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Special Report: Performance, Cost, Mission and Management of the USDA Job Corps Civilian Conservation Centers

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Executive Summary

The Job Corps program, administered by the Department of Labor (DOL), provides at-risk youth with career and technical education they need for in-demand careers. The program saves lives and saves taxpayer dollars; wasted lives are a drain on society. The US Department of Agriculture (USDA) operates 26 Civilian Conservation Corps (CCC) Job Corps centers as part of this program. The funding for CCC centers flows through DOL to USDA. The President's FY 2019 budget proposes to end the role of the USDA in running CCC centers and asks for a General Provision that would allow DOL to select contractors to operate them instead. The rationales given for this proposal are inaccurate and inconsistent with law. They are:

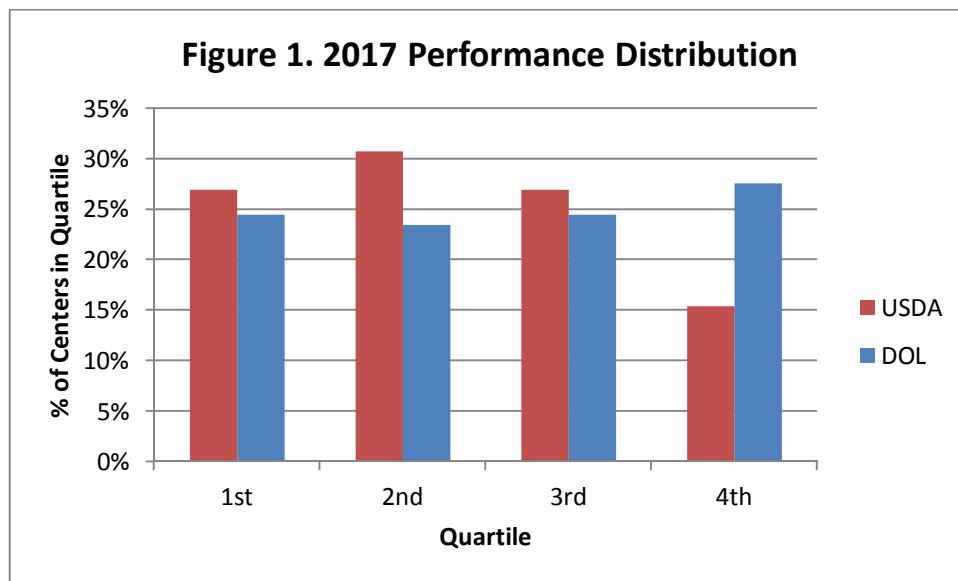
- The DOL budget asserts that the USDA CCC centers are “overrepresented in the lowest performing cohort of centers.” As is shown by DOL’s own data, this is false. **USDA centers are underrepresented in the lowest performing quartile and include the highest performing centers** in the country. In addition, a recent DOL analysis shows that USDA CCC centers are substantially **more cost effective** than comparable centers run by private contractors.
- The DOL budget asserts that “workforce development is not a core [USDA] role.” In fact, **USDA’s role is established by law**. The Workforce Innovation and Opportunity Act (WIOA) mandates that USDA CCC centers be “located primarily in rural areas” and “shall provide, in addition to academics, career and technical education and training, and workforce preparation skills training, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.” This important and unique role is consistent with the core responsibility and expertise of the USDA Forest Service.

We respectfully request that Congress reject the proposed wholesale elimination of the highly successful USDA CCC Job Corps program. There are comprehensive criteria for assessing performance of Job Corps centers. There is a well-developed methodology for identifying chronically underperforming centers and implementing appropriate corrective action, up to and including closure, on a center-by-center basis. Changes in the management of centers should continue to be subject to such rational analysis. Accordingly, we urge rejection of the administration’s radical and unjustified proposal in favor of the continued use of existing standards and methodologies that protect the interests of the population served and the population footing the bill, American taxpayers.

Performance of USDA CCC Centers

The President's budget asserts that CCC centers are "overrepresented in the lowest performing cohort of centers." It is frankly astonishing that DOL made this claim during development of the President's budget: The Outcome Measurement System (OMS) rankings shown in Figure 1 are from DOL. These data are from the first half of program year 2017 (the 2017 program year runs from July 1, 2017 through June 30, 2018; these data are from July 1, 2017 through December 31, 2017). The "lowest performing cohort is quartile 4, the bottom 25% of performers. If the CCC centers were overrepresented in this cohort, then over 25% of the CCC Centers would be in this quartile. In fact, only 15% are. Contrary to the claim in the President's budget, CCC centers are underrepresented in the lowest performing cohort of centers. In fact, **CCC centers are overrepresented in the highest performing cohort of centers.**

According to the most recent data available, 58% of CCC Centers are above average, including the number 1 ranked center in the country, Schenck Job Corps Civilian Conservation Center in Transylvania County, North Carolina.

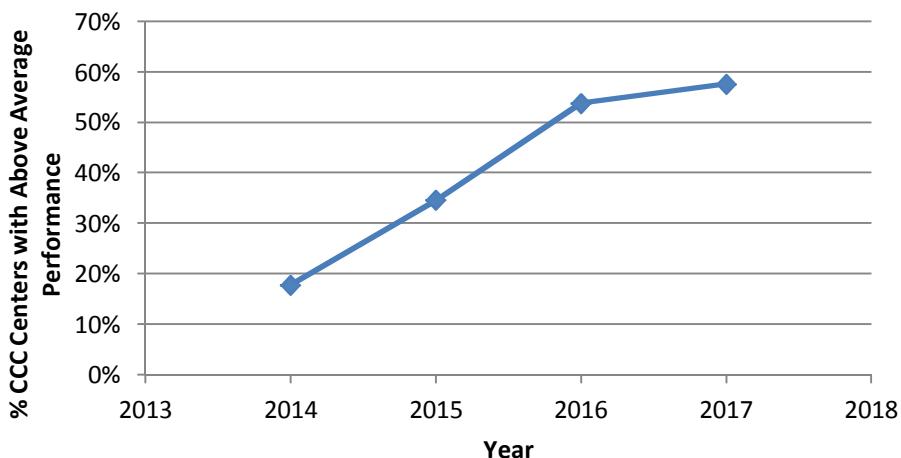


Similarly, CCC centers were underrepresented, not overrepresented, in the "lowest cohort of centers" in 2016, the most recent year for which full year data are available: only 19% were among the 4th quartile. And 54% of CCC centers were above average.

The performance of CCC centers has been trending upward over the last four years. While it is true that CCC centers were substantially underperforming contract centers in 2014, USDA's National CCC program office took strong steps to hold center leadership accountable for the performance of their centers. The results were striking (see Figure 2).

For example, the Blackwell CCC center was ranked 124th out of 125 centers in 2014. With new leadership, it now ranks 19th out of 124. Similarly, the Oconaluftee CCC center improved from a rank of 119 in 2014 to a rank of 21 in 2017. Such successes should be embraced and rewarded. Instead, DOL proposes to throw them on the trash heap.

Figure 2. USDA CCC Centers Performance Trend



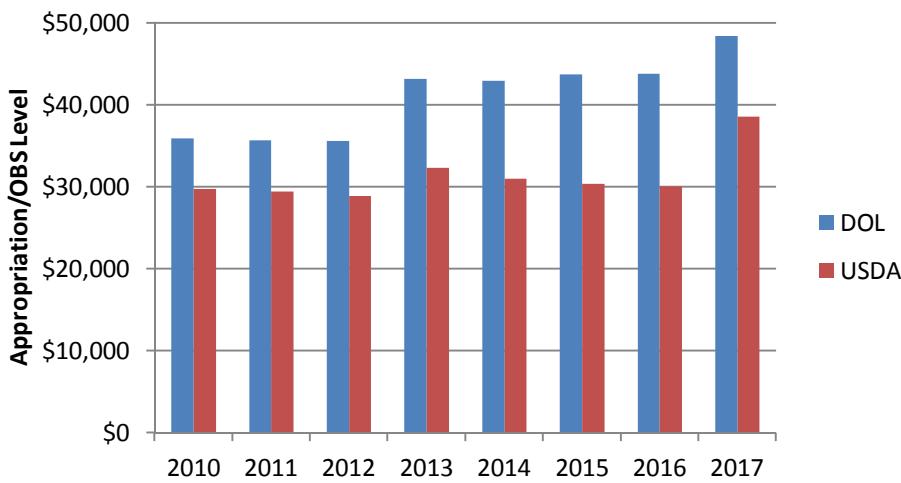
The logic put forward in the President's budget is that ALL publicly operated centers should be converted to privately run centers because of the alleged underperformance of publicly run centers as a group. If one were to use this logic with accurate data, then ALL privately-run centers should be converted to publicly run centers. They are, in the words of the President's budget, "overrepresented in the lowest performing cohort of centers." We do not advocate for this approach.

Rather, each center, regardless of what organization operates it, should be held accountable for its performance. If the demands of budget constraints or shifting priorities are such that one or more centers must be closed, such a decision should be based on center performance. A system for tracking performance is in place. A decision-making methodology is in place. It is noteworthy that they were used for this purpose in 2014. It seems evident that the requirement to compete to survive led to greatly improved performance, at least among CCC centers. Competition among centers, with individual winners and losers determined by objective, existing methodologies, improves performance. This approach should be continued. The crude, broad brush approach proposed in the President's budget should be rejected in the strongest possible terms.

Cost of Operations

The cost of operating a center is not among the criteria that determine a center's OMS ranking (*e.g.*, its performance). Nevertheless, it is an important consideration. From 2010 to 2017, the cost per student enrolled in a CCC center was \$6,181 to \$13,705 less than the cost per student of the non-CCC portion of the Job Corps program. This resulted in a savings of over \$410 million over that period as compared to the cost of serving the same number of students in a traditional Job Corps setting. These efficiencies would be put at risk by privatizing the CCC centers.

Figure 3. Cost per Student by Center Type



Alignment of CCC Centers with a Core Mission of USDA

The WOIA mandates that USDA CCC centers provide, in addition to typical Job Corps curriculums, “programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.” This makes them unique among centers. This natural resource role is consistent with the core responsibility and expertise of the USDA Forest Service. For example, in 2017:

- Over 1,000 CCC students had their “red card” qualifications for firefighting and support crews.
- CCC students were mobilized to 340 wildfire assignments, providing 200,000 hours of support.
- Another 230,000 hours of incident support for wildfires, solar eclipse events, and Hurricane Harvey recovery was provided by “red card” qualified CCC students.
- CCC students and staff completed prescribed burns to reduce fuel loads on over 50,000 acres on 16 National Forest units.
- CCC students contributed 88,328 volunteer hours to non-fire land management projects.
- CCC students contributed 95,218 volunteer hours to community projects.

These contributions to the rural communities in which CCC centers are sited and this work is performed have direct effects. During the record-setting 2017 wildland fire season, all federal wildland firefighting resources were exhausted for a period of several months. During this time, CCC students played a critical role in assisting with this national emergency event across the Western US. And, in addition to providing opportunities to acquire unique skills, they inculcate students with an ethic of service. The experience is life changing.

Troubling Reports Regarding DOL Management Practices

As we researched this matter, a number of troubling allegations from credible sources came up over and over again. It is beyond the scope of this paper to address them in detail; however, we would be remiss were we to ignore them entirely. They are concerns that should be put to rest or addressed.

- On the DOL side of the house, an average of \$41,175 per student was allocated during the period from 2010 through 2017. During the same period, only \$31,323 per student (76% of the rate for the rest of the program) was allocated for the USDA CCC program. And DOL has decreased the USDA allocation over time. In 2010, USDA was allocated 11.74% of the Job Corps budget. It has been decreased every year since, falling to 9.12% in 2017. Why?
- Onboard strength (OBS) limits are controlled by DOL. Centers have fixed costs. Reductions in OBS adversely affect performance outcomes. In 2017, DOL abruptly reduced the OBS limits of all Job Corps centers, including CCC centers. Subsequently, the original OBS limits of contract Job Corps centers were restored. Reportedly, the OBS limits of CCC centers were not. Why?
- As noted in the August 2015 DOL Review & Assessment and as reiterated to us on numerous occasions, USDA officials perceive that conflicts of interest are inherent in the fact that Outreach and Admission (OA) for the whole Job Corps program is performed by contractors that are affiliated with contract centers. There is a persistent belief, supported in many cases by anecdotal accounts, that OA contractors favor the centers with which they are affiliated, resulting in adverse effects of the quantity and quality of students admitted to CCC centers. This would, if it is indeed occurring, adversely affect performance outcomes of CCC centers through no fault of their own. Has DOL undertaken any effort to address this structural conflict of interest?
- There is a revolving door between upper DOL management and lucrative positions with contractors running centers overseen by DOL. Reportedly, there is widespread speculation, among DOL employees as well as USDA employees, that the individuals taking advantage of this revolving door favor policies beneficial to the contractors with these lucrative positions.
- DOL data unequivocally show that USDA centers over-performed in program year 2016 and to date in 2017. In advocating for the privatization of all CCC centers, DOL, through the President's budget, misrepresented this fact to Congress, claiming the opposite. Why?

Taken together, these allegations imply a willful undermining of the publicly operated CCC program. Under this scenario, the driving force would be the undeniable fact that there is money to be made in privatization. These are serious allegations. Some are confirmed and unexplained; others are unconfirmed. We are not able to explore them further at this time. We suggest that a thorough independent investigation of these and other relevant issues pertaining to the relationship between the DOL and USDA in the administration of the CCC program may be warranted. The Governmental Accountability Office would seem to be the obvious choice for such an endeavor.