

DOCUMENT RESUME

ED 360 506

CE 064 221

AUTHOR Gomez, Tom; Niss, David S.
 TITLE Implementation of the Job Training Partnership Act in Montana. A Report to the 53rd Legislature from the Job Training Partnership Act Review Committee.
 INSTITUTION Montana Legislative Council, Helena.
 PUB DATE Oct 92
 NOTE 35p.
 PUB TYPE Reports - Research/Technical (143) -- Legal/Legislative/Regulatory Materials (090)

EDRS PRICE MF01/PC02 Plus Postage.
 DESCRIPTORS Coordination; Educational Legislation; Evaluation Criteria; Federal Legislation; *Federal Programs; *Job Training; Postsecondary Education; Program Costs; *Program Evaluation; *Program Implementation; Program Improvement; *State Action; Statewide Planning
 IDENTIFIERS *Job Training Partnership Act 1982; *Montana; Private Industry Councils

ABSTRACT

In 1991-1992, the Montana state legislature's Job Training Partnership Act (JTPA) Review Committee evaluated implementation of JTPA in Montana. The committee gathered background information on JTPA and state laws and programs implementing the federal programs and heard testimony on the plans and state job training programs. After 3 meetings, the committee made 23 recommendations and comments to the state organizations responsible for the plans and programs. The recommendations and comments on the state coordination and special services plan focused on the following: the lack of criteria for determining existing and needed coordination steps, the appropriateness of certain services and their relationships to the purposes of JTPA, coordination of the activities of Private Industry Councils (PICs) and state organizations, the use of incentive grants by PICs, the accuracy of estimated training costs per participant, and changes in the list of target groups of persons to be served by JTPA. As of 1990, JTPA served approximately 7,000 Montana residents at a cost of approximately \$12.5 million. (Appendixes include a review of past performance audit work regarding JTPA programs, recommended performance standards for improving JTPA plan auditability, a review of coordination among job training programs in Montana, and 23 recommendations and comments.) (MN)

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Implementation of the
Job Training Partnership Act
in Montana

A Report to the 53rd Legislature
from the
Job Training Partnership Act Review Committee

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David S. Niss, Staff Attorney

Montana Legislative Council
Room 138, State Capitol
Helena, MT 59620

October 1992

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I
**INTRODUCTION
AND
SUMMARY OF COMMITTEE ACTIVITIES**

This report summarizes the work of the Job Training Partnership Act Review Committee. The Job Training Partnership Act of 1982 (JTPA or the federal Act) is a federal law that provides money to the states for employment training. The JTPA Review Committee (Committee) is a Montana legislative committee appointed by the Speaker of the House and President of the Senate under section 53-2-1110, MCA. The primary function of the Committee is to review and comment upon written state plans required by the federal Act to guide the implementation of the federal Act in Montana.

The Committee met three times during the 1991-92 interim. At its meetings, the Committee received background information on the federal Act and the state laws and programs implementing the federal Act, reviewed copies of the plans guiding implementation of JTPA, and heard testimony on the plans and the state job training programs. Following testimony, the Committee made recommendations to the state organizations responsible for the plans and programs and considered both future expansion of the Committee's powers and abolishment of the Committee. No recommendation is made in this report concerning the future role of the Committee.

In part because no recommendations for legislation are made to the Legislature in this report, the Committee views this report as a means of transmitting information about the federal Act, and its implementation in Montana, to the Legislature. To accomplish this purpose, this report briefly includes historical information concerning the federal Act itself; federal implementation; information on state implementation of JTPA gathered by the Committee's predecessor from the previous biennium, as well as reported material from other state agencies, principally the Legislative

Auditor; and a report of the results of the Committee's meetings, including a listing of the major policy issues before the Committee. To keep this report brief and useful, reference is sometimes made to material not included in the report that may be found in the Committee files of the Legislative Council.

II

THE JOB TRAINING PARTNERSHIP ACT

The Job Training Partnership Act¹ was signed into law in 1982. The federal Act contains five separate parts, or "titles", three of which provide funding to the states for implementation of adult and youth employment training programs. The federal Act provides for the establishment of a private industry council (PIC) within each service delivery area (SDA) to provide job training and employment skills to economically disadvantaged adults and youth.² Each PIC is required by section 104 of JTPA to complete a job training plan for its SDA before any federal funds will be provided for training in that area. The contents of the plan are specified by law and include such matters as identification of the PICs; a description of the services to be provided; performance goals reflecting the basic purpose of the federal Act, e.g., a reduction in welfare dependency; fiscal controls; and a procedure for submission of an annual report to the Governor.³ Section 105 of JTPA requires that the plans be made available to each house of the Legislature at least 120 days before the beginning of the 2 program years covered by the plans and that the final plans be available at least 80 days before the program year begins. The same section requires the Governor to approve the plans unless the Governor finds that the plans do not comply with standards in the federal Act, including criteria for coordinating JTPA training activities with similar programs. The federal Act also requires that a state Job Training and Coordinating Council (JTCC or Governor's Council), whose members are to be appointed by the Governor⁴, be created and that the JTCC prepare another type of plan, the Governor's coordination and special services plan.⁵ This plan must describe how money granted to the state under the plan will be used (uses may include such special services as

demonstration projects, inservice training, and training opportunities in energy conservation) and must include criteria for coordinating JTPA activities with other state education and training programs. The Governor's plan must be approved by the U.S. Secretary of Labor unless the Secretary determines that it does not comply with the provisions of the federal Act.⁶ Upon approval of the PIC plans by the Governor's Council and approval of the Governor's coordination and special services plan by the Secretary of Labor and upon compliance by the state with other requirements of the federal Act⁷, the Secretary of Labor then makes grant funds available through the Governor to the JTCC, the Montana Department of Labor and Industry, and the SDAs for JTPA programs. The types of education and training programs provided under the federal Act in SDAs are basic education (typically GED), classroom occupational training, on-the-job training, work experience employment, and job search assistance.

Nationally, most implementation of JTPA is left to the states and to local entities. This is because the providers of JTPA services are largely local contractors, such as junior colleges, trade schools, and other public and private entities. One federal report⁸ found that in 1991, there were over 600 SDAs nationwide. Under the federal Act, the states have the primary responsibility for implementing and administering the federally sponsored training activities. Additionally, the same federal report noted that the U.S. Department of Labor views its role as "one of providing broad policy guidance and limited program monitoring".⁹ The combination of all of these features makes the JTPA program highly decentralized on a national level.

III

IMPLEMENTATION OF JTPA IN MONTANA

The state statutes governing JTPA in Montana¹⁰ principally address the formation of the state and local governing councils and the preparation and review of the plans required by the federal Act.

By federal law, the Governor is primarily responsible for the implementation of JTPA. In Montana, the Governor has delegated such administrative responsibilities to the Department of Labor and Industry. The Governor also appoints the members of the JTCC, which advises the Governor on the policy implementation of the federal Act in Montana.

The PICs, also required by the federal Act, set policies in accordance with the policies of the JTCC in each of the two Montana SDAs. A PIC governs the concentrated employment program (CEP) SDA, which consists of 10 counties in southwestern Montana, and the balance of state (BOS) SDA, which consists of all counties in the remainder of the state.

Since 1990, the two Montana PICs have hired a third entity, Montana Job Training Partnership, Inc. (MJTP), a private, nonprofit corporation, to administer the Montana programs. MJTP reports on implementation of the programs to the Montana Department of Labor and Industry.

Program operators are the local agencies, such as Job Service or Human Resource Development Councils, that receive contracts called subgrants from the PICs to provide the services determined necessary by the PICs under the policy guidance of the JTCC. It is these providers that have direct client contact with those persons needing job training services. A city-by-city listing of program operators and the services provided by each is included in the Committee files. In program year 1990, the latest of the program years for which detailed figures were furnished to the Committee, the state expended \$12,477,539 on JTPA programs, an increase of over 100% since the program began in 1983. Approximately 7,000 persons are served by JTPA programs in Montana, a number that is estimated to be only approximately 5% of those persons eligible for JTPA program assistance. Administrative expenses are limited by federal law to 15% and in Montana were less than 10% for program year 1990. Montana's administrative expenses are among the lowest in the nation.

IV THE JTPA COMMITTEE

A. The 1990 Committee

The Committee was first formed in 1990 under the authority of the then new state law and met once, on March 24, 1990. At that meeting, the Committee received reports concerning the JTCC, CEP, and BOS training plans, heard testimony from the Legislative Auditor's Office concerning the auditable nature of those plans, discussed a list of questions and issues prepared by the Committee staff, heard testimony from the public and several agencies, and discussed the following issues: (1) "creaming", in which program operators allegedly skim the easiest persons to serve from all persons eligible for JTPA assistance; (2) cost-effectiveness of the JTPA program; (3) the number of administrative units administering JTPA; (4) whether economic development is compatible with JTPA and therefore properly included in JTPA plans; and (5) whether target groups for JTPA services are compatible with the purposes of JTPA.

By unanimous vote, the Committee recommended: (1) that "creaming" be discouraged but that program participants be served as soon as possible; (2) to the Governor and the Department of Labor and Industry that a more thorough analysis be done of program effectiveness by comparing certain Unemployment Insurance Division computer information with the social security numbers of JTPA enrollees; (3) that more program monitoring be undertaken by the JTCC and that the results be included in the next annual report by the Governor to the Legislature; (4) that the purposes and method of economic development implementation be stated in the JTCC report specifically; and (5) that the rationale for the selection of target groups be stated in each job training plan.

B. The 1992 Committee

The 1992 Committee met on November 8, 1991, and on March 6 and March 25, 1992. At its November meeting, the Committee heard reports

from the Department of Labor and Industry and MJTP on the administration of the JTPA program; heard a staff report on the issues studied by the 1990 JTPA Committee; reviewed the performance audits done previously by the Legislative Auditor (copies of performance audit memorandums attached as Appendices A, B, and C); and requested extensive information from the Department of Labor and Industry on various aspects of the administration and performance of the JTPA program in Montana. At its March 6, 1992, meeting, the Committee heard presentations by the JTCC on the draft Governor's coordination and special services plan and by the CEP and BOS PICs on their job training plans, heard comments on the draft plans from the Legislative Auditor's Office, and prepared draft comments on all three of the plans. At its March 25 meeting, the Committee reviewed and took testimony on 24 draft comments on the JTCC plan and the two PIC plans. The Committee approved 12 of the comments and asked that responses to 10 of the comments be included in the annual report of the JTCC. The Committee also voted to send a copy of the comments on the plans by the Legislative Auditor to the PICs, the JTCC, the Department of Labor and Industry, and the Department of Social and Rehabilitation Services for their responses. Responses by these agencies and organizations are contained in the Committee files of the Legislative Council.

V

RECOMMENDATIONS

As noted, the comments made by the Committee concerned both the plans written by the JTCC and PICs and the state JTPA program itself. The comments on the state coordination and special services plan concerned such matters as: (1) a lack of the criteria required by the federal Act by which the Governor's Council could determine which state agencies involved in the administration of JTPA were coordinating their work and could determine what other steps could be taken to coordinate the work of the administering agencies; (2) the identification of the persons to be served by JTPA; (3) the appropriateness of certain services and their relationship to the

purposes of the federal Act; and (4) the level of detail in the plan. The Committee's comments on the PIC plans concerned: (1) the coordination of the work of the PICs with the work of state organizations; (2) the use of incentive grants by the PICs; (3) the accuracy of estimated training costs per participant; and (4) certain changes to the list of target groups of persons to be served by the program. A list of the Committee comments is included at Appendix D.

Also as noted above, the Committee made comments on the state JTPA program itself. While not specifically concerned with the JTPA plans, some Committee members felt strongly enough about aspects of the state JTPA program that they wanted the Governor's Council and the PICs to respond in their annual reports to the concerns of Committee members about aspects of the program. The concerns submitted by the Committee related generally to the successfulness of the JTPA program: whether the program was achieving its intended results of helping identified low-income persons gain lasting employment. The Committee comments in this regard are included in the list of comments at Appendix D.

At its final meeting, the Committee discussed the fact that the Committee's statutory duty under both state and federal law is limited to comment upon the plans of the JTCC and PICs. Yet, there usually were portions of the state JTPA program generally that the Committee wished to review, comment upon, and have an impact upon. The Committee therefore considered a draft bill to: (1) require that the Committee be consulted before the JTCC plan and PIC plans are put in a draft form; (2) require that the Committee review not only the JTPA plans but also the state and local programs; and (3) provide that the draft plans may not be adopted until the JTCC and the PICs have met with the Committee to review and discuss the plans. The same legislation would also have: (4) required that any JTCC member who misses two or more meetings be replaced by the Governor; and (5) clarified state law to specify what current requirements apply to both the JTCC and PIC plans. A second draft bill would have required that one of

the members of each PIC be appointed by the Governor only from a list of persons submitted by the PICs and would have required consultation with the Committee by the JTCC before preparing a draft plan. Neither draft bill was approved by the Committee. A motion was also made to request legislation to repeal state authority for the Committee. This motion also failed to receive approval by a majority of the Committee.

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ENDNOTES

1. P.L. 97-300, signed October 13, 1982, and codified at 29 U.S.C. 1501, et seq., hereinafter "JTPA".
2. JTPA, section 102.
3. JTPA, section 104.
4. JTPA, section 122.
5. JTPA, section 121.
6. Ibid.
7. For example, section 164 of JTPA requires states to establish certain fiscal controls; section 165 requires certain recordkeeping; and section 167 prohibits discrimination, etc.
8. Job Training Partnership Act: Inadequate Oversight Leaves Program Vulnerable to Waste, Abuse and Mismanagement, United State General Accounting Office, July 1991 (GAO/HRD-91-97).
9. Ibid, page 2.
10. Title 53, chapter 2, part 11, MCA (Ch. 694, L. 1989).

APPENDIX A

402-20

STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL
HELENA, MONTANA 59620
406/444-3122



LEGISLATIVE AUDITOR:
SCOTT A. SEACAT

LEGAL COUNSEL:
JOHN W. NORTHEY

MEMORANDUM

March 23, 1990

DEPUTY LEGISLATIVE AUDITORS:

MARY BRYSON
Operations and EDP Audit

JAMES GILLET
Financial-Compliance Audit

JIM PELLEGRINI
Performance Audit

TO: Representative John Cobb

FROM: Mike Wingard, Senior Performance Auditor

RE: Review of past performance audit work regarding job training programs and examination of the proposed JTPA Governor's Coordination and Special Services Plan and the BOS and CEP Job Training Plans for program years July 1, 1990 to June 30, 1992

Background

In late 1986 the Office of the Legislative Auditor completed a performance audit of the Department of Labor and Industry's monitoring of Montana job training programs. The audit primarily involved reviewing the Job Training Partnership Act, otherwise known as JTPA. Our audit revealed a number of inadequacies in the administration and monitoring of JTPA. The inadequacies included:

1. monitoring procedures and instruments which did not sufficiently evaluate the job training programs in relation to department and federal standards;
2. methodologies which did not provide assurance program operator selection and monitoring was consistent;
3. automated data processing procedures which were not adequately developed; and,
4. general deficiencies in organizational controls relative to the JTPA program.

Since the issuance of that audit report three years ago, the Legislative Auditor's Office has completed a number of legislative requests regarding both JTPA and the Project Work Program. Our audit of the Project Work Program showed the program had no effect upon whether General Assistance recipients get off welfare. This audit work again raised the legislative issue of whether job

training programs show a demonstrated effectiveness in terms of job training programs in general.

In June of 1988 our office was requested to assist the Joint Interim Subcommittee on Welfare in examining JTPA. Specifically, they wanted our office to determine how well Montana met the federal JTPA performance standard of "increasing the employment and earnings of public assistance recipients and reducing the number of individuals receiving cash welfare payments". Based upon our audit work, we concluded it was not possible to fully determine whether the JTPA programs in Montana met either the federal or state-established performance standards and goals.

Both prior to and during the 1989 Legislative session we responded to legislative requests regarding JTPA, the Project Work Program, and the JOBS portion of the Federal Family Support Act of 1988. Generally, the requests were for information on the actual and potential effectiveness of the various job training programs to be put in place and how they were to be coordinated. While it was possible to show how the Employment Policy Division and Private Industry Councils determined job training program effectiveness, we believed additional data would be necessary to determine the effectiveness of the job training programs. Additionally, there appeared to be little or no coordination between the applicable agencies.

With the passage of House Bill 529, the Montana Legislature became a partner in reviewing what the state's JTPA job training plans are for the upcoming two program years. The intent of the Legislature was to:

1. establish and promote employment and training programs responsive to the needs of the economically disadvantaged;
2. maximize resources by coordinating all state employment and training programs under JTPA; and,
3. assure cost-effective delivery of services to those most in need, and that the programs be based on performance.

Review of Job Training Plans

We have reviewed the various JTPA job training plans being presented to the Subcommittee on the Job Training Partnership Act. Specifically, our review looked at the plans from a future audit perspective:

1. has the Job Training Coordinating Council and the Private Industry Councils complied with sections 53-2-1101 through 53-2-1109 of the Montana statutes regarding the development of job training plans? and,

2. based on what is proposed in the state plans, would our office be able to determine whether the JTPA programs created by the plans are cost effective and coordinated?

Based on our review of the draft copies of the Governor's Coordination and Special Services Plan as well as the job training plans for both Service Delivery Areas, I am unable to make a conclusive statement regarding the adequacy of the plans from the above audit perspective. Currently, the plans are missing the specific program performance standards as well as information on coordination of services. Without this data, the plans are incomplete and it is not possible to make a conclusive statement about their "auditability". However, even if the performance standards and specific coordination methodologies were in the plans, there are a number of potential issues and/or questions which would need additional explanation. They include:

1. the role of Montana Job Training Partnership Inc. versus the role of Employment Policy Division regarding the performance and financial monitoring of program operators;
2. the generalized wording of the job training plans regarding both performance standards and coordination make it difficult to gain assurance performance standards and coordination will occur that will ensure compliance with legislative intent. For example, section 53-2-1108, MCA states each job training plan must contain performance standards to measure the effectiveness of programs and include a measure of the extent to which programs increase the employment and earnings of public assistance recipients. However, in the Balance of State Job Training Plan (page 7) it states criteria to determine the quality of job placements may be length of time employed, actual wage at placement, and type of employment. Additionally, the plan states MT. Job Training Partnership Inc. will make every effort to obtain assistance in determining who has and has not returned to public assistance after being a JTPA participant. Without a specific methodology and strategy in the job training plans to show whether JTPA programs actually work in relation to public assistance recipients, the Legislature has no assurance that:
 - A. the information will ever be collected and presented as evidence of program success; and,
 - B. JTPA funds are being spent in compliance with Legislative intent.

The JTCC is required by statute to coordinate the services of other appropriate state and local agencies. However, neither the Governor's Coordination Plan nor the Job Training Plans provide specifics regarding that coordination. Although the plans indicate cooperative agreements will be used, there is no specification about what coordination will actually occur. For example, going back to the example of how the JTPA programs are to show reductions in welfare dependency, a specific coordination strategy should be illustrated in the plan. In this case SRS and the administrative entity need to arrange the administrative entity's access to the welfare database in order to determine the status of JTPA participants who were also in public assistance programs. Without this type of specific coordination language prior to plan approval, there is no assurance agencies will give more than lip service to this statutory requirement;

3. there is no explanation of why there is emphasis on economic development in the plans versus the basic federal and state mandate that JTPA increase the employment and earnings of public assistance recipients. Currently, there is no specific provision in the federal JTPA law promoting economic development as a component of the job training programs;
4. there should be additional clarification of why the Washington state Management Information System was selected and what the advantages/disadvantages will be relative to the information already collected by the Montana system;
5. additional discussion is necessary of how the specific priority groups were selected and what the goals are regarding the priority groups. For example, in the BOS training plan (page 11), why were displaced homemakers and the handicapped selected as priority groups?

Summary

Our previous audit work has indicated difficulties in assessing the effectiveness of job training programs on either a short or long-term basis. From an audit perspective, we would look at JTPA programs to determine compliance with state and federal laws as well as the cost effectiveness of the programs relative to legislative intent. The draft copies of the Governor's Coordination and Special Services Plan and the Job Training Plans do not have enough specificity for us to determine whether the plans are in compliance

with applicable laws. Additionally, the plans do not allow a preliminary analysis as to whether the programs will provide sufficient data upon which to make a determination of cost effectiveness.

APPENDIX B

December 5, 1991

Representative Dave Wanzenried
435 3rd Ave. East
Kalispell, MT 59901

Dear Representative Wanzenried:

As requested, we have provided a preliminary response to your questions regarding Montana's JTPA job training plans. As you will note, we have not provided definitive answers to either of your questions. There are a number of factors, both tangible and intangible, which are considered when developing and evaluating job training programs. These factors affect the appearance and outcome of the programs. As a result, we believe it is necessary to offer you our historical perspective of JTPA administration in order to help you understand our position on performance standards and economic development. Therefore, we have only provided a partial response to your questions. We would like to meet with you in order to provide a more comprehensive presentation regarding the issues raised.

As discussed on the phone, I am anticipating meeting with you on December 13th to discuss the attached document. Please let me know if I can provide any further information or assistance prior to that meeting. I can usually be reached directly at 444-3195 anytime between 7 a.m. and 3:30 p.m.

Sincerely,

Mike Wingard
Performance Audit Manager

MW/j/x5

Attachment

Office of the Legislative Auditor

JTPA PLAN AUDITABILITY
Legislative Request #91L-144
December 5, 1991

On November 11, 1991, the Legislative Auditor's Office was requested to provide input regarding Montana's JTPA job training plans. Specifically, we were asked about the types of performance standards which should be established to improve the auditability of the program and whether JTPA funds can be used for economic development. The following discusses each of the questions/issues.

Establishment of Performance Standards

Currently, the Montana job training plans (CEP, BOS and Governor's Plan) discuss performance standards for the various JTPA programs. The adult performance standards include such factors as:

- entered employment rate;
- welfare entered employment rate;
- average hourly wage at placement;
- follow-up employment rate;
- welfare follow-up employment rate; and,
- average weekly earnings at follow-up.

While these and the other performance standards provide some information on JTPA program success, we do not believe the standards are comprehensive enough to fully address the fundamental criteria outlined in the federal and state statutory language. The following summarizes the federal and state statutory performance standard expectations:

Federal JTPA Performance Standard- "programs should increase the employment and earnings of public assistance recipients and reduce the number of individuals receiving cash welfare payments."

Montana JTPA Performance Expectations Based on HB 529-

1. Establish and promote employment and training programs responsive to the needs of the economically disadvantaged.
2. Maximize resources by coordinating all state employment and training programs under JTPA.
3. Assure cost effective delivery of services to those most in need, and that the programs be based on performance.

During the past two legislative sessions there has been a substantial amount of attention paid to public assistance recipients and the subsequent methods for reducing the public assistance rolls. The role of JTPA and other job training programs was questioned repeatedly. Specifically, many legislators wanted to know what job training programs have done to reduce public assistance expenditures in comparison to the funds appropriated. We do not believe the state agencies involved with job training programs obtain or provide enough adequate data to fully answer this question.

We believe to more fully respond to the federal and state mandates relative to the reduction of public assistance recipients, both performance standards and performance tracking should focus on these mandates. The current job training plans do not provide specific methodologies to address the noted issues. The plans indicate performance standards which may be used and suggest coordination is a goal for the various job training plans, but the plans do not have enough specific information about performance tracking or coordination to assure the actual programs meet federal and state legislative intent concerning public assistance reduction.

To conduct a performance audit of JTPA relative to federal and state criteria, we would attempt to answer several questions including:

1. Do the programs serve the most in need and how is this demonstrated and documented?;
2. Are program placements of such quality that individuals do not return to public assistance and how is the lack of return documented?;
3. Are all job training programs coordinated under JTPA and how is this demonstrated/documentated?; and,
4. How do the administrating entities demonstrate/document their compliance with state and federal intent regarding performance?

In prior reviews of JTPA and other job training programs, we have been unable to fully answer the above questions due to lack of specific management information regarding program results. Specifically, there was lack of management information demonstrating the quality of JTPA job placements in terms of:

- A. length of employment resulting from placement;
- B. data on need for public assistance resources after JTPA placement; and,
- C. whether those most in need are being served.

The primary reason for insufficient management information appears to have been due to the administrative entity not having a mechanism to show whether welfare/public assistance recipients returned to welfare after JTPA participation. This was due to the administrative entity not having access to the database containing information on public assistance recipients and to not performing any type of followup regarding employment continuity. While the administrative entities have subsequently established a followup process, the followup period extends to only 13 weeks after placement in employment.

Use of JTPA Funds for Economic Development

The JTPA job training plans all indicate economic development is a goal of Montana JTPA programs. However, there are no specific provisions in federal JTPA law promoting economic development as a component of the job training programs. Currently, none of the job training plans provide a definition of economic development or, more importantly, how economic development fits into the basic federal and state mandate that JTPA increase the employment and earnings of public assistance recipients.

Historically, the federal government has allowed the individual states to develop and establish their own performance standards as long as the minimum performance standards are met and the prescribed target populations are served. Only recently (within the past 2-3 years) has the federal government began to take a more active role in the administering and monitoring of state JTPA programs. As a result, while individual states have had to become more responsive to federal requirements, they still appear to have the flexibility to direct/focus their programs in areas which they believe are important to job training. Consequently, we do not know whether economic development is an acceptable JTPA expenditure. It is up to the federal government to make a determination of the appropriateness of this goal.

Due to the interpretive nature of federal JTPA language relative to the acceptability of nontraditional programs, we do not believe it is appropriate for us to express an opinion as to whether economic development would be considered an acceptable JTPA component. However, despite the lack of specific direction from the federal government, the Legislature does have the ability to participate in the direction of job training programs via the appropriation of JTPA funds and the review of the job training plans. We believe the job training plans should, at a minimum, address how JTPA funds spent on economic development help meet the basic federal and state JTPA mandates regarding public assistance recipients.

MW/j/x5.mem

APPENDIX C

Office of Legislative Auditor
Employment and Training Coordination
Legislative Request 91L-144
March 6, 1992

We were requested to do a limited review of the degree of coordination between the various job training programs in Montana and to determine if there are areas where coordination could be improved. To determine the type and amount of coordination: we reviewed the current and proposed state employment and training plans; and interviewed staff from the Department of Social and Rehabilitative Services, Department of Labor and Industry, and Montana Job Training Partnership, Inc. This information was then compared against legislative intent and to information obtained at a statewide Job Opportunities and Basic Skills (JOBS) program conference. This conference focused on coordination between JOBS and Job Training Partnership Act (JTPA) programs.

We will conduct a more in-depth review of coordination among job training programs during performance audits of JOBS and Project Work Programs which will occur prior to the 1993 legislative session. The following outlines issues noted in our current analysis of job training coordination.

STATE LEVEL COORDINATION

The current planning process for JTPA involves development of three distinct plans. There is one plan for each of the two service delivery areas and one statewide plan. We reviewed these plans for the current program years as well as those proposed for the 1992-93 program years.

We believe the proposed statewide plan (the Governor's Coordination and Special Services Plan) for program years 1992-93 places more emphasis on coordination than the 1991-92 plan. The proposed plan also includes more detailed guidelines for coordination among various programs. The following describes coordination methods prescribed in the proposed plan:

1. Formal and informal letters of agreement between involved agencies.
2. Private Industry Councils are assigned responsibility for reviewing local coordination plans and for annually documenting their respective area's coordination efforts.
3. Coordination at the local level is encouraged through representation on local task forces and designation of lead agencies in each county.

4. Funding coordination is addressed by encouraging JTPA providers to offer employment and training services for JOBS participants.
5. State coordination is addressed by requiring Job Training Coordination Council (JTCC) review of various related program plans. Staff representation is required on various related advisory councils and task forces.

Current Coordination Could Be Improved

We evaluated whether the coordination methods outlined in the current plan are in place. We found the levels of coordination existing right now are not as comprehensive as described. For example, the current plan states letters of agreement regarding coordination will be developed and implemented between the Department of Social and Rehabilitative Services and Department of Labor and Industry. Neither department has this type of agreement. In addition, there has been no formal description of each agency's responsibilities for coordinating the various job training programs.

The current plan also states the JTCC will review and comment on all job training related plans. However, interviews with personnel from both departments, as well as a review of JTCC meeting minutes, indicate the actual procedure does little to improve coordination between job training programs.

Our analysis also suggests there has been limited follow-up on the implementation of coordination efforts specified in the current Governor's Plan. Neither the JTCC nor the responsible departments assure planning efforts or guidelines outlined in the plan are implemented. As a result, there is no assurance that language in the current plan has been implemented or that proposed language will be implemented. It will also be difficult to measure achievement of the goals outlined in the plan. Currently, there is no method for ensuring compliance with the state plan.

The Proposed Plan Could Better Address Coordination

During our review of the proposed Governor's Plan, we noted several potential areas where coordination could be expanded to provide more guidance and consistency. Joint monitoring of the various programs could be considered. The plan states coordination will be monitored at the local level but there is no description of the type of review to be performed. This is an area where specific guidelines could be included to inform the Legislature and program operators of criteria that will be applied in determining levels of coordination.

Another area where coordination could be expanded relates to sharing of program data on JTPA participants. Currently there is no program information shared on a regular basis between state agencies in relation to program outcomes. Chapter 694 of the 1989 Session Laws (Section 53-2-1102, MCA) outlines areas that should be measured to determine program successes. The language in this law requires the administrative entities determine the number of program participants who have ceased receiving public assistance as a result of the program as well as the number of persons who have returned or stayed on public assistance despite program participation.

The proposed plan also states efficient and cost-effective programs will be rewarded with incentive grants. Due to the current emphasis on coordination, efficient programs could include those which coordinate their efforts with other agencies. The proposed plan does not indicate program coordination will be rewarded in any way. Areas such as the award of incentive grants is an example of where specific requirements rather than general guidelines would be useful in promoting coordination.

The above types of coordination improvements would require action beyond local task force input. These issues indicate a need for more comprehensive coordination among administrative entities at the state level.

LOCAL LEVEL COORDINATION

Based on our review, it appears there has been several steps taken to assure coordination at the local level, at least between some programs. This is demonstrated by specifications outlined in current service delivery area plans and the JOBS plan. These plans require prescribed local task forces and designated lead agencies to provide a structure for coordination. This structure was established through the organization and development of the JOBS program. The system addresses coordination between JTPA, JOBS, Vocational-Rehabilitation, and educational agencies (Office of Public Instruction and Commissioner of Higher Education).

Local coordination appears to be occurring for several reasons. Both current and proposed area plans encourage coordination methods. Local task force members are staff from various agencies involved in providing service. Letters of agreement are required between various local operators. A checklist is being developed which identifies various state services available at the local level. In addition, the Request For Proposal used to select program operators identifies coordination methods as an area to be evaluated.

Areas for Coordination Improvement at the Local Level

Areas where local coordination could be improved or assisted were identified through comments made by program operators during a recent JOBS conference. Operators indicated a desire to know about

other program outcomes. For example, once a participant is referred to a second operator there is often limited participant information shared with the original operator regarding status or placement. Shared technical training was also requested to improve communication and provide for a mutual understanding of program objectives.

Overall, it appears coordination has been occurring to some degree at local levels. While there are areas which could be improved, the structure to promote coordination has been established.

SUMMARY

Coordination has become a focal point for various administrative entities due to decreasing available funds and increasing demands for services. As a result, departments and program operators are starting to establish some coordination methodologies. At the local level specific steps appear to have been taken to promote coordination. However, implementation has been affected by the lack of definitions and direction in this area. Currently, there is limited administrative direction regarding implementation and monitoring of coordination.

Definitions and standards may need to be legislatively established to ensure consistency and provide measurable criteria for programs. We believe effective coordination may not take place until there are methods to monitor and reward these type of activities. Despite these limitations, progress has been made during the past year. This has been recently demonstrated by a joint effort to establish a Teen Parent program. Several agencies; SRS, Labor and Industry, OPI and MJTP, Inc. are working together to set up this program.

Potential Oversight Committee Considerations

Based on comments from various department personnel and program operator staff, it appears additional steps could be taken to implement a more coordinated delivery of services. To address legislative concerns relating to potential duplication of service and increasing public assistance costs, several questions need to be addressed by the JTCC and administrative entities regarding coordination of job training programs.

- 1) Who is responsible for ensuring coordination requirements and guidelines specified in the Governor's plan are developed and followed at the state and local level?
- 2) To ensure and promote coordination, should program operators be rewarded for this activity?
- 3) Should monitoring of the various job training programs be coordinated?

- 4) Can an automated system be established to share program information and measure overall program success?

Without specific direction for coordination, agencies and program operators will continue to first concentrate on meeting specific program goals. Coordination will be their second priority. As a result, coordination may be considered, but not at the expense of attainment of specific performance standards by which program success is measured and funding levels are determined. Although, there is more coordination planned for the upcoming program years, there is no formal system in place at the state agency level to assure this coordination actually takes place. To further achieve various program and coordination goals specified in federal and state statutes, the administrative entities responsible for job training programs must provide direction and establish methods for assuring compliance with their planning goals.

APPENDIX D

Recommendations and Comments

The Subcommittee made the following recommendations to the Governor's Job Training Coordinating Council regarding the Governor's Coordination and Special Services Plan:

1. That "general assistance recipient" be added to the list of barriers to employment appearing on page 2 of Attachment #1 to the Governor's Plan.
2. That in appropriate places, the Plan provide for monitoring of coordination efforts and joint monitoring of employment-related type programs by the Departments of Social and Rehabilitation Services and Labor and Industry, and by MJTP, Inc.
3. That the Plan provide for sharing of program data on JTPA participants between the Departments of Labor and Industry and Social and Rehabilitation Services, and other state agencies having an interest in, or operating programs similar to, JTPA.
4. That the Plan provide for awarding incentive grants for program coordination efforts.
5. Section 121 of JTPA requires the inclusion in the Plan of criteria for coordination between various state and local agencies. No criteria satisfying this requirement are included in the Plan. The Subcommittee recommended that the Plan include the coordination criteria required by section 121 of the JTPA.
6. Page 12 of the Plan contains a definition of "economic development". The Subcommittee recommended that this definition include more emphasis on long-term, sustainable employability of JTPA participants. The Subcommittee also suggested that consideration be given to changing the term "economic development" to a different

word or phrase, as "economic development" seems to indicate to some persons that the plan encourages expenditure of JTPA funds for development purposes other than job training. Rather, the words chosen should emphasize training for jobs in new and expanding businesses.

7. That the plan contain more specifics, so that it is easier to tell exactly how a part of the JTPA program will be administered and whether the program conforms to the plan.
8. That the plan increase emphasis on providing JTPA services to "hard core" unemployed. Increased emphasis would be achieved by increasing the number of barriers to employment attributable to persons whom the SDAs are encouraged to serve, from one barrier to multiple barriers. Such a change needs to be made in the "Special Programs for Target Groups" portion of the Plan itself (page 28, third paragraph), and to the "Targeting Services Goal" portion (page 1, final paragraph) of the Governor's Goals for 1992-1994 (Attachment #1 to the Plan).

The Subcommittee made the following recommendations regarding February 25, 1992 version of the plans of the private industry councils:

9. That the PIC plans contain criteria for coordination, so that the Councils have goals for coordination at the local level and so that the Subcommittee can tell the extent to which coordination is occurring at the local level.
10. That the Plans require Private Industry Councils receiving incentive grants be required to use those grants to serve persons with multiple barriers.
11. Each PIC plan estimates an average training cost of approximately

\$2,900 per participant. The Subcommittee recommended that if the list of barriers to employment contained in Attachment #1 to the Governor's Plan is expanded, that the average training cost per participant stated in the PIC plans be increased.

12. That the list of Annual Target Group Goals, included in section III of the JTPA Project Operating Plan (POP), attached to each PIC plan as Attachment A, be reduced in size.

The Subcommittee made the following comments on the JTPA program generally, and requested that information responsive to the comments be included in the next annual report of the Job Training Coordinating Council:

13. There is no demonstration that those who participated in the JTP program would not have found a job without JTP program assistance.
14. There is no showing that going to a multiple barrier concept has shown any substantial change in helping harder to serve, more chronically unemployed, than what JTPA was serving in the past; i.e., creaming still may continue.
15. There is no showing that those clients who have low skills are receiving greater training, and therefore being placed in higher skill, higher wage jobs.
16. There is no demonstration of achieving measurable outcomes of how much money is saved by finding jobs for people who are on public assistance.
17. There is no proof of which training leads to long-term employability.
18. There is no showing of incentives for operators to serve harder to serve clients.

19. In light of the comment by one SDA board chairman that we need to serve those who just lost a job before they sink further, there is no evidence that most will sink further and will not find a job before then.
20. There is no proof of whether on the job training is a subsidy to businesses or a benefit to the JTPA client or both.
21. There has been no demonstration that natural problems found in JTPA programs have been looked for in Montana and not found.
22. There is no information on how to bridge the gap between male and female wage differentials.
23. On March 6, 1992, the Legislative Auditor presented to the Subcommittee, the written response to Legislative Request 91L-144, containing a review of employment and training coordination, as part of a review of the Job Training Partnership program. That paper contained an attachment entitled "JTPA performance Expectations Based Upon Federal And State Statutes". The Subcommittee recommended that appropriate persons review the conclusions of the Legislative Auditor expressed therein and make good faith efforts toward compliance with those expectations. (Responses to these requests have been received and are contained in the Subcommittee files of the Legislative Council.)