

REISSUANCE

March 30, 2006

DIRECTIVE:	JOB CORPS PRH CHANGE NOTICE NO. 05-13
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TO: ALL JOB CORPS NATIONAL STAFF
ALL JOB CORPS REGIONAL DIRECTORS
ALL JOB CORPS CENTER DIRECTORS
ALL JOB CORPS CENTER OPERATORS
ALL NATIONAL TRAINING AND SUPPORT CONTRACTORS
ALL OUTREACH, ADMISSIONS AND CTS CONTRACTORS

FROM: GRACE A. KILBANE
National Director
Office of Job Corps

SUBJECT: Chapter 5: Section 5.1 Program Management and Exhibit 5-2

1. Purpose. To revise and update current policy requirements regarding program management, submission of quality assurance plans, Regional Office requirements, and assessment of liquidated damages for misreporting credits and/or artificially extending enrollment.

2. Background. Job Corps' performance management system is one of the most accountable systems in the U.S. Department of Labor's (DOL) Employment and Training Administration (ETA), and is extremely effective in terms of data collection, validation, and maintaining overall data integrity. In keeping with Job Corps' mission to promote continuous improvements, the National Office of Job Corps established an independent data and records monitoring team in January 2003. The Data Integrity Group (DIG) was tasked with a variety of activities, including analysis of performance, identification of potential activities that could potentially impact data integrity, and the reporting of data anomalies for investigation and resolution by regions, agencies, and contractors.

Following the implementation of the DIG, The Office of Inspector General (OIG) reported potential weaknesses in management control of data validation and recommended Job Corp develop strategies to improve the effectiveness of validating performance as part of formal program assessments.

In January 2005, the National Director formed the Data Integrity Sub-Group as part of the Strategic Planning Initiative. The charge of the subgroup was to:

- Amend the Program Assessment Guide (PAG) to include mandatory activities for testing the validity and reliability of performance outcomes;
- Retain records that document the testing performed; and,
- Take appropriate action to recover any overpayments made to the contractor as a result of misreported performance data.

The committee met on various occasions and with the assistance of national support contracts and input from the Operations Advisory Committee of the National Job Corps Association (NJCA), made recommendations at the December 2005 Federal Management Team (FMT) meeting, that are supported by this Change Notice, and include:

- Contractor and Agency Quality Assurance Plan submission
- Regional requirements for the conduct of program assessments
- Requirements for targeted sample audits during assessments
- Documentation of results of program assessments and audits
- Assessment of liquidated damages for instances of misreporting
- Recovery of liquidated damage determinations and removal of credits in the Job Corps performance management system
- Notification to the National Office and OIG for instances of apparent fraud

The committee has modified the Job Corps PAG to emphasize both quality and compliance during program assessments. The draft PAG was furnished to Regional Directors during the December 2005 FMT meeting for review. The committee is also revising Appendix C of the PAG to include strategies for the conduct of data integrity surveillance covered throughout the PRH. The committee is scheduled to meet again in April 2006 to review recommendations. The draft PAG is scheduled to be released to the field in May 2006 for comment, prior to adoption in July 2006.

3. Explanation of Changes.

PRH Chapter 5, Management

Replace the Requirements Section of PRH 5.1 with the following text:

R1. Goal Achievement

Centers operated by contractors and agencies, and Outreach and Admissions/ Career Transition Services (OA/CTS) contractors shall establish:

- a. Procedures to develop and clearly communicate goals to staff and students.
- b. Procedures to hold staff responsible for achieving communicated goals.

R2. Quality Assurance

Centers operated by contractors and agencies, and OA/CTS contractors shall:

- a. Establish procedures and conduct periodic self evaluations and audits to ensure integrity, accountability, and prevention of fraud and program abuse. The Quality Assurance Plans and Procedures shall be submitted annually to the Regional Office for approval as outlined in Exhibit 5-2. Approval of the Quality Assurance Plan shall be based upon:
 - 1. The extent to which the oversight, monitoring, and assessment plan will provide a reasonable assurance of contractor/agency compliance and quality.
 - 2. The extent to which the contractor's/agency's data validation system ensures the accuracy and integrity of student outcomes and financial data.
 - 3. The extent to which the contractor's/agency's quality assurance activities track and ensure that corrective action is taken to maintain outcomes and quality standards.
 - 4. The degree to which the contractor's/agency's documents the results of inspections, tests, audits, and assessments.
- b. Establish systems to ensure performance is accurately tracked and reported and necessary corrective actions are taken to achieve the performance outcome goals and quality standards established by the National Director, Job Corps, and contained in Appendices 501a through 501d.
- c. Conduct annual comprehensive assessments of center or OA/CTS operations.

Job Corps Regional Offices shall:

- a. Schedule and conduct comprehensive program assessments of OA, Job Corps center, and CTS operations at least every 24 months.
- b. Conduct audits of approximately 10% (Contracted On-Board Strength [OBS] or Average CTS caseload) of all student records associated with performance measurements during center and CTS program

assessments, using targeted samples generated by the National Office of Job Corps.

- c. Document the results of program assessments and audits and furnish a copy of the assessment report to the National Office and the Contractor or Agency. If excessive reporting problems are present, the extent of misreporting shall be brought to the **immediate** attention of the National Office.
- d. Assess liquidated damages from contractor's base/incentive fee for instances of misreporting of data based on the following schedule:

Description	Liquidated Damages
Invalid HSD/GED Credits	\$500 each
Invalid Vocational Completion Credits	\$750 each
Artificially Extending Enrollment and/or Invalid Leave Days	15% of the SYC per day. The amount is calculated as (annual operating budget/planned SY's) X 15% X Number of Unexcused Days.
Invalid Placement Credit	\$750 each

NOTE: The interpretation and specific application of "liquidated damages" to Agency-operated Job Corps centers, is currently being addressed by the Departments of Labor, Agriculture and Interior, as part of a collaborative effort to update, revise and consolidate the two existing Interagency Agreements. When this process is concluded, the PRH will be updated accordingly.

- e. Require the operator to post the liquidated damages to the fee line applicable ETA 2110. The region will request an Annual Advanced Procurement Plan/Financial Operating Plan (AAPP/FOP) change to document the assessment or damages and recover the funds through a contract modification. Misreporting of data by agency operated centers shall be reported to the National Office of Job Corps and the respective agency for corrective action.

Notify the National Office of Job Corps and the Job Corps Data Center (JCDC) to remove invalid (General Education Diploma/High School Diploma [GED/HSD], Vocational Completion, and Placement) credits from the Outcome Management System(s) (OMS).

Note: Invalid credits will be removed from each measure that is affected regardless of the report card (Outreach and Admissions Outcome Measurement System [OAOMS], OMS, POMS Vocational Training Report Card [VTRC]) or contractor responsible for the error (OA, center, or CTS). For example, where verification of a HSD has been invalidated, credit

would be removed for the GED/HSD Attainment measure. In this instance, if the HSD was the sole determinant of his/her graduate status, the student would also be removed from the pool for any placement-related measure(s) in the OMS, POMS, and VTRC report cards. Similarly, a credited placement that has been found to have been misreported by a CTS provider would lead to the removal of the student from the placement pool of both the CTS and the center OMS report cards. Both scenarios hold true whether the center operator and the CTS provider are separate, or one and the same.

- f. Contracting Officers must exercise discretion when assessing liquidated damages when such action may not be appropriate where an error or omission occurred or when the action was careless or a result of an innocent mistake. This is particularly true if the data was improperly recorded but the student outcome was likely achieved – for example a vocational completion, a GED credit or a placement credit that was incorrectly reported but there is verification that the student actually did earn the credit.
- g. When a Contracting Officer becomes aware of apparent fraud, the matter should be thoroughly investigated. If the investigation leads the Contracting Officer to conclude there is a likelihood of fraud, it should be referred to the Regional Office of the OIG by the filing an incident report. The Incident Report Form can be found at:

<http://www.internal.doleta.gov/forms/Documents/IncidentReport.dot>

In addition to filing the report, inform the OIG of the actions intended by the Contracting Officer to address the incident. Make it clear that you intend to take these actions, unless the OIG specifically instructs you not to do so. Then proceed with contract enforcement, unless otherwise directed.

R3. Standard Operating Plans and Procedures

Center contractors, agencies, and OA/CTS contractors shall:

- a. Establish standard operating procedures (SOPs), as shown in Exhibit 5-1 (Standard Operating Procedures), and submit them to the Regional Office for approval, within 90 days of contract award. Updates and revisions shall be submitted as changes occur.
- b. For agency operated centers, provide up-to-date SOPs, as shown in Exhibit 5-1, with annual plans and amendments to SOPs submitted to the Department of Labor (DOL) Regional Office for approval by June 1 for the upcoming program year.

c. Career Development Services System Plan

Each Job Corps center and each OA/CTS contractor shall:

1. Develop a Career Development Services System (CDSS) plan. The plan shall include:
 - (a) An overview of the contractor's/agency's role in each phase of CDSS, as appropriate for each contractor/agency.
 - (b) A description of how services will be delivered and coordinated with other partners for Outreach/Admissions, Career Preparation, Career Development and Career Transition Periods.
 - (c) The requirements shown in PRH Chapters 1-4, as applicable.
2. CDSS plans shall be submitted to the Regional Office for approval within 90 days of contract award. Agency centers shall submit the plan for approval when required by the DOL Regional Office. Approval shall be based on a determination that all required parts of the plan are in place, and that the plan is consistent with the overall Regional CDSS plan.
3. CDSS plans shall be kept current. Revisions shall be submitted to the regional office for approval prior to implementation.

R4. Reporting

Center operators, agencies, and OA/CTS contractors shall submit reports in accordance with Exhibit 5-2 (Plan and Report Submission Requirements).

R5. Records and Reports Maintenance

Center operators, agencies, and OA/CTS contractors shall maintain records and reports for 3 years. Records of disclosures of protected health information shall be kept for 6 years. Exceptions to this retention period shall be communicated by the National Office on a case-by-case basis.

In Exhibit 5-2, a Quality Assurance Plan has been added as a report requirement.

4. Action Required. Addressees are to ensure that a copy of this Change Notice is distributed to the appropriate staff.

5. Filing Instructions.

REMOVE FROM PRH	INSERT
Chapter 5, dated March 27, 2006	Chapter 5, dated March 30, 2006
Exhibit 5-1, dated, February 1, 2002	Exhibit 5-1, dated March 30, 2006
Exhibit 5-2 dated February 6, 2006	Exhibit 5-2 dated March 30, 2006

6. Effective Date. March 30, 2006

7. Inquiries. Inquiries should be directed to Peter Calvo, at (215) 861-5502, or e-mailed to calvo.peter@dol.gov.

Attachments

- A – Chapter 5, TOC and Text
- B – Exhibit 5-1
- C – Exhibit 5-2