

FY 2027

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

Job Corps

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JOB CORPS

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JOB CORPS

APPROPRIATION LANGUAGE

(Including Transfer of Funds)

For necessary expenses to carry out the closure of the Job Corps established under subtitle C of the Workforce Innovation and Opportunity Act (29 U.S.C. 3321-3323), \$176,370,000: Provided, That in addition:

(1) \$90,000,000 for Job Corps Operations, which shall be available for the period July 1, 2027 through June 30, 2028;

(2) \$61,000,000 for construction, rehabilitation, environmental remediation, demolition, restoration, disposal, lease termination costs, and related closure costs of Job Corps Centers (including acquisition, maintenance, repair, storage, and disposal of equipment, furniture, and other personal property), which shall be available for the period July 1, 2027 through June 30, 2030; and

(3) \$25,370,000 for necessary expenses of Job Corps:

Provided further, That no funds appropriated in this and prior appropriations Acts shall be used for meal services at Job Corps Centers: Provided further, That in addition to amounts appropriated under this heading, funds retained by the Secretary pursuant to the Section 158(g) of the Workforce Innovation and Opportunity Act (29 USC 3208(g)) shall be used for the purposes of this heading: Provided further, That the Secretary may transfer not more than 15 percent of amounts made available under each paragraph (1) through (3) of the first proviso for necessary expenses for closure of the Job Corps: Provided further, That the Secretary shall notify the Committees on Appropriations of the House of Representatives and the Senate at least 15 days in advance of any transfer.

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ANALYSIS OF APPROPRIATION LANGUAGE

Language Provision

For necessary expenses to carry out the closure of the Job Corps established under subtitle C of the Workforce Innovation and Opportunity Act (29 U.S.C. 3321–3323), \$176,370,000: Provided, That in addition:

- (1) \$90,000,000 for Job Corps Operations, which shall be available for the period July 1, 2027 through June 30, 2028;*
- (2) \$61,000,000 for construction, rehabilitation, environmental remediation, demolition, restoration, disposal, lease termination costs, and related closure costs of Job Corps Centers (including acquisition, maintenance, repair, storage, and disposal of equipment, furniture, and other personal property), which shall be available for the period July 1, 2027 through June 30, 2030; and*
- (3) \$25,370,000 for necessary expenses of Job Corps*

Explanation

In line with the Department's responsibility to steward taxpayer resources and ensure the greatest return on federal investments, the Fiscal Year (FY) 2027 Budget proposes to execute an orderly shutdown of Job Corps operations, consistent with available funding and the statutory framework established under WIOA. The FY 2027 President's Budget requests \$176,370,000 for Job Corps' closeout costs.

JOB CORPS

AMOUNTS AVAILABLE FOR OBLIGATION

(Dollars in Thousands)

	FY 2025 Enacted		FY 2026 Enacted		FY 2027 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
Budget Authority Before Committee	129	\$1,760,155	91	\$1,760,155	91	\$176,370
Unobligated Balances Brought Forward	0	\$1,334,757	0	\$1,524,331	0	\$0
Total Budgetary Resources	129	\$3,094,912	91	\$3,284,486	91	\$176,370

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2026 Enacted	FY 2027 Request	Net Change
Budget Authority			
General Funds	\$1,760,155	\$176,370	-\$1,583,785
Total	\$1,760,155	\$176,370	-\$1,583,785
Full Time Equivalents			
General Funds	91	91	0
Total	91	91	0

Explanation of Change

	FY 2026 Enacted		Trust Funds		Federal Funds		FY 2027 Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
Total personnel compensation	91	\$107,106	0	\$0	0	\$0	0	\$0
Personnel benefits	0	\$35,457	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$570	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$1,586	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$500	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$1,470	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$9,210	0	\$0	0	\$0	0	\$0
Communications, utilities, and misc.	0	\$565	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$135	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$18,090	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$1,445,545	0	\$0	0	\$0	0	\$0

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Other goods and svcs. from Fed. sources	0	\$1,842	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$42,805	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$5,817	0	\$0	0	\$0	0	\$0
Equipment	0	\$12,186	0	\$0	0	\$0	0	\$0
Land and Structures	0	\$47,410	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$220	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act	0	\$1,577	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$28,064	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	+91	+\$1,760,155	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Increase	+91	+\$1,760,155	0	\$0	0	\$0	0	\$0
Decreases:								
A. Built-Ins:								
Federal Employees' Compensation Act	0	\$0	0	\$0	0	-\$225	0	-\$225
Working Capital Fund	0	\$0	0	\$0	0	-\$6,555	0	-\$6,555
Built-Ins Subtotal	0	\$0	0	\$0	0	-\$6,780	0	-\$6,780
B. Programs:								
Operations Reduction to Eliminate Job Corps			0	\$0	0	-\$1,506,562	0	-\$1,506,562
Construction Reduction to Eliminate Job Corps			0	\$0	0	-\$62,000	0	-\$62,000
Administration Reduction to Eliminate Job Corps			0	\$0	0	-\$8,443	0	-\$8,443
Programs Subtotal			0	\$0	0	-\$1,577,005	0	-\$1,577,005
Total Decrease	0	\$0	0	\$0	0	-\$1,583,785	0	-\$1,583,785
Total Change	+91	+\$1,760,155	0	\$0	0	-\$1,583,785	0	-\$1,583,785

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY

(Dollars in Thousands)

	FY 2025 Enacted		FY 2026 Enacted		FY 2027 Request		Diff. FY 2027 Request / FY 2026 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Operations	0	\$1,603,325	0	\$1,603,325	0	\$90,000	0	-\$1,513,325
General Funds	0	\$1,603,325	0	\$1,603,325	0	\$90,000	0	-\$1,513,325
Construction, Rehabilitation and Acquisition	0	\$123,000	0	\$123,000	0	\$61,000	0	-\$62,000
General Funds	0	\$123,000	0	\$123,000	0	\$61,000	0	-\$62,000
Administration	129	\$33,830	91	\$33,830	91	\$25,370	0	-\$8,460
General Funds	129	\$33,830	91	\$33,830	91	\$25,370	0	-\$8,460
Total	129	\$1,760,155	91	\$1,760,155	91	\$176,370	0	-\$1,583,785
General Funds	129	\$1,760,155	91	\$1,760,155	91	\$176,370	0	-\$1,583,785

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BUDGET AUTHORITY BY OBJECT CLASS

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
11.1 Full-time permanent	82,286	79,656	19,433	-60,223
11.3 Other than full-time permanent	33	0	0	0
11.5 Other personnel compensation	27,494	27,450	2,290	-25,160
12.1 Personnel Benefits	36,512	35,457	5,449	-30,008
12.1 FECA	1,512	1,577	1,352	-225
13.0 Benefits for former personnel	553	570	24	-546
21.0 Travel and transportation of persons	1,973	1,586	213	-1,373
22.0 Transportation of things	500	500	0	-500
23.1 Rental payments to GSA	1,339	1,470	1,470	0
23.2 Rental payments to others	9,214	9,210	9,210	0
23.3 Communications, utilities, and misc.	577	565	14	-551
24.0 Printing and reproduction	150	135	25	-110
25.1 Advisory and assistance services	18,090	18,090	0	-18,090
25.2 Other services from non-Federal sources	1,433,595	1,445,545	84,816	-1,360,729
25.3 Other goods and svcs. from Fed. sources	186	1,842	1,842	0
25.3 WCF (Non-Add)	25,704	28,064	13,489	-14,575
25.4 Operation and maintenance of facilities	42,800	42,805	5	-42,800
25.7 Operation and maint. of equipment	2	0	0	0
26.0 Supplies and materials	5,862	5,817	17	-5,800
31.0 Equipment	12,198	12,186	21	-12,165
32.0 Land and Structures	47,410	47,410	36,700	-10,710
41.0 Grants, subsidies, and contributions	11,945	0	0	0
42.0 Insurance claims and indemnities	220	220	0	-220
Total	1,760,155	1,760,155	176,370	-1,583,785

JOB CORPS

SIGNIFICANT ITEMS IN APPROPRIATION COMMITTEES' REPORTS

Senate Report 119-55 Substance Use and Behavioral Health Directive:

The Committee is concerned about the increase in overdoses and deaths among youth resulting from drug use, including fentanyl. The Committee requests the Department make recommendations, including legislative changes, to address substance use and behavioral health challenges of Job Corps participants in its fiscal year 2027 CJ.

Response:

The Department acknowledges the Committee's concern regarding substance use and behavioral health challenges affecting youth nationwide. Job Corps is an education and training program that provides student support consistent with its authority and funding. Consistent with WIOA's requirements, Job Corps maintains and enforces a Zero-Tolerance policy for the possession, use, or distribution of illegal drugs on center to protect student and staff safety (PRH Chapter 2, Exhibit 2-1, Level I – Zero Tolerance Infractions). However, Job Corps is not authorized or funded to be a substance abuse treatment or rehabilitation program.

Between Program Year 2021 and Program Year 2025 year-to-date, Job Corps unfortunately experienced 10 drug-related deaths – six onsite. Seven of the ten deaths occurred in PY 2022, and it is reasonable to conclude that most of the deaths were synthetic opioid drugs (including fentanyl) based on national data of drugs causing overdose-related deaths (CDC | Drug Overdose Deaths in the United States, 2023-2024).

A percentage of program enrollees do have a history of drug use, and consistent with the Job Corps Policy and Requirements Handbook (PRH), Job Corps centers provide a structured behavioral health framework, addressing substance misuse and mental health:

- The Trainee Employee Assistance Program (TEAP) emphasizes substance use prevention, education, early identification, short-term intervention focused on employability barriers, and referral coordination for students who tested positive for drugs upon enrollment into the program (PRH Chapter 2, Section 2.3; Exhibit 2-4). Drug testing is conducted within 48 hours of arrival, with follow-up testing between days 37–40. Students demonstrating active and current substance use are treated as Level I infractions for violation of the zero-tolerance policy (PRH Chapter 2, Exhibit 2-1; PRH Chapter 2, Section 2.3, R4).
- The Center Mental Health and Wellness Program, led by a licensed mental health professional, provides assessments, on-center short-term counseling with a retention and employability focus, crisis intervention, collaboration with TEAP and counseling staff, and mental health promotion and education activities (PRH Chapter 2, Exhibit 2-4). Center Health staff conduct individualized health care needs assessments to determine whether a student's medical, mental health, or substance use treatment needs exceed Job Corps' Basic Health Care Responsibilities (PRH Form 2-05; PRH Exhibit 2-4). Where an applicant's or student's condition presents a potential direct threat or exceeds the program's capacity to safely manage within the residential training environment, referral to off-center treatment providers may be required (PRH Chapter 2, Exhibit 2-4). Such determinations are made by qualified health professionals in accordance with federal

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nondiscrimination requirements and documented through the direct threat and health care needs assessment process (PRH Form 2-04; PRH Form 2-05).

The Job Corps program could be strengthened by:

1. Strengthening interagency coordination and collaboration with Department of Justice Office of Justice Programs for training and technical assistance in support of student security screening when entering Job Corps centers to minimize drug incursion on centers;
2. Supporting interagency coordination with Department of Health and Human Services Substance Abuse and Mental Health Services Administration, as well as state and local systems, to strengthen referral pathways, continuity of care or access to intervention services for students transitioning out of the program (consistent with PRH referral requirements under Chapter 2, Exhibit 2-4);
3. Utilizing the authority in 29 U.S.C. §3197(c) to expand nonresidential participation to the statutory maximum of 20 percent – reducing the likelihood of on-center drug-related events and limiting the frequency of on-center drug use while students are enrolled.

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AUTHORIZING STATUTES

Authorizing statutes for Job Corps can be found on the ETA website at <https://www.dol.gov/agencies/eta/laws>.

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APPROPRIATION HISTORY

(Dollars in Thousands)

	Budget Estimates to Congress	Appropriations	FTE
2017			
Base Appropriation	\$1,754,590	\$1,704,155	166
2018			
Base Appropriation	\$1,448,444	\$1,718,655	153
2019			
Base Appropriation	\$1,296,938	\$1,718,655	145
2020			
Base Appropriation	\$1,015,583	\$1,743,655	128
2021			
Base Appropriation	\$1,015,897	\$1,748,655	124
2022			
Base Appropriation	\$1,754,759	\$1,748,655	132
2023			
Base Appropriation	\$1,769,278	\$1,760,155	130
2024			
Base Appropriation	\$1,835,467	\$1,760,155	131
2025			
Base Appropriation	\$1,764,376	\$1,760,155	119
2026			
Base Appropriation	\$176,370	\$1,760,155	91
2027			
Base Appropriation	\$176,370		91

JOB CORPS

OVERVIEW

The Job Corps program operates under the authority of subtitle C of the Workforce Innovation and Opportunity Act (WIOA).

In line with the Department's responsibility to steward taxpayer resources and ensure the greatest return on federal investments, the Fiscal Year (FY) 2027 Budget proposes to execute an orderly shutdown of Job Corps operations, consistent with available funding and the statutory framework established under WIOA. The FY 2027 President's Budget requests \$176,370,000 for Job Corps' closeout costs.

Given Job Corps' poor performance outcomes in recent program years—graduating less than a third of students at an average cost of \$188,000 per graduate—the FY 2027 Budget prioritizes investment in more cost-effective and flexible training programs, such as the proposed Make America Skilled Again (MASA) grant program.

The Department will prioritize a structured transition that minimizes disruption for students and staff, ensures continued access to workforce development services through state and local partners, and maintains full compliance with federal requirements. In accordance with WIOA Section 159(j), the Department will notify Congress at least 30 days before publishing any Federal Register notice formally closing centers and will adhere to all statutory and appropriations committee directive.

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BUDGET AUTHORITY BEFORE THE COMMITTEE

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
Activity Appropriation	1,603,325	1,603,325	90,000	-1,513,325
FTE	0	0	0	0

Introduction

The President’s Budget provides \$90,000,000 in Operations funding for Program Year 2027 (July 1, 2027, through June 30, 2028) to support necessary activities associated with the orderly shutdown of all Job Corps centers and related operational services.

This funding supports the managed cessation of services currently delivered through 123 Job Corps centers nationwide, including residential education, career technical training, counseling, career transition services (CTS), and outreach and admissions (OA).

This process will be carried out in accordance with the applicable provisions of WIOA Section 159(j). The Department remains committed to minimizing disruption to students and staff during this transition and to coordinating with local and State workforce systems to ensure continued support and referrals where possible.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$1,603,325	0
2023	\$1,603,325	0
2024	\$1,603,325	0
2025	\$1,603,325	0
2026	\$1,603,325	91

FY 2027

The Department is requesting \$90,000,000 in the FY 2027 Budget for Operations. This is a decrease of \$1,513,325,000 from the FY 2026 Enacted level.

This request supports the final phase of the Department’s responsibilities under subtitle C of the WIOA and provides for final contract closeout and transition services for remaining students and staff.

OPERATIONS

Orderly Phase-Out of Center Operations

With this funding, the Department will implement a phased, structured strategy to responsibly conclude Job Corps center operations nationwide. This process will prioritize stability, transparency, and accountability, ensuring continuity of essential services while safeguarding the well-being of students, staff, and surrounding communities.

Each center will follow a federally approved closure plan that includes detailed timelines, roles, and responsibilities to guide the deactivation of academic and career technical education programs, residential and health services, food operations, and support infrastructure. Plans will incorporate risk assessments and identify critical dependencies to ensure no disruption to student safety or basic needs during the transition.

Transition Support for Students and Staff

A core use of FY 2027 funds will be student and staff transition support, including:

- Finalized Career Transition Services (CTS) for enrollees and recent graduates,
- Access to referral services for education, training, housing, and employment resources,
- Closure of Outreach and Admissions (OA) services,
- USDA Federal Staff offboarding, including contractor and federal employee separation support

Oversight, Accountability, and Records Management

During FY 2027, as the Department of Labor executes the cessation of the Job Corps program, federal staff will play a critical role in maintaining program integrity, contractual compliance, and legal accountability throughout the shutdown process. Federal program managers and Contracting Officer's Representatives (CORs) will conduct final oversight of contractor activities to ensure full compliance with operational, financial, and performance requirements. This includes the closure and formal documentation of Performance Improvement Plans (PIPs) and Corrective Action Plans (CAPs) for centers that were previously identified as needing remediation. These activities are necessary to fulfill requirements under WIOA, preserve the integrity of federal procurement, and support potential contract audits, inquiries, or appeals after program closure.

Federal staff will also complete and certify Contractor Performance Assessment Reports (CPARS), a critical component of the government's acquisition process. CPARS documentation ensures that past performance is accurately recorded in federal systems of record, supporting broader acquisition transparency and protecting taxpayer interests. Given the large volume of contracts supporting Job Corps centers, Outreach and Admissions (OA), and Career Transition Services (CTS), dedicated federal capacity is required to ensure these closeout actions are completed thoroughly and timely.

Job Corps' final year will also prioritize the dignified transition of all students, ensuring that

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each young person exits the program with not only the academic and technical competencies needed for workforce or post-secondary success but placement into good paying jobs.

FY 2026

Congress appropriated \$1,603,325,000 for Job Corps Operations in FY 2026, and the Department is using the funding to advance a transformation effort that will address long-standing financial and programmatic challenges while refocusing the program on an “AmericaBuilds” agenda.

Job Corps is facing a number of pressing challenges, including declining student outcomes, a persistent budget gap driven by overhead costs, facilities maintenance, rising inflation, and ineffective training programs that fail to prepare and place graduates in in-demand, high-wage jobs.

Improving student outcomes while making the program financially efficient begins with revisiting Job Corps centers’ training and instruction to better align with priority industries. The Office of Job Corps (OJC) envisions a network of centers that will offer curricula grounded in employer requirements, industry validation of competencies and credentials, structured training pathways to drive completion, and pipelines into high-paying jobs in priority industries.

1. *Employer-Led and Industry-Aligned Training*

Job Corps is expanding employer-led, industry-aligned training models to increase labor-market relevance and pace graduates into high-paying positions. OJC will ensure that Job Corps centers restructure Career and Technical Training (CTT) program offerings to focus on high-growth industries, including shipbuilding and the defense industrial base, information technology, healthcare, advanced manufacturing, construction, and transportation.

Job Corps centers will improve engagement with local and regional businesses, educational institutions, workforce agencies, and industry associations to better align student training with the skills and abilities needed to enter in-demand jobs. By leveraging labor market data, workforce development board insights, and direct employer feedback, training programs will be regularly updated to reflect industry needs.

2. *Integrated and Efficient Instructional Models*

To improve efficiency and accelerate student success, OJC will leverage instructional models that integrate academic learning with technical training. Job Corps will review training tracks with low employment outcomes and replace them with industry-driven curricula delivered through partnerships with employers, community colleges, technical schools, and other eligible training providers. Through Job Corps’ advanced training pathways, students may enter into Registered Apprenticeship while enrolled in the program and later transition into full-time Registered Apprenticeship or other advanced training programs, including post-secondary education, upon completion. This strategy ensures access to in-demand certifications and Registered Apprenticeships while avoiding training redundancies and unnecessary costs.

Job Corps is also reviewing coursework requirements to ensure students take only math and

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literacy instruction needed for their chosen career pathway and will eliminate unnecessary classes that slow progress toward employment. The goal is to keep students on track, improve retention, and raise graduation rates.

3. *Enhanced Accountability and Contract Oversight*

Improving program outcomes requires stronger oversight to ensure center operators deliver high-quality training and wraparound services in a safe, habitable environment. These efforts will ensure center operators can focus on training and improving graduation rates rather than addressing disciplinary issues.

Job Corps will increase the rigor of center reviews to identify operational and safety issues early, while standardizing corrective action protocols with clear timelines and escalation procedures. The program will also implement contract adjustments aiming to drive positive outcomes, such as increased credential attainment, job placement, and cost efficiency, while maintaining accountability for health and safety.

FY 2025

In FY 2025, the Office of Job Corps (OJC) strengthened operational oversight and cost controls to ensure that program delivery remained aligned with actual enrollment rates and Administration priorities. OJC conducted a comprehensive review of center operations and associated contracts to assess utilization, performance, and cost-effectiveness. As a result, OJC reduced or eliminated non-essential operational services, generating approximately \$35 million in savings across center operations, information technology, and program support functions. These actions improved alignment between expenditures and service delivery requirements while maintaining statutory and safety obligations.

OJC also enhanced enforcement of contractual performance standards to ensure that payments reflected actual operating conditions at Job Corps centers. Through strengthened oversight of student onboard strength and staffing levels, OJC recovered approximately \$52 million in Program Year 2024 from center operators due to sustained low enrollment and high staff vacancy rates. In addition, OJC avoided approximately \$2 million in unnecessary expenditures by preventing overpayments associated with vacant training slots in Career Technical Skills Training allocations. Collectively, these actions improved financial accountability, reduced improper payment risk, and reinforced performance-based contract management across the program.

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WORKLOAD AND PERFORMANCE SUMMARY							
		PY 2024 Revised Enacted		PY 2025 Enacted		PY 2026 Enacted	PY 2027 Request
		Target	Result	Target	Result	Target	Target
Operations							
ETA-WIOA JC-01	Education and Employment Rate – 2nd Quarter After Exit (WIOA Job Corps)	[base]	72.6%	70.0%	--	70.2%	--
ETA-WIOA JC-02	Education and Employment Rate – 4th Quarter After Exit (WIOA Job Corps)	[base]	73.6%	71.1%	--	71.3%	--
ETA-WIOA JC-03	Median Earning – 2nd Quarter After Exit (WIOA Job Corps)	[base]	\$4,012	\$4,013	--	\$4,093	--
ETA-WIOA JC-04	Credential Attainment (WIOA Job Corps)	[base]	51.3%	56.6%	--	56.8%	--
ETA-Budget- OJC-01	Number of New Enrollees (Job Corps)	48,000	35,325	30,558	--	48,000	--
ETA-Budget- OJC-02	Slots (Job Corps)	30,000	21,922	30,000	--	30,000	--
ETA-Budget- OJC-04	Number of Operating Centers at Year End (Job Corps)	121	121	121	--	121	--
ETA-Budget OJC-05	Measurable Skills Gains	[base]	66.5%	73.5%	--	73.7%	--
ETA-Budget OJC-07	Employee Retention	[base]	49.8%	50.0%	--	50.2%	--

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

OPERATIONS

Workload and Performance Narrative

In accordance with the Administration's priorities to improve government efficiency, strengthen fiscal oversight, and ensure accountability in federal programs, performance reporting for the Job Corps program reflected both statutory Workforce Innovation and Opportunity Act (WIOA) requirements and budget-driven operational measures, consistent with OMB guidance and the Administration's emphasis on accountability, transparency, and performance-based management.

WIOA authorizes six primary indicators of performance. Job Corps centers report to the Department on 1) entered employment or an education/training program in the second quarter after exit; 2) entered employment or an education/training program in the fourth quarter after exit; 3) median earnings of those employed in the second quarter after exit; 4) credential attainment; and 5) measurable skills gain. Additionally, Job Corps reports on employer retention in the second and fourth quarters after exit. The results of these measures demonstrate the value of these investments to help address the employment and skill needs of workers, job seekers, and employers. Future Job Corps measures will track whether the employment is related to a credential or training received through Job Corps.

During FY 2027, as the Department of Labor executes the cessation of the Job Corps program, Federal staff will play a critical role in maintaining program integrity, contractual compliance, and legal accountability throughout the drawdown process. With this funding, the Department will implement a phased, structured strategy to responsibly conclude Job Corps center operations nationwide. This process will prioritize stability, transparency, and accountability, ensuring continuity of essential services while safeguarding the well-being of students, staff, and surrounding communities.

Since the Budget proposes to execute an orderly shutdown of this program, no FY 2027 targets are reported.

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BUDGET ACTIVITY BY OBJECT CLASS

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
11.1 Full-time permanent	64,820	64,820	4,597	-60,223
11.5 Other personnel compensation	27,080	27,080	1,920	-25,160
12.1 Personnel Benefits	30,216	30,216	208	-30,008
12.1 FECA	1,512	1,512	1,304	-208
13.0 Benefits for former personnel	546	546	0	-546
21.0 Travel and transportation of persons	950	950	0	-950
22.0 Transportation of things	500	500	0	-500
23.2 Rental payments to others	9,210	9,210	9,210	0
23.3 Communications, utilities, and misc.	551	551	0	-551
24.0 Printing and reproduction	110	110	0	-110
25.1 Advisory and assistance services	18,090	18,090	0	-18,090
25.2 Other services from non-Federal sources	1,407,778	1,419,723	60,484	-1,359,239
25.3 WCF	18,832	18,832	12,277	-6,555
26.0 Supplies and materials	5,800	5,800	0	-5,800
31.0 Equipment	5,165	5,165	0	-5,165
41.0 Grants, subsidies, and contributions	11,945	0	0	0
42.0 Insurance claims and indemnities	220	220	0	-220
Total	1,603,325	1,603,325	90,000	-1,513,325

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CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins

Federal Employees' Compensation Act	-\$208
Working Capital Fund	-\$6,555
Built-Ins Subtotal	-\$6,763

Base	\$1,603,325	0
Program Decreases	-\$1,506,562	0
Net Program Subtotal	-\$1,506,562	0
Total Activity Appropriation	\$90,000	0

	Amount	FTE
Base	\$1,603,325	0
Program Increases	\$0	0
Program Decreases	-\$1,506,562	0

CONSTRUCTION

BUDGET AUTHORITY BEFORE THE COMMITTEE

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
Activity Appropriation	123,000	123,000	61,000	-62,000
FTE	0	0	0	0

Introduction

This three-year funding allocation reflects the Department’s commitment to executing the closure of 123 Job Corps centers in a manner that is legally compliant, environmentally responsible, and financially sound. This funding will support the physical and environmental aspects of an orderly and responsible shutdown of Job Corps centers nationwide, including property disposal, demolition, lease termination, and environmental remediation. With most of the Department’s real property assets held within the Job Corps portfolio, and much of it more than 50 years old, this investment is essential to address the significant liabilities associated with aging facilities and complex site deactivation requirements.

The Department will work closely with Federal, State, and local stakeholders—General Services Administration (GSA), and historic preservation offices—to ensure centers are decommissioned in accordance with federal mandates, sustainability goals, and workforce protection requirements.

The \$61,000,000 requested will be used to support the following core activities:

- *Environmental Remediation and Site Closure:* Address environmental hazards such as asbestos and lead paint, complete required remediation, and ensure sites meet federal and state environmental compliance standards.
- *Lease Terminations and Facility Decommissioning:* Fulfill lease obligations and prepare leased facilities for turnover, including restoration or modification required under lease terms.
- *Disposal, Transfer, or Storage of Government Property:* Inventory, transport, and dispose of or store federally owned equipment, training materials, furniture, and other assets in accordance with federal property disposition requirements.
- *Compliance with the National Historic Preservation Act (NHPA):* As many Job Corps facilities are over 50 years old, the Department will ensure rehabilitation, demolition, and property transfer activities comply with NHPA and related historic preservation statutes.

CONSTRUCTION

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$113,000	0
2023	\$123,000	0
2024	\$123,000	0
2025	\$123,000	0
2026	\$123,000	0

FY 2027

In FY 2027, the Department is requesting \$61,000,000 for the Construction, Rehabilitation, and Acquisition (CRA) account. This is a decrease of \$62,000,000 from the FY 2026 Enacted level.

CRA supports essential physical infrastructure and environmental closure activities associated with the orderly shutdown of the Job Corps center network, including lease terminations, environmental remediation, and the disposal or transfer of federal property and assets. This multi-year funding will enable the Department to responsibly execute the decommissioning of 123 Job Corps centers, with CRA activities extending through June 30, 2030.

The Job Corps program maintains over 99 percent of the Department’s building assets, with more than 43 percent of the portfolio—by square footage—over 50 years old. These aging facilities contribute significantly to rising maintenance and compliance costs. In recent years, costs to correct life safety, health, and environmental deficiencies have risen by more than 50 percent. This escalation is driven by supply chain disruptions, inflationary construction markets, and aging infrastructure across the national center portfolio.

FY 2026

Congress appropriated \$123,000,000 for Job Corps Construction in FY 2026.

In FY 2026, the Department will use CRA funding to address critical infrastructure needs and ensure safe, compliant operations across the Job Corps centers. Planned activities include:

- Executing high-priority construction and rehabilitation projects to correct life-safety deficiencies and maintain compliance with health and environmental standards.
- Repairing and stabilizing aging building systems to stop operational disruptions and protect federal assets.
- Implementing a risk-based approach to project selection, prioritizing investments that mitigate immediate safety risks and reduce long-term maintenance liabilities.
- Providing strong oversight of rehabilitation projects to ensure they are cost-effective, meet federal acquisition requirements, and align with efficiency goals set by the Administration.

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FY 2025

In FY 2025, OJC focused Construction, Rehabilitation, and Acquisition (CRA) investments on addressing life-safety concerns and critical facility deficiencies to ensure continued safe operations of Job Corps campuses. OJC applied a risk-based approach to CRA funding decisions, prioritizing projects that mitigated immediate safety risks, protected federal assets, and reduced long-term maintenance liabilities.

Between May 1 and September 30, 2025, OJC executed 88 CRA funding allocations totaling approximately \$49.6 million to address life-safety systems, building envelope failures, and other critical infrastructure needs at Job Corps centers. These investments were limited to essential repairs and rehabilitation activities and were subject to enhanced internal review to ensure cost reasonableness, compliance with federal acquisition standards, and alignment with Administration efficiency objectives.

Through disciplined project selection and oversight, OJC improved facility safety and reliability while containing capital costs and avoiding non-essential construction activity. These actions reinforced OJC's commitment to prudent asset management, risk mitigation, and responsible stewardship of federal facilities.

CONSTRUCTION

WORKLOAD AND PERFORMANCE SUMMARY				
	FY 2025 Enacted		FY 2026 Enacted	FY 2027 Request
	Target	Result	Target	Target
Construction				
ETA-OJC-03 Facilities Condition Index (FCI)	88.00%	90.70%	88.00%	--

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

CONSTRUCTION

Workload and Performance Narrative

The facilities condition index (FCI) has been the metric of choice because it can be consistently validated when Job Corps surveys each facility, with Job Corps conducting complete facility surveys once every three years. This metric is reported to the Federal real property council and is thus a Federal government-wide metric. Although the FCI is slowly declining, Job Corps achieved the FY 2025 FCI target.

The FY 2027 request supports essential physical infrastructure and environmental closure activities associated with the orderly shutdown of the Job Corps center network, including lease terminations, environmental remediation, and the disposal or transfer of Federal property and assets. This multi-year funding will enable the Department to responsibly execute the decommissioning of 123 Job Corps centers, with activities extending through June 30, 2030.

Since the Budget proposes to execute an orderly shutdown of this program, no FY 2027 targets are reported.

CONSTRUCTION

BUDGET ACTIVITY BY OBJECT CLASS

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
25.2 Other services from non-Federal sources	25,790	25,790	24,300	-1,490
25.4 Operation and maintenance of facilities	42,800	42,800	0	-42,800
31.0 Equipment	7,000	7,000	0	-7,000
32.0 Land and Structures	47,410	47,410	36,700	-10,710
Total	123,000	123,000	61,000	-62,000

CONSTRUCTION

CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins

Built-Ins Subtotal **\$0**

Base	\$123,000	0
Program Decreases	-\$62,000	0
Net Program Subtotal	-\$62,000	0
Total Activity Appropriation	\$61,000	0

	Amount	FTE
Base	\$123,000	0
Program Increases	\$0	0
Program Decreases	-\$62,000	0

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BUDGET AUTHORITY BEFORE THE COMMITTEE

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
Activity Appropriation	33,830	33,830	25,370	-8,460
FTE	129	91	91	0

Note: FY 2025 reflects actual FTE.

Introduction

In accordance with the FY 2027 appropriations language directing the cessation of the Job Corps program, these funds will support the essential operational, administrative, and oversight functions required to complete the final year of federal oversight and execution of program shutdown activities.

This funding will ensure the Department is able to carry out a structured and legally compliant transition of all National Office and Regional Office functions, in alignment with appropriations requirements that prohibit the use of funds from this or any other account for continued provision of meal services at Job Corps centers. The FY 2027 request supports federal salaries, minimal travel, contract oversight, performance reporting, risk assessment, stakeholder engagement, and interagency coordination necessary to responsibly conclude the administration of Job Corps.

As the Department executes the final year of operations, the National Office will continue to oversee policy, program integrity, closure compliance, and records disposition. Regional Offices will continue their oversight of center operations including completion of required assessments and closeout of remaining contractor activities while maintaining compliance with WIOA Section 159(f)(1), which mandates annual center performance assessments.

This account also supports the continued engagement of key Departmental offices – such as the Office of Financial Administration (OFA), the Office of the Senior Procurement Executive (OSPE), the Office of Human Resources (OHR), and the Office of Management and Administrative Services (OMAS) – to provide enterprise services including financial controls, contract administration, and workforce transition support for Federal staff as Job Corps winds down its operations.

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$32,330	132
2023	\$33,830	130
2024	\$33,830	131
2025	\$33,830	119
2026	\$33,830	91

FY 2027

The Department is requesting \$25,370,000 and 91 FTE in the FY 2027 Budget for Administration. This is a decrease of \$8,460,000 from the FY 2026 Enacted level.

The Administration account funds federal salaries, travel, and critical administrative activities for the National Office and six Regional Offices, including contract oversight, program assessment, performance reporting, and stakeholder coordination. The FY 2027 request ensures the Department retains the necessary capacity to execute final responsibilities and legal requirements through September 30, 2027.

Final Program Oversight and Statutory Compliance

National and Regional Office staff will lead the final year of oversight, ensuring that all Job Corps centers and associated service providers complete closure activities in accordance with federal regulations and appropriations guidance. This includes final implementation of closure protocols, completion of required performance assessments, contractor monitoring and offboarding, and ensuring compliance with WIOA Section 159(f)(1).

Contract Closeout and Procurement Finalization

Regional Office Contracting Officer Representatives (CORs) will continue to support the contract closeout process by completing independent government cost estimates (IGCEs), documenting contractor performance, and participating in procurement panels to ensure fiscal accountability and program integrity during the drawdown phase. The Department will also oversee the orderly conclusion of contracts related to Outreach and Admissions (OA), Career Transition Services (CTS), and center operations.

Staff Transition and Workforce Support

The Department will provide transition support to federal staff across the National and Regional Offices, including human capital planning, reassignments wherever possible, and offboarding services. Enterprise Shared Services units such as the Office of Human Resources (OHR), the

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Office of Management and Administrative Services (OMAS), and the Office of Financial Administration (OFA) will continue to provide support throughout the cessation period.

Records Management and Data Integrity

As part of the program cessation, the Office of Job Corps (OJC) will ensure the secure and compliant disposition of all records in accordance with federal requirements and the guidelines established by the National Archives and Records Administration (NARA). This includes finalizing the handling, storage, and, where applicable, transfer of student records, operational data, performance reports, financial documentation, and contractor deliverables.

OJC will inventory and assess all existing physical and digital records to determine appropriate retention schedules, implement safeguards for personally identifiable information (PII), and ensure that academic transcripts, credentialing records, health records, and disciplinary files are preserved for future verification and access. This is particularly critical for former students, educational institutions, employers, and government agencies that may request documentation in the future.

Additionally, the Department will coordinate with NARA, the Office of the Chief Information Officer (OCIO), and legal counsel to ensure that all data systems are properly decommissioned, archived, or transferred in a manner that maintains data integrity and auditability. Data governance protocols will be enforced to ensure that all actions taken are documented, transparent, and traceable.

OJC will also issue internal guidance to Regional Offices and center operators to support standardized closeout procedures and ensure consistency across the program. This effort will include training for responsible staff, updates to records retention plans, and the designation of federal officials to oversee final records certification and NARA transfer processes.

FY 2026

Congress appropriated \$33,830,000 for Job Corps Administration in FY 2026.

In FY 2026, OJC will focus on consolidating efforts and forming cross-functional teams dedicated to mission-critical activities. These activities will include comprehensive oversight and regional assessments to ensure alignment with the Department's goals and standards.

Key initiatives will involve:

- **Cost Efficiency:** Implementing cost-saving measures and optimizing budget allocations without compromising the quality of services. The focus will be on reducing unnecessary expenditures and ensuring that funds are used effectively to support Job Corps' centers' mission.
- **Regional Assessments:** Conducting thorough regional assessments to identify specific needs and challenges faced by different Job Corps centers. These assessments will allow for tailored interventions to improve performance and ensure accountability.

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- Evidence-Based Data Analysis: Leveraging data analytics to drive decision-making and identify areas for continuous program improvement. By analyzing performance metrics and outcomes, OJC will continue to pinpoint inefficiencies and implement targeted strategies for improvement.
- Program Improvement: Utilizing the findings from data analysis and regional assessments to inform continuous program improvement initiatives. This will include refining program guidance and policies and optimizing resource allocation to achieve better results for students at centers.

FY 2025

During FY 2025, OJC advanced administrative efficiency and transparency in accordance with the President's Executive Order, *Implementing the President's "Department of Government Efficiency" Initiative* (EO 14222). OJC refined its internal governance, staffing structure, and review processes to strengthen fiscal oversight and ensure that all funding actions were supported by clear justification and documentation.

Between May 1 and September 30, 2025, OJC executed more than 260 funding allocations totaling approximately \$678 million to Job Corps center operations contracts to support essential services. OJC also processed 82 allocations totaling \$88.7 million for statutorily required program support contracts and critical licensing requirements, and 16 allocations totaling \$46.9 million for National Training Contracts to sustain delivery of industry-informed training programs. Each allocation underwent enhanced internal review to ensure compliance with Executive Order requirements, fiscal controls, and program integrity standards.

In parallel, OJC advanced program administration in alignment with Executive Order 14219 titled *Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative* (February 19, 2025) by implementing targeted sub-regulatory policy actions to reduce administrative burden and eliminate duplicative or outdated requirements. These actions reaffirmed Job Corps' mandate to serve eligible students while ensuring compliance with Department of Homeland Security standards for work authorization verification. OJC also streamlined operational requirements by revising laboratory testing protocols at program entry to eliminate unnecessary procedures, removing duplicative Career Transition Readiness service mandates, and restoring Nursing and Trainee Employee Assistance Program staffing hours to pre-pandemic levels. Additionally, OJC aligned Job Corps policies with applicable Executive Orders promoting merit-based opportunity, eliminating unlawful discrimination, and rescinding prior directives inconsistent with current Administration priorities. These efforts improved administrative efficiency while preserving statutory compliance.

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WORKLOAD AND PERFORMANCE SUMMARY				
	FY 2025 Enacted		FY 2026 Enacted	FY 2027 Request
	Target	Result	Target	Target
Administration				
ETA-OJC-01	Number of Regional Office Center Assessments (ROCAs) completed		--	--
ETA-OJC-02	Number of Regional Office Targeted Assessments (ROTAs) completed		--	--
ETA-OJC-03	Number of Job Corps Regional Audits		6	--
ETA-OJC-33	Number of Regional Office Center Assessments (ROCAs) and Targeted Assessments (ROTAs) completed.		50	--

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

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Workload and Performance Narrative

In FY 2025, OJC continued to strengthen program oversight, accountability, and performance management through the successful execution of Regional Office Center Assessments (ROCAs) and Regional Office Targeted Assessments (ROTAs). These assessments serve as critical tools to monitor center operations, identify risk, and drive continuous improvement across the Job Corps system.

OJC exceeded its performance targets for both assessment activities. Regional Offices completed 49 ROCAs, surpassing the target of 44 and achieving 111 percent of the planned goal. Similarly, 48 ROTAs were completed against a target of 46, achieving 104 percent of the goal. These results demonstrate strong regional execution and a sustained commitment to proactive oversight and risk-based monitoring.

Overall, the strong performance in ROCA and ROTA completion, reporting timeliness, and corrective action implementation underscores OJC's continued emphasis on data-informed oversight, rapid response to identified risks, and continuous improvement to support student success and program integrity across the Job Corps centers.

For FY 2026, the ROCA and ROTA measures were combined for one targeted goal – 50 assessments. In FY 2027, as part of the orderly cessation of the Job Corps program, the Department will focus on final oversight activities related to the Regional Office Assessment Process (ROAP) system. Originally developed in FY 2023 to automate the manual Regional Office Comprehensive Assessment (ROCA) and Regional Office Targeted Assessment (ROTA) processes, ROAP has played a key role in standardizing and improving center oversight.

During the program's final year, the Department will use the ROAP system to support the completion of any remaining oversight responsibilities and to ensure that all centers receive final evaluations consistent with statutory obligations under WIOA Section 159(f)(1). Activities will focus on validating the integrity of assessment data, generating final summary reports, and documenting center performance trends to support closure-related decision-making.

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BUDGET ACTIVITY BY OBJECT CLASS

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
11.1 Full-time permanent	17,466	14,836	14,836	0
11.3 Other than full-time permanent	33	0	0	0
11.5 Other personnel compensation	414	370	370	0
12.1 Personnel Benefits	6,296	5,241	5,241	0
12.1 FECA	0	65	48	-17
13.0 Benefits for former personnel	7	24	24	0
21.0 Travel and transportation of persons	1,023	636	213	-423
23.1 Rental payments to GSA	1,339	1,470	1,470	0
23.2 Rental payments to others	4	0	0	0
23.3 Communications, utilities, and misc.	26	14	14	0
24.0 Printing and reproduction	40	25	25	0
25.2 Other services from non-Federal sources	27	32	32	0
25.3 Other goods and svcs. from Fed. sources	186	1,842	1,842	0
25.3 WCF	6,872	9,232	1,212	-8,020
25.4 Operation and maintenance of facilities	0	5	5	0
25.7 Operation and maint. of equipment	2	0	0	0
26.0 Supplies and materials	62	17	17	0
31.0 Equipment	33	21	21	0
Total	33,830	33,830	25,370	-8,460

ADMINISTRATION

CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins

Federal Employees' Compensation Act	-\$17	
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Built-Ins Subtotal	-\$17	
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Base	\$33,830	91
Program Decreases	-\$8,443	0
Net Program Subtotal	-\$8,443	0
Total Activity Appropriation	\$25,370	91

	Amount	FTE
Base	\$33,830	91
Program Increases	\$0	0
Program Decreases	-\$8,443	0