

BRIEFLY...

Highlights of Report Number: 26-13-002-03-370, issued to the Assistant Secretary for Employment and Training.

WHY READ THE REPORT

The Department of Labor's (DOL) Employment and Training Administration (ETA) oversees the Office of Job Corps (Job Corps), which administers and manages the Job Corps program. Job Corps maintains 125 Job Corps centers nationwide that are used by approximately 60,000 students and 16,000 staff each year.

Job Corps faces a number of challenges to keep its facilities safe and minimize health risks, including aging facilities and limited funds for repairs. However, these challenges also underscore the importance to repair maintenance deficiencies before conditions worsen or injuries occur, and when funds are available. During program years 2009-2011, Job Corps received, on average, \$108.3 million per year in appropriations to pay for new center construction, rehabilitation of existing centers, land acquisitions, and necessary maintenance to keep its centers in acceptable condition.

This report discusses ways Job Corps can improve its oversight of center maintenance repairs to ensure a safe and healthy environment and allocated funds are used before expiration.

WHY OIG CONDUCTED THE AUDIT

We conducted an audit to answer the following questions:

To what extent did Job Corps' management of center maintenance ensure: (1) repairs were performed in a timely manner and safety and health risks were minimized, and (2) allocated funds were spent effectively and efficiently?

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/2013/26-13-002-03-370.pdf>.

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JOB CORPS NEEDS TO IMPROVE TIMELINESS OF AND ACCOUNTABILITY FOR MAINTENANCE REPAIRS AT ITS CENTERS

WHAT OIG FOUND

Our audit found Job Corps did not always ensure center maintenance deficiencies were repaired in a timely manner, exposing students, staff, and visitors to potential safety and health hazards. This included 807 of 1,405 (57 percent) critical maintenance deficiencies involving life, safety, and health issues not repaired for more than one year, and 718 maintenance deficiencies that had been funded and not repaired for more than one year, totaling \$29.5 million.

We also found Job Corps did not effectively manage maintenance funds and \$32.9 million in unused funds were expired or approached expiration. This included \$9.0 million in funds that expired and cannot be used to incur new obligations and \$23.9 million, which Job Corps could not provide the information needed to determine the expiration date.

Additionally, Job Corps did not accurately account for the estimated deferred maintenance costs to repair maintenance deficiencies in DOL's fiscal year (FY) 2011 Financial Report. We estimated these costs totaled at least \$202.3 million for FY 2011, an understatement of at least \$106.2 million for FY 2011.

These conditions occurred because Job Corps did not have an effective process to ensure maintenance deficiencies were addressed appropriately and timely, and did not place sufficient emphasis on tracking and monitoring the status of obligated funds. We estimate \$42.1 million would be put to better use if Job Corps improved these processes.

WHAT OIG RECOMMENDED

We recommended ETA require Job Corps to improve management processes for identifying, tracking, repairing, and funding repairs for maintenance deficiencies; identify and timely use, or return to the U.S. Treasury unused funds obligated for center repairs; and determine and accurately report its total deferred maintenance costs and repairs.

In response to our draft report, ETA did not completely agree with our conclusions. However, ETA did not provide any new information which changed our conclusions. ETA took corrective actions to address three recommendations and will take action on the remaining one.