

DOCUMENT RESUME

ED 264 329

UD 024 594

TITLE The Job Training Partnership Act: An Analysis of Support Cost Limits and Participant Characteristics.

INSTITUTION General Accounting Office, Washington, D.C.

REPORT NO GAO-HRD-86-16

PUB DATE 6 Nov 85

NOTE 71p.

AVAILABLE FROM U.S. General Accounting Office, Document Handling and Information Services Facility, P.O. Box 6015, Gaithersburg, MD 20877 (first five copies free of charge, additional copies \$3.25 each).

PUB TYPE Reports - General (140)

EDRS PRICE MF01/PC03 Plus Postage.

DESCRIPTORS *Employment Programs; Federal Programs; *Job Training; *Participant Characteristics; *Program Costs; Program Implementation; Resource Allocation; *Work Experience Programs

IDENTIFIERS *Comprehensive Employment and Training Act; *Job Training Partnership Act 1982

ABSTRACT

This publication reports on a recent study that compared the new Job Training Partnership Act (JTPA) with its predecessor, the Comprehensive Employment and Training Act (CETA). The study was conducted to determine how the JTPA limit on money for program administration affected the type of individual served and the training provided in the transition year 1984. It was found that the current training act served a better-educated clientele--more high school graduates and students and fewer dropouts--than CETA participants. Participants in JTPA generally received less financial support and were more likely to be enrolled in on-the-job training. The number of participants enrolled in work experience programs decreased. While the factors that caused these changes are unclear, the limitation on participant support costs under JTPA does not appear to be a factor. Service delivery areas generally received the waivers on cost limitations that they requested, but few requested such waivers. Thus, any changes that occurred may have been due more to program implementation activities than to the legislatively imposed limitation. (GC)

 * Reproductions supplied by EDRS are the best that can be made *
 * from the original document. *

ED 264 329

REPORT BY THE U.S.

General Accounting Office

The Job Training Partnership Act: An Analysis Of Support Cost Limits And Participant Characteristics

Participants in the new Job Training Partnership Act (JTPA) are better educated and generally receive less financial support than those under the program JTPA replaced, the Comprehensive Employment and Training Act (CETA). Also, JTPA participants are more likely to be enrolled in on-the-job training.

GAO learned this when it compared the two programs to determine how a JTPA limit on money for program administration and participant support affected the type of individual served and the training provided. The Congress placed the limitation on JTPA to ensure that most program funds went for training.

The cause of the changes is unclear, but GAO does not believe the limitation on support costs was a factor. When a JTPA service delivery area asked for a waiver of the cost limitations, it generally got it, yet few requested waivers. Also, JTPA service delivery areas spent on average less than half the funds available for participant support.

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)
The document has been reproduced as received from the person or organization originating it.
Minor changes have been made to improve reproduction quality.
Points of view or opinions stated in this document do not necessarily represent those of the Department or policy.

PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
General Accounting Office

60524594



GAO/HRD-86-13
NOVEMBER 5, 1985



Request for copies of GAO reports should be sent to:

**U.S. General Accounting Office
Document Handling and Information
Services Facility
P.O. Box 6015
Gaithersburg, Md. 20877**

Telephone (202) 275-6241

The first five copies of individual reports are free of charge. Additional copies of bound audit reports are \$3.25 each. Additional copies of unbound report (i.e., letter reports) and most other publications are \$1.00 each. There will be a 25% discount on all orders for 100 or more copies mailed to a single address. Sales orders must be prepaid on a cash, check, or money order basis. Check should be made out to the "Superintendent of Documents".



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES
DIVISION

B-215774

The Honorable Augustus F. Hawkins
Chairman, Committee on Education
and Labor
House of Representatives

The Honorable James M. Jeffords
Ranking Minority Member
Committee on Education and Labor
House of Representatives

This report was prepared in response to your joint request that we assess the impact of participant support cost limitations on the individuals served and the training provided under the Job Training Partnership Act. The report discusses changes in participant characteristics and type of training provided to enrollees in the Job Training Partnership Act and the Comprehensive Employment and Training Act, which it replaced.

We are sending copies of this report to the Secretary of Labor; the Director, Office of Management and Budget; and other interested parties.

A handwritten signature in cursive script that reads "Richard L. Fogel".

Richard L. Fogel
Director

EXECUTIVE SUMMARY

The Job Training Partnership Act (JTPA) replaced the Comprehensive Employment and Training Act (CETA) in October 1983. Under CETA's principal training program, about 80 percent of the funds were spent on nontraining costs, including administration and participant support services, and about 20 percent on training. To ensure that most JTPA funds are spent on training, the Congress limited the amount available for administration to 15 percent of total expenditures and a combined limit of 30 percent for administration and participant support.

Concerned that the limitation, as it pertains to participant support costs, might impact on the quality of training provided and the type of individual served, the former Chairman and the Ranking Minority Member of the Subcommittee on Employment Opportunities, House Committee on Education and Labor, asked GAO to determine

- the differences in the characteristics of CETA and JTPA participants;
- how many service delivery areas requested and received waivers on support cost limitations;
- the number of service delivery areas providing needs-based payments and the type of supportive services offered; and
- the differences in the type and length of training provided under CETA and JTPA.

GAO also sought the opinions of local program officials on the program impact of the limitation on participant support costs.

BACKGROUND

JTPA provides training and other assistance to unskilled and economically disadvantaged individuals who need it to obtain employment. States administer the act and are divided into service delivery areas through which training services are delivered.

Under both acts, program participants were provided with support services, such as transportation and child care, to enable them to participate in training. Under CETA, cash

EXECUTIVE SUMMARY

payments to participants attending training were required; under JTPA, administrators can opt to provide needs-based payments to participants to offset the cost of attending training. JTPA's 30-percent limitation includes costs of support services and needs-based payments. Service delivery areas can get a waiver to exceed the limitation under certain conditions.

RESULTS IN BRIEF

Some changes occurred in the type of individual served under JTPA. However, it appears that the limitation on participant support costs was not the primary contributing factor.

The current training act is serving a clientele that is better educated--more high school graduates and students and fewer dropouts--than CETA participants. Participants generally receive less financial support and are more likely to be enrolled in on-the-job training.

While the factors that caused the above changes remain unclear, it appears that the limitation on participant support costs was not a factor. Service delivery areas generally received the waivers on cost limitations they requested; however, few requested them. In addition, although service delivery areas had at least 15 percent of their funds available for support costs, those responding to GAO's questionnaire spent an average of 7 percent.

Service delivery area officials responding to GAO's questionnaire also said the limitation had some impact on the type of individual served and the kind of training offered. But, because the areas spent less than half the minimum available under the act on support costs, GAO believes any changes that occurred may have been due more to the way the areas implemented their program than to the legislatively imposed limitation.

GAO's ANALYSIS**Changes in
Characteristics**

GAO compared the characteristics of JTPA participants in transition year 1984 with CETA participants in fiscal year 1982 at 148 service delivery areas having the same geographic boundaries. The comparison showed that the current act served a higher percentage of high school graduates (62 to 60), students (15 to 12),

EXECUTIVE SUMMARY

and unemployment compensation claimants (9 to 7) and a lower percentage of dropouts (23 to 29), unemployed (72 to 80), and nonwhites (48 to 50) than did CETA. (See pp. 8 to 13.)

Few Waivers Requested

Of the 544 service delivery areas responding to GAO's questionnaire, only 39 requested a waiver for participant support costs; 37 received them. Generally, those not requesting waivers cited one or more of the following reasons: about 63 percent were able to meet participant support needs within the limitations; 43 percent made a policy decision to limit services or payments to participants; and 34 percent believed that using more funds for participant support would leave too little for training. (See pp. 15 and 16.)

Types and Extent of Assistance

Over 80 percent of respondents spent less than the minimum allowed for participant support. Overall, they spent an average of 7 percent of their funds during the transition year. Those requesting waivers spent 12 percent on average. Of the service delivery areas, 95 percent provided some type of assistance to participants either directly or through agreements with other state and local agencies at no cost. Transportation and child care were the support services most commonly provided; 40 percent of the service delivery areas also provided needs-based payments (on average, \$34 weekly). GAO did not determine the extent to which this assistance satisfied participants' needs. (See pp. 16 to 25.)

Changes in Training Activities

GAO noted a shift in training from that offered under CETA at 11 locations it visited. The participants enrolled in on-the-job training increased by 214 percent when compared to on-the-job training enrollment in fiscal year 1982 under CETA. GAO also noted that the number of participants enrolled in work experience decreased by 66 percent at the 10 locations that offered this training under CETA in fiscal year 1982. (See pp. 34 to 36.)

EXECUTIVE SUMMARY

**Opinions on
Impact of
Limitation**

GAO's questionnaire asked service delivery area officials what impact, if any, the limitation on participant support costs had on the type of clients served and training offered under JTPA. About 70 percent of the officials believed that JTPA participants were more motivated than were CETA participants. About 55 percent believed that JTPA participants were less economically disadvantaged than were CETA participants. About 55 percent believed that as a result of the limitation, some training programs were shorter than they should have been and other programs could not be offered. About 53 percent believed that the overall impact of the limitation on the ability to meet the new act's objectives has been negative. (See pp. 27 to 31.)

RECOMMENDATIONS

GAO is making no recommendations.

AGENCY COMMENTS

Labor concurred with GAO's view on the impact of support cost limitations. Labor stated that nationwide data indicated that the limitation on participant support costs has had no discernible impact on the type of person being served under JTPA.

Labor agreed that more high school graduates are being served under the new act but said data for each of the first 3 quarters of fiscal year 1984 indicate that enrollment of high school graduates is on a downward trend. GAO notes, however, that cumulative data for this period indicate that the percentage of high school graduates was similar to transition year data. GAO believes it is too early to say that enrollment of high school graduates has decreased.

Labor did not believe that comparing JTPA with CETA fiscal year 1982 data was appropriate because many of the current program elements were being incorporated into CETA in 1982. GAO does not agree; it notes that the changes cited either had been incorporated in few local programs or occurred in CETA programs not included in GAO's analysis.

C o n t e n t s

	<u>Page</u>
EXECUTIVE SUMMARY	i
CHAPTER	
1 INTRODUCTION	1
State and local delivery system	1
Comparing CETA and JTPA	2
Objectives, scope, and methodology	4
2 COMPARING CHARACTERISTICS OF CETA AND JTPA PARTICIPANTS	8
Educational levels changed	10
Changes in employment status noted	11
Decline in youth served stopped under JTPA	12
For other characteristics compared, little change	12
3 LITTLE USE MADE OF WAIVERS FOR PARTICIPANT SUPPORT LIMITATIONS	14
Waivers on support limitations available to SDAs	14
Few waivers requested, few denied	15
More participant support provided by SDAs receiving waivers	16
4 MANY TYPES OF PARTICIPANT SUPPORT PROVIDED WITHIN FUNDING LIMITATIONS	18
Participant support expenditures limited by act	18
SDA spending for participant support less than act allows	19
Most SDAs providing participant support	20
SDAs providing participant support through alternative sources	25
5 IMPACT OF PARTICIPANT SUPPORT LIMITATIONS: VIEWS OF SDA ADMINISTRATORS AND PIC REPRESENTATIVES	27
Use of alternative resources	27
Changes in participants being served	28
Changes in training programs	29
Overall impact	30

	<u>Page</u>	
CHAPTER		
6	CHANGES IN TRAINING BETWEEN CETA AND JTPA	32
	Training at SDAs varied	32
	Shifts in OJT and work experience under JTPA	34
	Shorter training under JTPA	36
	Similar results in other studies	37
7	SUMMARY, CONCLUSION, AND AGENCY COMMENTS	38
	Summary	38
	Conclusion	39
	Agency comments	39
APPENDIX		
I	Methodology used in GAO's comparison of characteristics	41
II	Opinion questions asked of SDA officials concerning impact of support limitations, and responses	45
III	States and SDAs visited by GAO	47
IV	Advance comments from the Department of Labor and GAO's analysis	48
Table		
2.1	Comparison of educational status	10
2.2	Comparison of employment status	11
2.3	Comparison of female and nonwhite characteristics	12
2.4	Comparison of welfare recipient, handicapped, and single parent characteristics	13
3.1	Reasons for denial of waivers	15
3.2	Comparison of SDAs receiving waivers with SDAs not requesting or receiving waivers	17
3.3	Support services offered by SDAs receiving waivers and those not requesting or receiving waivers	17

	<u>Page</u>
Table	
4.1 Major support services provided	20
4.2 How SDAs provide support services	21
4.3 Types of assistance that disqualified participants from receiving needs-based payments	23
4.4 Activities making participants ineligible to receive needs-based payments	24
4.5 Factors considered in determining amount of needs-based payments	25
5.1 Opinions on whether SDAs made greater use of alternative resources because of participant support limitations	28
5.2 Opinions on whether JTPA enrollees were less economically disadvantaged because of participant support limitations	28
5.3 Opinions on whether JTPA enrollees were more motivated because of participant support limitations	29
5.4 Opinions on whether SDAs made training programs shorter than they should be due to participant support limitations	29
5.5 Opinions on whether participant support limitations prevented SDAs from offering certain training programs	30
5.6 Opinions on the overall impact of participant support limitations	31
6.1 Training offered at the SDAs visited	33
6.2 Training enrollment at the SDAs visited	34
I.1 Total number of enrollees in CETA (FY80 to FY82) and in JTPA (TY84)	41
I.2 Number of participants enrolled in the 148 SDAs in GAO's analysis	42
I.3 Selected characteristics of enrollees in SDAs in GAO's analysis and in all SDAs (TY 1984)	43

Figure		<u>Page</u>
1.1	States represented by one or more SDAs in GAO's analysis of enrollee characteristics	5
2.1	Change in selected enrollee characteristics from CETA FY80 to CETA FY82 and from CETA FY82 to JTPA TY84	9
4.1	Percent of funds for participant support	20
4.2	Percent of JTPA enrollees who received needs-based payments in TY84	22
4.3	Typical weekly needs-based payments to JTPA enrollees in TY84	24
6.1	Percent of OJT participants at 11 SDAs in CETA FY82 and JTPA TY84	35
6.2	Percent of work experience participants at 11 SDAs in CETA FY82 and JTPA TY84	36

ABBREVIATIONS

AFDC	Aid to Families with Dependent Children
CETA	Comprehensive Employment and Training Act
FY	fiscal year
GAO	General Accounting Office
JTLS	Job Training Longitudinal Survey
JTPA	Job Training Partnership Act
NAB	National Alliance of Business
OJT	on-the-job training
PIC	private industry council
PY	program year
SDA	service delivery area
TY	transition year

CHAPTER 1

INTRODUCTION

The Job Training Partnership Act (JTPA) was signed into law on October 13, 1982. Following a 1-year period during which state and local delivery systems were organized, JTPA replaced the Comprehensive Employment and Training Act (CETA) as the nation's primary federally funded employment and training program on October 1, 1983. Administered by the Department of Labor, JTPA provides job training to unskilled and economically disadvantaged individuals who need training to obtain employment.

JTPA consists of five titles:

- Title I establishes the state and local service delivery system and addresses general program and administrative issues,
- Title II provides for a year-round training program for disadvantaged adults and youth (title II A) and a summer youth program (title II B),
- Title III provides for a separate, state-administered employment and training program for dislocated workers (those who have lost their jobs because of plant closings or major work force reductions and are unlikely to return to their previous industry or occupation),
- Title IV establishes requirements for such federally administered activities as Job Corps and programs for Native Americans, and
- Title V contains miscellaneous provisions and changes to training-related activities in other federal programs, including state employment service agencies and the Work Incentive program.

STATE AND LOCAL DELIVERY SYSTEM

Each state's governor, sharing authority with a State Job Training Coordinating Council that he or she appoints, is responsible for administering the state's JTPA program. The council's overall functions are to plan, coordinate, and monitor state employment and training programs. Based on recommendations by the state council, the governor divides the state into service delivery areas (SDAs) through which job training services are provided. SDAs may include the entire state or one or more units of local government.

Each SDA must have a private industry council (PIC) appointed by the chief elected officials. PICs consist of local business leaders, who make up a majority of the membership, and representatives of educational agencies, organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and the public employment service. A primary responsibility of the PICs, in partnership with the local elected officials, is to provide overall policy guidance and oversight for the local employment and training program. In addition, the PICs, in agreement with the chief elected officials, determine procedures for developing a job training plan and selecting a grant recipient and an organization to administer the plan.

COMPARING CETA AND JTPA

JTPA is similar to CETA in that it provides job training and employment assistance primarily through locally based delivery systems. Both acts also provided support services, such as transportation and child care, to participants to enable them to attend training. The two programs differ in many ways, however. Unlike CETA, JTPA establishes a partnership between the private and public sectors over all aspects of local policy-making, planning, administering, and programming operations. It allows these partnerships to decide how to administer JTPA funds and what types and combinations of services to provide. Under CETA, such decisions were generally made by the local administrative agencies.

Other key differences between CETA and title II A of JTPA include the following:

- Many administrative and oversight functions have been shifted from Labor to the states under JTPA. Consequently, such data as information on enrollees' characteristics or training provided are not available at the federal level, as they were under CETA.
- JTPA program performance must be measured by standards based on increases in participant earnings and reduced welfare dependency. Under CETA, while performance measures were introduced, they were not fully implemented or required.

- SDAs are not required to provide JTPA participants with cash payments for attending classroom training as under CETA. Rather, SDAs have the option of providing needs-based payments¹ to participants to enable them to participate in training.
- Unless granted a waiver, an SDA must spend 70 percent of its funds on training. CETA did not include a similar provision, but in fiscal year 1982 program administrators spent about 20 percent for training.
- JTPA sets a limit of 15 percent of total expenditures for SDA administrative costs compared to 20 percent under CETA, and a combined limit of 30 percent for administrative costs, needs-based payments, supportive services, and other nontraining costs. Such a combined limit did not exist under CETA. In fiscal year 1982, however, program administrators spent 80 percent for administrative and other nontraining costs.
- Generally, an SDA must spend 40 percent of its JTPA funds on services to youth and also serve welfare recipients and school dropouts in proportion to their incidence in the eligible population. These targeting provisions did not exist under CETA.

The JTPA program operates on a 2-year planning cycle. Each state and SDA must prepare a plan describing its JTPA programs and activities over 2 program years (PYs).² The act, however, initially allowed SDAs to plan only for the 9-month period, October 1, 1983, to June 30, 1984.³ The first full 2-year planning cycle began on July 1, 1984. The first program year, July 1, 1984, to June 30, 1985, is referred to as PY 1984.

Funding for the initial 9-month period of JTPA totaled about \$2.8 billion, including about \$1.4 billion for title II A, the principal program for training economically disadvantaged adults and youth. The administration's budget for the program year

¹Needs-based payments are, generally speaking, given to economically disadvantaged participants to offset the cost associated with taking training.

²A program year begins on July 1 and ends on June 30 of the following year.

³This initial 9-month period is referred to as the transition year (TY).

ending June 30, 1985, is over \$3.6 billion, of which about \$1.8 billion is for title II A. In comparison, CETA program expenditures in fiscal year (FY) 1982 totaled about \$4.1 billion, of which \$1.8 billion was for title II B and C, covering CETA's basic training program.

OBJECTIVES, SCOPE, AND METHODOLOGY

The former Chairman and the Ranking Minority Member, Subcommittee on Employment Opportunities, House Committee on Education and Labor, were concerned that the limitations on participant support costs might affect the quality of training provided and the type of individuals served under JTPA. They asked us to study the implementation of these provisions. In subsequent meetings with subcommittee representatives, we agreed to determine

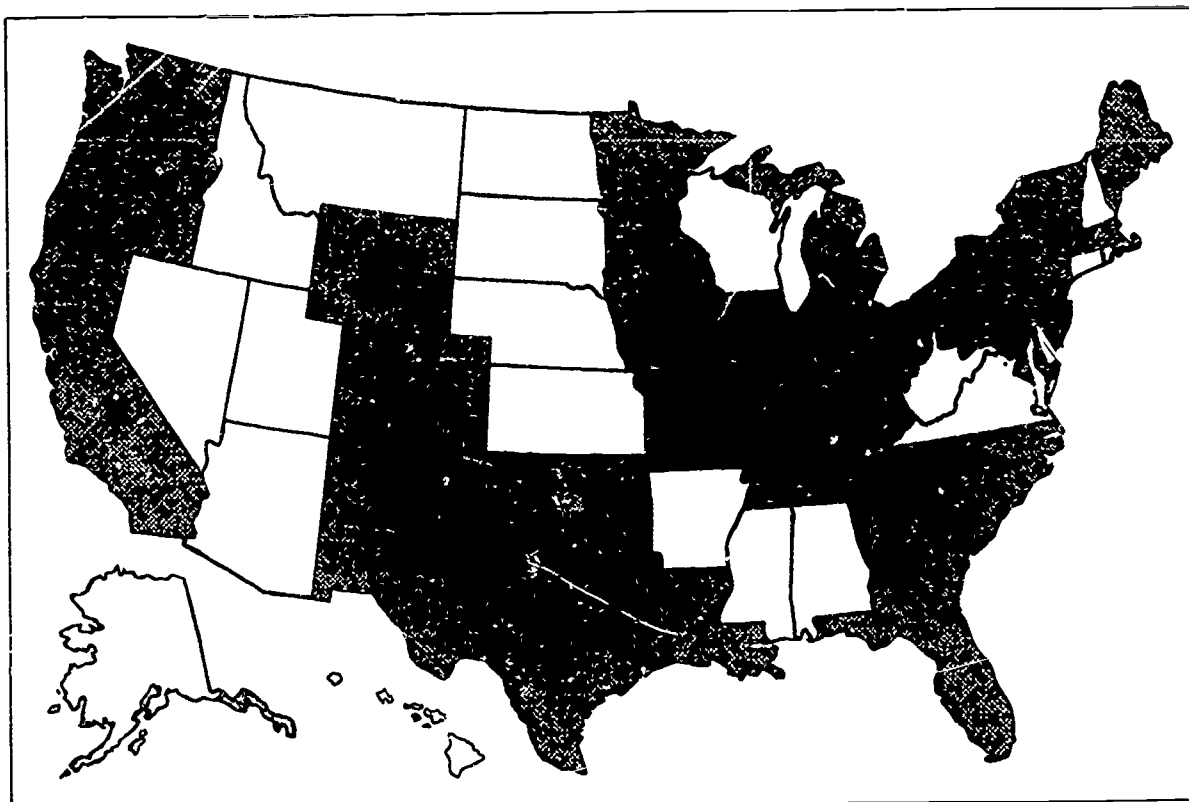
- the differences in the characteristics of participants who enrolled in the CETA program and those enrolling in JTPA,
- the degree to which SDAs requested and received waivers of the limitations on allowances and support services,
- the type of supportive services offered and the use of non-JTPA resources to provide these services,
- the proportion of SDAs establishing needs-based payments and the method for determining eligibility for and amounts of such payments, and
- the differences in the type and length of training provided under CETA and under JTPA.



To determine if JTPA was serving a different clientele than CETA, we compared the characteristics⁴ of enrollees under title II A of JTPA with those under title II B and C of CETA. This title authorized the basic CETA program of comprehensive work and training activities, including on-the-job training, work experience, job search assistance, and supportive services. To obtain a more complete picture of those individuals being served by JTPA, we based our comparison on enrollees rather than terminees. To minimize the possibility that any differences in characteristics may have been due to changes in geographical boundaries, we made our comparison for enrollees in 148 SDAs that had maintained the same geographical boundaries as former CETA

⁴Characteristics include sex, age, educational level, race, labor force status, family status, unemployment compensation status, welfare status, and handicapped status.

prime sponsors⁵ between 1980 and TY 1984. These SDAs came from 29 states and Puerto Rico. (See figure 1.1.)

Figure 1.1: States Represented by One or More SDAs in GAO's Analysis of Enrollee Characteristics



 IN ANALYSIS
 NOT IN ANALYSIS

Because comparable CETA title II B and C data were not available for FY 1983, we did not include that year in our analysis. In 1983, as all programs could be combined for reporting purposes, the majority of the prime sponsors did this rather than report separately by title. The results of our comparisons appear in chapter 2; a detailed description of our methodology in appendix I.

We obtained information about waivers, needs-based payments, and supportive services through a questionnaire sent to all 594 SDAs between June and September 1984. A total of 544 SDAs responded. Chapters 3 and 4 summarize information we obtained

⁵Prime sponsors were state or local authorities that administered CETA's employment and training programs.

from this questionnaire, and chapter 5 contains the opinions of SDA officials on the impact of the support cost limitations. We also visited 11 SDAs in 6 states to obtain information (presented in ch. 6) about differences in the type and length of training between CETA and JTPA. The states (California, Florida, Georgia, Massachusetts, Michigan, and Ohio) were selected to obtain some measure of geographic coverage. We chose the SDAs from among those having the same geographical boundaries and administrator as under CETA, selecting some that provided needs-based payments and some that did not.

At each SDA, we interviewed JTPA program officials and reviewed documents and records for CETA FY 1982 and information regarding JTPA for the transition year (October 1983 through June 1984).

While we visited only 11 SDAs, we supplemented our data with information developed in studies conducted by the National Alliance of Business (NAB),⁶ Westat Incorporated,⁷ and Grinker, Walker and Associates.⁸ NAB's study, a comprehensive survey of SDAs and limited survey of private industry council chairs done in July, August, and September 1984, used structured telephone interviews. The Westat study observed 40 SDAs in 20 randomly selected states from June through August 1984. It also compared the characteristics of JTPA participants to those of the eligible population using data from the Census Bureau's Current Population Survey. The study by Grinker, Walker and Associates consisted of (1) structured field observations and interviews with JTPA officials in a sample of 25 SDAs in 15 states, (2) structured telephone interviews with SDA officials in a separate sample of 32 SDAs, and (3) structured telephone interviews with state JTPA officials for all 50 states.

We also met with Labor program officials in Washington, D.C., and reviewed pertinent legislation, including the legislative history of JTPA, and Labor regulations and bulletins.

⁶What's Happening With JTPA? A Complete Analysis of NABs 1984 Survey Data (National Alliance of Business, 1985).

⁷Transition Year Implementation of the Job Training Partnership Act (Westat Incorporated, January 1985).

⁸Gary Walker, Hilary Feldstein, and Katherine Solow. An Independent Sector Assessment of the Job Training Partnership Act Phase II: Initial Implementation (Grinker, Walker and Associates, January 1985).

Our fieldwork was conducted between May and December 1984. Based on a preliminary analysis of the data collected, we briefed staff of the Subcommittee on Employment Opportunities, House Committee on Education and Labor, in February 1985. We completed our analysis and provided testimony before the same Subcommittee in May 1985. Our review was done in accordance with generally accepted government audit standards.

CHAPTER 2

COMPARING CHARACTERISTICS

OF CETA AND JTPA PARTICIPANTS

Both CETA and JTPA were designed to serve economically disadvantaged youth and adults, and over 90 percent of their participants met this criterion. But program differences between CETA and JTPA, such as the limitation on participant support costs, caused some congressional concern that the type of participants served under JTPA would change.

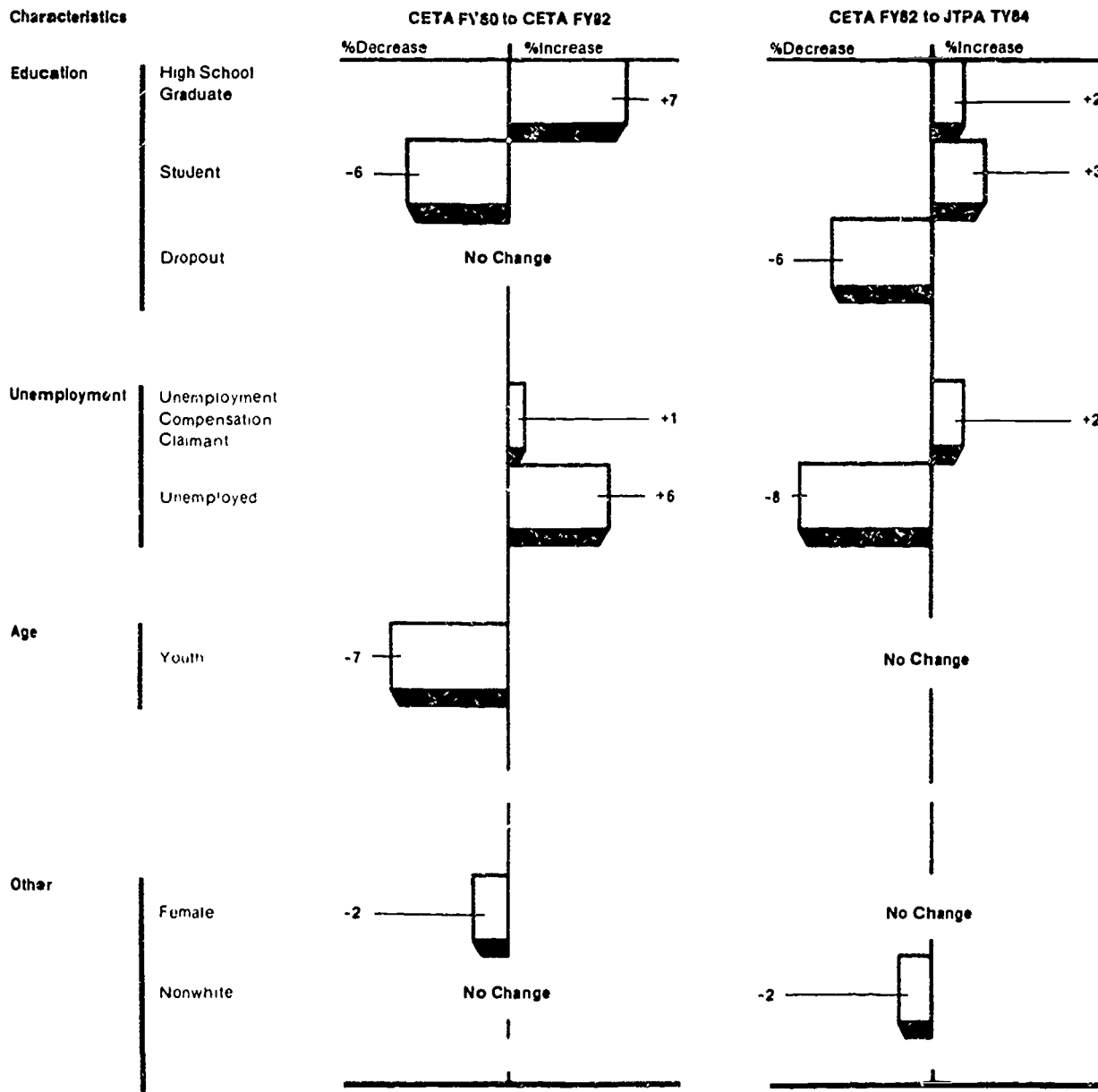
To determine if changes had occurred, we compared the characteristics of JTPA title II A enrollees during the first 9 months of that program with FY 1982 CETA title II B and C participants at 148 SDAs that maintained the same geographic boundaries between 1980 and 1984. JTPA served somewhat higher percentages of high school graduates, students, and unemployment compensation claimants than did CETA, we found, and somewhat lower percentages of school dropouts, the unemployed, and nonwhites. Other characteristics, including age, sex, and welfare status, remained unchanged.

To gain a broader perspective, we included CETA FY 1980 data in our comparisons. Adding this third dimension in time disclosed additional changes. We noted that

- the percentage of high school graduates served, which had been increasing under CETA, continued to increase under JTPA, but the significant decrease in the percentage of dropouts and increase in the percentage of students being served under JTPA represented a change from what had been occurring under CETA;
- an increase in the percentage of unemployed being served under CETA was reversed under JTPA; and
- a decline in the percentage of youth and females being served under CETA did not continue under JTPA.

Figure 2.1 illustrates the changes that occurred from 1980 to 1984.

**Figure 2.1:
Change in Selected Enrollee Characteristics From CETA FY80
To CETA FY82 And From CETA FY82 To JTPA TY84**



"No Change" means there was no statistically significant change

Note. Based on a comparison of title IIB and C under CETA with title IIA under JTPA at 148 SDAs with the same geographical boundaries between 1980 and 1984

The remainder of the chapter provides greater detail on the changes in participant characteristics. In each case, we provide the average percentage¹ of enrollees across SDAs with that characteristic. The differences cited are those in which the change was statistically significant. Although definitions of some participant characteristics differed between CETA and JTPA, only one characteristic (unemployed) with a statistically significant difference between them had a change in definition that Labor considered meaningful. The methodology we used in these comparisons is described in appendix I.

EDUCATIONAL LEVELS CHANGED

All CETA and JTPA participants can be classified as either school dropouts, students, or high school graduates. Their educational level is shown in table 2.1.

Table 2.1

Comparison of Educational Status

	<u>Mean percent of participants</u>		
	<u>CETA</u> <u>FY 1980</u>	<u>CETA</u> <u>FY 1982</u>	<u>JTPA</u> <u>TY 1984</u>
High school graduates	53	60	62
Students	18	12	15
Dropouts	30	29	23

Within CETA as well as between CETA and JTPA, the educational profile of participants has changed across time. For example, while the percentage of dropouts remained fairly steady under CETA, it decreased during the first 9 months (or the transition year) of JTPA.

On the other hand, although JTPA served more graduates than did CETA, we found that the percentage of graduates had also increased in recent years under CETA. Under CETA, however, the increase in the percentage of graduates was accompanied by a decrease in the percentage of students; under JTPA, the percentage of students also increased.

JTPA requires that school dropouts be served in proportion to their incidence in the eligible population. Although determining if this provision was met was not part of the scope of our work, we did examine the change in the proportion of dropouts served.

¹This represents the mean across all SDAs of the percentage of enrollees with each characteristic.

Although the proportion of dropouts increased in 30 of the SDAs we studied, the dominant trend, observed in 118 SDAs, was a percentage decrease. Overall, the proportion of school dropouts being served decreased from 29 to 23 percent.

CHANGES IN EMPLOYMENT STATUS NOTED

We compared two characteristics--employment and receipt of unemployment compensation--that define individuals' employment status. Unemployed individuals were those who, at the time of application for JTPA training, had not worked during the prior 7 consecutive days, but had been available for work and had made specific efforts to find a job within the past 4 weeks.² Unemployment compensation claimants were those who were eligible for benefit payments under one or more state or federal unemployment compensation programs and had not exhausted benefit rights.

The largest change occurred among the unemployed, who constituted on average 74 percent of CETA participants in FY 1980, increased to 80 percent in FY 1982, then decreased to 72 percent under JTPA. While the percentage of unemployed under JTPA represents a decline from the latest CETA data, it corresponds approximately to the percentage served under CETA in FY 1980.

Of participants who were unemployed, the proportion receiving unemployment compensation at the time they applied for the program was a small, but increasing percentage. For additional details, see table 2.2.

Table 2.2

Comparison of Employment Status

	Mean percent of participants		
	<u>CETA</u> <u>FY 1980</u>	<u>CETA</u> <u>FY 1982</u>	<u>JTPA</u> <u>TY 1984</u>
Unemployed	74	80	72
Unemployment compensation claimant	6	7	9

²Under CETA, Labor's definition of unemployed was more precise and provided specific guidance as to who should be included in this category. For example, a person in a hospital or prison was considered unemployed. Under JTPA, such a person would not be considered unemployed.

DECLINE IN YOUTH SERVED STOPPED UNDER JTPA

Between FYs 1980 and 1982, the average percentage of youths served by CETA decreased from 46 to 39 percent in the 148 SDAs. Under JTPA, this decline stopped with youth representing an average of 40 percent of those served.

A separate employment and training program for disadvantaged youth (age 14 through 21) was provided under title IV A of CETA, but not under JTPA (other than a summer youth program). JTPA did, however, provide that 40 percent of title II A funds be spent on youth. Determining if this provision was met was not within the scope of our work; but according to Labor data, 38 percent of TY 1984 expenditures were for youth.

The average of 40 percent youth served under JTPA compares favorably with the reported incidence of youth (19 percent) in the total title II A-eligible population, reported in a Westat Corporation study. A Labor internal report also concluded that the percentage of youth in CETA title II B and C in FY 1980 and FY 1981 was higher than the percentage of disadvantaged youth in the eligible population.

FOR OTHER CHARACTERISTICS COMPARED, LITTLE CHANGE

Comparisons of the remaining characteristics (sex, race, welfare and single-parent status, and handicap) we considered showed relatively little change over the 3 time periods (see tables 2.3 and 2.4). Only changes in the mean percentage of females and nonwhites were statistically significant (i.e., observed changes had only a 5-percent probability of being due just to chance variation from year to year), but these were small--2 percent or less.

Table 2.3

Comparison of Female and Nonwhite Characteristics

	<u>Mean percent of participants</u>		
	<u>CETA FY 1980</u>	<u>CETA FY 1982</u>	<u>JTPA TY 1984</u>
Female	53	51	51
Nonwhite	49	50	48

Other changes in characteristics were not statistically significant. The percentage of handicapped and single-parent enrollees in the programs remained fairly constant over time, as did the percentage of welfare recipients. Concerning the latter,

we distinguished between recipients of Aid to Families with Dependent Children (AFDC) and recipients of any public assistance, including but not limited to AFDC.

Table 2.4

Comparison of Welfare Recipient, Handicapped,
and Single Parent Characteristics

	<u>Mean percent of participants</u>		
	<u>CETA FY 1980</u>	<u>CETA FY 1982</u>	<u>JTPA TY 1984</u>
Welfare recipient:			
AFDC	23	22	23
Any public assistance	29	31	33
Handicapped	10	10	9
Single parent	20	22	22

JTPA emphasizes training to public assistance recipients. First, the act requires those receiving AFDC who are required to register for employment-related services to be served in proportion to their incidence in the population. Second, the act states that one measure of program performance is the reduction in welfare dependency. In establishing performance standards, Labor designed a separate standard for adult welfare recipients entering employment. Labor defined welfare to include other forms of public assistance as well as AFDC, namely, state or locally funded general assistance and refugee assistance.

CHAPTER 3

LITTLE USE MADE OF WAIVERS FOR

PARTICIPANT SUPPORT LIMITATIONS

Although limited in the amount of title II A funds available for participant support, SDAs may seek waivers from their governors to exceed such limitations. Few SDAs exercised this option during the transition year and first full program year, however. SDAs that did receive waivers spent a higher percentage of their title II A funds on participant support and provided larger amounts of cash assistance to more participants than did SDAs that did not request or receive waivers. Both categories of SDAs, however, provided similar kinds of services.

WAIVERS ON SUPPORT LIMITATIONS AVAILABLE TO SDAs

SDAs may exceed the 30 percent combined limitation for administrative costs and participant support if (1) the PIC initiates a waiver request, (2) the need for and the amount of excess expenditures are stated in the SDA's job training plan, (3) the support services to be provided do not duplicate services available without cost from any other source, (4) the need for a waiver is not due to excess administrative costs, and (5) the excess costs are due to one or more of the following:

- The unemployment rate exceeds the national average by at least 3 percentage points, and the ratio of current private employment to population is less than the national average,
- The SDA plans to serve a disproportionately high number of participants from groups requiring exceptional supportive service costs (such as handicapped individuals and single heads of households with dependent children),
- The cost of providing necessary child care exceeds half the costs allowed for participant support,
- The cost of providing necessary transportation exceeds one-third of the costs allowed for participant support, or
- A substantial portion of the participants in the SDA's programs are in training programs lasting 9 months or more.

If the SDA meets the above conditions, the governor must waive the limitation on participant support.

FEW WAIVERS REQUESTED, FEW DENIED

Of the 544 SDAs responding to our questionnaire, only 39 (7 percent) requested a waiver of the support limitations for the transition year; fewer, 32 (6 percent), requested a waiver for PY 1984. All SDAs requesting waivers cited at least one of the reasons specified in the act as justification for their requests.

Only two waiver requests were denied for the transition year and two for PY 1984, all apparently for legitimate reasons. The basis for these SDA waiver requests and the reasons given by states for not approving them are outlined in table 3.1. (We designate the requesting SDAs as A, B, and C; two of the requests came from one SDA.)

Table 3.1

Reasons for Denial of Waivers

<u>SDA</u>	<u>Period of request</u>		<u>Basis of request</u>	<u>Reason for denial</u>
	<u>TY 84</u>	<u>PY 84</u>		
A	X		1) High unemployment 2) Substantial number of enrollees in long training programs 3) To pay wages to in-school youth in work experience	State would not grant waiver for paying wages because this basis was not specified in the regulations.
B	X	X	High transportation costs in one county within SDA	SDA's transportation costs, as a whole, did not exceed one-third of SDA's support costs as required by the act.
C		X	Substantial number of enrollees requiring exceptional support services	SDA did not exceed national averages for a significant segment of the groups specified.

Among the SDAs responding to our questionnaire, the most common reasons for not seeking a waiver during the transition year and PY 1984 were:

- SDA was able to meet participant support needs within the cost limitations (63 percent),
- PIC or local elected officials made a policy decision to limit services or payments to participants (43 percent), and
- SDA believed using more funds for participant support would leave too little for training (24 percent).

MORE PARTICIPANT SUPPORT PROVIDED
BY SDAs RECEIVING WAIVERS

As expected, SDAs that received waivers for the transition year generally spent more on participant support than SDAs that did not request or receive waivers. Those receiving waivers were also more likely to offer needs-based payments and provide higher amounts of such payments to more participants than SDAs not receiving waivers. Needs-based payments are provided to participants to offset, in general, the costs associated with taking training.

For the transition year, we compared the 37 SDAs granted waivers with the 505 that did not request them and the two whose requests were rejected. We found that SDAs receiving waivers spent about 12 percent of their title II A budget on participant support in the transition year; those not requesting or receiving waivers averaged about 7 percent. Further, about two-thirds of the SDAs that received waivers offered needs-based payments in the transition year. The typical weekly payment at these SDAs averaged \$44. Of the SDAs that did not request or receive waivers, more than one-third offered needs-based payments. The typical weekly payment at these SDAs averaged \$34. (See table 3.2.)

The type of support services offered varied only slightly between SDAs that received and those that did not request or receive a waiver, although a slightly higher percentage of SDAs not receiving waivers offered transportation, health care, special services for the handicapped, and financial counseling. On the other hand, a slightly higher percentage of SDAs receiving waivers offered child care, meals, and temporary shelter. (See table 3.3.)

Table 3.2

Comparison of SDAs Receiving
Waivers With SDAs Not Requesting or
Receiving Waivers

	<u>SDAs receiving waivers</u>	<u>SDAs not requesting or receiving waivers</u>
Percent of title II A budget spent on support	12	7
Percent of SDAs offering needs-based payments	62	39
Percent of enrollees receiving payments	25	13
Typical weekly payment	\$44	\$34

Table 3.3

Support Services Offered by SDAs Receiving Waivers
and Those Not Requesting or Receiving Waivers

<u>Support service</u>	<u>SDAs offering support service^a</u>	
	<u>Receiving waivers</u>	<u>Not requesting or receiving waivers</u>
	(percent)	
Transportation	78	81
Health care	38	40
Special services for the handicapped	24	28
Financial counseling	27	30
Child care	59	58
Meals	38	32
Temporary shelter	21	18

^aIncludes only those support services offered using title II A funds.

Although we determined the percentage of SDAs offering various kinds of support services, we did not evaluate the adequacy of the services provided.

CHAPTER 4

MANY TYPES OF PARTICIPANT SUPPORT PROVIDED

WITHIN FUNDING LIMITATIONS

The Job Training Partnership Act emphasizes using most title II A funds for training, as we have indicated, and limits the amount available for participant support. Nonetheless, working within this limitation, most (95 percent) of the SDAs that answered our questionnaire provided some type of support to participants to alleviate the expense of attending training programs. The assistance included needs-based payments, child care, and transportation. We did not determine the extent to which it satisfied participants' needs for such support.

The amount of assistance provided varied among responding SDAs, however; over 80 percent spent less than 15 percent of their title II A funds on participant support. On average, the responding SDAs spent 7 percent in the transition year and planned to spend an average of 8 percent in PY 1984.

SDAs also sought other ways of providing participant support. About 60 percent of the SDAs negotiated unfunded agreements with other state and local agencies to furnish such services at no cost. Some SDAs also received additional funds from state and local agencies and private industry to provide participant support assistance.

PARTICIPANT SUPPORT EXPENDITURES LIMITED BY ACT

In FY 1982, about 80 percent of CETA title II B and C funds was spent for nontraining costs, including participant support and administrative costs, and about 20 percent on training. To ensure that most of JTPA's funds would be spent on training, the Congress limited the amount SDAs could spend on administration and support. Under JTPA, an SDA can spend no more than 15 percent of its title II A funds on administrative costs and no more than 30 percent on a combination of administrative and participant support costs. Those SDAs requiring the full 15 percent for administrative costs are, in effect, limited to 15 percent for participant support costs.

Participant support is intended to enable an individual who otherwise could not afford to attend training to participate in a training program. According to the act, support costs can include

- 100 percent of costs for such services as child care, transportation, health care, meals, temporary shelter, special handicapped services, financial counseling, and other services without which eligible persons could not participate;
- 100 percent of all needs-based payments necessary for participation determined under locally developed formulas or procedures;
- 50 percent of the costs of work experience programs meeting requirements specified by the act;¹ and
- 100 percent of the costs of any other work experience programs. (None of these costs are considered training costs and must be charged against the support cost limitation.)

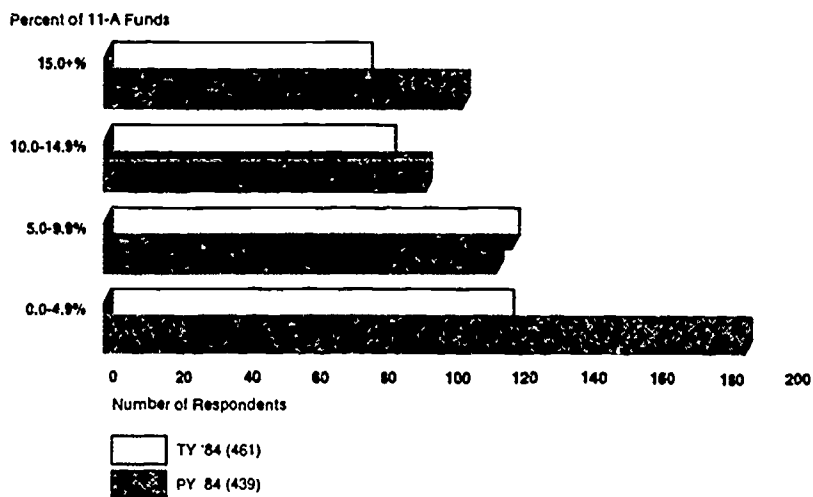
SDA SPENDING FOR PARTICIPANT SUPPORT LESS THAN ACT ALLOWS

Of the 461 SDAs that provided information on the amount they spent for participant support, 386 spent less than 15 percent of their JTPA funds for such assistance during the initial 9 months of the program. About two-thirds of the 461 spent less than 10 percent. Overall, the responding SDAs spent an average of 7 percent of their funds on support assistance during this time; their expenditures ranged from 0 to 31 percent. At the extreme ends of this range, 75 SDAs spent at least 15 percent of their funds on participant support and 35 SDAs spent none. Of the 35, however, 14 were providing some support assistance through unfunded agreements with state, local, or community-based agencies.

Questionnaire responses indicated that SDAs planned to change their level of expenditures for participant support during PY 1984. Overall, 441 SDAs were planning to increase their expenditures to an average of 8 percent. For example, 113 SDAs were planning to spend 15 percent or more on participant support, but 42 were budgeting no funds for it. Figure 4.1 shows the percent of funds SDAs spent and planned to spend for participant support.

¹Such programs must last not more than 6 months, be combined with a classroom or other training program, specify that participants cannot reenroll in work experience, specify the training component in a preemployment training contract or meet established academic standards, and pay wages not in excess of the prevailing entry-level wage for the same occupation in the same labor market area.

Figure 4.1: Percent of Funds for Participant Support



MOST SDAs PROVIDING PARTICIPANT SUPPORT

We found that over 95 percent of the 541 SDAs responding to a question on support services were providing specific support services, and some SDAs also were providing needs-based payments to participants. We did not attempt to determine the extent to which participant support services were needed or the sufficiency of the support being provided at individual SDAs.

Various support services provided

SDAs responding to our questionnaire were providing a variety of support services including transportation, health care, special services for the handicapped, child care, meals, temporary shelter, and financial counseling. As table 4.1 shows, the support services most commonly provided by the 541 SDA respondents during the transition year were transportation and child care.

Table 4.1

Major Support Services Provided

<u>Service</u>	<u>Number of SDAs</u>	<u>Percent of SDAs</u>
Transportation	462	85
Child care	418	77
Special services for handicapped	310	57
Health care	289	53
Financial counseling	231	43
Meals	223	41
Temporary shelter	182	34

SDAs used various methods to provide support services, as shown in table 4.2. Of 541 SDAs responding to a question on how they provided support services in the transition year, 64 percent provided cash to participants to pay for a specific service, 60 percent had entered into unfunded agreements with state, local, or community-based organizations, and 55 percent paid the service provider.

Table 4.2

How SDAs Provide Support Services

<u>Method</u>	<u>SDAs^a</u>			
	<u>TY 1984</u>		<u>PY 1984</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Provide cash to pay for service	345	63.9	353	65.4
Perform service directly	162	30.0	160	29.7
Pay vendor	298	55.2	305	56.6
Award training contracts that include service	145	26.9	150	27.8
Unfunded agreements	322	59.6	322	59.7

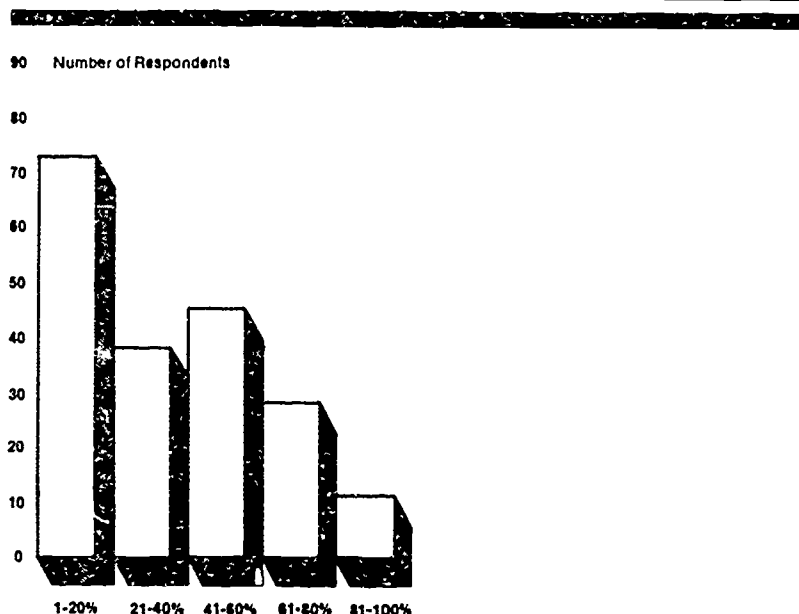
^aBased on 541 SDAs in TY 1984 and 539 in PY 1984. Of these SDAs, 221 in TY 1984 and 244 in PY 1984 also provided or planned to provide needs-based payments to enrollees.

Needs-based payments given by some SDAs

Of 544 SDAs responding to our questionnaire, about 40 percent provided needs-based payments to participants during the transition year. These SDAs provided needs-based payments to an average of 37 percent of their participants. The percentage of participants receiving needs-based payments at individual SDAs ranged from 1 (one SDA) to 100 percent (two SDAs). Figure 4.2 shows the percentage range of such participants for responding SDAs.

In our questionnaire, we also asked for information on who was eligible to receive these payments, the size of the payments provided, and factors affecting the size of the payments, as discussed below.

Figure 4.2: Percent of JTPA Enrollees who Received Needs-Based Payments in TY84



Note. Percentage based on 197 of the 220 SDAs that provided needs-based payments

Eligibility criteria for needs-based payments

According to our questionnaire responses, 92 SDAs² (about 43 percent) had no eligibility criteria for needs-based payments beyond being eligible for JTPA training. Ninety-eight SDAs (about 45 percent) stipulated a monthly income limit that could not be exceeded by participants or their families in order to receive needs-based payments. These limits ranged significantly. For example, an SDA in Pennsylvania would not provide needs-based payments to a participant whose total monthly income exceeded \$87, while an SDA in Wisconsin would deny such payments to a participant whose monthly income exceeded \$312. Similarly, an SDA in Oregon set a limit on total family income at \$120 per month and an SDA in Ohio at \$891 per month.

²Our questionnaire was divided into four major sections covering respectively waivers, needs-based payments, support services, and the opinions of PIC and SDA officials about the impact of the JTPA legislation. Only SDAs providing needs-based payments responded to the section dealing with such payments. Of the 544 SDAs responding to the questionnaire, 220 completed this section for the transition year.

Other SDAs considered one or more of several factors as needs-based criteria. Some SDAs identified certain types of financial assistance which, if received, would make the participant ineligible to receive needs-based payments. For example, more than a third denied needs-based payments to participants receiving unemployment compensation or AFDC. A summary of other disqualifying assistance is shown in table 4.3.

Table 4.3

Types of Assistance That
Disqualified Participants From
Receiving Needs-Based Payments

<u>Type of assistance</u>	<u>Percent of SDAs^a</u>
Unemployment compensation	36
Aid to Families with Dependent Children	35
State/local general assistance	27
Food stamps	3
Other (such as Pell grants, ^b social security payments, and veterans' payments)	22

^aBased on 216 SDAs responding to this question for the transition year.

^bPell grants provide financial aid to needy undergraduate students. Grants range from \$150 to \$1,750, depending on school costs and family income.

In addition, SDAs identified several JTPA program activities in which participants were ineligible to receive needs-based payments. As table 4.4 shows, most SDAs would not provide payments to participants enrolled in on-the-job training (OJT) or work experience programs. Conversely, no SDA prohibited participants enrolled in classroom training for occupational skills from receiving such payments.

Table 4.4

Activities That Disqualified Participants From Receiving Needs-Based Payments

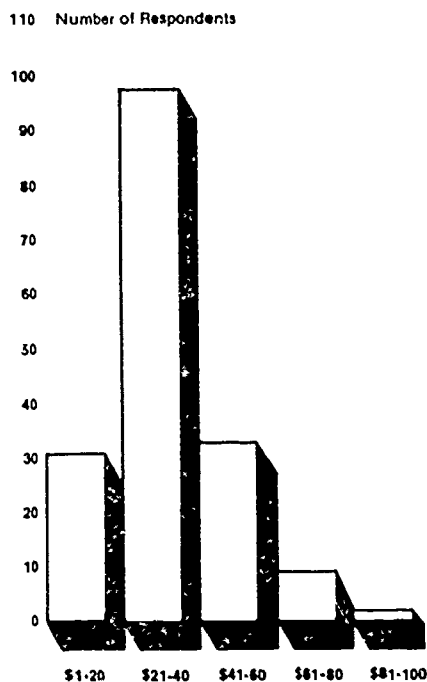
<u>Program activity</u>	<u>Percent of SDAs^a</u>
On-the-job training	87
Work experience	65
Job search assistance	27
Remedial education	7
Other (such as job search assistance, in-school youth services, and direct placements)	25

^aBased on 218 SDAs responding to this question for the transition year.

Size of needs-based payments

Of the SDAs responding to a question concerning the size of needs-based payments they provided, about three-fourths made normal weekly payments of \$40 or less. (See fig. 4.3.)

Figure 4.3: Typical Weekly Needs-Based Payments to JTPA Enrollees in TY84



Note: Based on 172 of the 220 SDAs that provided needs-based payments

BEST COPY AVAILABLE

In our questionnaire, we asked SDAs providing participants with needs-based payments to indicate their largest, smallest, and typical weekly payments during the transition year. Although the typical weekly payment reported averaged \$34, weekly payments varied from \$1 (two SDAs) to \$300 (one SDA). Many factors were considered by SDAs in determining the size of payments paid to participants. The most common were the number of dependents or household size and the number of hours spent in training. For example, one SDA in Massachusetts paid eligible participants \$30 a week plus \$5 for each dependent, regardless of the time spent in training, while an SDA in Louisiana paid eligible participants \$.50 for each hour spent in training. Other factors considered when determining the amount participants receive for needs-based payments are shown in table 4.5.

Table 4.5

Factors Considered in Determining
Amount of Needs-Based Payments

<u>Factor</u>	<u>Percent of SDAs^a</u>
Number of hours in training	43
Number of dependents or household size	43
Distance from training location	28
Total family/participant income	27
Family/participant public assistance payments	27
Type of program activity	22
Child care costs	20
Food stamps received by family/participant	15
Other (e.g., Pell grants and scholarships, housing costs, and individual need)	27

^aBased on 219 SDAs responding to this question for the transition year.

SDAs PROVIDING PARTICIPANT
SUPPORT THROUGH ALTERNATIVE SOURCES

Some SDAs have provided participant support services through alternative means, supplementing their title II A funds by entering into agreements with other agencies or seeking funds from other sources.

Of the SDAs responding to our questionnaire, 60 percent (322) indicated that they entered into at least one unfunded agreement with another agency to provide participant support.

Such agreements--with government and community-based agencies (e.g., United Way of America)--were, for the most part, for a specific service. For example, an SDA in Massachusetts had unfunded agreements with the State Department of Public Welfare and the Department of Social Services to provide child care services to JTPA participants.

Some SDAs also received non-JTPA funding for participant support. Of 538 SDAs responding to our question on additional funding, 25 (5 percent) said they received funds from other sources for participant support in the transition year, while twice as many received, or expected to receive, such additional funds in PY 1984. Sources of these funds included state departments of social services, public welfare, employment and training, health, and education; city and county governments; and private industry. The amounts varied greatly. For example:

--A California SDA received \$5 million of county general funds for the transition year to provide such services as transportation, housing, and meals. The SDA received no money from the county to provide such services in PY 1984.

--A New York SDA received \$538,000 from the State Department of Social Services to pay for transportation and meals for the transition year. The SDA expected to receive only \$77,000 from this agency in PY 1984. These were federal funds the state had received from the Department of Health and Human Services under title XX of the Social Security Act.

--A Virginia SDA received \$449,000 for the transition year and expected to receive \$355,000 in PY 1984 from the State Department of Social Services to provide various refugee assistance services. These were federal funds the state had received from the Department of Health and Human Services (Office of Refugee Resettlement, Social Security Administration).

--A Hawaii SDA received \$300 from the State Department of Social Services and Housing for PY 1984 to provide physical examinations.

Similarly, the state of Maryland passed legislation allocating state general funds to be distributed to the state's 10 SDAs to supplement funds available for providing needs-based payments to participants. Maryland SDAs received \$2 million in PY 1984 and will receive another \$2 million in PY 1985.

CHAPTER 5

IMPACT OF PARTICIPANT SUPPORT LIMITATIONS:

VIEWS OF SDA ADMINISTRATORS AND PIC REPRESENTATIVES

In our questionnaire, we asked SDA officials their opinions concerning the impact of the participant support limitations on the persons served and training provided under JTPA. We categorized the responses by SDA administrators and PIC representatives. Although the number of respondents to each of our six questions (listed in app. II) varied slightly, about 450 SDA administrators and 80 PIC representatives responded. Generally, there was little difference between the responses of the two groups. The respondents indicated that, because of the participant support limitations,

- they made greater use of alternative resources to provide support services,
- they thought that individuals served under JTPA were likely to be less disadvantaged than those served under CETA,
- they believed that individuals served under JTPA were more motivated than those served under CETA,
- the training programs they offered were shorter than the SDA officials believed they should have been, and
- they could not offer some training programs.

About 55 percent of the SDA administrators and 45 percent of the PIC representatives indicated that, in their opinion, the participant support limitations had a negative impact on the SDAs' ability to meet the objectives of JTPA. On the other hand, about 25 percent of the SDA administrators and 27 percent of the PIC representatives indicated the participant support limitations had a positive impact. The remaining respondents felt there was neither a positive nor a negative impact, overall.

USE OF ALTERNATIVE RESOURCES

We asked SDA officials whether the participant support limitations prompted them to make greater use of alternative resources for providing support services. As shown in table 5.1, slightly more than half of the SDA administrators and PIC representatives responding agreed that they did.

Table 5.1

Opinions on Whether SDAs Made Greater Use of Alternative Resources Because of Participant Support Limitations

<u>Response</u>	<u>Percent of</u>	
	<u>SDA administrators</u>	<u>PIC representatives</u>
Agree	53	52
No opinion	29	32
Disagree	18	16

Note: Percentages based on 452 SDA administrators and 81 PIC representatives.

CHANGES IN PARTICIPANTS BEING SERVED

We asked two questions concerning changes in the participants being served under JTPA compared to those served under CETA. First, did participant support limitations result in less economically disadvantaged individuals being served under JTPA? As shown in table 5.2, about 56 percent of the SDA administrators and 48 percent of the PIC representatives agreed that they did.

Table 5.2

Opinions on Whether JTPA Enrollees Were Less Economically Disadvantaged Because of Participant Support Limitations

<u>Response</u>	<u>Percent of</u>	
	<u>SDA administrators</u>	<u>PIC representatives</u>
Agree	56	48
No opinion	20	26
Disagree	24	26

Note: Percentages based on 450 SDA administrators and 82 PIC representatives.

The second question concerned whether participant support limitations resulted in more highly motivated people receiving JTPA training than received CETA training. About 70 percent of the SDA administrators and PIC representatives agreed that they did (see table 5.3). For example, one SDA director stated that eliminating cash payments to participants for attending training meant that enrollees now sought training to obtain a job, not merely to receive a cash payment.

Table 5.3

Opinions on Whether JTPA Enrollees Were More Motivated
Because of Participant Support Limitations

<u>Response</u>	<u>Percent of</u>	
	<u>SDA administrators</u>	<u>PIC representatives</u>
Agree	70	72
No opinion	12	13
Disagree	18	15

Note: Percentages based on 454 SDA administrators and 82 PIC representatives.

CHANGES IN TRAINING PROGRAMS

We also asked two questions dealing with changes in training programs. The first focused on whether SDAs had to offer training programs that were shorter than they should be because of the participant support limitations. About 57 percent of the SDA administrators and about 45 percent of the PIC representatives agreed that, as a result of the limitations, this was the case. For example, a California SDA official said that SDA reduced the length of classroom training from 6 to 3 months because many participants could not afford to attend for the longer period.

Table 5.4

Opinions on Whether SDAs Made Training Programs Shorter
Than They Should Be Due to Participant Support Limitations

<u>Response</u>	<u>Percent of</u>	
	<u>SDA administrators</u>	<u>PIC representatives</u>
Agree	55	48
No opinion	21	20
Disagree	24	32

Note: Percentages based on 451 SDA administrators and 82 PIC representatives.

Our second question asked if the participant support limitations prevented SDAs from offering certain training programs. This question produced the greatest variance between SDA administrators and PIC representatives, and resulted in the only difference that was statistically significant (i.e., less than a 5-percent probability that the difference was due to

chance). As shown in table 5.5, about 58 percent of the SDA administrators and 39 percent of the PIC representatives believed the support limitations prevented them from offering some training programs they would have liked to offer. For example, a Massachusetts SDA official indicated that, because of the limitations, the SDA could not offer a needed work experience program. An Illinois SDA official, on the other hand, noted that the SDA had to curtail programs at community colleges because participants could not afford to attend year-long training programs.

Table 5.5

Opinions on Whether Participant Support Limitations Prevented SDAs From Offering Certain Training Programs

<u>Response</u>	<u>Percent of</u>	
	<u>SDA administrators</u>	<u>PIC representatives</u>
Agree	58	39
No opinion	20	26
Disagree	22	35

Note: Percentages based on 449 SDA administrators and 82 PIC representatives.

OVERALL IMPACT

Finally, we asked SDA officials to assess the overall impact of the limitations on the SDAs' ability to meet JTPA objectives (see table 5.6 for results). About 55 percent of the SDA administrators and 45 percent of the PIC representatives believed that the overall impact of the limitations had been negative. On the other hand, about 25 percent of the SDA administrators and 27 percent of the PIC representatives believed the overall impact had been positive. The remaining respondents, 20 percent of the SDA administrators and 28 percent of the PIC representatives, believed the limitations had no overall impact.

Table 5.6

Opinions on the Overall Impact of
Participant Support Limitations

<u>Response</u>	<u>Percent of</u>	
	<u>SDA administrators</u>	<u>PIC representatives</u>
Extremely positive	3	5
Somewhat positive	22	22
Neither positive nor negative	20	28
Somewhat negative	47	39
Extremely negative	8	6

Note: Percentages based on 433 SDA administrators and 79 PIC representatives.

- - - -

For all six opinion questions we asked, there was little difference between the responses of SDA administrators and PIC representatives. As mentioned earlier, the only question that produced a statistically significant difference in the responses concerned the limitations precluding certain training programs from being offered.

CHAPTER 6

CHANGES IN TRAINING

BETWEEN CETA AND JTPA

Both CETA and JTPA offered participants a variety of training, including classroom training, on-the-job training, and work experience. The 11 SDAs we visited offered a variety of these types of training under CETA, with varying levels of enrollee participation. Under JTPA, however, the training offered and levels of enrollee participation generally changed. We noted that participation in OJT training increased under JTPA, whereas work experience participation decreased. The reasons cited by SDA officials for the shifts varied.

The most common reason for using more OJT was that this type of training was more likely to result in employment. We also noted a slight decrease in the length of training offered under JTPA. These results are based on a limited judgmental sample of SDAs and are not in themselves representative of SDAs nationwide, yet they are similar to the finding of other studies based on a greater number of SDAs. We visited these SDAs because detailed information on differences in the type and length of training between CETA and JTPA was available only at the local level.

TRAINING AT SDAs VARIED

The SDAs we visited offered a variety of training with varying levels of participation under both CETA and JTPA. This training included:

- Occupational classroom training, which teaches technical skills required for such specific jobs as clerk-typist, medical assistant, and food service worker.
- Other classroom training, which includes adult basic education, general education, and job-readiness or preemployment training. This method focuses on improving basic skills or teaching English as a second language.
- On-the-job training, which encompasses participants being hired by an employer who provides training for such particular occupations as machine operator, security guard, or welder. On-the-job training contracts generally subsidize as much as 50 percent of an employer's training costs for program participants.

--Work experience, which provides short-term or part-time work assignments designed to develop good work habits and basic work skills.

In addition, under JTPA, seven of the SDAs we visited offered exemplary youth programs authorized by the act, including education for employment, preemployment skills training, entry employment experience, and school-to-work transition. These programs include such activities as additional educational instruction, job readiness training, job search and placement assistance, and part- or full-time summer employment.

The mix of training provided at the 11 SDAs under JTPA changed from that under CETA (see table 6.1). For example, some of the SDAs provided occupational and nonoccupational classroom training, OJT, and work experience under CETA and continued to do so under JTPA; other SDAs either dropped or added one or two types of training.

Table 6.1

Training Offered at the SDAs Visited

<u>Training</u>	<u>Number of SDAs offering training</u>	
	<u>CETA FY 1982^a</u>	<u>JTPA TY 1984</u>
Occupational classroom training	11	11
Other classroom training	8	6
OJT	8	11
Work experience	10	7
Exemplary youth	N/A ^b	7

^aIncludes training offered only under CETA title II B and C.

^bNot offered under CETA.

As shown in table 6.2, during JTPA's transition year, the total number of participants enrolling in OJT at these SDAs significantly increased from the number enrolled under CETA in FY 1982. On the other hand, the total number of JTPA participants enrolling in occupational classroom training, other classroom training, and work experience decreased.

Table 6.2

Training Enrollment at the SDAs Visited

<u>Training</u>	<u>Number of participants</u>		<u>Percent increase (decrease)</u>
	<u>CETA FY 1982^a</u>	<u>JTPA TY 1984^b</u>	
Occupational classroom training	5,210	4,390	(16)
Other classroom training	2,647	940	(64)
OJT	1,214	3,815	214
Work experience	3,820	1,312	(66)
Exemplary youth	N/A ^c	2,912	-

^aIncludes only CETA title II B and C participants.

^bEnrollment for the 9-month transition year has been projected to a 12-month period for comparison purposes.

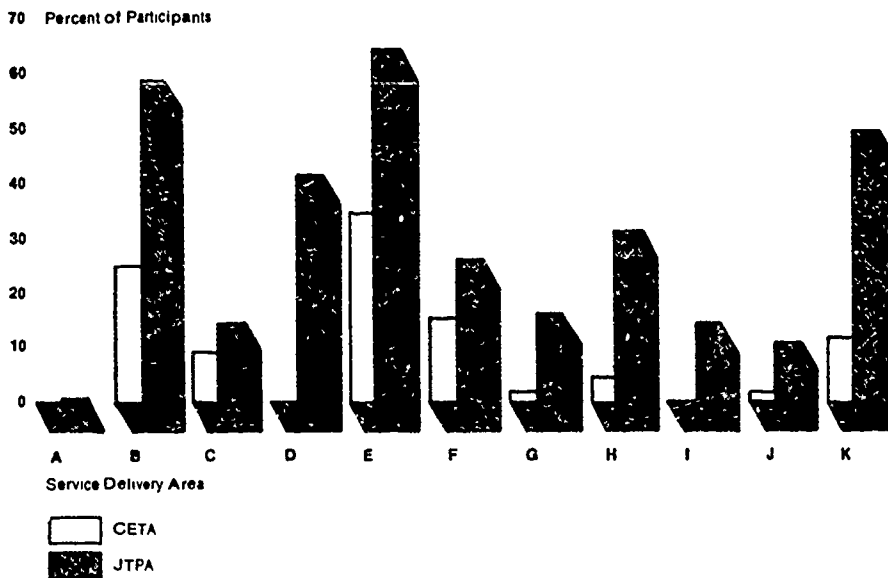
^cExemplary youth programs were not offered under CETA.

SHIFTS IN OJT AND WORK EXPERIENCE UNDER JTPA

Our work showed that significant shifts occurred in the participant enrollment in OJT and work experience programs under JTPA when compared with CETA. For the most part, OJT increased and work experience decreased. For occupational and other classroom training, there was no consistent pattern of change among the 11 SDAs.

At five SDAs, we found that few participants were enrolled in OJT under CETA, whereas OJT either started or increased under JTPA. The percentage of OJT participants under JTPA increased at all 11 SDAs and the number of participants increased by 214 percent. Figure 6.1 shows OJT enrollment under CETA and JTPA at these SDAs.

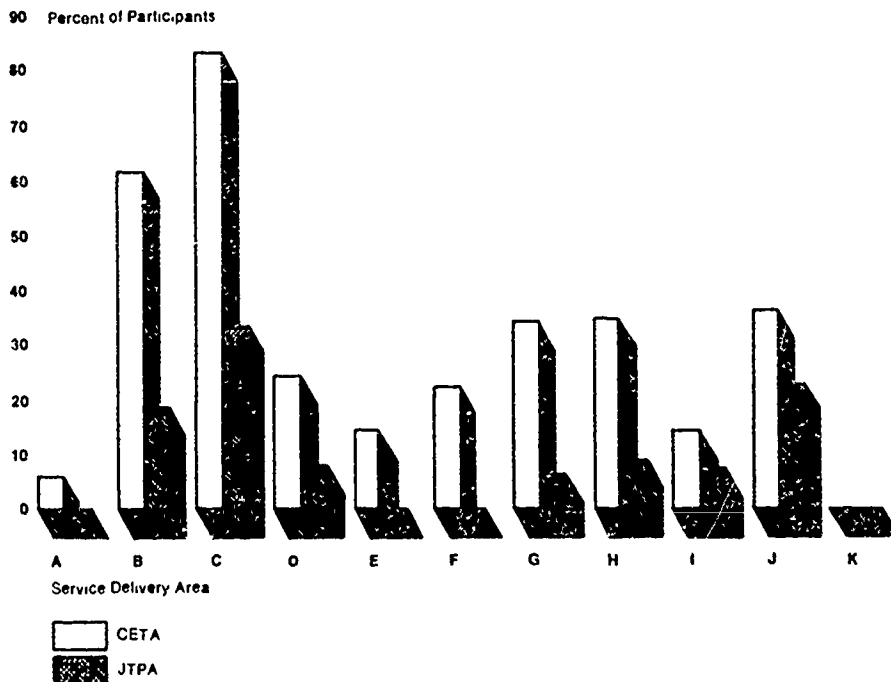
Figure 6.1: Percent of OJT Participants at 11 SDAs in CETA FY82 and JTPA TY84



On the other hand, six SDAs we visited had participants in work experience programs under CETA, but few participants received such training under JTPA. Three of these SDAs completely discontinued work experience. Again, under JTPA, the percentage of work experience participants decreased at all 11 SDAs and the number of participants decreased by 66 percent. As noted earlier, the Congress emphasized that most of JTPA's funds should be spent on direct training activities and that a limitation should be placed on funds spent for nontraining purposes, including participant support costs. As part of this emphasis, JTPA requires that 50 or 100 percent of the cost of work experience programs, depending on the type of program, be charged to participant support. However, SDAs requiring a full 15 percent for administrative costs are, in effect, limited to 15 percent for support costs. This may account, in part, for the shift away from the use of work experience.

But the cost of exemplary youth programs may be charged entirely to training. One of these programs, entry employment experience, provides work assignments similar to work experience under CETA. We noted that seven SDAs that reduced or eliminated work experience under JTPA provided exemplary youth programs. Figure 6.2 shows work experience enrollment under CETA and JTPA at these SDAs.

Figure 6.2: Percent of Work Experience Participants at 11 SDAs in CETA FY82 and JTPA TY84



The reasons for the changes in training varied among these SDAs. Directors at four SDAs increased OJT because they believe OJT is more likely to result in unsubsidized employment. Other SDA directors cited various reasons for increasing the use of OJT, such as its being more acceptable to area employers or more cost effective, or providing needed wages to participants. One SDA director also noted that the limitation on participant support costs necessitated a shift away from work experience; another noted that long-term classroom training was not feasible for participants without a source of income.

SHORTER TRAINING UNDER JTPA

We compared the length of occupational training, both in the classroom and on-the-job, during the first 9 months of JTPA with CETA FY 1982 at all 11 SDAs. We found that both occupational training and OJT were on average slightly shorter under JTPA than under CETA.

Occupational classroom training under JTPA averaged 22 weeks at these SDAs, while during CETA FY 1982 at the same SDAs this training averaged 23 weeks. Similarly, the average length of OJT under JTPA was 17 weeks compared to 19 weeks during CETA FY 1982.

SIMILAR RESULTS IN OTHER STUDIES

Other organizations, including Grinker, Walker and Associates, NAB, and Westat Incorporated, have studied the implementation of JTPA. Each included an analysis of training activities in its studies. Generally, they found that OJT has been used more and work experience less under JTPA than under CETA.

NAB estimated that 18 percent of the enrollees in JTPA were in OJT, compared to 13 percent under CETA during FY 1982, while only 6 percent were in work experience, compared to 30 percent under CETA. Similarly, Westat estimated that slightly more than 20 percent of enrollees in JTPA were in OJT compared to 15 percent in FY 1979 and 19 percent in FY 1980 under CETA. The Grinker, Walker and Associates study noted that OJT received a major increase in its share of overall funding in 72 percent of their sample SDAs and some increase in 16 percent, with no site decreasing OJT. The study also noted that, although a few SDAs kept work experience as a major training component, the general pattern was either no work experience or a small work experience component for youth or other special groups.

All three studies noted that the length of training under JTPA was shorter than under CETA.

CHAPTER 7

SUMMARY, CONCLUSION, AND AGENCY COMMENTS

SUMMARY

Comparing the type of individuals served under JTPA with those served under CETA and the type of training provided under both programs, we found that some changes have occurred. JTPA is serving a clientele that is better educated than CETA participants and more likely to be enrolled in OJT. The cause of such changes is unclear. Nevertheless, we believe that the limitation placed on participant support costs under JTPA was not the primary factor contributing to the changes in the type of individual served during the first 9 months of the program. The shift away from work experience that we noted may have been caused by the support cost limitations, since 50 or 100 percent of the cost of work experience programs, depending on the type of program, must be charged to participant support, which is limited under title II A.

Changes in characteristics

We compared 12 characteristics of enrollees in title II A of JTPA during the first 9 months of that program with those in title II B and C of CETA in fiscal year 1982. We made our comparison for all enrollees in 148 SDAs that kept the same geographic boundaries as former CETA prime sponsors between 1980 and 1984. Compared to CETA, JTPA served higher percentages of high school graduates (62 to 60), students (15 to 12), and unemployment compensation claimants (9 to 7) and lower percentages of school dropouts (23 to 29), unemployed (72 to 80), and nonwhite (48 to 50). While these are, for the most part, slight differences, they are statistically significant (i.e., there is less than a 5-percent probability that the difference is due to chance). The data on characteristics of JTPA participants in our analysis were similar to national estimates of characteristics developed in Labor's national longitudinal study.

Changes in training

Because detailed information on differences in the type and length of training between CETA and JTPA was available only at the local level, we visited a judgmental sample of 11 SDAs. Participation in OJT increased under JTPA at these locations, we noted, and participation in work experience declined. Furthermore, we noted a slight decrease in the length of training offered under JTPA. While these findings are based on a limited sample of SDAs, which is not representative of SDAs

nationwide, they are similar to the results of studies (based on greater numbers of SDAs) by Grinker, Walker and Associates, the National Alliance of Business, and Westat Incorporated.

CONCLUSION

While we noted the above changes between CETA and JTPA programs, we were unable to determine their specific cause. Several significant differences exist between CETA and JTPA, including the limitation on support costs, which could have contributed to the changes. It did not appear, however, that the limitation on support costs was a major factor.

First, SDAs that requested waivers to the limitations generally received them, as we discussed in chapter 3. Few, however, requested them. Moreover, as discussed in chapter 4, SDAs responding to our questionnaire spent an average of 7 percent of their funds for support costs, less than half of the 15 percent minimum available. In addition, SDA officials stated that, for the most part, they increased OJT because it was more cost-effective and likely to result in employment than other types of training (see ch. 6). While SDA officials responding to our questionnaire (see ch. 5) believed the limitation on support costs had some impact on the type of individual served and the training provided, they did not provide us with data to support this opinion.

Because SDAs chose to spend less than half of the funds available on support costs and generally chose not to seek waivers on the cost limitations, we believe the changes that have occurred were due more to the way SDAs are implementing their program than to the act's limitation on support costs. We recognize that our conclusion is based on the first 9 months of operation under JTPA. The extent to which the limitation may become a constraint in the future will depend in large part on the type of programs SDAs develop as well as their willingness to seek waivers, if needed.

AGENCY COMMENTS

In their September 4, 1985, comments on a draft copy of this report (see app. IV), the Department of Labor stated that national data indicate that support cost limitations had no discernible impact on the type of person served and type of training provided. We found that, although some changes had occurred, we could not determine the cause of the changes but that, as stated above, the support cost limitation did not appear to be a primary factor.

We agree with Labor's view that, except for education and employment status, participant characteristics under JTPA were substantially the same as under CETA. We disagree, however, that recent data indicate that enrollment of high school graduates is on a downward trend. Labor data for the first 3 quarters of program year 1984 indicate that cumulatively the percentage of high school graduate enrollees (61 percent) is similar to what we reported for the transition year (62 percent). It is too early, we believe, to determine whether or not there has been a decrease in high school graduate enrollees.

Because the CETA program was changing and many current JTPA elements were being incorporated into it, Labor did not believe that the comparison of JTPA with CETA FY 1982 data was appropriate. Labor cited three examples of such changes: provision for payment of allowances were revised; PICs took on stronger roles; and public service employment programs under CETA were phased out. These changes, however, would have had no significant effect on our comparisons. The first affected only 16 local programs, 11 of which were not included in our analysis. The second change would have minimized any differences in participant characteristics between CETA and JTPA because the role of PICs under CETA would have been similar to that under JTPA. The third pertained to a program not included in our analysis.

We used FY 1982 data in our analysis primarily because it was the last fiscal year for which comparable CETA title II B and C data were available. In addition, we compared FY 1982 of CETA with FY 1980 to provide a broader perspective on any changes that coincided with the program change from CETA to JTPA.

METHODOLOGY USED IN GAO'SCOMPARISON OF CHARACTERISTICS

The methodology we used to compare the characteristics of CETA and JTPA enrollees involved three basic components: the CETA and JTPA programs compared, the locations selected, and the comparisons made, as discussed below.

PROGRAMS COMPARED

Our analysis compared characteristics of participants in CETA title II B and C and JTPA title II A programs. CETA had included such additional programs as demonstration projects targeted to youths (title IV) and involving private sector participation (title VII), but we considered those to provide a less appropriate comparison to JTPA activities. JTPA participants might also include those in summer youth programs (title II B) and programs for displaced workers (title III), but they too were excluded from our analysis.

The size of the CETA and JTPA title II A programs nationwide is shown in table I.1. For comparison purposes, data for the JTPA transition year, which lasted 9 months, are projected to 12 months. This annualized number of enrollees represents less than a 2-percent decrease from the number enrolled in CETA title II B and C in fiscal year 1982. Title II B and C, and CETA as a whole, however, had declined in size since FY 1980. The annualized number of title II A enrollees in the transition year represents a 27-percent decrease from the number of enrollees in CETA title II B and C in FY 1980.

Table I.1

Total Number of Enrollees in CETA
(FY 1980 to FY 1982) and in JTPA (TY 1984)

<u>Year</u>	<u>CETA</u>		<u>JTPA</u>
	<u>All CETA</u>	<u>Title II B and C</u>	<u>Title II A</u>
FY 1980	3,325,000	1,121,000	-
FY 1981	2,871,000	1,040,000	-
FY 1982	1,874,837	834,515	-
TY 1984	-	-	615,500
TY 1984 ^a	-	-	820,667 ^a

^aProjected to a 12-month period for comparison purposes.

LOCATIONS SELECTED

In choosing the SDAs for our study, we sought to avoid two potential problems with inferences we could make:

- To eliminate the possibility that any differences in characteristics might be due to an SDA's serving a different geographic area than the CETA prime sponsor had, we included in our analysis only those SDAs (former prime sponsors) that kept the same geographical boundaries between 1980 and 1984; and
- To give a more comprehensive picture of enrollees entering the programs, we included only SDAs that could provide data for enrollees rather than just terminees.

Of the 594 SDAs, 197 had the same geographical boundaries from 1980 through TY 1984. We were able to obtain enrollee data for 148 of the 194 that were relevant to this study.¹ Table I.2 shows the number of participants enrolled in those SDAs.

Table I.2

Number of Participants Enrolled in
the 148 SDAs in GAO's Analysis

	<u>CETA FY 1980</u>	<u>CETA FY 1982</u>	<u>JTPA TY 1984^a</u>
Total number of enrollees	340,700	243,264	240,837
Average number of enrollees in an SDA	2,302	1,644	1,627
Largest number of enrollees in an SDA	16,570	17,104	18,152
Smallest number of enrollees in an SDA	304	160	152

^aProjected to a 12-month period for comparison purposes.

Because SDAs were not required by Labor to collect data on enrollees, they differed in the data they had collected and could report to us. Some features, such as sex, were reported by all 148 SDAs; others, such as the number of AFDC recipients, were available from as few as 90 SDAs.

¹Of the 197, 3 were Rural Concentrated Employment Programs exempt from the participant support limitation.

The characteristics of participants in the SDAs in our analysis are similar to national estimates of characteristics provided by the "quick turnaround" portion of Labor's Job Training Longitudinal Survey (JTLS)² as shown in table I.3.

Table I.3

Selected Characteristics of Enrollees in SDAs in GAO's Analysis and in all SDAs (TY 1984)

Percent of Enrollees

<u>Characteristics</u>	<u>GAO analysis^a</u>	<u>National profile^b</u>
Female	51	50
Youth (under age 22)	40	39
School dropout	23	24
Student (high school or less)	15	14
High school graduate	62	62
Nonwhite	48	46
Receiving AFDC	23	21

^aThese percentages, used in our analysis, were calculated as follows:

$$\bar{P}_a = (P_{a1} + P_{a2} \dots + P_{an})/N$$

Where \bar{P}_a = mean percent with a given characteristic,
 P_a = percent with a given characteristic,
 1 . . . n = each SDA reporting on this characteristic,
 and
 N = number of SDAs reporting data on this characteristic.

^bSource: JTLS; an estimated percent of all enrollees with this characteristic.

²The JTLS has three components. The "quick turnaround" component collects data from the administrative records of selected SDAs to supplement the JTPA Annual Status Report. Other components provide longitudinal and impact evaluation data.

COMPARISONS MADE

Although our analysis included characteristics in FYs 1980, 1981, 1982 and TY 1984, our report emphasizes two sets of comparisons: (1) JTPA versus the last nontransitional year of CETA (FY 1982), and (2) the previous 2-year period within CETA (FY 1982 versus FY 1980). The within-CETA comparison is included to provide a broader perspective on any changes in client characteristics that coincided with the program change from CETA to JTPA.

In making the comparisons, we treated the enrollee data we obtained as a one-factor repeated-measures analysis of variance with multiple comparisons of means. The unit of analysis was the percentage of enrollees in an SDA with a specific characteristic; observations were repeated for each SDA across four time periods: CETA FYs 1980, 1981, and 1982 and JTPA TY 1984. Any SDA that did not report data on a characteristic at any time period was eliminated from the analysis of that characteristic. The comparisons of means used a multiple-stage statistical technique developed by Ryan, Einot, Gabriel, and Welsch and available in the computer software from the SAS Institute, Inc. This procedure was used to set a .05 confidence level for the total set of comparisons of means for a specific client characteristic.

OPINION QUESTIONS ASKED OF SDA OFFICIALS CONCERNING

IMPACT OF SUPPORT LIMITATIONS, AND RESPONSES

A. In your opinion, which, if any, of the following statements describes the changes that have occurred as a result of the JIPA restriction on stipends, needs-based payments, and funds for supportive services? Indicate the extent to which you agree or disagree with each statement. (CHECK ONE BOX FOR EACH STATEMENT.)

	(1)	(2)	(3)	(4)	(5)
	Strongly <u>agree</u>	Somewhat <u>agree</u>	Neither agree nor <u>disagree</u>	Somewhat <u>disagree</u>	Strongly <u>disagree</u>
1. Because of these restrictions, JIPA program participants are likely to be less economically disadvantaged than were CETA participants.	111 12	143 27	89 22	63 10	44 11
2. As a result of these restrictions, JIPA serves clients who are more highly motivated to receive training.	117 18	203 41	55 11	49 9	30 3
3. The legislative restrictions have prompted us to make greater use of alternative resources for providing supportive services.	75 21	166 21	130 26	55 8	26 5
4. As a result of these restrictions, we have had to make training programs shorter than they should be.	109 11	139 28	94 16	67 16	42 11
5. As a result of these restrictions, we are not able to offer certain training programs we would like to offer.	133 17	128 15	89 21	58 13	41 16

Note: For each entry, the upper number represents SDA administrators' responses and the lower number, PIC representatives' responses.

B. In your opinion, what has been the impact of these restrictions on the ability to meet JIPA's objectives? Has the overall impact been positive or negative? Or has there been no overall positive or negative impact? (CHECK ONE.)

	<u>SDA</u> <u>administrators</u>	<u>PIC</u> <u>representatives</u>
1. Extremely positive overall impact	14	4
2. Somewhat positive overall impact	95	17
3. No overall positive or negative impact	86	22
4. Somewhat negative overall impact	203	31
5. Extremely negative overall impact	35	5

STATES AND SDAS VISITED BY GAO

<u>State</u>	<u>Name</u>	<u>Location</u>
California	Butte County	Oroville
	Monterey County	Salinas
	Richmond City	Richmond
Florida	Lee County	Fort Myers
Georgia	Savannah/Chatham County	Savannah
Massachusetts	Boston City	Boston
	Northern Middlesex Consortium	Lowell
Michigan	Lansing Tri-County	Lansing
	Region II Consortium	Jackson
Ohio	Portage County	Ravenna
	Toledo Area	Toledo

ADVANCE COMMENTS FROM
THE DEPARTMENT OF LABOR
AND GAO'S ANALYSIS

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



SEP 4 1965

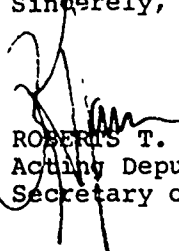
Mr. Richard L. Fogel
Director
Human Resources Division
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Fogel:

In reply to your letter to Secretary William E. Brock requesting comments on the draft GAO report entitled "The Impacts of the Support Cost Limitations Under the Job Training Partnership Act," the Department's response is enclosed.

The Department appreciates the opportunity to comment on this report.

Sincerely,


ROBERT T. JONES
Acting Deputy Assistant
Secretary of Labor

Enclosure

GAO note: Presented below is the exact wording of the Department of Labor's comments on our draft of this report followed by our analysis.

LABOR COMMENTS

One of the subcommittee's expressed concerns was whether or not the limitations on "support costs" would affect the quality of training provided and the type of individuals served. The national data--and information contained in the GAO survey report--indicate that the limitation on participant support costs has had no discernible impact on the types of persons served and the types of training provided. Therefore, the "lack of impact" should be the principal finding of the GAO report.

GAO ANALYSIS

We found that some changes occurred in the characteristics of persons served and types of training provided under JTPA. Because several differences exist between CETA and JTPA programs, we could not establish a direct cause-and-effect relationship for these changes. Nonetheless, we agree that the limitation on participant support costs does not appear to be a major factor. This conclusion appears in the executive summary and in chapter 7 of the report.

LABOR COMMENTS

There is a valid reason why GAO's survey findings may differ from the Department's analysis of the same client characteristics. The methodological techniques employed by GAO and the Department were different in several instances. Chapter 2 should clearly state that GAO's analysis of JTPA data does not completely agree with the Department's analysis of the JTPA data obtained through JTLS because of the methodological differences employed as described at appendix I.

GAO ANALYSIS

We agree that GAO and Labor used different methodologies to analyze JTPA participant characteristics. We believe, however, that our methodology enabled us to determine more accurately whether JTPA participant characteristics differ from CETA participants because our analysis (1) eliminated the possibility that any differences in characteristics may have been due to an SDA serving a different geographic area under JTPA than it did under CETA and (2) was based on observed changes from FY 1980 to FY 1982 to TY 1984 at the 148 SDAs in our sample. This

comparison gave us a broader perspective on any changes in client characteristics. By analyzing data for individual SDAs, we were able to relate overall year-to-year differences to the differences among locations in each year. We were then able to determine whether the changes from one year to the next exceeded the expected chance variation.

On the other hand, Labor's conclusion that JTPA client characteristics are substantially the same as CETA clients is based on comparing national summary data for TY 1984 to national data for a previous unspecified CETA year.

LABOR COMMENTS

GAO should also note in its report that there are differences between CETA and JTPA reporting definitions for most of the selected client characteristics included in the report. The most significant difference concerns how "unemployed" was defined under CETA versus JTPA. Attachment 1 provides a side-by-side comparison of reporting definitions for selected characteristics (CETA versus JTPA) used in the draft report.

GAO ANALYSIS

We have modified our report to point out that definitions differed between CETA and JTPA characteristics. We have recognized the differences for the one characteristic (unemployed) that had a statistically significant change between CETA and JTPA and a change in definition considered meaningful by Labor. (See p. 11.)

LABOR COMMENTS

The GAO survey findings suggest shifts in client characteristics from the Comprehensive Employment and Training Act (CETA) to the Job Training Partnership Act (JTPA). The Department believes that with one exception--education status characteristics--that the client characteristics under JTPA are substantially the same as they were under CETA.

The Department agrees that the education status characteristics, and particularly the proportion of high school graduates being served, differ from prior CETA experience. Even though the Department does not believe that serving more high school graduates is necessarily inappropriate, it should be noted that recent data indicate that the enrollment of high school graduates is on a downward trend. In the first quarter of program year 1984, 67 percent of the enrollees were high

school graduates, while for the second and third quarters, enrollments for this group were 58 percent in each quarter.

GAO ANALYSIS

Although our comparison of participant characteristics showed that statistically significant changes occurred between several characteristics, we agree with Labor that participant characteristics under JTPA were substantially the same as under CETA. The exceptions were educational status and unemployed characteristics. A portion of the change in the unemployed characteristic may have been due to definitional differences between CETA and JTPA, as noted previously.

While the high school graduate enrollment data cited by Labor could, if taken on a quarterly basis, be viewed as indicating a downward trend, such a trend is not as evident when analyzed cumulatively. In this regard, we noted in Labor's report on second-quarter data that, although 58 percent of the enrollees in that quarter were high school graduates, when combined with data from the first quarter, the cumulative statistics show an enrollment of high school graduates of 63 percent. Third-quarter cumulative data showed 61 percent of enrollees were high school graduates, similar to the 62 percent we reported for the transition year. Thus, until cumulative data are available for the entire program year, it is too early to determine whether enrollment of high school graduates has decreased.

LABOR COMMENTS

While a comparison of CETA versus JTPA is not inappropriate, the Department believes that CETA Fiscal Year (FY) 1982 data were inappropriate for this purpose. The report indicates that FY 1982 was used in making the comparison to JTPA because it was the last "non-transitional" year of CETA. This is not correct. FY 1982 ended just after the passage of JTPA, when many of the current JTPA elements were being incorporated into CETA. Examples of these changes include: provisions for payment of allowances were revised, the private industry councils took on stronger roles, and public service employment programs under CETA were phased out.

GAO ANALYSIS

We do not agree with Labor that CETA FY 1982 data were inappropriate for our comparisons. We included FY 1982 data in our analysis primarily because it was the last fiscal year for

which comparable CETA title II B and C data were available. In addition, we compared CETA FY 1982 with FY 1980 for a broader period of time against which to obtain a better perspective on any changes that coincided with the program switch from CETA to JTPA.

Labor contends that many of the current JTPA elements were being incorporated into CETA during FY 1982 and cites three examples of changes. We believe that these changes would have had no significant effect on the characteristics of individuals enrolled under titles II B and C of CETA for the following reasons:

1. Although the provision for payment of allowances was changed in FY 1982, only 5 of the 16 CETA prime sponsors who requested a waiver to eliminate allowances were included in our analysis.
2. To the extent that private industry councils took on stronger roles in FY 1982, it is reasonable to assume that this would have minimized any differences between CETA and JTPA enrollee characteristics, rather than causing any distortion. This is because the role of the PIC under CETA would have been similar to that under JTPA. Moreover, any training the PICs may have offered would have been done under title VII, which was not included in our comparison.
3. Public service employment programs were under title II D and IV, which were not part of our analysis and were phased out during FY 1981.

LABOR COMMENTS

Unless one reads and analyzes the report very carefully, it appears to contain internal inconsistencies. The Executive Summary and the subsequent chapters in the draft report present findings and opinions obtained via a variety of survey techniques and methodologies. As presently written, this causes confusion for the reader. To illustrate, consider the following:

- o Chapter 2 compares GAO's analysis of data which were obtained from 148 SDAs which met a series of predetermined, necessary criteria;

- o Chapters 3 and 4 present information concerning past experience and planned changes in JTPA as submitted by 544 and 541 SDA's respectively, in response to GAO's questionnaire;
- o Chapter 5 presents the opinions of 450 SDA administrators and 80 PIC representatives concerning the impact of the participant support limitations. These, too, were in response to the GAO questionnaire referenced above; and
- o Chapter 6 presents information obtained during on-site visits to 11 SDAs plus supplemental information developed in studies conducted by several different organizations.

Perhaps the report would be easier to comprehend if the various methodologies used were deleted from Chapter 1 and were presented at the beginning of the chapter(s) applicable to them. If this is not feasible, an acceptable alternative would be for GAO to insert a brief footnote on the first page of each chapter which indicates their source of information (e.g., questionnaire) and the number of respondents.

GAO ANALYSIS

We expanded the description of our methodology in chapter 1 and have provided additional details on the methodology used throughout the report, where appropriate.

COMPARISON OF REPORTING DEFINITIONS FOR SELECTED PARTICIPANT
CHARACTERISTICS--CETA VS. JTPA

Characteristic

CETA

JTPA

Unemployed

A person who is without a job for at least 7 consecutive days prior to application is considered to be unemployed.

An individual who did not work during the 7 consecutive days prior to application to a JTPA program, who made specific efforts to find a job within the past 4 weeks prior to application, and who was available for work during the 7 consecutive days prior to application (except for temporary illness).

All persons shall be considered as being without a job if, during those 7 consecutive days, such person:

- . worked no more than 10 hours;
and
- . earned no more than \$30.00;
and
- . was seeking and available for work.

Or fulfilled any one of the following four conditions:

- a client of a sheltered work-shop; or
- a person institutionalized in a hospital, prison or similar institution; or
- a person 18 years of age or older, whose family receives public assistance or whose family would be eligible to receive public assistance if both parents were not present in the home; or
- a veteran who has not obtained permanent unsubsidized employment since being released from active duty. Such veteran shall be considered to meet "unemployed" eligibility requirements regardless of the specific term of unemployment required.

CharacteristicCETAJTPA

Welfare recipient,
Any Public Assistance

A participant who is or whose family is receiving AFDC, SSI, or any other State or local government cash public assistance.

A participant in Title II-A who is a welfare recipient or whose family is receiving cash payment under AFDC (SSA Title IV), General Assistance (State or local government), or the Refugee Assistance Act of 1980 (PL 96-212) at the time of JTPA eligibility determination. For JASR reporting purposes, exclude recipients of SSI (SSA Title XVI).

School Dropout

An individual who is not attending any school and has not received a high school diploma or a GED Certificate.

An individual who is not attending any school and has not received a high school diploma or a GED Certificate.

55

Student

An individual who is enrolled in an elementary or secondary school, (including elementary, junior and senior high or equivalent) or is between school terms and intends to return to school.

An individual who is enrolled in an elementary or secondary school (including elementary, junior and senior high school or equivalent) or is between school terms and intends to return to school.

High School Graduate
or Equivalent, No
Post High School
(CETA Only)

An individual who has received a high school diploma or GED certificate but has not attended any post-secondary vocational, technical, or academic school.

Post High School
Attendee (CETA Only)

An individual who is attending or has attended a post-secondary vocational, technical, or academic school.

(205043)

Characteristic

CETA

JTPA

High School Graduate,
or Equivalent, and
Above (JTPA Only)

An individual who has received a high school diploma or GED Certificate, or who has attended any post-secondary, vocational, technical, or academic school.

Handicapped Individual

Any individual who has a handicap constituting a substantial barrier to employment and who can benefit from CETA services provided, as determined by the prime sponsor.

Refer to Sec. 4(10) of the Act. Any individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment. NOTE: This definition will be used for JASR reporting purposes, but not for program eligibility determination (Sec. 4(8)(E)).

56

Unemployment Compensation
Claimant

Any individual who has filed a claim and has been determined monetarily eligible for or is receiving benefit payments under one or more State or Federal unemployment compensation programs, and who has not exhausted benefit rights or whose benefit year has not ended.

Any individual who has filed a claim and has been determined monetarily eligible for benefit payments under one or more State or Federal unemployment compensation programs, and who has not exhausted benefit rights or whose benefit year has not ended.

Single Parent

A single, abandoned, separated, divorced or widowed individual who has responsibility for support of one or more dependent children.

A single, abandoned, separated, divorced or widowed individual who has responsibility for one or more dependent children under age 18.