transition services. Job Corps intentionally distributes responsibility and accountability across the various contracted service providers involved, as a means to drive performance in meeting national reporting measures and holding these providers accountable for their contractual obligations. Incentive fee and performance bonus amounts are determined based on center operator and service providers' aggregate performance for each of the weighted measures on a report card exceeding performance levels established by Job Corps.

In 1993, Congress passed GPRA to improve federal government management and emphasize the achievement of federal program results rather than activities and processes. GPRA required the development of performance plans with annual goals and measures, as well as performance reports on prior year performance. These performance plans included results-oriented annual goals linked to program activities and indicators the agencies used to measure performance against the results-oriented goals. Enacted after GPRA, the 1998 WIA increased focus on accountability and contained core indicators of performance for Job Corps concerning recruitment, education and placement rates, wages, and long-term outcomes of graduates after initial placement. The PMA, initiated in 2001, and the PART, created in 2002, emphasized specific requirements to develop program-level efficiency measures and show annual improvements in efficiency. Under the PMA, Job Corps began the process of moving toward reporting with one set of definitions, measures, and procedures (Common Measures). Specifically, these measures included placement in employment

or higher education, attainment of a degree or certificate, literacy and numeracy gains, and cost efficiency.

Appendix B

Objectives, Scope, Methodology, and Criteria

Objective

Our audit objective was to answer the following question:

To what extent does Job Corps have metrics in place to assess the program's performance?

Scope

This report reflects the audit work that was generally conducted at Job Corps headquarters in Washington, D.C. Our scope covered Job Corps' performance metrics and outcomes for PY 2009 and the month of October 2010, and policies, procedures and processes through March 7, 2011. Job Corps revised its job training match crosswalk – criteria used to determine training-related placements – in October 2010. We covered October 2010 to account for the impact on the related metrics and outcomes.

The relationship between the populations and the testing performed and the kinds and sources of evidence are fully described in the Methodology section below.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Methodology

To accomplish our audit objective, we interviewed Job Corps management and staff at Job Corps headquarters in Washington, D.C. and reviewed applicable laws, regulations, and policies, including GPRA, WIA, PMA, PART, Common Measures, the PRH, and Job Corps' performance agreements, to gain an understanding of Job Corps' requirements and processes for measuring and reporting program performance. We also reviewed DOL's strategic plan (2011-2016), financial report (2010), performance report (2010), and performance and accountability report (2009). Based on our understanding, we identified 58 performance metrics that were required and/or used by Job Corps during the scope of our audit. See Exhibit 1.

In addition, we reviewed GAO guidance and reports regarding government agencies' performance metrics and consulted with GAO management and senior analysts to gain GAO's perspective on performance measurement, including the key attributes for

successfully measuring performance. GAO's work identified a number of key attributes. We selected three of these attributes to test.

Table A: Key Attributes of Successful Performance Measures

Attribute	Definition	Potentially adverse consequences of not meeting attribute
1. Linkage to goals	Measure is aligned with agency and program goals and mission.	Behaviors and incentives created by measure do not support achieving agency or program goals or mission.
2. Complete and Accurate Results	Metric, by design, was consistent with mandated or internal performance measure requirements and produced the appropriate results.	Decision makers lack reliable and consistent data to effectively measure and manage performance.
3. Target and Reported Results.	Metric had a specific target and reported results that were quantifiable and measurable to fully evaluate progress toward expected performance.	Decision makers lack essential feedback mechanisms to identify performance gaps, set improvement goals and set results.

Source: OIG analysis of GAO's key attributes for successfully measuring performance.

We also reviewed prior OIG and GAO audit reports, evaluations conducted by DOL consultants and Job Corps staff, and OMB's PART assessment of Job Corps for prior deficiencies; interviewed Job Corps, ETA, DOL Office of Policy Development and Research officials, and OMB staff; and analyzed Job Corps data to identify relevant concerns. We found long-standing concerns about the reliability of the metrics covering two key performance areas – job training match, which is used to measure how effectively participants are placed in jobs that match the training they received in Job Corps, and cost efficiency, which is used to measure program costs. As a result, we assessed corrective actions and determined the impact on the related performance metrics.

Of the 58 metrics, 25 were required by WIA. We tested these 25 WIA-required metrics to determine whether the performance results were published and publicly available as asserted by Job Corps in response to our March 2009 audit report.

At Job Corps headquarters, we identified and evaluated Job Corps internal controls over its performance metric system. We assessed risks related to inaccurate results and evaluated the corresponding control environment. We assessed the reliability of related data for the applicable audit period and determined the data was sufficiently reliable to accomplish our audit objective. We used a statistical sampling approach to select certain metric results.

Attribute Testing

We evaluated each of Job Corps 58 performance metrics to determine whether they met the following attributes: linkage, complete and accurate results, and measurable target and results.

- **Linkage.** We reviewed for linkage between each metric and Job Corps and DOL's goals and mission.
- **Complete and accurate results.** We reviewed each metric to determine whether the metric was designed to collect data or calculate the results in accordance (or consistently) with mandated or internal performance measure requirements. If the metric did not capture these results, we concluded the metric's results were incomplete and/or inaccurate. For example, WIA required Job Corps to measure how effectively the program placed students in jobs that related to the training received. If the metric, by design, did not capture this information or the results contained information for unrelated jobs or non-jobs, we considered the results incomplete and inaccurate.
- **Target and reported results.** Where appropriate, we determined whether each metric had quantifiable targets and reported results. Some of the WIA required performance metrics did not require targets. We considered instances where multiple performance metrics were embedded in a single metric acceptable, if the required results could be appropriately extracted. We also considered results generated through special data runs that were not available in published reports acceptable.

Job Training Match

WIA required Job Corps to measure and report how effectively participants are placed in jobs that match the vocational training they received in the program. In 1997, GAO reported the program's job training match metrics were flawed because performance results included jobs that (1) did not relate, or poorly related, to the training received or (2) required relatively little training. In 1998, GAO also questioned Job Corps' policy for counting any participant that enlisted in the military as a successful job training match, regardless of the student's vocational training and assigned duties.

We found the 2009 and 2010 crosswalks continued to include jobs that (1) did not relate, or poorly related, to the training received and/or (2) required relatively little training to perform. The crosswalks for both periods also continued to provide automatic job training matches for all military enlistments, as well as enrollments in post-secondary education or training and volunteer service with AmeriCorps without regard to the vocational training received or the actual duties performed. As a result, we performed additional audit procedures to determine the impact of these deficiencies on Job Corps' job training match outcomes for PY 2009 and October 2010.

According to Job Corps' records (MPO-36 reports, internally generated management reports), Job Corps reported an aggregate of 17,787 job training matches for PY 2009 (16,234) and October 2010 (1,553). We obtained the databases Job Corps provided to support these matches, which included each student's vocational training, placement employer, placement position title, and O*NET-SOC code used to make placement. To address these long-standing concerns, we performed the following steps:

- Reviewed the supporting databases to determine whether vocational training appropriately related to each of the 17,787 job placements in accordance with WIA, based on the student's place of employment, job position, and O*NET-SOC code, regardless of whether the matches were considered acceptable by Job Corps' crosswalks. For example, we considered nursing assistant students employed as medical assistants, home health aides, or registered nurses appropriate job training matches. However, we questioned the validity of matches such as nursing assistant students placed as telephone operators, tax preparers, and transportation ticket agents, which were considered acceptable matches in the 2009 crosswalk. This review also included placements in the military, post-secondary education and training, and volunteer service in AmeriCorps.
- Reviewed the crosswalks for both periods and found 42 occupations that O*NET-SOC identified as needing little or no previous work-related skill, knowledge, or experience to perform. Given the significant academic, employability, and vocational barriers many Job Corps students face, we reduced these 42 occupations to 15 occupations we determined needed the least amount of training to perform. These 15 occupations are detailed in Table 3.

In aggregate, we initially identified 2,380 job placements that did not relate or poorly related to training received; 4,291 placements in the military, post-secondary education and training, and volunteer service in AmeriCorps; and 1,468 placements in jobs needing little or no previous work-related skill, knowledge, or experience to perform. To reduce the number of overlapping results, our initial review did not include any jobs needing little or no previous work-related skill, knowledge, or experience that also did not relate or poorly related to the training received in our calculation of 2,380 job placements. For example, if a construction student was employed at a fast food restaurant or as a parking lot attendant, we only accounted for this deficiency as an exception for jobs needing little or no previous work-related skill, knowledge, or experience (1,468).

To address concerns raised by Job Corps that our database testing was not sufficient to support some of these conclusions, we subsequently selected statistical, random samples of 247 of 2,380 job placements that did not relate or poorly related to training received and 276 of 1,468 placements in jobs needing little or no previous work-related skill, knowledge, or experience and performed additional audit procedures to verify the reliability of the data used to make these initial determinations. In response, Job Corps provided required and supplemental documentation to substantiate the vocational training the students received matched these job placements. Detailed documentation

reviewed included Job Corps' placement assistance records used by contracted CTS (i.e., placement) providers to record placement information including employer, job title, and wage; third-party employment verification forms completed by employers at the request of placement contractors; placement provider case notes; and other information (e.g., written correspondence, job descriptions, job postings, and resumes), when available. In aggregate, we found that the databases used to support our initial determinations for our sample of 490 of 523 (247 + 276) job placements, or 94 percent, were sufficiently reliable. We adjusted our results to account for the 33 job placements that were considered valid.

Subsequent to our sample testing, we accounted for job placements that had overlapping exceptions in both exception categories. Our sample testing also resulted in a reassessment of a number of exceptions. For example, we initially considered an office administration student placed as cashier as exception for placements that did not relate or poorly related to the training received. However, if the additional documentation indicated the student was placed as a cashier at a fast food restaurant, we subsequently accounted for this exception in the exception category for jobs needing little or no previous work-related skill, knowledge, or experience as well.

As a result, we found, in aggregate, 3,226 job placements did not relate or poorly related to training received and 1,569 placements were in jobs needing little or no previous work-related skill, knowledge, or experience to perform. These placements were based upon our representative simple random samples that were estimated with 95 percent confidence level and assuming highest variance in the populations.

Cost Efficiency

Since 2007, OMB, a contractor hired by Job Corps, and GAO raised concerns about the limitations of Job Corps use of cost per participant to measure cost efficiency and recommended the use of cost efficiency metrics that link performance outcomes to actual, total program costs rather than select appropriated costs. While Job Corps has taken steps to improve its job training matches and explore alternate cost efficiency metrics, we found these concerns persist, and Job Corps continues to use cost per participant to measure the program's cost efficiency. As a result, we performed additional audit procedures to determine the impact of this deficiency on related outcomes.

We obtained Job Corps' appropriated funding (operation and construction funds of \$1.66 billion and administration funds of \$28.66 million), estimated new enrollments (62,344), and student training slots (44,455) from Job Corps' FY 2011 Congressional Budget Justification. We also obtained select performance outcomes by center for PY 2009 and October 2010 reported on Job Corps' MPO-36 management reports, as we were told by management this was the most comprehensive source for data as of our cut off date and the data was relied upon by management, and reconciled these outcomes to published year-end and monthly reports. As such, we determined the data was sufficiently reliable to accomplish our objective.

Based upon prior recommendations and the data we had available, we computed alternate cost efficiency metrics that reflected the costs of successful outcomes (e.g., GED/HSD attainment, vocational training completion, job placement), as well as drop-outs and compared the results to Job Corps' cost per participant.

WIA Reporting

In response to our March 2009 report, Job Corps asserted that all of its 25 WIA mandated performance metrics and outcomes were published and publicly available. We reviewed all relevant, published Job Corps reports to determine whether the corresponding results were included and publicly available. We considered instances where multiple performance metrics were embedded in a single metric unacceptable, even if the required results could be appropriately extracted. We also considered results generated through special data runs that were not available in published reports unacceptable.

Job Corps Expenses for Prior and On-going Performance Measurement Evaluations

We requested and obtained all costs associated with prior (since 2007) and on-going DOL evaluations of Job Corps' performance measurement system.

Criteria

We used the following criteria to perform this audit:

- WIA,
- Common Measures,
- GPRA,
- PMA
- PART,
- PRH,
- DOL and Job Corps' goals and mission,
- O*NET-SOC taxonomy,
- GAO, GAO/GGD-96-118 (Washington, D.C.: June 1996), and
- GAO, GAO 03-143 (Washington, D.C.: November 2002).

Appendix C**Terminology**

Term	Definition	Source
Enrollee	An individual who has voluntarily applied for, been selected for, and enrolled in the Job Corps program, and remains with the program, but has not yet become a graduate.	WIA Section 142(3)
		20 Code of Federal Regulations (CFR) § 670.120 Enrollees are also referred to as “students” in this part.
Former Enrollee	An individual who has voluntarily applied for, been selected for, and enrolled in the Job Corps program, but left the program before completing the requirements of a vocational training program, or receiving a secondary school diploma or recognized equivalent, as a result of participation in the Job Corps program.	WIA Section 142(4)
	One who has completed 60 or more days, has not attained graduate status, and whose separation is for reasons other than a ZT “Level One” infraction.	PRH Chapter 4.2 R1.b
Graduate	An individual who has voluntarily applied, been selected, and enrolled in the Job Corps program and has completed the requirements of a vocational training program, or received a secondary school diploma or recognized equivalent, as a result of participation in the Job Corps program.	WIA Section 142(5)
	An enrollee who has: (1) Completed the requirements of a vocational training program, or received a secondary school diploma or its equivalent as a result of participating in the Job Corps program; and (2) Achieved job readiness and employment skills as a result of participating in the Job Corps program.	20 CFR § 670.120

Term	Definition	Source
	One who has completed the requirements of career technical training or earned a high school diploma or its equivalent (GED) while enrolled in Job Corps, or who completes both, and has completed 60 or more days enrollment. Students who have separated for “Level One” ZT infractions do not qualify.	PRH Chapter 4.2 R1.a
Participant	An individual who has been determined to be eligible to participate in and who is receiving services (except follow-up services authorized under this title) under a program authorized by this title. Participation shall be deemed to commence on the first day, following determination of eligibility, on which the individual began receiving subsidized employment, training, or other services provided under this title.	WIA Section 101(34)
	An individual who has registered under 20 CFR 663.105 or 664.215 and has been determined to be eligible to participate in and who is receiving services (except for follow up services) under a program authorized by WIA title I. Participation commences on the first day, following determination of eligibility, on which the individual begins receiving core, intensive, training or other services provided under WIA title I.	20 CFR § 660.300
Placements	Student employment, entry into the Armed Forces, or enrollment in other training or education programs following separation from Job Corps.	20 CFR § 670.120

Term	Definition	Source
Educational Placements	<p>1. High school: no less than 20 hours in class per week for an expected duration of one semester or trimester or quarter; or</p> <p>2. Postsecondary career technical training or technical education program: no less than 20 hours in class per week for an expected duration of at least 90 calendar days; or</p> <p>3. University/College: registered for no less than 9 credit hours per quarter or semester at a 2-year or 4-year university/college accredited by an agency recognized by the U.S. Department of Education or the Council for Higher Education Accreditation as an accrediting agency for higher education and that offers, at minimum, an associate's degree; or</p> <p>4. Online University/College: registered for no less than 9 credit hours per quarter or semester at a 2-year or 4-year university/college accredited by an agency recognized by the U.S. Department of Education as an accrediting agency for distance education and that offers, at minimum, an associate's degree; or</p> <p>5. On-the-job-training or other subsidized employment: no less than 20 hours per week; or</p> <p>6. Other training program: no less than 20 hours in class per week for an expected duration of at least 90 calendar days.</p>	PRH Exhibit 4-1

Term	Definition	Source
Job Placements	<p><i>Full-Time:</i> 1. 32 hours or more in one or two jobs in a 7-consecutive-day period; or</p> <p>2. An apprenticeship job registered by the Bureau of Apprenticeship and Training or a state Apprenticeship Council, that combines supervised, structured on-the-job training with related theoretical instruction leading to defined levels of skill and career advancement, and where the student receives a wage; or</p> <p>3. Armed Forces: 40 hours minimum per week active duty. This includes initial Reserve Forces and National Guard training but does not include weekend and summer training sessions. Pre-enlistments are not placements. The first 40- hour week must be completed prior to 12 months after separation</p> <p><i>Part-Time:</i> 20 hours or more, but less than 32, in one or two jobs in a 7- consecutive-day period.</p>	PRH Exhibit 4-1
Combination Job/College Placements	<p><i>Full-Time:</i> 1. A combination of work and university/college: a minimum of 16 hours work at one job in a 7- consecutive-day period and a minimum 6 credit hours per quarter or semester at a 2-year or 4-year university/college accredited by an agency recognized by the U.S. Department of Education or the Council for Higher Education Accreditation as an accrediting agency for higher education and that offers, at minimum, an associate's degree; or</p> <p>2. A combination of work and online university/college: a minimum of 16 hours work at one job in a 7- consecutive-day period and a minimum 6 credit hours per quarter or semester at a 2-year or 4-year college accredited by an agency recognized by the U.S. Department of Education as an accrediting agency for distance education and that offers, at minimum, an associate's degree.</p>	PRH Exhibit 4-1

Term	Definition	Source
	<i>Part-Time:</i> University/college enrollment for a minimum of 6 credit hours and a minimum of 10 hours work at one job per week.	
School Dropout	An individual who is no longer attending any school and who has not received a secondary school diploma or its recognized equivalent.	WIA section 101(39)
Separation	Means the action by which an individual ceases to be a student in the Job Corps program, either voluntarily or involuntarily.	20 CFR § 670.120
Student	An individual enrolled in the Job Corps.	20 CFR § 670.120
Uncommitted Students	One who has remained in Job Corps less than 60 days (regardless of achievement), or who has separated for a ZT “Level One” infraction, per Chapter 3, Exhibit 3.1 (Infraction Levels and Appropriate Center Actions).	PRH Chapter 4.2 R1.c

Term	Definition	Source
Zero Tolerance	<p>Students who exit due to Level 1 ZT infractions within 30/45 days are <i>not</i> included in the Center Report Card. Students who exit due to Level 1 ZT infractions after 30/45 days, however, are included in all pools for on-center measures and credit will be given for academic and CTT credentials earned prior to exit.</p> <p>However, since all students who exit due to Level 1 ZT infractions, regardless of timing (within or after 30/45 days), are not considered former enrollees or graduates, they are ineligible for post-center services and are therefore <i>excluded</i> from all post-center pools in both the Center and CTS Report Cards.</p>	PRH Appendix 501

Appendix D**Acronyms and Abbreviations**

CFR	Code of Federal Regulations
CTS	Career Transition Services
CTT	Career Technical Training
DOL	Department of Labor
ETA	Employment and Training Administration
GAO	Government Accountability Office
GED	General Educational Development
GPRA	Government Performance and Results Act of 1993
HSD	High School Diploma
Job Corps	Office of Job Corps
OIG	Office of Inspector General
OMB	Office of Management and Budget
O*NET-SOC	Occupational Information Network's Standard Occupational Classification System
PART	Program Assessment Rating Tool
PMA	President's Management Agenda
PRH	Job Corps' Policy and Requirements Handbook
PY	Program Year
WIA	Workforce Investment of 1988
ZT	Zero Tolerance

PAGE INTENTIONALLY LEFT BLANK

Appendix E

ETA Response to Draft Report

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



SEP 29 2011

MEMORANDUM FOR ELLIOT P. LEWIS
Assistant Inspector General

FROM: JANE OATES *Jane Oates*
Assistant Secretary for
Employment and Training

SUBJECT: OIG Audit of Job Corps Needs to Improve Reliability of Performance
Metrics and Results
Draft Report #26-11-004-03-370

This memorandum responds to the subject draft audit report, dated September 23, 2011, Job Corps Needs to Improve Reliability of Performance Metrics and Results. We appreciate the opportunity to provide input to this draft audit report as well as to the recent discussion draft report and "statement of facts." The Employment and Training Administration (ETA), which manages and administers the Office of Job Corps (OJC), appreciates the Office of Inspector General's (OIG's) efforts to identify areas in which the program's performance metrics can be improved.

First, ETA is committed to maintaining a sound performance metrics system for all of its programs, including Job Corps. We take great pride in the work we do on behalf of youth and adults across the nation, and our efforts fully support the Department's priorities to achieve "Good Jobs for Everyone." We recognize that performance metrics are critical in reflecting both program results and worthwhile taxpayer investment. The Job Corps program, in particular, serves youth in targeted, at-risk populations. For over four decades, Job Corps has made a difference in young people's lives by helping them gain academic and career technical training credentials, complemented by placement in employment, education, the military, and apprenticeship, with defined career paths that will lead them to economic self-sufficiency.

As such, ETA takes responsibility for any invalid Job Training Matches (JTM) identified by the OIG, which constitute the primary finding of this report. The OJC, in coordination with the ETA Office of Contracts Management (OCM), will assess liquidated damages to applicable contractors that have misreported these placements. However, ETA believes the vast majority of the OIG audit report misrepresents OJC's performance management system, disregards the changes implemented to ensure reliability in performance data (as the OIG audit was conducted using outdated policies and procedures), and, in some areas, is inaccurate. ETA officials, including representatives from the Offices of Job Corps, Policy, Development and Research, and Workforce Investment, met with the OIG and provided information on multiple occasions to substantiate and clarify ETA's and OJC's performance metrics systems.

ETA's response is divided into four sections, to align with the items addressed in the report: **Job Training Match, Performance Metrics, Cost Efficiency Measures, and Evaluation.**

Job Training Match

The OIG expressed three concerns with Job Corps' Job Training Match Metric: 1) Invalid JTM placements; 2) military and educational placements as JTMs; and 3) the placement of Job Corps students in entry-level positions as a poor use of resources.

Invalid Job Training Matches

ETA takes responsibility for those JTMs that were found to be invalid and will assess liquidated damages to the responsible contractors. However, ETA would like to reiterate that we have taken steps to address this concern. As a result, over 90% of the placements audited by the OIG were matched to training using policies that are no longer in place. The time period of the majority of the OIG's JTM findings (PY 2009 and October 2010) covers the previous, now-defunct JTM policy. As noted in the report, a new JTM Crosswalk was introduced to the Job Corps system in October 2010, approximately 30 days before the OIG audit began. Thus, some of the PY 2009 JTM placements that were valid at that time would not have been misreported in PY 2010. The OIG was made aware of this transition at the entrance meeting.

OJC and ETA have worked collaboratively for years to improve the crosswalk, which has had updated versions since 2002. ETA had already identified weaknesses with the PY 09 version and asked OJC and ETA's Office of Workforce Investment to better align Job Corps' crosswalk with the Occupational Information Network's Standard Occupational Classification System (O*NET-SOC). This newly-developed crosswalk substantially improves the fundamental linkage between training and placement in two ways: 1) through its introduction of Training Program Areas (TPAs) to categorize both training and job activities; and 2) in its re-creation of the entire crosswalk "from the ground up."

Many of the OIG's concerns regarding JTM matches have been resolved by the new crosswalk. Certain codes, such as "cashier," are no longer used broadly, and greater levels of detail between occupations are provided (i.e., carpenters are now treated separately from bricklayers and painters, as opposed to being grouped into "construction"). Additionally, current policy requires that career transition services contractors attest to the validity of each JTM credit in the program's electronic career transition system. This enhancement is another safeguard to ensure the data integrity of JTM placements.

Finally, the methodology used to calculate the cost of \$1,196 to provide each student with placement services is flawed. While dividing the total cost of career transition services by the number of students receiving career transition services may result in a per student cost, not all of those expenses are tied to a placement. Career transition specialists provide an array of services, beyond placement, that assist students in transitioning into the workforce or higher education. They assist in identifying housing and transportation resources, student financial aid and other forms of assistance, and providing employability skills training, such as job interviewing skills and resume building.

Military and Educational Placements as Job Training Matches

We disagree with the OIG's finding that JTMs are overstated by 25.2% because of military and educational placements. In our opinion, these are valid training matches. In accordance with recommendations from the Secretary of Labor's Advisory Committee on Job Corps, which submitted its final report to the Secretary in April 2008, OJC began including placements in the post-secondary institutions as JTMs. In addition to federal staff, the Secretary's Advisory Committee consisted of members of industry, academia, labor unions, and non-profit organizations. Ultimately, the Committee recommended expanding training matches beyond traditional employment to incentivize placements that would lead Job Corps graduates to higher wage employment.

OJC worked with the military to develop a "clock hours" form that is accepted by all branches of the Armed Forces to validate Job Corps training. This process includes reviewing Job Corps' Training Achievement Records (TARs), which list the skills, knowledge, and industry-recognized credentials a graduate gained upon completion of a training program, to identify suitable positions in the military, prior to a graduate's enlistment. Although the OIG was provided with both the form and sample TARs, the OIG disagrees that these are valid matches.

ETA also agrees with the Secretary's Advisory Committee that post-secondary placements are a valid match to the training Job Corps graduates receive. Job Corps graduates' entry into post-secondary institutions, especially community colleges, continues to rise, and should be incentivized. In teaching students the values of lifelong learning and long-term career advancement, counselors, teachers, and many other center staff emphasize the importance of continuing education.

Given ETA's position on this issue, these placements are not considered an overstatement of JTMs. Instead, ETA and the OIG have a difference of opinion on the policy defining JTMs. Under current Job Corps policy, what the OIG considers "overstatements" are actually valid training matches.

The Placement of Job Corps Students in Entry-Level Positions

We disagree with the OIG's finding that the placement of students in jobs that require little or no training was a poor use of resources, because Job Corps was not a necessary intervention for these placements. This finding dismisses key relevant points and discounts the value of the skills achieved by our students. In fact, these students completed valid career technical training programs and received career transition readiness and employability skills instruction. Further, this finding fails to recognize:

1. the needs and background of the typical Job Corps student in attaining and retaining employment are different than those of the "typical worker," which is the target audience for this broad O*NET definition;
2. that entry-level positions are appropriate placements for workers first entering the workforce and are the initial step in a career pathway; and
3. the adverse impact of the economic recession on the employment prospects of Job Corps' demographic population.

A comprehensive review of Job Corps placement must begin with a solid understanding of the students served. The typical Job Corps student entering the program has not completed high school, reads slightly below the 8th grade level, has never had a full-time job, is between 16 and 24 years old, and is from an economically disadvantaged family. Many students have significant basic skills and behavioral deficiencies, lacking the skills and knowledge to gain and retain employment. As a result, Job Corps takes a holistic approach to education and training, assessing each student's needs and designing essentially an individualized program or intervention to address those needs.

For example, in the OIG sample, over 300 students had a documented disability. The lowest entry level math score was a grade level equivalent (GLE) of 1.9 (less than second grade), with the student achieving a final math assessment of 4.9 (less than fifth grade). Similar scenarios were identified in the sample students' reading scores. OJC asserts that these students certainly *did benefit* from the program's training, and that funds were not misspent to place them in entry-level jobs. Further, the 1,569 placements represent less than 10% of JTM placements and 5.9% of all PY 2009 graduate placements. Given the population that Job Corps serves, this statistic is more a testament of Job Corps' success than its shortcomings. The majority of graduates in this sample maintained retention in employment or education 12 months after the initial placement.

Further, the economic recession in recent years impacted minority youth to a much greater degree than other sectors of the population. As of August 2011, the unemployment rate for youth, ages 16-24, was over twice that of the national average of 9.1 percent. For African-American males in this age group, the unemployment rate jumps to almost 50%. This economic downturn has resulted in Job Corps youth competing in today's workforce with adults of all skill levels. Under these conditions, ETA disagrees with the OIG that valid placements in entry-level jobs equates to wasteful spending.

Finally, ETA did not state that "achieving and maintaining a basic entry level job at the end of the Job Corps experience is a crowning achievement for most students," but that "entering the workforce and maintaining employment is a first step in a student's career pathway."

Performance Metrics

ETA agrees with the OIG that 100% of Job Corps' performance metrics are aligned with the Secretary's goals and the agency's mission. Beyond this, though, ETA has concerns about the reliability and analysis of the performance metrics, especially as outlined in Exhibit 1: Analysis of Job Corps' 58 Performance Metrics. This analysis appears to be based on incorrect data. OJC has on more than one occasion provided data to revise Exhibit 1, yet the final version does not include the corrected data. For example, metrics 49¹ and 50² are identified as unpublished and not publicly available, though OJC has shared with the OIG the URLs where these metrics can be found on Job Corps' public website.

¹ Metric 50, Student on-board strength, can be found here:
http://www.jobcorps.gov/Libraries/pdf/job_corps_center_inventory.sflb

² The most recent release of metric 50, Average Length of Stay, can be found here:
http://www.jobcorps.gov/Libraries/pdf/10_3rd_qtr.sflb

Further, ETA maintains that Job Corps' performance metrics meet the intent of the Workforce Investment Act, Government Performance and Results Act, and Departmental priorities. Job Corps' metrics are derived from these requirements. Rather than burden the system with individual metrics, some metrics have been streamlined and assigned a target. For example, the graduate placement metric meets the WIA requirement to set targets for graduates placed in employment related and not related to training, as well as the number of hours worked. This metric also fulfills the requirement to collect information on the number of graduates who enter education programs, including apprenticeship, and enter the military.

Cost Efficiency

We take issue with the discussion draft's statements that Job Corps has a cost efficiency metric, that it is entitled, "cost per participant," and that it is in compliance with ETA's guidance for reporting cost efficiency.

Job Corps, like all ETA programs, does not use a cost efficiency metric. Rather, Job Corps tracks and report *cost per new enrollee* as part of its annual budget submission. It is used by management for historical and comparative purposes and to inform management decisions. It is not, however, used to drive performance and outcome decisions, as this would lead to unintended consequences. For example, Job Corps has taken steps in recent years to increase student length of stay in the program, as this leads to more positive outcomes for students. However, an increased student length of stay would increase the *cost per new enrollee*, as fewer students would move through the system. Therefore, using *cost per new enrollee* to drive performance management, instead of as an information tool to make longitudinal comparisons, would mean reducing *per student costs* at the expense of student achievement.

At this time, none of ETA's programs are using a cost efficiency measure, nor has ETA developed guidance to calculate cost efficiency. The OIG has cited the May 2010 study, "*Implementing Efficiency Measures for Employment and Training Programs*," using language that would indicate that Job Corps is out of sync with other ETA programs. This is not the case as ETA programs are not using cost efficiency metrics. In addition, the study cites significant challenges to establishing cost efficiency metrics that were ignored by the OIG.

Finally, the OIG states that Administration costs should be included when calculating Job Corps' *cost per new enrollee*. This practice would set Job Corps apart from all other ETA programs, which do not include their administration funding in participant cost calculations. Administration funding impacts only the federal workforce that oversees and monitors the program, and does not affect the direct delivery of services to students.

Throughout the course of the audit, the OIG provided a wide range of alternative cost metrics for ETA's consideration. Some of the calculations for OIG's proposed alternative measures disregarded large subsections of Job Corps' population, which the program is legislatively mandated to serve. For example, the calculation the OIG proposed for the "*cost per success*" metric did not account for any services provided to former enrollees, who receive post-enrollment services outlined in the Workforce Investment Act. Others disregarded core services of the program, such as *cost per high school diploma completions*, which overlooked career technical training and other core services provided by the program.

Evaluations

Job Corps disagrees that the Secretary's Advisory Committee and consultants hired to provide assessments of the program should have been managed more appropriately. This OIG finding stems not from the management of the work, but from ETA's reluctance to adopt specific recommendations from these consultants. ETA has reiterated to the OIG that the work conducted by these entities is beneficial, even if the final recommendations are not completely implemented. In fact, ETA and OJC believe that its efforts to address management concerns by commissioning studies demonstrate sound management techniques.

ETA values the research conducted to improve its programs and services, and comprehensive analysis is conducted to review results and consider implementation strategies. To the extent feasible, ETA adopts recommendations that arise from these studies, but does not consider evaluations invaluable if they do not lead to changes in the program. In some cases, recommendations may not be cost effective, or aligned with Departmental priorities and authorizing legislation. This does not negate ETA's commitment to explore multiple avenues to improve its programs, or the valuable impact of research and evaluation studies on all aspects of public and private sector programs, services, and initiatives.

Recommendations

ETA is committed to improving the transparency and availability of Job Corps' performance metrics. As stated previously, ETA has already released a new JTM crosswalk that aligns Job Corps training with O*NET-SOC occupational codes, which will help Job Corps make great strides in addressing the OIG recommendations. Our responses to the draft report's recommendations follow:

OIG Recommendation 1. Review and improve its performance metrics to provide decision-makers with useful and reliable information to make informed decisions regarding the program's performance and costs. This includes ensuring metrics are complete and accurate, comply with WIA, and have reported results and established targets.

Response: Management partially accepts this recommendation. Job Corps currently provides decision makers with reliable data to inform management and programmatic decisions. In Fiscal Year 2012, ETA will make performance outcomes more transparent to stakeholders and the public by publishing additional performance metrics as well as an annual report on WIA metrics.

OIG Recommendation 2. Improve oversight of its service providers to increase the number of students who find employment that relate to and utilize the vocational training received.

Response: Management accepts this recommendation. Based on the current policies and procedures, during the 1st quarter of FY 2012, the National Director of Job Corps will issue a memorandum to Regional Offices to reiterate policies and procedures regarding oversight responsibilities, to include audit sampling during compliance assessments.

Job Corps has also created a new safeguard in its electronic system that will require all career transition services contractors to validate the relevance of a student's placements to the training. This new feature will allow for targeted internal audits and reporting centered on high-risk placement codes, such as "cashier," which have previously held the potential for excessive use.

The National Director of Job Corps will also issue a memorandum through the Regional Offices to direct career transition services contractors to strengthen policies and procedures to ensure compliance with Job Corps' policies for determining job training match placements.

Job Corps, in coordination with the ETA Office of Contracts Management, will evaluate the questionable job training match placements, and seek documentation from the applicable career transition services contractors. In the event that a contractor cannot support the questioned costs, liquidated damages will be assessed. Appropriate information to close this recommendation will be forwarded to the OIG.

We consider this recommendation resolved.

OIG Recommendation 3. *Develop a process to ensure the scope of work contracted for and conducted by consultants is managed appropriately to maximize value, ensure such investments work as planned, and result in meaningful improvements.*

Response: Management partially accepts this recommendation. ETA conducts its procurement and contracting activities in accordance with Federal Acquisition Regulations (FAR) requirements. Further, Contracting Officer's Representative responsibilities are identified in the FAR, and are strictly enforced. Thus, processes are already in place to execute the OIG's recommendations. ETA will continue to closely monitor consultants' and committees' work in assessing Job Corps, and will consider all recommendations.

We consider this recommendation resolved.

Based on the foregoing responses, we anticipate that the audit report's recommendations will be resolved and can be closed upon completion of the corrective actions.

cc: Roberta Gassman, ETA
Edna Primrose, Job Corps

PAGE INTENTIONALLY LEFT BLANK

Appendix F

Acknowledgements

Key contributors to this report were Ray Armada (Audit Director), Jon K. Ling (Audit Manager), Steven Grubb, Kathleen Mitomi, Catherine Christian, and Patrick Trager.

Additional support for this report was provided by Steve Witherspoon (Reviewer) and Ajit Buttar (Statistician),

TO REPORT FRAUD, WASTE, OR ABUSE, PLEASE CONTACT:

Online: <http://www.oig.dol.gov/hotlineform.htm>
Email: hotline@oig.dol.gov

Telephone: 1-800-347-3756
202-693-6999

Fax: 202-693-7020

Address: Office of Inspector General
U.S. Department of Labor
200 Constitution Avenue, N.W.
Room S-5506
Washington, D.C. 20210