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AND THE WORKFORCE

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February 1, 2013

Dr. LaVera L. Leonard, Ed.D.
President
National Job Corps Association
1023 15th St. NW, Suite 200
Washington, DC 20005

Dear Dr. Leonard:

The House Committee on Education and the Workforce is conducting a comprehensive fiscal review of the Job Corps program authorized under Title I, Subtitle C, of the Workforce Investment Act of 1998 (P.L. 105-220). This ongoing review includes a financial accounting of program funds managed by the Office of Job Corps and relevant contractors, including the U.S. Department of Agriculture Forest Service's Civilian Conservation Corps, and a recent examination of the \$60 million budget shortfall for program year 2012.

While we appreciated your staff meeting with committee staff on January 9, 2013 to discuss the fiscal issues facing the Job Corps program, the Department of Labor's (DOL) recent announcement they will freeze student enrollments at all 125 centers raises additional questions that need to be addressed. Despite knowing the program faced a shortfall since fiscal year 2011, the department failed to anticipate and address the specific causes or take action to stabilize the financial condition of the program. Instead, it continues to take temporary steps to achieve savings to cover the shortfall, estimated at more than \$100 million over the last two program years. The department's lack of action is even more concerning considering the impending sequestration. The committee is growing increasingly concerned with the ability of the department and its contractors to manage the program's budget in the short and long term.


To examine the Job Corps operators' role in administering the nation's largest at-risk youth program, we request the following information no later than February 15, 2013:

- 1) Please provide a description of the steps taken thus far by your association, including those requested by DOL and those undertaken proactively, to help your members and the department address the budget shortfall, and the necessary cost savings attached to those actions.

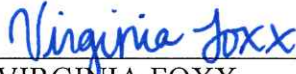
- 2) Please provide a complete listing of recommendations your association has put forth to DOL to address the budget shortfall during program years 2011 and 2012.
- 3) In an October 1, 2012 letter addressed to Assistant Secretary for Employment and Training Jane Oates, your association asserts the Employment and Training Administration (ETA) could “recover as much as \$20 million in under-runs resulting from policies mandated by ETA in July, August, and September.” Please provide a detailed explanation, including budgetary evidence, as to how the association arrived at the \$20 million figure.
- 4) In a January 17, 2013 letter addressed to Assistant Secretary Oates, your association states that “ETA did not want to take back the under-runs because you [Assistant Secretary Oates] believed centers might need those funds in the last quarter of the year.” You further state that the Assistant Secretary’s “statement implies that either 1) ETA expects Job Corps centers to be over budget in the 4th quarter, which is highly unlikely and practically impossible at this point, or 2) ETA has over-obligated its Job Corps funds such that it will not have enough funding for all the centers’ quarterly disbursements in the 4th quarter.” Why does your association believe that it would be “highly unlikely and practically impossible” for centers to be over budget in the 4th quarter? Have centers remained traditionally under budget in the past during this period? Please provide a detailed explanation, including budgetary evidence, as to how you arrived at that conclusion.
- 5) Please provide a description of the conversations between your association and DOL to discuss the budgetary shortfall, including a copy of all written correspondence.

We respectfully request your staff contact our staff to schedule a briefing to be held no later than February 7, 2013, to discuss your response to this letter. Thank you for your attention to this matter. If you have additional questions regarding this request, please contact Rosemary Lahasky or Mandy Schaumburg of the committee staff at (202) 225-6558.

Sincerely,



JOHN KLINE
Chairman
Committee on Education and the Workforce



VIRGINIA FOXX
Chairwoman
Subcommittee on Higher Education and
Workforce Training