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DEPARTMENT OF LABOR

Employment and Training Administration

Final Notice of Job Corps Center for Closure

AGENCY: Office of Job Corps, Employment and Training Administration (ETA), Labor.

ACTION: Notice

SUMMARY: The Employment and Training Administration (ETA) of the U.S. Department of Labor (the Department or DOL) issues this notice to announce its final decision to close the Ouachita Civilian Conservation Center (Ouachita) in Royal, Arkansas. The Office of Job Corps (OJC) in ETA published an updated methodology for selecting a Job Corps Center for closure and requested comments on the proposed decision to close Ouachita at 81 FR 12529 on March 9, 2016. A total of 292 public comments were received in response to the proposal to close Ouachita. After reviewing all comments, the Department has decided to close the Ouachita Job Corps Center.

FOR FURTHER INFORMATION CONTACT: Lenita Jacobs-Simmons, National Director, Office of Job Corps, ETA, U.S. Department of Labor, 200 Constitution Avenue, NW, Room N-4463, Washington, DC 20210; Telephone (202) 693-3000 (this is not a toll-free number).

Individuals with hearing or speech impairments may access the telephone number above via TTY by calling the toll-free Federal Information Relay Service at 1-(877)889-5627 (TTY/TDD).

SUPPLEMENTARY INFORMATION

I. Closure Criteria

The Department originally announced its methodology for determining whether to close a center based on chronic low performance in the Federal Register at 79 FR 51198 on August 27, 2014. The March 9, 2016, Federal Register Notice did not alter this criterion except for

changing the five-year period of data reviewed from Program Years (PYs) 2008-2012 to the most recent five years available. Comments were not requested on the performance-based criteria in proposing the closure of the Ouachita Center.

The March 9, 2016, Federal Register Notice also added two additional criteria for the closure of a Job Corps center: closure based on a joint decision of the Secretaries of Labor and Agriculture, as described in a December 2014 report to Congress; and closure based on an evaluation of the effort required to provide a high-quality education and training program at the center. The Department did not use either of these criteria in proposing or evaluating the Ouachita Center for closure. Comments were not requested on these closure criteria.

II. Background of the Job Corps Program and Process of Selecting a Center for Closure

The Job Corps program, with centers across the country, seeks to change lives through education and job training for in-demand careers. Job Corps serves at-risk young people who are overcoming major challenges, which can include deep poverty, homelessness, or multiple foster care placements. The program represents the core American value that no matter who you are or where you come from, you should have the opportunity to succeed.

On March 9, 2016, the Department proposed to close Ouachita under the chronic low-performance criterion. Using data from PY 2010-2014, OJC calculated each center's Overall Rating based on the center's five-year Outcome Measurement System (OMS) performance level, the five-year On-Board Strength (OBS), and the five-year Facility Condition Index. Based on this methodology, Ouachita received the lowest Overall Rating and, therefore, the lowest ranking of all centers considered. After ranking the centers based on the primary criteria, the Department then applied the four additional considerations and determined that none of those considerations precluded the closure of Ouachita.

III. Summary of Comments and Discussion

The comment period was open from March 9, 2016, through April 8, 2016. Two hundred ninety-two public comments were received in response to the proposal to close Ouachita. After considering these comments, the Department has decided to close the Ouachita Civilian Conservation Center due to its chronic low performance. The Department has concluded that Ouachita's chronic inability to meet performance goals necessitates its closure and the reallocation of these student slots and resources to higher-performing Job Corps facilities. The Department has also concluded that closing this Center will not reduce the overall number of students who can be served in Job Corps.

The comments are summarized briefly and discussed below.

Two commenters generally support Job Corps' decision to close the Ouachita Job Corps Center. A current student said he was not receiving adequate instruction in his trade because his instructor is never there. A member of the community commented that the center has been going downhill for the past five years; the commenter says that morale among the students is low and that there is racism and backstabbing among the staff.

Three commenters requested an extension of the 30-day comment period. Section 159(j)(2) of the Workforce Innovation and Opportunity Act (WIOA) provides that prior to the closure of any Job Corps center, the Department must establish "a reasonable comment period, not to exceed 30 days, for interested individuals to submit written comments to the Secretary." The comment deadline of April 8, 2016, reflected the 30-day maximum. By statute, the Department could not extend the comment period on this proposed closure.

A large number of commenters generally expressed the view that the Department should not close Ouachita because of the effect that closure would have on the community. Several commenters urged DOL to maintain Ouachita because of recent steps the center has taken to

work with local schools, with commenters asserting that the program could support a new Arkansas state employment initiative. DOL recognizes the beneficial effects of a center's operation on its local area, and that closing a center may indirectly affect the local economy and the broader community. However, the core mission of the Job Corps program is to train students to become more employable, responsible, and productive citizens. The closure of Ouachita advances this mission by allowing OJC to shift these resources and opportunities to higher-performing centers, thereby improving the performance of the entire Job Corps system and ensuring that students have the best opportunity to succeed.

Many commenters expressed their concern that current and future Job Corps students will suffer if the center closes. DOL appreciates the concern but is confident that disruption to students can be minimized while ensuring that current and future students have access to a higher performing Job Corps center. All students currently enrolled at Ouachita will have the opportunity to complete their training and graduate while the center remains open or transfer to higher-performing centers in Arkansas or the region. In addition, prospective students from Arkansas will continue to be served by the two other centers in the state, as well as other centers in the region that offer training in the area they wish to pursue. Given Ouachita's chronic poor performance, we have concluded that current and future students will be better served at higher performing centers.

Multiple commenters suggested that the decision to close Ouachita be delayed. Several urged DOL to provide the center with additional resources and give it the opportunity to improve its performance. Another commenter suggested that the center be closed down temporarily so that the center and its management could be retooled. Other commenters suggested that other options and strategies be considered before closing the center. Finally, one commenter asked the

decision be delayed until the Department presents an alternative plan to Congress that includes providing direct technical assistance to the U.S. Forest Service, which operates the center.

DOL has concluded that these suggestions will not lead to improved center performance and that the resources will be better utilized at higher performing centers. DOL and the Forest Service's parent agency, the U.S. Department of Agriculture (USDA), have used numerous performance improvement tools and strategies at Ouachita over several years, including intensive oversight and interventions; however, the center has continued to chronically underperform. Ouachita has been on a Performance Improvement Plan (PIP) for five years. For the last four Program Years, the center received more frequent on-site visits, audits, and direct technical assistance from DOL and the USDA. During the year prior to the proposal for closure, Job Corps and the Forest Service made additional concerted, targeted efforts to improve Ouachita's performance, including implementing an interagency performance improvement team. Even with these efforts, Ouachita failed to meet a single OMS goal for on-center measures during PY 2014, the most recent complete program year for which data is available. Additionally, before proposing Ouachita for closure, the Department applied an additional consideration, as discussed in the published closure methodology, of whether there had been significant recent performance improvements at the center. There had not. This prolonged inability to improve performance indicates that additional resources and efforts are not likely to be successful and thus should not be expended. Balanced against the lost opportunity to current and future students to improve their lives by attending a higher-performing center, the Department has concluded that closing Ouachita achieves the best outcome for the Job Corps program and its students.

Some commenters complained that Ouachita has not received adequate resources or support from DOL and the Forest Service. Some of these commenters asserted that the center should not be closed because it has been targeted by DOL or the USDA or because it has been

poorly managed by the Forest Service. Others argued DOL has specifically targeted Civilian Conservation Centers (CCCs) for closure, or attributed the low performance of Ouachita to problems between the Forest Service and DOL. Several said it is incumbent upon the Forest Service and DOL to devise a reasonable solution to fix the problem of Ouachita's poor performance. Two commenters stated that Ouachita should not be closed because it has undergone too many changes in leadership over the last several years.

Neither the Department nor the Forest Service has targeted Ouachita for closure, nor has the Department targeted CCCs in general for closure. DOL's decision to close Ouachita is based on its chronic low-performance over the last five years, not on the entity that operates the center. The Department has worked, and will continue to work, with the Forest Service to improve the CCCs and maintain their important role within the Job Corps system. As noted above, DOL and USDA cooperated to provide significant resources toward improving Ouachita's poor performance. Despite these efforts the center's performance showed no sustained improvement, and the Department does not think investment of additional time or resources will lead to improved performance at the center. Finally, the Department understands the commenters' concerns that frequent changes in leadership could affect improvement efforts at a struggling center. However, center management failed to make substantial improvements even with intensive federal assistance in PY2014.

Four commenters stated that the center should remain open because of its historical significance. While DOL agrees that the potential historical nature of any building is important, historical significance itself is not a reason to keep a center in operation and serving students. By law, the possible historical significance of the center must be taken into account in determining the future use of the property.

One individual commented that Ouachita should remain open because it is one of only six Job Corps centers offering the urban forestry trade. Students currently in the urban forestry trade at Ouachita will have an opportunity to complete their training at Ouachita or transfer to a higher performing center offering the trade. Additionally, each Job Corps center regularly evaluates its career technical training offerings by reviewing local labor market information to determine in-demand industry sectors and identify emerging occupations suitable for its training program. These regular evaluations and other relevant information will determine whether there is a need for another center to offer training in the urban forestry trade.

Another commenter discussed the unique role played by the rural CCCs, praising services—including fire suppression and controlled burns, among others—that CCCs provide to small communities and the skills students learn by aiding in the provision of those services. The Department agrees that Job Corps provides valuable services to smaller communities. However, the primary mission of the program is the education and employment of disadvantaged youth, and the Department has determined that continuing to operate Ouachita is not in the best interest of students or the program as a whole because of the center’s chronic poor performance.

One commenter expressed opposition to the proposed decision to close the center because he believes student recruitment is treated differently for Forest Service-operated centers than contractor-operated centers. This commenter also stated that Forest Service-operated centers are at a disadvantage because they more strictly enforce safety rules and Job Corps’ zero-tolerance policy, resulting in the termination of more students. However, another commenter had a contrary view, stating Ouachita staff and leadership are afraid to dismiss students from the program in accordance with the zero-tolerance policy, even for “major offenses.” All Job Corps centers, including CCCs operated by the Forest Service, must comply with all requirements of the program as outlined in the Job Corps Policy and Requirements Handbook (PRH), including

compliance with the discipline policy. Recruitment procedures and standards also are the same regardless of the type of center operator.

Some commenters alleged that DOL has not done enough to ensure a sufficient number of students are recruited for Ouachita, and several commenters asserted that the Outreach and Admissions (OA) provider has suppressed the center's OBS, either intentionally or through poor performance. Some commenters blamed Job Corps' Dallas Regional Office for these problems, asserting that the center is low performing because Job Corps has not assisted with providing more applicants from Arkansas and other states. One commenter complained that the standards for maintaining OBS unfairly affected Ouachita because the contractor is not recruiting students who are committed to the program and thus leave within the first 90 days. This commenter and other commenters complained that OBS goals are too difficult with the challenging students Ouachita receives. Some commenters stated that the present OA contractor for Arkansas operates the Little Rock Job Corps Center, which is incorrect.

Ouachita has received a steady number of referrals of prospective students over the last year from the OA contractor currently serving Arkansas. For calendar year 2015, Ouachita received referrals of 246 prospective students from the OA contractor, which resulted in 213 students enrolling at the center. This is above the OA contract's annual goal, which is to facilitate the enrollment of 209 students at Ouachita each year. Further, while OBS is part of the chronic low-performance closure methodology, it is only 5 percent of the calculation that determines the center's rank. In contrast, OMS performance, which measures the academic and career outcomes a center produces for its students, is 90 percent. Thus, while OBS was a factor in identifying the center as low-performing, it was not the predominant factor. The center's consistent failure to produce the outcomes Job Corps expects for its students, as measured through the OMS, was the primary factor.

Ouachita has had a high rate of terminations and an unacceptably short length of stay for many students, which is reflected in the center's OMS data. In PY 2014, 30.2 percent of Ouachita students left the center within the first 90 days, versus only 20.9 percent nationally. Even after the performance improvement team provided additional technical assistance, the length of stay for students remained unacceptably low and the center was not able to meet its OMS or OBS goals. Job Corps is a training program for at-risk youth, and is designed to help young people who have failed in school and who have other challenges to change the direction of their lives and become productive participants in the labor force. Many of Job Corps' students face challenges in committing to the program and complying with program rules, particularly those who have difficulty in a structured environment. While some commenters blamed the OA contractor for recruiting students who were not committed to the program, part of the center's role is to help students transition and adjust to center life – and to understand the rewards to sticking with the program. A high termination rate is an indication that a center is unable to meet this basic but critical element of Job Corps' operation.

One commenter requested that DOL speed the process of admission to a center, noting that four applicants from students at a high school were waiting for a placement and asserting that Job Corps “is a vital organization that needs to be saved” for students who cannot perform in school. As stated throughout, the Department is committed to the future of the Job Corps program and will maintain current opportunities for eligible Arkansas youth to participate, even with Ouachita's closure. DOL cannot speak to the specific admissions issues for the four applicants referenced in the comment, but it works to ensure an efficient process for reviewing applications and admitting qualified applicants to the program.

One commenter asserted that Ouachita's performance was adversely affected by the nationwide moratorium on changing trades offered at centers that began in 2010. In PY 2010,

Job Corps temporarily stopped accepting requests for trade changes outside of its ongoing process to modernize its Career Technical Training (CTT) program. During this process, trade-change requests made by Forest Service centers on PIPs, including Ouachita, continued to be accepted. In fact, these centers' trade-change requests were processed on an accelerated track. Ouachita, however, made no trade-change request.

Multiple commenters stated that Job Corps must account for the different backgrounds and challenges of students at Ouachita. Some stated that students arrived at Ouachita with serious medical, mental health, and drug problems. Every Job Corps center is expected to deliver the best outcome for its students regardless of those students' backgrounds. OJC recognizes that Job Corps students enter the program with a variety of challenges, including those identified by the commenters, but part of a center's role is to identify any challenges each student has and develop strategies to address those challenges. Ouachita's poor performance demonstrates that it has not adequately done so and that is one reason students will be better served at higher performing centers. One commenter asserted that Ouachita should not be closed given the unique challenges it faces, including a low state minimum wage in Arkansas, the poor educational attainment in the states from which Ouachita draws its students, the poor economic conditions in Arkansas, and the failure of OMS to reflect those challenges. The performance data used in the methodology appropriately reflects the challenges identified by the commenter. Several of the OMS performance goals related to educational attainment and wage attainment are adjusted based on factors such as the educational level of the enrollees and the characteristics of the local labor market. Therefore, these goals are tailored to the economic and educational environment surrounding a center, and the challenges faced by students in Arkansas and the surrounding area do not explain Ouachita's long-term poor performance.

The same commenter stated that there is a goal disparity between Ouachita and its Career Transition Services (CTS) contractor because the career placement goals based on wages and earnings for the CTS contractor are lower than the average wage goals for the three Arkansas centers that the contractor serves. The commenter stated this difference is “incongruous” and “can lead to cross purposes” for the centers and the CTS contractor. However, Job Corps’ model-based goals for centers and CTS providers are not simply an average of the goals of the three centers in Arkansas, but rather are calculated based on regression analysis and estimate what impact various factors may have on the achievement of the measure in question. The goals for wages and earnings are designed to adjust for differences in the background characteristics of the students served as well as differences in the types of training programs students received and differences in the local labor markets where students are expected to find employment. There is not perfect overlap in the students served by ArkansasWEN, the CTS provider serving Ouachita, and the student population served at Ouachita and the other Arkansas centers. In addition, about 15 to 20 percent of the students served by ArkansasWEN attended centers outside of Arkansas and a similar percentage of students attending Arkansas centers were placed outside of Arkansas and served by other CTS providers. OJC believes it fairly calculated the wage goals for Ouachita based on the students it serves, type of training, and labor market conditions. Ouachita, like any center, is expected to meet its annual performance goals regardless of the goals assigned to other centers or service providers. Its chronic inability to do so, despite ample assistance from DOL and USDA, supports the decision to close Ouachita.

One commenter questioned whether the Department considered the performance of the OA/CTS provider for Ouachita as part of its proposal to close the center, given that Ouachita’s OMS rating is based in part on the performance of the OA/CTS provider. While there is overlap in performance metrics applied to center operators and OA and CTS service providers, as stated

above, each Job Corps center is responsible for meeting the performance goals established for that center. As such, the Department looked only at the each center's performance over the last five years on the 15 OMS performance measures, and it did not consider the performance of the OA/CTS provider before making its decision.

Several commenters noted that Ouachita would not be considered low performing under WIOA. The Department maintains that it is not possible to make this determination. Job Corps has not yet begun to collect data on WIOA performance measures. As such, it is not possible to determine which centers will be considered low performing under WIOA, though the Department notes that the post-WIOA OMS is unlikely to be significantly different than the WIA OMS. Further, given Ouachita's chronic poor performance, it would be to the detriment of current and future students to continue operation of the center until WIOA performance data is available.

One commenter noted that all three Arkansas centers, including Ouachita, are among Job Corps' lowest performers, asserting that the Department should not close Ouachita until it deduces why. This commenter suggested that under WIOA, both of Arkansas' remaining centers, Cass and Little Rock, could be in line for closure due to their low performance. As stated in the Additional Criteria for potential Job Corps closures, Job Corps aims to maintain a presence in all 50 states. The Department is committed to making the Job Corps program accessible to eligible Arkansas youth, and it will reinvest resources from Ouachita to improve the outcomes at its remaining, higher-performing centers, including those in Arkansas.

Several commenters urged DOL to transfer management of Ouachita to a private operator. Many of these commenters asserted that DOL is legally required to do so by WIOA. Some commenters stated that WIOA requires the Department to "exhaust" its options prior to closing a center. In fact, WIOA does not require the Department to competitively select a private entity to

operate this center. WIOA sec. 159(f)(4) empowers the Secretary of Labor, in consultation with the Secretary of Agriculture, to competitively select an entity to operate a CCC if certain conditions related to the center's performance under the WIOA performance measures are met. Division H, title I, section 109 of the Consolidated Appropriations Act, 2016, also stated that the Secretary of Labor, in consultation with the Secretary of Agriculture, "may select an entity on a competitive basis to operate" a CCC if it has had consistently low performance under Job Corps' pre-July 1, 2016 performance accountability system or its post-July 1, 2016 performance system. Neither of these provisions *require* the Department to transfer management of Ouachita to a private operator—the WIOA performance system, as noted above, is not yet in effect, making WIOA sec. 159(f)(4) inoperative at this point. Furthermore, the language of sec. 109 grants the Secretary of Labor discretion as to whether DOL will competitively select an entity to operate a CCC.

The Department has determined that the better approach for Ouachita is closure. The problems at Ouachita are extensive, and there is insufficient evidence that would suggest that a change in operators would result in dramatic improvement. Closing Ouachita will allow the Department to reinvest its resources into improving its remaining centers while maintaining student opportunities to participate in the Job Corps program. Importantly, the Department has concluded that closing Ouachita will not reduce the number of students who can be served in Job Corps. Thus, for the reasons stated above, the Department has decided to close Ouachita, not contract it to a private entity.

One commenter asserted that it is improper to use the most recent performance data as a basis for selecting a center to close. The commenter referenced the DOL Office of the Inspector General's (OIG) February 27, 2015, audit report that some centers did not comply with Job Corps' zero-tolerance policy to avoid adverse effect on their performance measures. Based on

this report, the commenter concludes that “utilizing the [OMS] rating system is a flawed approach” because “those same centers would be willing to fabricate information in their books about other matters as well, negating the accuracy of any rating system.”

Nothing in OIG’s audit report supports or suggests the conclusion drawn by the commenter. There is no evidence or allegation that center operators are undermining the OMS system—and in turn, the method by which the Department selected Ouachita for closure—by directly fabricating or altering performance data. Job Corps conducts regular data-integrity audits through a third-party consultant to identify and sanction any fraudulent behaviors or non-compliance with Job Corps policy and rules. Additionally, before finalizing each year’s OMS scores and rankings, Job Corps conducts a comprehensive review of the performance data to ensure its accuracy. Given these procedures, Job Corps has no reason to conclude that performance data has been fabricated, and it is confident that the center performance data used in the closure methodology accurately reflects each center’s performance.

One commenter alleged that an individual from an Idaho Job Corps center had sabotaged the Ouachita center so the Idaho center would receive more funding. The Department is not aware of any attempts to sabotage Ouachita’s operation.

Three commenters stated that every Job Corps Center, including Ouachita, benefits youth in need and thus should not be closed. The Department’s decision to close Ouachita is based on the center’s inability to efficiently and effectively deliver the best possible outcomes for youth in need. The Ouachita Center has performed poorly over the last five years, and closing this center will improve Job Corps’ ability to provide the highest-quality education and career technical training to its future and current students, including those presently at Ouachita.

Six commenters criticized the methodology that Job Corps developed and applied in determining which center to close. One commenter suggested that the OMS used to determine

center ranking is itself flawed. Three commenters were opposed to the two additional closure criteria identified in the March 9, 2016, Notice proposing closure. Because the closure Notice requested comments only on the proposed selection of Ouachita for closure, DOL considers these comments outside the scope of the requested response and will not respond to them here.

Multiple commenters suggested that the waste of other government programs be cut instead of closing the Ouachita Job Corps Center. These comments are outside the scope of the requested response and were therefore not considered.

IV. Job Corps Center Selected for Closure and the Closure Process

Based on its application of the updated closure methodology as described in the March 9, 2016, Notice, and the Department's consideration of the comments received in response to that Notice, DOL has decided to close the Ouachita Job Corps Center.

Job Corps' focus is on managing the performance of its centers in order to best to serve students. Overall funding for the program is not being reduced, nor is the number of students served. By closing low-performing centers, Job Corps can shift limited program dollars to centers that will better prepare students. As Job Corps finalizes the closure of Ouachita, existing students will have the opportunity to complete their training and graduate at Ouachita or transfer to other Job Corps centers to complete their training and graduate. Prospective students in Arkansas will continue to be served by two other Job Corps centers in the state and other centers in the region.

In the coming weeks, DOL will implement the closure process following the center closure requirements in WIOA at section 159(j) and as stipulated in the DOL/USDA Interagency Agreement.

Dated: June 27, 2016.

Portia Wu,

Assistant Secretary for Employment and Training, Labor.

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