This annual report details projects and activities undertaken during the period from July 1, 1987 to June 30, 1988. Part I presents findings and recommendations from the National Commission for Employment Policy's work on U.S. employment in an international economy, patterns of participation in Job Partnership Training Act (JTPA) programs, and early intervention strategies for those youth who are most likely to have difficulty in the labor market. Part II describes the major activities of the Commission, including the continuance of its Congressionally mandated review of JTPA. A major part of this review is a study to determine the effects of JTPA performance standards on who is served and the types and costs of services. This part also includes a review of the Commission's outreach activities, including a hearing on issues surrounding job training in rural America and the problems facing displaced farmers in the Midwest, visits to employment and training sites around the country, and the first national meeting of State Job Training Coordinating Council Chairs. Part III summarizes the Commission's four formal meetings held during the program year. Appendix A contains the Commission's comments on the reports of the National Council on Vocational Education. Appendix B lists Commission reports. (YLB)
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To the President and Congress of the United States

October 12, 1988

It is my pleasure to provide you with the 13th Annual Report of the National Commission for Employment Policy as required by Sec. 475, Part IV, of the Job Training Partnership Act (JTPA). Projects and activities undertaken during the period July 1, 1987 to June 30, 1988 are detailed in this publication.

This report contains the Commission’s findings and recommendations resulting from extensive research in three areas: U.S. employment in an international economy, patterns of participation in Job Training Partnership Act programs, and intervention strategies for the youth-at-risk population. In addition to completing in-depth study on these issues, the Commission undertook a number of other activities including continuing its work on the development of performance standards and evaluating their impact on the program’s participants, services, and costs.

The Commissioners hope that this 13th Annual Report will contribute to improvements in the design and implementation of employment strategies. They pledge to continue to aggressively disseminate the Commission’s findings to those organizations and individuals involved in working towards the nation’s employment and training objectives.

Since this is the last annual report that will be provided under my tenure as Chairman of the Commission, I would like to take this opportunity to express my appreciation to President Ronald Reagan, who appointed me as Chairman in March 1985, and to the Congress for their support.

GERTRUDE C. McDONALD
Chairman

GERTRUDE C. McDONALD
Chairman
INTRODUCTION

The 13th Annual Report of the National Commission for Employment Policy covers the period July 1987 through June 1988, program year 1987. Part I presents findings and recommendations from the Commission's work on U.S. employment in an international economy, patterns of participation in JTPA programs, and early intervention strategies for those youth of the nation who are the most likely to have difficulty in the labor market.

Part II describes the major activities of the Commission, including the Commission's continuance of its Congressionally-mandated review of the Job Training Partnership Act. A major part of this review is a study to determine the effects of JTPA performance standards on who is served and the types and costs of services. During program year 1987, the Commission completed work in a number of other studies on the operation and evaluation of the Job Training Partnership Act including: an assessment of who participates in JTPA programs; a look at using performance management and performance-based contracting to encourage services to the hard-to-serve; an analysis of the issues confronting displaced farmers; and an examination of the labor market difficulties of economically and educationally disadvantaged youth.

The Commission also began work on other issues. For example, at the request of Congressman Charles Rangel (D-NY), the Commission initiated a study on the Targeted Jobs Tax Credit program. Also, because the Carl D. Perkins Vocational Education Act comes up for reauthorization in program year 1989, the Commission is examining the vocational education system's progress towards increasing business linkage with postsecondary vocational education institutions.

In order to learn more about employment problems and local strategies for solving them, the Commission held one hearing and visited several employment and training sites around the country. The hearing focused on the issues surrounding job training in rural America and the problems of displaced farmers in the Midwest. Site visits focused on several issues, including farm and rural employment concerns, youth training, training and rehabilitation for home health aides and homeworkers, and plant closing notification proceedings. In addition, the Commission sponsored the first national meeting of State Job Training Coordination Council (SJTCC) Chairs in March 1988 in Washington, D.C. The theme of this conference was "Keep the Public/Private Partnership Working," and the state chairs achieved consensus on a number of priority issues.

Part III of this report summarizes the Commission's four formal meetings held during this program year. Appendix A contains the Commission's comments on the reports of the National Council on Vocational Education as required by Sec. 473(7)(B) of the Job Training Partnership Act. A listing of Commission reports is included at the end of this Annual Report (Appendix B).
Part I.

FINDINGS AND RECOMMENDATIONS OF THE NATIONAL COMMISSION FOR EMPLOYMENT POLICY

July 1, 1987 through June 30, 1988

This section of the Annual Report presents those findings and recommendations which were formally adopted by the Commission during Program Year 1987. Specific findings and recommendations were made in the following three areas:

- U.S. employment in an International economy;
- Patterns of participation in JTPA programs; and
- Providing intervention assistance for youth-at-risk.

FINDINGS AND RECOMMENDATIONS ON U.S. EMPLOYMENT IN AN INTERNATIONAL ECONOMY

The following statement of findings and recommendations was adopted by the National Commission for Employment Policy at its meeting on June 9, 1988. The statement is based on the analysis and conclusions contained in the staff report on the project, U.S. Employment in an International Economy.

Background

The Commission's sponsored research and staff analyses were first directed to two major questions: First, how have jobs and earnings been affected by internationalization? Second, how can human resource policies and programs aid those facing the adjustments made necessary by internationalization?

It is clear that research into these two issues must take into account a number of simultaneous and interdependent factors, such as trade, immigration and international investment, which have had pervasive impacts on firms and workers. Among these factors are domestic and international macroeconomic policies, technological change that affects production and consumption decisions, deregulation of markets in telecommunications and transportation, and antitrust policies affecting the ability of firms to collaborate in research and development activities. Consequently, issues are addressed in this statement under three broad headings: changes in labor and product markets; goals and strategies for United States competitiveness; and policy recommendations directed toward meeting those goals and strategies.

Findings and Recommendations

Changes in Labor and Product Markets

As the world's dominant economic power for over forty years, the United States has played a major role in international markets for goods and services. Because its output has been a large share of world output, even the relatively small percentage of U.S. Gross National Product entering international commerce has had effects on the economies of other countries. In recent years, economic activity in the rest of the world has had increased impacts on U.S. economic life as well. The United States has become more like other countries, which as a matter of course have had to take into account interactions between themselves and their trading partners and competitors.

During the first half of the 1980s, the major channel through which international markets affected U.S. markets was the appreciation of the dollar against other major currencies by an average of nearly 50 percent. A decline in the relative price of imports of over 20 percent helped the monetary authorities to contain inflation by putting additional pressure on domestic prices. From 1985 on, the exchange rate appreciation has been partially reversed by depreciation of the dollar against most, but not all,
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of the United States' major trading partners. Because of the time lags associated with adjustments in export and import patterns, only in 1987-88 has improvement been discernable in U.S. trade performance in terms of goods volumes. Because of the time lags associated with legislation, only in 1987-88 did the Congress pass and the President veto a trade bill concerned in large part with problems that were aggravated by dollar appreciation. Many of the pressures to which the trade bill responded should be reduced as exchange rates stabilize at sustainable levels, but others will require further structural and policy adjustments.

Major findings and conclusions concerning the issue of changes in the labor force include:

- Appreciation of the dollar during the first half of the 1980s against competitor currencies was the primary cause of the declining competitiveness of U.S. industries. In addition to direct price competition, appreciation also motivated expansions or relocations of production facilities abroad, which are unlikely to be reversed even with the current dollar depreciation.

- The major impact on U.S. employment of increased imports outpacing exports, under the monetary and fiscal policies of the 1980s, was to reallocate jobs across or within industries. The numbers of jobs in firms facing increased import competition grew more slowly or declined, while firms handling these imports or involved in other activities grew more rapidly than they would have done under an alternative scenario in which the trade deficit stayed at its lower 1980 level.

- Worker displacement during the 1979-84 period was disproportionately concentrated in durable goods manufacturing, in such traditionally high-wage sectors as steel and automobiles. Those workers who were permanently displaced from such industries tended to find new employment only at lower levels of pay. There does seem to be some evidence, however, that a substantial majority of workers laid off from "declining" industries who stay in the labor force later obtain jobs with their former employers. This tendency for continued attachment and recall mitigates the reduced earnings experienced by individuals. Workers who would otherwise have been hired had the industry not contracted tend to be paid less in alternative jobs, thus having an impact on the aggregate earnings structure.

- Improved competitiveness in the long term is dependent on a continued flow of innovations in products and processes. The manufacturing sector will therefore continue to be crucial to U.S. trade performance, requiring substantial investments in equipment and in employees. Industries with significant shares of output being sold abroad tend to be industries with above average levels or proportions of spending on research and development. Such spending requires trained personnel as well as equipment and facilities. It is also true, however, that gains in productivity in the non-traded as well as the traded sectors improve our living standards; therefore, it is important that physical and human capital investment be increased throughout the economy.

- Despite the increasing attention being paid to the potentials and problems associated with trade in services, most non-energy trade, especially among developed countries, involves exchange of manufactured goods. For countries in general, and the U.S. in particular, large trade deficits in goods cannot be sustained over the long term. It is unrealistic to expect that historically large deficits in manufacturers' trade can be offset by surpluses in services.

- For the United States to regain a sustainable international position consistent with rising living standards over the long run, U.S. economic strategy must include a significant reduction in the merchandise trade deficit. In recent months, evidence is accumulating that this reduction has begun based on dollar realignment and improved productivity growth in the manufacturing sector. Both the currency realignment and the actual declines in unit labor cost of manufactured goods aid the competitive position of the United States.

- Immigration (legal and illegal) and admission of refugees account for an increasing proportion of U.S. labor force growth over the 1980s. Proficiency in English is an important factor in the new arrivals' successful entrance to the economic mainstream. The economic and social impact on regions and labor markets has
been uneven, but generally positive, with the greatest stresses in areas with the highest concentrations of undocumented workers, such as California and Texas.

- In general, residents of the United States and of its trading partners have gained from internationalization and economic integration, even in a world of less than pure competition and less than free trade. These gains are realized through lower inflation, greater diversity and quality of products, and higher real incomes as more resources are available for other products. Protectionism abroad or at home lowers the realized gains from trade by imposing higher prices and/or restricting quantities of imports, as well as redistributing the benefits away from all consumers as a group to the minority whose incomes are derived from the protected sectors.

Goals and Strategies for Improved Competitiveness

In order to discuss how to improve competitiveness, it is first necessary to define it. The President's Commission on Industrial Competitiveness offered the following definition: Competitiveness is the degree to which a nation can, under free and fair market conditions, produce goods and services that meet the test of international markets while simultaneously maintaining and expanding the real income of its citizens.

Because the rate of growth of real income (income adjusted for inflation) can vary, competitiveness is a matter of degree. "Meeting the test of international markets" implies that imports and exports are in approximate balance over some longer term without a currency depreciation that would tend to reduce national purchasing power and income. "Free and fair" conditions are both part of the definition and a policy goal in their own right.

However, most of the responsibility for improving competitiveness rests with the United States itself. Progress in reducing the Federal budget deficit is key to restoring approximate balance in the trade account over the longer term, and to improving growth prospects in the economy as a whole. Policies that favor saving and investment over current consumption will provide funds for productivity improvement as well as free supplies of output to be marketed abroad. Much of that needed investment will have to be in people. Most investment in education and training is done privately, by families and firms, while in our Federal system public education is primarily a state and local responsibility. The Commission recommends the expansion of an "investment-oriented" strategy toward education and training. Such a strategy would emphasize the private and public "payoffs" to increased human capital formation.

Several major goals which are advocated on their own merits, such as improved basic skills and problem-solving abilities for workers and managers, or more effective labor-management cooperation in order to implement technological change, have positive impacts on competitiveness as well. The Commission believes that the need for achieving these goals is more urgent because of international competition.

The Commission specifically rejects protectionism and bilateral trade restriction as both strategic and tactical options. A precondition for fair international competition is an effective international structure of rules agreed on by the competitors. In the post-World War II era, this structure is known as the General Agreement on Tariffs and Trade, or GATT for short. There have been several "rounds" of negotiations under the GATT, the most well-known being the "Kennedy round" of the 1960s and the "Tokyo round" of the 1970s. In the Fall of 1986 the "Uruguay round" was started, which is expected to take at least four years to complete. Among priority items for the United States are trade in services, treatment of foreign investment, and intellectual property rights. The Commission recommends that obtaining agreements on these and other issues through the GATT negotiation process should be a high priority for this and succeeding Administrations. This agenda is all the more sensible for the United States to pursue as it seeks international markets with a no-longer-overvalued currency.

Human Resource Development Policy and Competitiveness

The Commission believes that the amount of labor market adjustment presently generated by private markets and existing government programs is less than the amount needed to upgrade our human and physical capital to levels consistent with rising living standards while participating in international markets. A substantial amount of adjustment and
mobility takes place in a dynamic economy as a matter of course. Adjustment in this sense means accepting a new pattern of pay or hours in a continuing job, while mobility implies movement to a new job across industry, occupational or geographic boundaries. Both technological change and internationalization are among the initiating factors in these changes, in ways that are often difficult to disentangle. Much of the burden of change, however, is borne by those least equipped to cope with it, workers with low levels of skills and educational attainments.

Federal leadership in human resource development has been provided in the past, most recently through the Job Training Partnership Act (JTPA), and should continue to be provided in the future. The Commission recommends funding be maintained for programs targeted on displaced and disadvantaged workers, aid to poorer school districts and assistance to minority and lower-income students wanting to pursue higher education. It also feels that there is a useful role for Indirect "tax expenditure" provisions such as Section 127 of the Internal Revenue Code, which excludes employer's educational assistance spending (up to $5,250 per year) from workers' taxable incomes. Existing Federal programs, such as JTPA, the Targeted Jobs Tax Credit (TJTC) and Trade Adjustment Assistance (TAA), have provided assistance to many workers. Governmental incentives and leadership are also vital in encouraging private employers and employees to make productivity-enhancing investments.

Regardless of their source of funding or sponsorship, effective programs for aiding displaced workers have the following characteristics in common:

- Workers, and the organizations which assist them, are given as much voluntary advance notice as possible of closures or mass layoffs.
- Job search assistance and other support are provided in the work setting before the actual layoff or closing.
- Active cooperation with unions, where present, is an integral part of this process.
- There is coordination of private and public displaced worker programs with programs providing unemployment insurance, job search, adult and vocational education and other assistance.

- Workers are offered a range of options, since people differ in their needs for immediate income, their desire or ability to take training, and their willingness to relocate.
- Prospects for recall or transfer are communicated realistically.

The Commission applauds the willingness of State and local governments to work with employers and employees to develop programs of retraining and upgrading that forestall the need for massive layoffs. Such programs also are more likely to be effective if the foregoing characteristics are present.

The most difficult human resources policy choice at the Federal level comes from the need to reconcile two goals not seen as competitive, but that are really complementary. The first is the need to reduce the Federal budget deficit for both domestic and international reasons, and the second is to expand Federal leadership in human resource development. The Commission believes that Federal programs especially have had and can have beneficial impacts on segments of the workforce, such as displaced workers or homemakers, minorities, or immigrants and refugees, who would otherwise have difficulty entering or reentering the economic mainstream. Aiding people to achieve their potential has a payoff in terms of enhanced productivity and competitiveness. The Commission also believes that Federal efforts are essential to complement the efforts of State and local governments, voluntary agencies and private employers. That is, effective private and non-Federal programs are more likely to grow in conjunction with Federal leadership, technical assistance and efforts at facilitating program growth, rather than as replacements for reduced Federal resources. In the longer term, our ability to respond to competitive challenges will be enhanced by investment in the human capital of our nation.
FINDINGS AND RECOMMENDATIONS ON PATTERNS OF PARTICIPATION IN JOB TRAINING PARTNERSHIP ACT PROGRAMS

In October, 1987, the National Commission for Employment Policy adopted the final recommendations from the staff report titled: Who Is Served in JTPA Programs: Patterns of Participation and Intergroup Equity. The Commission subsequently transmitted these policy recommendations to the President and the Congress of the United States, the Department of Labor, and members of the employment and training community.

Background

While the early focus on JTPA centered around the performance measures and standards, recent examination has concentrated on 'who' is being served by these programs. This broadening of the analysis to include the characteristics of participants behind the statistical outcomes is paramount to truly judge whether the program is meeting its Congressional mandate. This report discusses the provisions of the Job Training Partnership Act that relate to: who should be served, analyzes factors that affect the decisions of JTPA eligibles to participate and of Private Industry Councils (PICs) to select whom they serve, and presents data on those from the eligible population who are being served.

Specifically, this study examines service patterns to the mandated target groups and substantial segments to determine whether the requirements of the Act relating to "who" should be served are being met. This analysis also answers, at least in part, whether or not the high placement rates of JTPA have been achieved at the expense of serving those targeted for service by the Act.

Findings and Recommendations

This research has uncovered several issues which either require new policy directions or corrective action. The National Commission for Employment Policy (NCEP) has categorized these issues into two areas and offers the following recommendations:

1. Welfare Recipient

This paper emphasized the concept that the individual's labor force attachment is a primary factor in determining whether targeted subgroups are served in an equitable fashion. It argues that "unemployed" individuals within targeted populations are the primary focus of training services. The paper does acknowledge, however, that in the case of some subgroups, particularly welfare recipients, Congress may have intended for JTPA to serve other than those individuals who identify themselves as "unemployed" (similar to targeting provisions seen in current "welfare reform" legislation). As can be seen from this analysis, JTPA is generally responsive to legislative direction or targeting. If Congress intends for JTPA to serve those welfare recipients with the weakest labor force attachment, those that consider themselves not in the labor force, then amendments are needed to Section 203(b)(3) of the Act to indicate that long-term welfare recipients (who have probably the weakest labor force attachment) are a primary target group.

NCEP supports and recommends such clear targeting for long-term welfare recipients.

2. Other Target Groups

Two areas of the study suggest that JTPA programs need to carefully consider whether services to adult high school dropouts and Hispanic males are being equitably provided; and if not, what can be done to improve recruitment, services offered, and/or analysis of programs offered.

NCEP recommends that PICs and local administrative entities review their emphasis on services to adult high school dropouts and Hispanic males and determine if targeting to these groups needs improvement. Furthermore, NCEP suggests that States, where appropriate, review their incentive policies in order to encourage services to these subgroups. Finally, NCEP suggests that States utilize administrative sanctions, in those cases of under service to adult high school dropouts, since the Act requires minimum services levels to dropouts.
Performance Standards/ Need For Improved Data

1. The current welfare performance standard may be insufficient to address the mandate of the Act and current legislative concerns. The only measure of reduction in welfare dependency, a performance mandate of JTPA, is found through the adult welfare (age 22 and above) entered employment rate. Fifteen percent of AFDC mothers are under 22, and are the focus of some recent legislative proposals because they are at risk of becoming long-term welfare recipients. Recent research compiled by the Congressional Budget Office, Work-Related Programs for Welfare Recipients, indicates that services to this younger target group are key to preventing long-term welfare dependency. Thus, the current welfare standard may need restructuring to reflect a more appropriate policy emphasis.

There are two ways to accomplish this. First, collect data in the youth section of the JTPA Annual Status Report (JASR) on teenage welfare parents rather than collecting information on "single heads of household with dependents" in general. This information would be used to adjust youth performance standards and hold harmless SDAs which choose to serve more teenage welfare parents than the national average. The other option is to redefine the welfare section of the JASR so that all welfare parents, ages 16 and over, are reported together. This information would then be used to develop new modeling procedures for the welfare performance standards.

NCEP recommends that the Department of Labor add information about teenage welfare parents in the youth section of the JASR for Program Years 1988 and 1989 (PY 88-89).

2. There is not sufficient statistical information available to track the effect of JTPA on the reduction of the welfare rolls. Consistent, reliable characteristic information for welfare participants is lacking on the: a) length of time on welfare, b) number and ages of dependents, c) single heads of household, and d) type of work-welfare program participation (e.g. WIN mandatory or voluntary). Thus, it is virtually impossible to follow the legislative language in setting standards or monitoring performance. Nor can an adequate judgment be made on whether reduction in welfare dependency is occurring.

NCEP supports the Department of Labor's proposed new reporting changes which would identify long-term welfare recipients on the JASR for PY 88-89. In addition, NCEP supports the collection of the type of work-welfare program participation data either through additional reporting on the JASR or through a nationally representative sampling process, such as the Job Training Quarterly Survey (JTQS).

3. It was apparent in the development of this study that available JTPA administrative data were not wholly adequate to the task of tracking who is served in the program. Two types of problems were identified. First, in a few key categories, such as income and age of dependents, data are missing from the administrative files used. Second, many data items that would be of interest to policymakers are not collected system wide. These include length of time on welfare and detailed pre-program employment histories.

These two problems suggest different solutions. The first implies that National and State offices must assure compliance of program operators in collecting the required intake information. The second implies that additional data should be collected uniformly, nationwide, by program administrators or, through a nationally representative sample. This, of course, involves additional administrative expenses, but could be helpful in ensuring that National, State and local program/policy objectives are met.

NCEP recommends that DOL consider the collection of data elements referenced above, and that DOL and States improve the monitoring of data collection to ensure that administrative records are complete.

FINDINGS AND RECOMMENDATIONS ON PROVIDING INTERVENTION ASSISTANCE FOR YOUTH-AT-RISK

The Commission approved the report, Another Ounce of Prevention: Education and Employment Interventions for 9 to 15 Year Olds, at its March 1988 meeting. The conclusion, policy implications, and recommendations were formally adopted by the Commission at that time.
Background

The labor market difficulties of economically and educationally disadvantaged youth historically have been matters of concern to the National Commission for Employment Policy. That young people who have not completed high school or have not acquired basic skills will have difficulty in securing and retaining employment is well understood. In its recently completed study of youth-at-risk, the Commission sought to ask some different questions rather than merely repeat what it and other organizations have been saying for years—that youth must complete at least their high school education and acquire basic skills.

Taking note of new experiments and trends in dropout prevention activities for seventh and eighth graders, the project sought to explore the more general question of whether there were new or different points of intervention in the education/child development process that might help disadvantaged young people to compete more effectively in the labor market. While recognizing that schooling should be the primary activity for children and youth of school age, the project sought to find whether there were ways in which the employment and training community could assist in the education/development process.

The project sought to determine whether it would be useful to have intervention activities that came between the early childhood development and primary grades programs, and the "second chance" programs for those who have dropped out of school. The Commission's studies examined educational research, research and development activities in employment and training, and reviewed activities in a number of local communities.

Findings and Recommendations

Research on the education side reveals that teachers and principals can identify students who are likely to drop out as early as the third or fourth grade. Largely, they are students who come from economically disadvantaged families, characterized by instability and dependency and which exhibit other manifestations of social pathology. The case studies and community studies made for the project revealed some local attempts to provide assistance to such children, but information and data on such efforts have not been collected on any systematic basis; however, some of the projects, especially those working with junior high school age students appear encouraging.

The study concludes that intervention activities involving disadvantaged youth to age 15 would appear to be advantageous in enhancing their prospect for completing the youths' education through high school. The interventions might also help to improve the students' chances for mastery of the basic skills. If young persons acquire mastery of basic skills and complete high school, they will be in a more competitive position for entry into the labor market or they will be able to pursue postsecondary education or training. The report, however, stops short of making new programmatic proposals. For many reasons, including budgetary constraints, the timing would not appear propitious for major new proposals for programs. In addition, not enough is known about the 9 to 15 year old population.

The report does make several recommendations that, if implemented, would arm policymakers with the kind of information that would help to inform policy choices about new programming for this group. The report makes the following recommendations for the next steps:

1. The Departments of Education, Health and Human Services, and Labor should fund a small number of demonstration projects experimenting with ways of delivering assistance to economically and educationally disadvantaged students age 9 to 15. Experiments with school-based personnel might be one of the areas in which a demonstration might be attempted. This could include assistance in training for guidance staff or the provision of persons with DOL funds to support guidance positions. Other activities to be considered are the development of instructional materials and strategies (such as job fairs) to interest third, fourth, and fifth graders in the world of employment and the range of occupations that exist. Emphasis should be given to programs for 9 to 13 year olds since some information is beginning to emerge from demonstrations already in place with respect to 14 and 15 year olds.

2. The Departments of Education and Labor should monitor and report on local efforts to provide assistance to disadvantaged 9 to 15 year olds. Such reports should give attention to the content of such local efforts and to administrative arrangements to
conduct local programs, including the use of intermediary organizations. The reports should be given wide dissemination among grantees and contractors of the two departments and institutions in the private sector.

3. The Secretaries of Education, Health and Human Services, and Labor should establish an interagency work group to continue studies of ways to assist economically and educationally disadvantaged students in the 9 to 15 age group. The objective of this assistance should be the real mastery of basic skills and encouragement of school completion. Activities of the work group should include continued research into the topic and the development of program information and new ideas. Attention should be given to identifying ways in which the Departments can work together in complementary and coordinated ways.

4. Governors and Chief State School Officers should establish similar work groups with similar missions within their respective jurisdictions. (The Federal agencies should provide small grants—or authorize the use of a portion of funds from existing grant programs—to support the efforts of such work groups.)

5. The Secretaries jointly should support the collection of data to be used to track the progress of the 9 to 15 year old age group.

6. The Department of Labor should develop "world of work" materials that could be used locally by schools or community groups to increase the exposure of economically and educationally disadvantaged students (especially in the 9 to 13 year age group) to careers, career options, and the need for continued learning. Such materials could be used by schools and other local institutions attempting to serve such students. World of work materials should also be developed for in-service training of teachers and other school staff.

7. The Department of Labor on a regular basis should analyze and report on the use of the Job Training Partnership Act, section 205 and eight percent set aside funds as they apply to 14 and 15 year olds. Such reports should include information on program content and results; these reports could be used as a source of program ideas by PICs, SDAs, and local school officials.
Part II.

COMMISSION ACTIVITIES

July 1, 1987 through June 30, 1988

The National Commission for Employment Policy focused on a number of important employment-related public policy areas during PY 87 in order to ensure that policy makers, concerned with the range of public and private employment and economic strategies, were well informed about policies and solutions which have an impact on the preparation of the nation’s workforce. Like many organizations concerned with the formation and evaluation of public policy alternatives, a number of the Commission’s projects are multi-faceted and span several years of effort.

This part of the Annual Report contains a brief description of projects or components of projects completed, as well as projects currently underway. It also includes a review of the Commission’s outreach activities during Program Year 1987. Such activities include a hearing on issues surrounding job training in rural America and the problems facing displaced farmers in the Midwest, visits to several employment and training sites around the country, and the first national meeting of State Job Training Coordinating Council (SJTCC) Chairs, which the Commission sponsored.

THE JOB TRAINING PARTNERSHIP ACT

As a result of the Commission’s mandate to evaluate the effectiveness of JTPA programs (JTPA: Title IV, Section F), the Commission has devoted the majority of its staff resources and funds to projects focusing on issues related to the operation and management of programs funded under this Act. Throughout this Program Year, the Commission has undertaken, either through staff research or by contracting with experts in the field, ten different projects on various aspects of JTPA.

Several of these studies were undertaken to meet the Commission’s requirement to advise the Secretary of Labor on the development of performance standards under JTPA (Section 473 (4)) and to study their effects and what services are provided (Section 106 (f)). The implementation of clear, measurable policy objectives was an innovation of the Job Training Partnership Act which the Commission applauds. However, the emphasis on producing the desired results in a cost-effective manner deserves study to examine both the intended and unintended effects the Congress foresaw. While formal Commission recommendations from the most thorough examination of JTPA performance standards yet undertaken were not complete when this report went to press, several other related studies in the area of performance management were complete.

Evaluation of the Effects of JTPA Performance Standards on Clients, Services, and Costs

The Commission awarded a contact to SRI, International and Berkeley Planning Associates in June, 1987. The evaluation design is a complex one consisting of both quantitative and qualitative analyses. Information from State Job Training Coordinating Council members, Service Delivery Areas (SDAs), States, service providers, and Private Industry Council (PIC) members as well as from numerous data sources were used to develop both a quantitative as well as a qualitative approach to determining what factors effect who is served, the cost of service, and the type of service.

The study’s results clearly indicate that performance standards alone are not sufficient to guide the JTPA program in meeting its stated purpose of providing training to disadvantaged individuals who need its services. In fact, as detailed in the report, Evaluation of the Effects of JTPA Performance Standards on Clients, Services, and Costs, performance standards, in a vacuum, can produce the unintended effects of reducing service to the hard-to-serve and decreasing the intensity of services. In conjunction with clearly identified client and service goals, however, performance standards can produce the intended effects of improving the efficiency and accountability of the JTPA program.
Performance Standards for Employment and Training Programs Serving Welfare Recipients.

As part of the Commission's efforts to evaluate the effect of performance standards, the decision was made to sponsor a separate study of the effects of JTPA performance standards on reducing welfare cost. Special emphasis was to be given to examining the effects of standards on the types of welfare recipients served in both JTPA and other employment and training systems serving welfare recipients in programs administered by welfare agencies.

One major objective of the study was to suggest a set of performance measures for programs targeted to welfare recipients. Abt Associates, the contractor selected for this research project, interviewed state and local program managers and analyzed data from a specific data base to determine which performance measures provide the best "fit" with program goals of reducing welfare. Authors Jeff Zomitsky and Mary Rubin note that performance standards are not the chief constraint to serving welfare recipients and that there are other institutional factors in serving such so-called hard-to-employ clients. With welfare reform an important issue facing Congress, the Commission concluded that separate work on the development of strong performance indicators for programs targeted to welfare recipients was important. The results of the study are presented in two separate but related publications: an initial report entitled, Serving AFDC Recipients: Initial Findings on the Role of Performance Standards, and a final report, Establishing a Performance Management System for Welfare Programs.

Using Performance Management to Encourage Services to Hard-to-Serve Individuals in JTPA

One of the goals for PY 88 performance standards was to increase service to at-risk populations -- those individuals likely to develop poor labor market attachments. One of the policy tools to implement this goal is in the area of performance management. Performance standards policies must reinforce this policy goal and actively encourage its attainment. What policy tools do state and local programs have to encourage such service? To answer this question, the Commission decided to review the performance management policy options available to promote services to those with the most severe employment problems.

The report, authored by Burt Barnow and Jill Constantine of ICF, Inc., notes that there is not universal agreement about the terms "hard-to-serve" or the "most in need," nor does the legislation define these terms. There is growing recognition that the "hard-to-serve" client has certain labor market deficits, particularly the lack of a work history and poor basic skills.

There are two types of programs that may be used to encourage service to the hard to serve: programs that provide positive incentives to serve certain populations, or programs that reduce disincentives to service. The report, Using Performance Management to Encourage Services to Hard-to-Serve Individuals in JTPA, reviews the policy tools available at the state and local levels to promote service to target groups or encourage more intensive services without advocating a national definition of the hard to serve.

Using Performance-Based Contracting to Encourage Service to the Hard-to-Serve in JTPA

To round out major issues in the development of a performance management system, the Commission was interested in how one contracting tool -- performance-based contracting -- may be used to encourage performance outcomes targeted to the hard-to-serve at the provider level. Certainly, service providers make up a critical part of the performance equation, and one that is most frequently overlooked. The way contracts for service are written influence who is served and the intensity of service.

The results of this timely study have been overtaken by events. Work of the contractors, Laventhol and Horovath, has been put on hold until the Department of Labor determines what policy changes will be imposed on the terms and use of this contracting mechanism.

Using Basic Skills Testing to Improve the Effectiveness of Remediation in Employment and Training Programs for Youth

During the last several years, the Commission has been interested in ways to encourage the provision
of basic skills to youth and adults in programs like JTPA as well as in education programs. In the Commission's view, the goals of the PY '88 performance standards cycle were the perfect time to provide assistance to practitioners in selecting appropriate basic skills tests used in various stages of the assessment process. The Commission anticipated the rising interest in using basic skills tests, particularly ones that are functionally-oriented to the world of employment. Making youth truly "employment competent" is the goal of JTPA's youth programs. The Commission contracted with three experts in the field to develop a guide which would provide assistance to local program operators interested in learning more about ways to select appropriate basic skills tests.

Authors Lori Strumpf, Robin Morris, and Susan Curran in the publication entitled, Using Basic Skills Testing to Improve the Effectiveness of Remediation in Employment and Training Programs for Youth, provide advice about what criteria are important in selecting tests used in the assessment process and review major tests currently used for assessment purposes by many individuals working in the JTPA community.

Performance Management Issues in Human Resource Programs

One final area of performance management received attention from the Commission in PY 87: Improving program accountability. This performance issue has been important since the implementation of the JTPA program, but the issue is the same for many other human resource programs with similar goals -- employment and training programs designed for welfare recipients, vocational education, and the public employment service. The Commission was interested in looking at the similarities and differences in establishing performance management systems across human resource programs with similar goals. What are the interests and roles of the different actors -- federal, state, and local? Can performance measures be developed that will guide policy makers in designing programs to rationalize the delivery of services within a state?

Meeting performance goals is only one part of the issue for public programs in determining success, but it is a key one. Chris King's paper on this topic, Cross-Cutting Performance Management Issues in Human Resource Programs, provides insights into some of these "cross-cutting" issues for several human resource programs. As the paper notes, both Federally funded or state-funded programs need clear, measurable goals in order to manage outcomes. The paper suggests that State Job Training Coordinating Councils may be the key to coordinating and strengthening programs designed to assist similar clients in obtaining meaningful employment.

JTPA in Areas of High Unemployment

This project will survey a set of SDAs that have operated in the highest areas of unemployment during Program Years 1984, 1985, and 1986. The objective of the project is to study Title II-A adult programs to identify common trends in program design or management practices that contribute to successful job placement programs under these adverse conditions. The project will survey SDAs exhibiting various demographic and economic characteristics in an effort to identify those program designs and management practices that seem to work particularly well with different populations or in different economic environments. Where appropriate, recommendations and policy options will be developed based on the findings of this study. The study is scheduled for completion in the fall, 1988.

Patterns of Participation and Intergroup Equity in JTPA Programs

This study looked at participation patterns of persons served under Title IIA programs. This project, undertaken at the request of Congressmen Augustus F. Hawkins and James M. Jeffords, examined thoroughly who is eligible for Title IIA programs, who Congress intended to serve in the program, and who is actually being served in JTPA. The findings and recommendations, which were adopted by the Commission and presented in the final report: Who is Served in JTPA Programs: Patterns of Participation and Intergroup Equity, are discussed in greater detail in Part I of this Annual Report.
JTPA and Computer Assisted Instruction

Section 473 (11) of JTPA requires that the Commission study and make recommendations on the use of advanced technology in the management and delivery of services under this Act. As part of this requirement, the Commission contracted with Education TURNKEY Systems, Inc., to study the use of computers in JTPA programs funded from Title IIA, IIB, III and IV (Job Corps) money. The project had two principal components: 1) to determine current and potential instructional applications of computers in JTPA, and 2) to present policy options that would increase the effective use of this technology in JTPA.

The project also explored a number of barriers to more effective use of this technology in JTPA programs. Chief among the barriers was the lack of information by JTPA administrators on the availability of potentially relevant computer hardware and software packages, and the need for a funding mechanism that would allow amortization of investments in this technology over a period of several years. In addition to an in-depth analysis of the status of computer instruction in JTPA today, the report, The Job Training Partnership Act and Computer-Assisted Instruction, presents five case studies of exemplary use of this technology in JTPA programs.

Using Unemployment Insurance Records to Evaluate Pre/Post Earnings

This study examines the utility of using unemployment insurance (UI) records to address the mandate of Section 106 (b)(1) of the Job Training Partnership Act which directs that measures of increased earnings should be developed to evaluate the effectiveness of adult training programs. Specifically, this project will use the state JTPA administrative and UI wage records to study both pre-JTPA and post-JTPA earnings' patterns of Titles IIA and III adult and non in-school youth who terminated from JTPA during Program Year 1986. It will also explore the differences in earnings by demographic subgroups and types of services offered. This project will include an examination of how the results of the 13 week participant follow-up system begun in Program Year '86 will compare to the information present in the UI data base.

In June of 1988, the Commission awarded equal grants of $10,000 to the following eleven states: Florida, Idaho, Illinois, Indiana, Missouri, Nevada, Oregon, South Carolina, Utah, Virginia, and Washington. In addition, the Commission awarded an additional sum of $15,000 to the State of Illinois to act as the "clearinghouse" state for the project. The project, with a complete report detailing the strengths and weaknesses of using UI wage records as an evaluation resource, is scheduled to be completed by August, 1989.

TARGET GROUP RESEARCH

The Job Training Partnership Act calls for the Commission to study and make recommendations on how the country can attain and maintain full employment. It also requires that NCEP give special emphasis to segments of the labor force that are experiencing differentially high rates of unemployment. As part of this mandate, in Program Year '87, the Commission funded special activities with respect to two population groups who have experienced particularly high unemployment rates over the last several years: dislocated workers and youth. Four separate research efforts on these two labor market segments were undertaken during the year.

Dislocated Workers

During Program Year 1987, the Commission undertook an initiative to examine the need for and the effectiveness of worker assistance programs for workers who lose their jobs in small and medium sized firms. The reason for the study was the belief that while large firms may have the resources available to assist their displaced workers, small and medium sized firms have neither the time nor the resources to do so.

In order to obtain baseline data from small employers as well as programs and practices available through state initiatives, the Commission contracted with an outside firm to survey a nationwide sample of small employers in order to gain knowledge of their attitudes, opinions and practices with respect to plant closings and layoffs. The actual surveying of small employers was undertaken by the National Center on Occupational Readjustment (NaCOR) and findings were presented in their published report, Plant Closings, Indefinite Layoffs.

Displaced Farmers

During Program Year 1987, the Commission completed a major effort begun in the preceding year to look into two broad issues with respect to displaced farmers: 1) the severity of the problem – How many farmers are affected? Who are they? What does it mean for the individual farmer and for the nation as a whole?; and 2) the availability and effectiveness of both public and private efforts to assist them in their job training and employment needs – What's available to the farmer at the state and local level and just how effective are these programs? The Commission had undertaken the project at the request of Congressman Steve Gunderson (R-WI) and in accordance with the NCEP's own concern for the plight of displaced farmers.

Two major reports were developed as a result of this initiative. Dislocated Farmers: Number, Distribution, and Impacts, authored by Philip L Martin and Charles Olmstead focused on the magnitude of the problem in the United States, in terms of the national number of farmers affected and their distribution within the country, as well as short- and long-term consequences of the phenomenon. The second study, by William E. Saupe and Priscilla Salant, Programs and Policies To Assist Displaced Farmers, examines and evaluates those programs that exist at the state and local level to address the employment-related needs of these individuals. An examination of initiatives available in six agriculturally diverse states form the basis of this report.

(As part of its overall effort to thoroughly examine the plight and Implications of the continued decrease in the number of U.S. farmers, the Commission, working with Congressman Gunderson, also held a hearing and made site visits in Wisconsin in September 1987. In addition to the Commission's work group (including Chairman McDonald, and Commissioners John Garlant, Frank McDonald, Leora Day, and Wayne Roberts), Congressman Gunderson attended the hearings and site visits, a summary of which is presented later in this section.)

At-Risk Youth

Since it was originally organized in 1974, the Commission has been involved in studying various aspects of the youth labor market and employment problem. In an effort to add something new to the volume of literature on this subject, the Commission's research on youth focused upon issues concerned with the value of intervention programs geared to 1) reducing youths' potential to drop out of school and 2) promoting increased learning. Based on previous research done by the Commission and others, NCEP decided to focus on the 9 to 15 year age group in looking at early intervention strategies. The findings and recommendations resulting from this study and set forth in the report authored by Everett Crawford of the Commission staff, Another Ounce of Prevention: Education and Employment Interventions for 9 to 15 year olds, were adopted by the Commission. The findings and recommendations presented in this report are included in Section I of this Annual Report.

Black Male Youth

The need for a special study to investigate the employment problems of black youth, particularly black males residing in urban areas, became apparent while researching the larger youth project focusing on all at-risk youth. Despite the growth in employment over the past several years, the unemployment rate for black teenagers remains at about 2 1/2 times as high as that for whites and recent data indicate that the labor force participation rate for black males is still continuing to decline. Furthermore, the research indicates that the labor market experiences of certain black male youth are substantially different from that of the youth population in general. In order to provoke discussion about the somewhat unique difficulties facing black urban male youth, as well as some of the strategies used to deal with the problem, Commission staff are currently preparing an issue paper on urban black male youth in the labor market for possible publication as a Commission Monograph.
PRIVATE SECTOR ACCESS TO POST-SECONDARY VOCATIONAL EDUCATION INSTITUTIONS

The Carl D. Perkins Vocational Education Act comes up for Congressional reauthorization in Program Year '89. In an effort to assist the Congress in evaluating the program's merits, the Commission contracted with the Ohio State Center for Research in Vocational Education to assess the post-secondary vocational education system's progress towards increasing business, especially small business, linkage with postsecondary vocational education institutions. This study will review the progress the postsecondary vocational education system has made in responding to the private sector demand for its services and programs. The responsiveness will be evaluated both in terms of quality of services (for example, teacher training and curriculum responsiveness) and timeliness of responsiveness.

The primary objective of this project is to recommend specific legislative or administrative adjustments or amendments to the Carl D. Perkins Vocational Education Act. The Commission is particularly interested in making recommendations which would result in retargeting the Federal contribution to the vocational education system in order to leverage increased private sector access, particularly that by small business, to postsecondary training programs. The study is scheduled for completion early next year in time for the Congressional Reauthorization process on the Perkins Vocational Education Act.

TARGETED JOBS TAX CREDIT

In response to a request from Congressman Charles B. Rangel for information on the effects of the Targeted Jobs Tax Credit (TJTC) program, and as part of its mandate to evaluate the impact of tax policies on employment and training opportunities, the Commission contracted with Dr. Edward C. Lorenz to update and expand his 1985 NCEP Research Report on TJTC. That 1985 study traced the earnings of a sample of labor force participants that were eligible for TJTC before July 1982. The present extension adds earnings data through 1987 for the same participants, allowing tracking of income differences between TJTC participants and appropriate comparison groups over five years (82-87). In addition, the new study will assess the effect of the break in the program's operation (January 1 - October 22, 1985), caused by the delay in reauthorizing the program in 1986.

Additional topics to be covered in the updated study are: changes in the pattern of participation in the Summer Youth component of TJTC; views of program and employer personnel on how the program has changed since its 1986 reauthorization; and a review of recent reports on the use of employment subsidies. A report on the earnings update, the impact of the hiatus, and the Summer Youth program was sent to the Congress in June 1988. A complete report will be ready for publication in the fall of 1988.

PRIVATIZATION

As a result of a request from the Honorable Constance Homer, Director of the Office of Personnel Management, the Commission conducted a study of the labor market impacts of privatizing activities that have traditionally been performed by state or local governments. The Commission contracted with Dudek and Company to investigate the issue. The report, Privatization and Public Employees: The Impact of City and County Contracting Out on Government Workers, provides 1) an overview of the issue and an assessment of the quality of existing literature on this practice; 2) identifies employment related issues associated with contracting out; 3) presents the findings from interviews with county and city administrators that have contracted out; and 4) contains tentative policy recommendations and a wide range of potential employment-treatment strategies for government officials who may be confronted with public employees hostile to contracting out the delivery of public services.

U.S. EMPLOYMENT IN AN INTERNATIONAL ECONOMY

As part of its long-term workplan investigating changes occurring in the workplace, the Commission completed its latest project on U.S. employment in an international economy. Two major issues were focused upon in this project: the effect of the internationalization of the economy on jobs and wages in the United States, and the employment outlook for the remainder of the century. The findings and recommendations from this two-year project, detailed in the report, U.S. Employment in
an international Economy, are discussed in Section I of this Annual Report.

OUTREACH 1987: HEARING, SITE VISITS, AND NATIONAL MEETING OF THE STATE JOB TRAINING COORDINATING COUNCIL CHAIRS

In order to learn more about employment problems and local strategies for solving them, the Commission held one hearing and visited several employment and training sites around the country.

Hearing on Dislocated Farmers Issues,
Eau Claire, Wisconsin
(September 25, 1987)

This hearing focused on those issues particularly faced by the job training community in rural America, including the employment and training situation of the dislocated farmers in the Midwest. The Agricultural Task Force of the Commission was invited and hosted in Eau Claire, Wisconsin by Congressman Steve Gunderson. Commissioners Leora Day, John Gartland, and Frank McDonald participated in this visit.

Representatives from Wisconsin's business community and Private Industry Councils, JTPA service delivery areas, area universities and technical colleges, and displaced farm women testified at the hearing about their needs, perceptions of the local employment situation, and their experiences with and perceptions of JTPA and current and long-term employment opportunities. Congressman Gunderson opened the meeting by welcoming the Commission, discussing the economic situation in the Midwest, and presenting an overview of the effectiveness of local training and employment programs in meeting both the area's and the individual's employment needs.

The Commissioners learned from the various panelists about the major differences between firms closing and farmers going out of business. In particular, the panelists noted that farmers generally make no or relatively small contributions to Social Security programs, and are not eligible to receive unemployment insurance benefits. Also, those testifying emphasized that losing a farm is not just a matter of losing a job; rather, it is abandoning a way of life. Therefore, the situation for displaced farmers is significantly different from workers who loose their jobs in most other occupational areas.

The situation is further complicated by two issues noted by several of the panelists: 1) displaced farmers usually cannot afford to attend school in order to learn a new trade and are often unaware of the skills they have that may be transferred to other jobs; and 2) some farmers have never worked off the farm, do not want to leave the county where they've always lived and do not want to work on someone else's farm.

The loss of farm income translates into a loss of business income throughout the rural community. It was noted that current programs in place for the dislocated farmer and his family in rural America include: classroom training (including assistance with tuition, books, child care and/or transportation costs); peer counseling and assessment of client needs; and on-the-job training. These programs are offered in order to meet the special needs of this client group.

The panelists offered recommendations for future dislocated worker programs. The first was to allow rural areas to be served on an equal basis with urban areas in job training programs. The second was to fund flexible and comprehensive program designs to include: identification of workers in need; assessment-driven, case-managed client flow; various training strategies; adequate support services; appropriate staffing levels; and follow through placement strategies. Greater flexibility in the funding formula to allow for local control and state response capacity was urged. It was noted that a retrained farmer would be an asset for a skilled labor force in the future.

Site visit to Chippewa Valley Technical College, Eau Claire, Wisconsin
(September 24, 1987)

On September 24, the Commissioners visited Chippewa Valley Technical College in Eau Claire for a series of activities. They attended a class entitled "Personal Growth for Farm Women" and heard presentations from various women on such problems as farm foreclosure and its effects on their personal lives; being qualified for only minimum wage-type jobs; and the training needs of farmers. The class expressed its appreciation for the special
programs geared for farm women at the college and noted their preference for work over welfare.

The Commissioners concluded their visit with a tour of the technical training classes. The following day they attended a roundtable discussion with school officials, representatives from the local Chamber of Commerce and the Private Industry Council, concerning major employment related concerns of the farm and rural community.

Site visit to Mercer, Camden, Hudson, and Bergen Counties, New Jersey  
(October, 1987)

On October 6-7, 1987, Chairman McDonald and Commissioner Day attended the Hamilton Township, Mercer County, New Jersey, 12th Annual Business Seminar Luncheon meeting. Dr. Martin Friedman of the New Jersey State Department of Higher Education described a pilot program called “10,000 Jobs - 10,000 Graduates.” Through the joint efforts of the schools, community based agencies and the business community, the program is designed to identify and train students who can learn skills necessary for becoming employable upon graduation.

Chairman McDonald and Commissioner Day joined Commissioner John Rocco of Camden County who hosted a tour of the Lakeland Juvenile Justice Residential facility. This pilot program, called Juvenile Corrections/Industries Venture, provides on-the-job training to youth who demonstrate the need for vocational training and mainstreaming into private industry.

Other activities undertaken by the Commissioners included a tour of Hoboken and meeting with state and county JTPA officials; a tour of an on-the-job, customized JTPA training program at First Jersey National Bank in Jersey City by the Executive Director of the Hudson County PIC; a briefing by the New Jersey Department of Labor on the state’s “Plant Closing Rapid Response Team,” a pilot project modeled after the Canadian Industrial Adjustment Service which involves a labor-management committee; and a tour of the Becton-Dickinson Plant in Rutherford.

Site visit to Westchester County, New York  
(October, 1987)

On October 9, the Commissioners were briefed on job training programs in Westchester County, New York by County Executive Andrew O’Rourke, PIC Chair Charles Spies, and Executive Director of the PIC, Lloyd Jones. The Commissioners were hosted by Commissioner Walton Burdick, of IBM, where they learned about the “Summer Jobs for Youth” program and visited classroom training courses, on-the-job training sites, and job readiness programs. They also visited two JTPA-funded training sites in White Plains: the Cage Teen Center which provides auto repair training for 16 to 24 year olds, and the Burke Rehabilitation Center which conducts home health aides/homeworker training for all ages.

Site visit to Fremont, California  
(April, 1988)

On April 29, 1988, the Commissioners visited the New United Motor Manufacturing Inc. (NUMMI) of Fremont, California, a former General Motors plant which is now an independent corporation with both GM and Toyota serving as contributing partners. General Counsel to the corporation explained the labor-management problems the plant had experienced before it closed, and the new labor-management agreement negotiated with the United Automobile Workers (UAW), an agreement which is considered a model in labor-management relations. After a tour of the plant, the Commissioners were briefed on management’s commitment to retrain workers on the job.

The Commissioners also visited SRI, International in Menlo Park where they viewed a slide presentation of SRI operations and received a briefing on the NCEP sponsored project to evaluate the effects of performance standards on JTPA programs, clients, and costs.

National Meeting of State Job Training Coordinating Council Chairs,  
Washington, D.C.  (March 1988)

NCEP sponsored the first national meeting of State Job Training Coordinating Council (SJTCC) Chairs in cooperation with a planning committee of regional SJTCC Chairs. The national conference
evolved from a series of four regional meetings of Chairs which NCEP hosted in 1986. The major theme of this national meeting was "Keep the Public/Private Partnership Working." A goal of the meeting was to achieve a consensus on major priorities and challenges.

The planning committee of Chairs conducted an orientation session, a strategic planning forum, and an organizational meeting for the Chairs. Among the priorities summarized by each Chair were improving coordination of employment and training programs, especially as they interface with education and welfare programs; making economic development the centerpiece for human resources policy; and improving the marketing and visibility of the Councils and the state programs of the Governors.

Chairs generally viewed the biggest challenges as being 1) how to develop a state human resource policy to meet the priorities of the population which needs them, particularly high risk groups; 2) how to provide for greater flexibility in performance standards; and 3) how to influence the pending federal legislation dealing with the composition and authority of the Councils.

Fred Gagnon of New Hampshire presented the draft Preamble and the Articles of Organization of the By-Laws for a National Association of SJTCC Chairs and, in this context, the Chairs discussed the basic objectives of such an association.

During the meeting, State Chairs and the Commissioners heard from a variety of speakers, including John Sununu, Governor of New Hampshire; Linus Wright, Under Secretary of Education, U.S. Department of Education; Peter Germanis, Office of Policy Development, The White House; and Roberts T. Jones, Acting Assistant Secretary, Employment and Training Administration, U.S. Department of Labor. The State Chairs also heard a panel presentation on performance standards.

A major topic of discussion dealt with the composition of State Councils under worker readjustment legislation. After presentations by Commission staff and Evelyn Ganzglass of National Governors' Association (NGA) and a discussion among the participants, a resolution on this issue was adopted and presented to the members of the House Education and Labor Committee who addressed the meeting.
Part III.

MEETINGS OF THE NATIONAL COMMISSION FOR EMPLOYMENT POLICY

July 1, 1987 through June 30, 1988

This section presents summaries of the four formal Commission meetings held during Program Year 1987.

Under Title IV of the Job Training Partnership Act, the Commission is required to meet at least three times a year. During Program Year 1987, the Commission held four formal Commission meetings.

Forty-seventh Meeting
October 8, 1987
Westchester County, New York

This meeting, held at the IBM Training Facility in Armonk, New York, focused on the status of Commission projects, policy statements, and recommendations for future research. The Commissioners reported on the activities of their work groups including Youth-At-Risk, Work/Welfare, JTPA, and Plant Closing. An additional work group was created to examine the issue of AIDS in the workforce. The Members also approved a small contract for the technical editing and revision of the Internationalization project report. In addition, NCEP staff members presented status reports on two projects: 1) the Privatization study and 2) the JTPA Participation Study. The Commissioners voted to approve a staff reorganization plan.

Forty-eighth Meeting
March 16, 1988
Washington, D.C.

At this meeting, the Commissioners voted unanimously to concur in the Chairman's appointment of a new Director, Barbara C. McQuown. The Members also recognized Commissioners Walton E. Burdick, Juan Rangel, Max L. Rowe, and Barbara McQuown for their contributions to the work of the Commission by presenting plaques to them on the expiration of their terms. The meeting focused on current, ongoing, and future research projects. The Commissioners reported on the activities of their specific work groups, and NCEP staff members reviewed the status of research projects. The Director presented a report on the year-end budget and presented recommendations for reprogramming.

Commissioners approved a follow-on study to the Plant Closing project to work with selected Governors or their representatives in testing the desirability of developing a strategic planning capability to assess the employment and training needs resulting from changes in the economy. The Commissioners also approved a request by the Department of Labor to help evaluate computer-aided basic skill teaching programs; a grant to NGA to evaluate Employer-Based Training Programs; and additional technical assistance for the UI project which was approved at the June meeting. The Members adopted the 12th Annual Report and the Youth Report, and were presented a summary report of the Commission-sponsored first national meeting of SJTCC chairs held in Washington in March.

Forty-ninth Meeting
April 28, 1988
San Jose, California

This meeting focused on the status of projects to be funded from remaining PY 87 funds, and on the PY 88 research agenda. The Commissioners approved a request by Congressman Charles Rangel on updating a study on the Targeted Jobs Tax Credit. Other projects approved included: a joint project with the Departments of Labor and Commerce and the National Governors' Association to implement the strategic planning approach to economic changes; a study of alternatives to managing production cutbacks; a study of how the Employment Service serves dislocated workers; a continuation of funding of the second phase for the NGA project to assess the effectiveness of state-
financed employer-based retraining efforts. Other projects approved were: an investigation of how JTPA links with economic development strategies in rural areas; an assessment of the current status of employment and training programs and an examination of the emerging issues over the next five years; and a review of how employment and training functions are organized at the state level.

Fiftieth Meeting
June 9-10, 1988
Washington, D.C.

A newly appointed Commissioner was sworn in - Donald Jones, a partner in the law firm of Hulston, Jones and Sullivan in Springfield, Missouri. Also, James Winchester, President of Winchester and Associates, Inc., a management consulting firm in Pass Christian, Mississippi was sworn in as a reappointed Commissioner. The meeting focused on Commissioner’s work group reports, staff research projects, PY 88 research projects, the NCEP budget, and future meetings. The director discussed the Subcommittee on Employment and Productivity’s hearing on June 8th and the Commission’s testimony on who is being served in JTPA Title II programs. The Commission approved reprogramming some PY 87 money to the second phase of the NGA project which will look at state funded employer based retraining programs. The PY 88 budget was approved as proposed. Also approved were the International Project report and recommendations, and funding for the preparation of a presentation at the NGA summer meeting in August. In addition, the Chairman assigned Commissioners to seven work group committees.
APPENDIX A

Comments of the National Commission for Employment Policy on the Reports of the National Council on Vocational Education.

The National Commission for Employment Policy is required to comment annually on the reports of the Vocational Council on Vocational Education (NCVE) under the Job Training Partnership Act (PL97-300, title IV).

Under provisions of the Carl Perkins Vocational Education Act, effective October 1, 1984, the National Advisory Council on Vocational Education (NACVE) was reconstituted as the National Council on Vocational Education. Its purpose is to provide advice to the President, Congress, and the Secretary of Education on vocational education issues. Presently there are seventeen Presidentially appointed members on the Council.

During the period covered by the Commission's 13th Annual Report, July 1, 1987 through June 30, 1988, the Council issued no reports.
APPENDIX B

Publications of the National Commission for Employment Policy
Research Report Series: Selected Reports, 1983 - 88

- Retirement and Older Americans' Participation in Volunteer Activities, Research Report 83-01, June 1983
- Emerging Employment Options for Older Workers: Practice and Potential, Research Report 83-02, Spring 1983
- Coordination and Cooperation Between SCSEP and CETA Operations, Research Report 83-03, Spring 1983
- Factors Affecting the Participation of Older Americans in Employment and Training Programs, Research Report 83-04, Spring 1983 (Appendices, Research Report 83-04A)
- Sources of Labor Market Problems of Older Persons Who Are Also Women, Handicapped, And/Or Members of Minority Groups, Research Report 83-05, May 1983
- Older Workers in the Market for Part-Time Employment, Research Report 83-06, Spring 1983
- Age, Productivity, and Earnings: A Case Study of a High-Tech Firm, Research Report 83-08, Spring 1983
- Eligibility and Participation Rates of Older Americans In Employment and Training Programs, Research Report 83-11, June 1983 (Appendices, Research Report 83-11A)
- Older Workers' Responses to Job Displacement and the Assistance Provided by the Employment Service, Research Report 83-13, April 1983
- Innovative Employment Practices for Older Americans, Research Report 83-14, May 1983
- Displaced Workers: New Options for a Changing Economy, Research Report 83-17, February 1983
- Private Sector Job Creation, Research Report 83-21, February 1983
- Work Experience, Research Report 83-27, April 1983
- Partnerships Between Corporations and Schools, Research Report 83-29, August 1983
- Recruiting Workers, Research Report 83-30, August 1983
The Adjustments of Youth and Educational Institutions to Technologically-Generated Changes in Skill Requirements, Research Report 85-08, May 1985


Technological Change and Employment in Western Europe, Research Report 85-12, July 1985

Assessment of Adult and Youth Performance Standards Under the Job Training Partnership Act, Research Report 85-13, November 1985

Adult Education and Training: Policy, Perspective, Research Report 86-01, January 1986

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