

APPENDIX B: AGENCY'S RESPONSE TO THE REPORT


U.S. Department of Labor

Employment and Training Administration  
200 Constitution Avenue, N.W.  
Washington, D.C. 20210



MAR 3 n 2018

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

FROM: ROSEMARY LAHASKY   
Deputy Assistant Secretary

SUBJECT: Response to Office of Inspector General (OIG) Draft Audit Report  
No. 04-18-001-03-370, *Job Corps Could Not Demonstrate  
Beneficial Job Training Outcomes*

Thank you for the opportunity to review the draft audit report on Job Corps' Career Transition Services (CTS) and to provide a response to its recommendations. The Employment and Training Administration (ETA) appreciates your interest in this critical aspect of the Job Corps program. We note that the data analyzed in your report concerns records from Program Years (PY) 2010 and 2011 (July 1, 2010 through June 30, 2012).

Since this audit, the program has taken significant steps to improve the quality of career transition services, which are critical to ensuring the continued success of Job Corps students. Specific actions include: the addition of a full-time employee in the National Office focused solely on modernizing and updating the program's CTS component; revising program policies to provide clear definitions for the various placement types; requiring that placement documents be submitted via current technologies (e.g., text, scan, and/or photograph); and updating the timeframes for placement verification.

While improvement has and will continue to be made in the quality of Job Corps' career transition services, we believe Job Corps' training provides significant and tangible employment results for students. For example, in PY 2016, 86.7 percent of graduates obtained an initial placement in a job, the military, or education. Job training matches were achieved for 62.1 percent of the placements, with an associated initial average hourly wage of \$10.78.

ETA appreciates the feedback provided in the OIG's audit. We agree with the OIG recommendations and believe we are effectively addressing them. Our detailed responses to your recommendations are as follows:

**Recommendation 1: Ensure outreach and admission contractors complete the forms identifying participants' prior employment work history and use that information to evaluate training and placement.**

Response: ETA agrees with this recommendation. While Admissions Counselors do collect data pertaining to prior work history for the purpose of assessing an applicant's income eligibility, employment history is not directly related to program eligibility. As such, Job Corps' Policy &

Requirements Handbook (PRH) does not require Outreach and Admissions contractors to collect an individual's employment history in order to process an application.

However, this information is currently collected by each center during the Career Preparation Period (CPP), which takes place in the first several weeks of a student's enrollment. Section 2.5, R2 of the PRH includes detailed requirements as to how centers must collaborate with students in order to initiate the development of a Personal Career Development Plan (PCDP). Center operators are required to administer a variety of formal and informal assessments to new enrollees during CPP to identify developmental and transitional needs, initial aptitudes, and personal interests and aspirations. Together with the participant's prior work experience, this information is used to develop the PCDP, which identifies short- and long-term career goals; desired geographic residence/work location; transitional needs; and current status as it pertains to pre-enrollment educational attainment, previous employment/skills, English language proficiency, and driver license. Centers must utilize PCDP information to develop a student's individualized schedule and to inform career technical training selections and related support needs.

In addition to existing work history documentation requirements, the program is currently implementing a new career planning initiative, My Pathway to Achieving Career Excellent (MyPACE). MyPACE will replace the PCDP with an individualized career plan that includes review of labor market information/local in-demand occupations in the student's desired geographic residence/work location. MyPACE is a comprehensive, student-centered career planning system that empowers all students to take ownership of their career pathway planning experience and to set, track, and achieve their individualized goals during and after enrollment. MyPACE identifies participants' prior employment history and work skills, and incorporates that information in the development of a comprehensive, individualized career plan. MyPACE includes lessons and software that speak directly to previously employed students with the message that their prior employment is only a stepping stone to a living wage and the independence available via a career pathway.

In sum, Job Corps believes that we have taken, and will continue to take, important steps to obtain and utilize participants' prior employment history to provide better service in the programs' career transition services.

**Recommendation 2: Ensure transition services contractors provide effective and documented placement services.**

Response: ETA agrees with this recommendation. To increase accountability among transition services contractors, Job Corps issued more explicit instructions regarding required documentation in PRH Change Notice 15-12, on April 14, 2016. PRH Section 4.3, Career Transition Services for Graduates, and Section 4.4, Career Transition Services for Former Enrollees, were both revised to require Career Transition Specialists to maintain case note documentation of all services provided directly to or on behalf of the student in Job Corps' web-based CTS application. Job Corps conducted mandatory training for the CTS community prior to and following the April 2016 policy update.

In addition, on March 9, 2018, Job Corps issued Program Instruction 17-21 on CTS electronic folders. This instruction notified the CTS community that all personnel must use the electronic

folder (e-Folder) system for scanning and storing all documents related to transition and placement services.

With these policy changes, federal staff have direct, ongoing access to required CTS documentation that supports the delivery of services and the validity of employment, education, or military placements. This is a substantial improvement over the previous system in which federal staff requested placement files from operators or performed site visits to CTS contractor locations to review documentation.

Further, as part of a broader internal audit effort in 2017, and in order to be responsive to the preliminary CTS findings provided in the OIG's Exit Conference on March 10, 2017, Job Corps' National Office conducted training for federal staff on the validity of placement-related documentation. This refresher training focused on identifying placement credits that did not meet the definition of the placement granted and provided examples of insufficient employer verification documentation in the student files.

**Recommendation 3: Update the Job Corps Handbook to require transition services contractors to document in case notes all provided services.**

Response: ETA agrees with this recommendation. As noted in response to Recommendation 2, Job Corps revised the PRH requirements in Sections 4.3 and 4.4 pertaining to case note documentation in April 2016. Career Transition Specialists are now required to maintain case note documentation of all services provided directly to, or on behalf of the student in Job Corps' web-based CTS application. Job Corps conducted mandatory training for the CTS community prior to and following the April 2016 policy update.

**Recommendation 4: Update the Job Corps Placement and Assistance Record to include whether students were self-placed.**

Response: ETA agrees with this recommendation. Job Corps received Office of Management and Budget (OMB) approval to make revisions to form ETA 678, *Job Corps Placement Record*, in order to capture self-placement and apprenticeship data. The Job Corps Data Center (JCDC) is currently adding these enhancements to the web-based CTS application with projected implementation by June 30, 2018.

**Recommendation 5: Determine and assess liquidated damages to contractors that misreported data based on invalid placements.**

Response: ETA agrees with this recommendation. In 2017, Job Corps conducted a high-level audit of student placement files for 18 Center/CTS contractors, verifying only whether each placement satisfied the documentation requirements in PRH Exhibits 4-1, *Placement Definitions*, and 4-2, *Initial Placement Documentation and Verification Requirements*. In this audit, a finding of "invalid placement" did not necessarily mean that the placement did not occur or was improper; rather, it indicated that there was an insufficient record of that placement, and the contractor's failure to maintain such a record justified invalidating the placement. Using this methodology, Job Corps identified 339 invalid placements and, through the Office of Contracts Management, has taken steps to recover liquidated damages. The Contracting Officers will continue to work with the program office's Contracting Officer Representatives to ensure that all

appropriate liquidated damages are recovered.

**Conclusion**

Thank you again for the opportunity to review this report and provide a response to its recommendations. ETA continues to take seriously its responsibility to quickly and effectively address these recommendations. We look forward to continuing to work with the OIG to implement actions to improve Job Corps' admissions and career transition services policies.