

January 9, 2007

<b>DIRECTIVE:</b>	<b>JOB CORPS PROGRAM INSTRUCTION NO. 06-17</b>
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**TO:** ALL JOB CORPS REGIONAL DIRECTORS  
ALL JOB CORPS CENTER DIRECTORS  
ALL JOB CORPS CONTRACT CENTER OPERATORS

**FROM:** ESTHER R. JOHNSON, Ed.D.  
National Director

**SUBJECT:** Contract Center Staff Compensation

1. Purpose. The purpose of this memo is to implement an initiative to provide increased funding for staff compensation at Job Corps contract centers and to provide guidance and explanations for the implementation of the compensation increases that are being funded. CCCs are not included in this process as their staff compensation levels are deemed adequate.
2. Immediate Actions to be Accomplished. Provided under separate cover to each Regional Director are Advanced Annual Procurement Plan (AAPP) documents that identify increases in contract estimated cost that are now approved to fund salary adjustments at each center. Also provided are Fiscal Operating Plan (FOP) changes that provide increases in contract funds available to cover the costs of these increases through the close of PY 2006 on June 30, 2007. Contractors are requested to cooperate with the Regional Offices to expedite the completion of these bi-lateral contract modifications and to take prompt and effective steps to implement the compensation adjustments that are being funded.

**The fund allocations are based on an effective date of January 1, 2007**, even though the modifications were not issued by that date. It is my expectation, however, that all of the necessary contract modifications be issued as soon as possible, but no later than February 1, 2007 in any case. Any one-time savings at a center that are subsequently projected to result from implementation later than January 1, 2007 should be retained by the center and used for purposes that support the objective of this initiative, which is to improve each center's capability to attract and retain qualified staff.

The allocation of the ongoing increases will be based on the following policies:

a. Ongoing funding of teacher compensation will be increased by 2.5%, effective January 1, 2007. A further 2.5% increase will be scheduled for July 1, 2007, but will be the subject of a separate Program Instruction. This is reflective of the pre-eminent role played by the teachers in equipping students for long-term success in the labor force.

b. All non-teacher position titles will receive an ongoing budget increase of either 2% or 1%, effective January 1, 2007, based on the following criteria:

(1) The 2% increase applies to those position titles at a center that are currently budgeted in an amount that is less than 94% of the fully competitive level that has been recommended at that center by the pay/salary consultant.

(2) The 1% increase applies to those position titles at a center that are currently budgeted in an amount that is greater than or equal to 94% of the fully competitive level that has been recommended at that center pay/salary consultant.

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(3) **There will be no additional increase on July 1, 2007 for the non-teacher positions.**

3. Contract Modifications. Regions are requested to modify their center contracts to implement the increases to budgeted staff compensation no later than February 1, 2007. We suggest that regions use the following language in the “purpose” section of the contract modifications:

**The purpose of this modification is to provide additional operation funds that will enable the contractor to increase its staff compensation to levels that are more competitive in the local labor market. The position categories affected and the average compensation levels being funded are those reflected in data sheets supplied by the National Office of Job Corps.**

4. AAPP Estimated Cost Profiles and FOP Changes. The approved increases to each center’s estimated cost and funding for center operations expense are reflected in the AAPP estimated cost profiles, FOP changes and CENTER FISCAL PLANS (sent under separate cover). These AAPP/FOP documents are provided to Regional Offices for individual distribution to the appropriate center operators.

5. Technical Notes.

- a. Non-Graded Positions. In formulating recommended compensation levels, Job Corps position titles are placed into a structure of ten pay grades, one being the lowest paid position(s) and ten being the highest paid. The great majority of Job Corps position titles have been so classified, although there are many exceptions. These exceptions include:
  - (1) Doctors, Dentists and certain other medical professionals.
  - (2) Newly created position titles that have not yet been analyzed.

For position titles that have not been “pay-graded”, the assumption is that the current salaries and benefits are roughly adequate to meet local market conditions and that these positions should be treated the same as graded positions that qualify for the 1% increase.

- b. Graded Positions. The new, recommended compensation levels for graded positions have been calculated using the following elements:
  - (1) **BASE LEVEL**. Rocco Associates has supplied the national average compensation levels (salary plus benefits) for the position title pay grades, current as of January 1, 2006.
  - (2) **GEOGRAPHIC ADJUSTMENT FACTOR**. Rocco Associates supplied a geographic adjustment factor for each center that is needed to reflect the degree to which labor costs in a center’s locale vary from the national average. For many centers, these adjustment factors have changed from those that were used in the last previous round of compensation adjustments that occurred in 2002.
  - (3) **TIME-BASED INFLATIONARY ADJUSTMENT**. A further adjustment was made to reflect any difference between the start date of the current contract year and the January 1, 2006 effective date of the Rocco compensation levels. In most cases, the contract years that were reviewed started after January 1, 2006, which resulted in an upward adjustment based on a cost inflation APR of 1.3%.

6. Compensation Data Sheets. For each center, a **compensation data sheet** is provided which shows, on a position title basis:

- a. The current budgeted average salary and benefit amounts, plus the total.
- b. The annualized budgeted amount for all FTE’s in a position title.
- c. The pay grade (1 through 10) that has been assigned to the position title. If this column is blank for a position title, it means that the position title has not been assigned a pay grade.

- b. The current recommended average compensation per FTE per the updated information supplied by Rocco and Associates (@100%).
- c. The Rocco-recommended level scaled down to 94%. This is the policy threshold used to determine if non-teacher positions will receive a budget increase of 1% or 2%.
- c. The percentage increase (1%, 2%, or 2.5%) that applies to the position title per the policies described previously.
- d. The dollar amounts of the budget increases, both in annualized terms and the prorated amount for the remainder of the current contract year (i.e., for January 1, 2007 through the end date of the current contract year).
- e. The budget increase amounts are also supplied on a budget line-item subtotal basis and as bottom line center total.

7. Reasonable Flexibility And Discretion May Be Exercised. Please note that the dollar increases displayed for each position title should **not be considered mandatory**. The compensation increases being funded by DOL are in terms of "budgeted average base salaries and fringe benefits". The budgeted averages are certainly **not** intended to apply across the board to individual staff members. The compensation to specific individuals will continue to be determined by center operators based on credentials, experience, performance and other relevant factors. Moreover, there is no expectation that across the board salary increases should be given to each and every current employee. Salary increases to individuals should be commensurate with the individuals' qualifications and performance as determined by the center operator in accordance with its established personnel policies.

Regional Offices and operators have reasonable discretion to arrive at the specific salary increases and fund allocations that are most appropriate to the conditions and needs at each center. Indeed, this discretion includes **shifting of funds from one position title category to another**. However, funding increases must be used for staff salaries.

8. Implementation Reports.

Each contract center is required to provide a report to the National Office of Job Corps and their respective Department of Labor (DOL) Regional Office showing how the additional funding was used for salary increases. These reports should be submitted via e-mail no later than March 30, 2007. Reports to the National Office of Job Corps should be sent to Rhonda Epps, [Epps.Rhonda@dol.gov](mailto:Epps.Rhonda@dol.gov).

9. Expiration Date. Until superseded.

9. Inquiries. Questions should be directed to Rhonda Epps, [Epps.Rhonda.@dol.gov](mailto:Epps.Rhonda.@dol.gov).