

APPENDIX E

AGENCY RESPONSE TO DRAFT REPORT

U.S. Department of Labor

Office of Job Corps  
Washington, D.C. 20210



MAR 16 2009

MEMORANDUM FOR: ELLIOT P. LEWIS  
Assistant Inspector General for Audit

FROM: ESTHER R. JOHNSON, Ed.D. *Esther R. Johnson*  
Administrator

SUBJECT: OIG Draft Report Number 04-09-003-01-370  
Job Corps' Reported Performance Measures did not Reflect  
All Legislative Reporting Requirements

We appreciate the opportunity to provide the Office of Inspector General (OIG) with comments regarding the finding and recommendations related to the Draft Audit Report of Job Corps' Performance Measures.

The audit report acknowledges that Job Corps captures a vast array of performance data and has multiple methods for reporting performance measures; however, the audit found that Job Corps' reported performance measures did not reflect all legislative reporting requirements in two areas:

1. Job Corps does not annually submit a report to Congress that includes performance results for each Job Corps center as stipulated by WIA; and
2. Job Corps does not comply with OMB reporting requirements regarding placement outcomes by not including all students enrolled in the program in its reported job placement data but instead only reporting placement outcomes for students who had been enrolled for at least 60 days.

The OIG concludes that Job Corps' failure to comply with legislative reporting requirements results in Congress, OMB, and other decision makers lacking critical data for making informed decisions regarding the Job Corps program.

Job Corps acknowledges that no single consolidated report containing center-specific data for all WIA indicators of performance is currently produced for submittal to Congress. However, Job Corps believes and continues to assert that it publishes all required information on the program's performance and outcomes, albeit in multiple formats rather than the single annual report the OIG apparently expected. Job Corps is now and will continue to be responsive to any requests for additional information from Congress or any other responsible entity regarding the program's performance.

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WIA Reporting Requirement:

The OIG states that while Job Corps collects the necessary data to comply with WIA reporting requirements, and reports containing this data are available upon request, an annual report with all the data was not submitted to Congress. The OIG also states that it is the responsibility of the Job Corps program to prepare and submit the report to the Executive Secretariat for clearance through the Department, and the cleared report is to be submitted by the Secretary to Congress.

Job Corps believes that it currently provides Congress, OMB and other decision makers the information needed to make informed decisions regarding the program's performance and outcomes. The OIG's stated expectation is that all programmatic information should be encapsulated in a single Annual Report transmitted through the Secretary of Labor to Congress. While Job Corps is open to the idea of developing such a consolidated report in tandem with the OIG, it should be noted that such a report is estimated to be more than six hundred pages of tables and data. Although expansive in scale and extremely labor-intensive to produce, it is questionable whether it would add any value to the reams of information that is already publically available and regularly published in other formats. It should also be noted that, over the entire reporting history of the Job Corps Program, neither Congress nor OMB has ever expressed a need to receive Job Corps' information in any fashion other than the way we currently publish it.

OMB Reporting Requirement:

The OIG acknowledges that Job Corps faces several inherent limitations in collecting job placement data as defined under common measures. Based upon the WIA reporting requirements for placements, Job Corps has historically captured placements for a subsection of its participants (graduates and former enrollees) within 6 months (as of PY 2005) and 90 days after program exit, respectively. Placement follow-up surveys of placed former enrollees are conducted approximately 13 weeks after initial placement, and follow-up surveys of placed graduates are conducted at 13 weeks, 6 months and 12 months after initial placement.

Under the common measures guidelines, however, Job Corps is required to report placements of all participants during the quarter after the quarter of exit. Both the timeframe and scope for this indicator do not correspond with the existing Job Corps placement reporting and follow-up survey systems.

Based on the limitations identified above, before beginning to report on common measures, Job Corps worked through the Departmental Center for Program Planning and Results with OMB to reach an acceptable solution. As previously indicated to the OIG, OMB agreed to a variance in the reporting of placement data for Job Corps that would be acceptable to them until alternate sources could be developed to report the data as initially required.

Job Corps had initially determined that the use of national Unemployment Insurance (UI) Wage Records was the most cost-effective method of obtaining the data to report on the placement indicator. As such, Job Corps entered into an agreement with the Kansas Department of Commerce to match program participant data with UI Wage Records via the Wage Record Interchange System (WRIS) database. Since the execution of this agreement, however, Job Corps has identified several limitations with the use of UI data, and has therefore not yet been able to utilize the data for reporting on the common measures placement indicator. One method that could compensate for incomplete or inconsistent WRIS data is the use of a three-step statistical process – which combined with multiple alternate data sources (e.g.: survey data) already used by Job Corps – provides a fairly accurate picture of placement. Job Corps submitted a report to OMB on August 20, 2008 seeking guidance as to the appropriateness of utilizing the adjusted data for common measure reporting so that the program may more accurately report its placement results; at this time no response has been received from OMB on this issue.

OIG Recommendations:

As a result of their audit, the OIG recommended that the Job Corps National Director:

1. Comply with all WIA and OMB reporting requirements, and annually prepare the performance report required by WIA for the Secretary to submit to Congress.

As stated previously, the National Office acknowledges that no annual report containing center-specific data for all WIA indicators of performance has been produced for submittal to Congress, but such a report would be so large (over 600 pages) that it would be too labor-intensive to be of value to stakeholders. Job Corps wishes to discuss with the OIG how such a report can be produced in a manner that would be a useful document for Congress to use in making informed decisions regarding the Job Corps program.

As stated above, Job Corps has already sought guidance from OMB through the August 20, 2008 submission of a paper regarding the use of statistically adjusted data for reporting on the common measure placement indicator; at this time no guidance has been provided by the OMB on this issue.