



Impact of the Bush Administration's Reorganization of Job Corps

Background: Transfer of Job Corps to the Office of the Secretary

Public Law 109-149, the Fiscal Year 2006 Labor, Health and Human Services, and Education Appropriations Act, transferred the Office of Job Corps from the Employment and Training Administration to the Office of the Secretary of Labor.

[T]he Secretary of Labor shall permanently establish and maintain an Office of Job Corps within the Office of the Secretary, in the Department of Labor, to carry out the functions (including duties, responsibilities, and procedures) of subtitle C of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2881 et seq.). The Secretary shall appoint a senior member of the civil service to head that Office of Job Corps and carry out subtitle C. The Secretary shall transfer funds appropriated for the program carried out under that subtitle C, including the administration of such program, to the head of that Office of Job Corps. The head of that Office of Job Corps shall have contracting authority and shall receive support as necessary from the Assistant Secretary for Administration and Management with respect to contracting functions and the Assistant Secretary for Policy with respect to research and evaluation functions.¹

Unfortunately, Secretary's Orders 09-2006, which implemented the transfer, did so contrary to congressional direction and expectations. Rather than maintain the authorities and functions of the Office of Job Corps, the orders dispersed critical Job Corps functions including procurement and budgeting to various unrelated DOL offices. In response, the Congress further clarified its intent for Job Corps' management in the conference report attached to Public Law 109-234.

The conferees direct the Department to implement Section 102 of Public Law 109-149 retaining in the Job Corps those program functions previously administered by the Job Corps prior to the transfer and to ensure the support necessary for oversight and management responsibilities. The conferees further expect that, although the Office of Assistant Secretary for Administration and Management will oversee the procurement process, this arrangement shall not alter the existing authorities, duties, or activities of Job Corps as it existed prior to the transfer. The Office of Job Corps and the Assistant Secretary for Administration and Management are directed to maintain controls to assure the procurement activities are completely separate from program operations.²

DOL has neglected to comply with this congressional direction and Job Corps' efficiency and effectiveness have suffered as a result.

Issue: Job Corps Procurement Authority

Background

Congress has clearly expressed its intent that the Director of the Office of Job Corps maintain authority over Job Corps procurement. While Job Corps was part of ETA, procurement authority was specifically delegated to the Assistant Secretary for ETA and "redelegated" to the Director of Job Corps. When Job Corps moved to the Office of the Secretary, contrary to congressional direction, Job Corps' procurement authority was abdicated to OASAM. OASAM is inexperienced in conducting programmatic procurements

¹ P.L. 109-149, Title I, Sec. 102.

² H.Rept. 109-494.



and ill-suited to manage Job Corps procurements. DOL erroneously pointed to an OIG report criticizing procurement practices in other DOL agencies as the reason for moving Job Corps' procurement authority to the Office of the Assistant Secretary for Administration and Management (OASAM). Yet an OIG audit of Job Corps procurement practices found no problems and stated that Job Corps procurements "were properly managed and resulted in the fair, impartial, and competitive procurement of goods and services necessary for the effective operation of the Job Corps program."³

Recommendation: Return procurement authority to the Office of Job Corps

Fortunately, this can be corrected with a simple change to the Department of Labor Manual Series (DLMS). The DLMS codifies DOL policy and procedures for carrying out all of its work and currently includes language that interferes with congressional intent for Job Corps to maintain its procurement authority. In order for Job Corps to be able to operate with the autonomy desired by Congress sections of the DLMS will have to be changed.⁴ Job Corps needs to have specific authority to insure the flexibility that is needed to operate efficiently and to respond quickly to changes or to implement new initiatives. As such DOL's Chief Acquisition Officer, the Assistant Secretary for Administration and Management, should delegate procurement authority to the Director of Job Corps for Job Corps related procurements. Further, the Director of Job Corps should have the ability to redelegate this authority to subordinates, specifically the Regional Directors of Job Corps.

Issue: Job Corps Budget Development and Management Authority

Background

In addition, to procurement authority, Secretary's Orders 09-2006 also transferred Job Corps' budget authority to the Office of Administration and Management (OASAM) which has proven inefficient and slow to act. This has resulted in late payments that detrimentally affect the operations of Job Corps centers and necessitate critical Job Corps resources be spent on interest and late payment fees.

Recommendation: Return budget development and real property management authority to the Job Corps

To be efficient and comply with congressional direction, Job Corp should once again have its own Division of Budget and Finance, which would provide accounting services, payment of vouchers, and allocation of funds. Similarly a separate Division of Real Property Management would allow Job Corps to respond to situations without the interference and inability to act that typifies oversight from OASAM.

³ Getek, John J. "Memorandum to Raymond J. Uhalde re: National Office Job Corps Procurements Letter Report No. 09-01-203-03-370." U.S. Department of Labor, Office of the Inspector General. March 7, 2001.

⁴ Department of Labor Manual Series, Section 814.