The structure of the Job Training Partnership Act (JTPA) is built on the belief that flexibility and responsibility are necessary at the state and local levels to tailor successful programs. The purposely limited federal role allows state and local decisions to flourish. JTPA's private-public partnership has been a major public relations success with over 2 million persons placed at the highest wage rates ever experienced by a federally supported job training program. JTPA enters its sixth year of operations faced with a number of issues. National policy makers have raised the issue of whom should JTPA be serving. Although JTPA is serving those whom Congress intended, the federal government is suggesting other target populations. Both target groups and cost standards should be local decisions based on an assessment of local priorities and resources. The issue of what services should be provided shows similar signs of federal encroachment. Again, state and local policymakers are better equipped to judge community needs. The states understand the performance standards system, but improved technical assistance is needed. Better coordination with other programs is another goal. State and local councils should expand their role in coordinating all employment and training programs. (YLB)
Monograph Series

JTPA
STRENGTHENING THE PARTNERSHIP

by

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I. INTRODUCTION

The National Commission for Employment Policy, reauthorized with the passage of the Job Training Partnership Act (JTPA) of 1982, has the responsibility for examining the broad issues of development, coordination, and administration of employment and training programs. The Act mandates that the Commission advise the President and the Congress on its findings. Furthermore, there are specific mandates which direct the Commission to: 1) advise the Secretary of Labor in the development of performance standards, 2) evaluate the usefulness of such standards, and 3) evaluate the impacts of such standards (intended or otherwise) on the choice of who is served, what services are provided, and the cost of such services in Service Delivery Areas (SDA). The Commission has sought to achieve its mandates through a two-pronged approach: a) by effectively directing its resources to the issues that would be of most benefit to those who are overseeing the employment and training programs and, most importantly, to those who are running them; and b) by underscoring, through its research, the principles upon which these employment and training programs were developed. These principles are those of Federalism, private sector involvement, and accountability.

The Commission's first task was to examine the implementation of the Act closely. In 1985 a comprehensive assessment of JTPA was begun which included nationwide program evaluations, sponsored research, and Commission site visits, meetings, and hearings. In 1987 the Commission reported its findings to the President and the Congress, stating that this innovative private-public partnership was working well, and much of the stigma that attended earlier Federal training programs had disappeared. It was reported also that States have shouldered their new responsibility under Federalism with increasing efficiency, and JTPA has become in several States the cornerstone of statewide human resource policies.
The Commission has also sponsored research on issues such as privatization trends in the public sector, coordination activities in local and state programs, the role of performance standards in programs serving welfare participants, case studies of youth at-risk projects, and analysis of who is being served by JTPA programs. The Commission has reached out to the States and local operators through site visits and hearings to listen to what are the pressing issues facing them. In addition to the comprehensive analysis of the implementation of JTPA, the most thorough analysis of the impact of performance standards on who is served, the cost of services and the types of services provided has just been completed. From each research report and every hearing where the Commission proffered findings and recommendations to the President and the Congress, the Commission has reported that the basic principles of Federalism and private sector involvement are working and any changes identified were made in the spirit of strengthening these principles.

The aim of Federalism was to restore a better balance between the State and Federal roles of government. The President decreed in his Executive Order on Federalism that in order to restore the division of governmental responsibilities between the national government and the States, the principles of Federalism established by the Framers of the Constitution would guide the Executive departments and agencies in the formulation and implementation of policies. Chief among these principles was the directive that State government knows better, more effective ways to run social programs. Governors and local leaders are better equipped to know what their communities need than do isolated administrators hundreds of miles away from the issues.

Nowhere has this principle been better exemplified than in the creation and implementation of the Job Training Partnership Act. This Act which replaced the beleaguered, federally controlled Comprehensive Employment and Training Act (CETA), sought to correct the fundamental failings of previous initiatives to deal with employment and training issues. These past failings were directly addressed in the four guiding principles of JTPA. These principles as stated in Senate Report 97-
469 were: 1) job training legislation must recognize the true principle of federalism... The new JTPA legislation will recognize the role of the state in all local programs and end the excessive involvement of the federal government; 2) the legislation must provide for the involvement of the private sector in the design and administration of training programs; 3) job training legislation must be training legislation and not an income maintenance legislation; and 4) this legislation must insist on performance.

The Senate Report also stated that this legislation "will end all federal involvement with the process of how people are to be trained. It (the legislation) will provide the measurement of the outcomes and remove the federal government from the involvement in the details of program operations." Furthermore, "the state will be the key actor in the approval of job training plans... The Governor will also be in charge of approving locally developed plans, of monitoring and auditing the performance of plans, of insuring fiscal responsibilities in compliance with federal mandates as well as running statewide programs." In short, the basic supervisory role previously performed by the federal government under CETA, now has been turned over to the states under JTPA, where it really belongs.

The structure of JTPA was built on the belief that flexibility and responsibility were necessary at the State and local levels in order to tailor successful programs. The Federal role was purposely limited to allow the State and local decisions to flourish. The Governor's State Job Training Coordinating Council (SJTCC) was established with the necessary authority to hold State and local programs accountable. The Act further directed that the SJTCC be the Governor's centerpiece in designing and coordinating the statewide employment and training system. The composition of this Council was given a strong private sector look, not only to reinforce accountability themes, but to promote greater and more effective coordination among the various state employment and training efforts.
The creation of a strong business-oriented Private Industry Council (PIC) to oversee local administrative decisions had a similar impact. The PICs were empowered to bring about a more coordinated delivery of local human resource programs. Private sector leadership refocused these local programs to a more "bottom line" approach that stressed training for available jobs in a cost effective manner.

For both the State and local councils to be successful, dedicated business volunteers were required. Citizens were needed who had a commitment to making a positive difference in the lives of those in need of these programs, as well as improving the quality of the State and local programs. The efforts of thousands of business volunteers are testimony to the design and spirit of the JTPA approach.

Inherent in the principle of Federalism is the notion that local decisions better reflect local needs and priorities. The design of JTPA enhances this notion by stressing local flexibility within a system of accountability. Add the key ingredient of local business involvement and JTPA's private-public partnership is a recipe for success.

II. HOW IS THIS PARTNERSHIP WORKING?

Since JTPA began its operations in 1983, the program was faced with an uphill battle of convincing the public that their Federal tax dollars could be effectively utilized in establishing employment and training programs for the disadvantaged. However, JTPA has been a major public relations success with over two million persons placed into jobs in its first five years of operation. In fact, nearly three out of every four adults who are served by Titles II-A and III programs get jobs. Moreover, the wages that people are receiving from these jobs have constantly been climbing since 1983 with the average wage for adults in Titles II-A and III now at $5.11 and $7.41 an hour respectively. These wage rates are the highest ever experienced by a Federally supported job training program.
And at the same time, JTPA programs are serving those for whom the Act was intended - the poor, those on welfare, and those who need and want employment. For example, over 93% of those persons served by JTPA Title II-A were economically disadvantaged, 40% were receiving some sort of cash assistance (welfare or food stamps), and over half had not worked for the six months prior to entering the JTPA program. Finally, JTPA participants are equitably representative of who is eligible in terms of race and sex characteristics.

These indicators of success have been accomplished not by chance but because of the principles built into this legislation. Governors and their SJTCCs have been given the authority to deal with the employment and training issues in their states and are making the most of this opportunity. This state leadership has spawned creative solutions to old problems, such as innovative approaches to serving at-risk youth and greater coordination between welfare programs and JTPA.

Moreover, local business leaders are guiding the training decisions of local programs to ensure that jobs are waiting for those completing training. These leaders are also lending their marketing expertise to training programs as well as personally advocating programs to their business colleagues. Private sector representatives have also underscored the principles of performance and accountability ingrained in the JTPA legislation. Their experience with the "return on the investment" concept has in no small way been instrumental with the exemplary results of JTPA.

The business presence and perspective have had other impacts on the local job training systems as well. One key result has been the forging of new relationships between education and job training organizations. Educational leaders have often seen the benefits of private sector support in gaining public acceptance of new programs. With business leadership guiding state and local job training councils, educational leaders are now realizing greater opportunities to develop new training programs for the JTPA participants. Education and job training are finding com-
mon ground in their mutual needs to devise training programs that meet the needs of those requiring a skilled workforce. Employer-specific training programs are jointly developed providing many disadvantaged persons with employment opportunities. Previously these persons were either passed over or could only look to temporary public service jobs.

Turf battles among job training organizations that were fostered in the past by competing Federally run programs have also been reduced or eliminated. State and local control have provided the opportunity and the incentive to resolve these turf battles. The Federal government's reduced influence over local programs has reduced the bureaucratic wedge so prevalent in the past. The demands for greater efficiency of resources and increased emphasis on performance by State and local councils have provided incentives to seek mutual agreements on roles and responsibilities.

Again, the private sector influence has been key to this increase in coordination and accountability. The business community has a keen interest in seeing that these programs run effectively. As documented by the Workforce 2000 research, training programs must work together now more than ever to assure a skilled workforce for the jobs of tomorrow.

The success of JTPA has been greatly enhanced by the sound economic recovery this nation has experienced this last seven years. Businesses have had more capital to expand and create jobs. And the economically disadvantaged have shared in this economic expansion right along with the rest of the nation as a result of the changes prompted by the implementation of JTPA.

III. CAN THE PARTNERSHIP BE STRENGTHENED?

Now that JTPA is entering its sixth year of operation, there are many sectors "itching" for change. This "six year itch" is particularly noticeable among some members of Congress. While no State or local operator would claim that JTPA is perfect,
most would agree that JTPA is as sound a design for a Federally funded employment and training program ever enacted. What are the issues facing JTPA at this time? And how can the private-public partnership be strengthened to expand on the successful foundation built in 1983?

**Who Should JTPA Be Serving?**

The first issue being raised by national policymakers is whom should JTPA programs be serving and are they serving them? Last spring, the Commission released a study entitled, *Who Is Served In JTPA Programs*, and testimony was presented to the Congress on our findings. The study observed that JTPA programs are doing a good job of serving those whom the Congress had intended. It noted that JTPA participants are coming from the lower income brackets of the JTPA eligible population and are serving two key groups that Congress had emphasized under the Act, welfare recipients and youth dropouts. The study noted some concern with respect to underservice to Hispanic males, but acknowledges that this may be in part due to a statistical limitation in the survey used, since there are high concentrations of Hispanics in certain geographic areas. More significantly, the study identified a problem with JTPA service levels to adult high school dropouts.

The Commission has taken action on several fronts regarding services to Hispanic males and adult high school dropouts. First, the Commission recommended to States and PICs that they review their emphases to these two groups. This point was stressed at a Commission-sponsored meeting of SJTCC chairs in March. With respect to the adult high school dropout service levels, the States communicated to the Commission that this has been an area of concern to them and have taken steps to close the gap. And there are signs of improvement. Recent data from the Job Training Quarterly Survey system for July through December of 1987 noted a four percent increase in the numbers of high school dropouts served by JTPA from the same time period in 1986. Regarding services to Hispanics, the Commission is
pursuing a special study which will fully explore the reasons for the low Hispanic male incidence levels in Title II-A.

Finally, the Commission testified to the Senate Subcommittee on Employment and Productivity that, while it is concerned about low incidence rates for adult high school dropouts, focusing exclusively on dropout data misses the real issue. That is, we need to be determining the basic skill levels of JTPA participants. The Commission’s recent technical assistance guide on basic skills testing was designed to provide guidance to the job training operators in choosing which testing approach would best meet their local situation. By providing the local policymakers with the tools to make informed decisions, they will be more apt to tackle this target group’s needs.

However, there are still many who want JTPA to direct more of its resources to: 1) those with multiple barriers to employment, such as drug addicts, teenage parents, or long-term welfare recipients with very large families; or 2) those who are chronically not participating in the labor force. These two groups are indeed what many would call “hard to serve” groups, but again, there must be caution in the federal government legislating whom local programs must serve.

For the JTPA eligibles who have multiple barriers, whose problems are so severe that employment is often a secondary problem, expecting PICs to shoulder the financial burden associated with these harder to serve individuals is not realistic. Much time and money must be spent if these individuals are to succeed. The Commission is aware that there are many examples of modest efforts by PICs to incorporate targeted programs to these harder to serve groups. However, the bottom line is that this needs to be a local decision based on an assessment of local priorities and resources, including dollars and available services. This encourages better efforts at coordinating the human resource programs in each local area.
Again, for those chronically "out of the labor force," Federal mandates to serve these individuals must be resisted. Research on those eligibles who are "not in the labor force" demonstrated that the vast majority of these eligibles are not interested in employment, nor are they in many cases appropriate targets for employment and training programs. For example, 80% of these JTPA eligibles, as identified to surveyors, stated that they are not interested in employment because they are either retired, had health problems, were in school, or were responsible for housekeeping or child care duties. The remaining "not in the labor force" eligibles do include discouraged workers and women who want to work but have child care or other housekeeping responsibilities. These are appropriate target groups for JTPA programs, and there is evidence, once again, that local programs are serving individuals from these groups. The Commission's study, Who Is Served In JTPA Programs, does point out that 22% of those served by JTPA programs are coming from the "not in the labor force" ranks.

There are other issues being raised related to whom JTPA should be serving. Should the allocation formula be changed? How many individuals should be served at a given budget level? Should the Act be amended to allow more non-economically disadvantaged persons to be served? To all of these questions, one answer comes forward -- there are no good reasons to change the basic structure of JTPA at this time. The current allocation formula appropriately takes into account unemployment and poverty statistics. Suggestions to redefine the balance between these two dimensions will accomplish little other than pit one deserving area of the country against another. Greater funding stability, a concern to all areas of the country, was accomplished for both the local and State levels with the JTPA amendments of 1986. With the possible exception of the Summer Youth Employment and Training Program, to change now the way JTPA dollars are to be distributed would create more hardship than help.

For the Federal government to tell the local programs how much they should spend on any given individual makes no sense. The current process of allowing States and
locals to develop cost standards within the Federal performance standards rules is appropriate and necessary. Any further encroachment on State and local authority is unwarranted. The Federal policymakers should direct their efforts to 1) providing better technical assistance on adjustments to the cost standards for serving harder to serve individuals, 2) encouraging States to de-emphasize cost standards in the awarding of incentive funds, or 3) promoting exemplary models of cost effective programs targeted at these special populations. However, they should not intrude on the State and local authority to establish and run programs that best meet their priorities. Only State and local leaders can bring about the greater coordination of all human resource programs in their area, and only they can make the determination of what will best work in their communities.

Finally, suggestions have been made to expand the allowable percent of non-economically disadvantaged persons that can be served by local JTPA programs. This again raises the issue for whom this Act is intended to serve. The Commission believes the authors of JTPA rightfully targeted the vast majority of services to the economically disadvantaged. The Commission further believes that JTPA should maintain its focus on the poorest of the eligible population.

Also, in reviewing the characteristic data for Program Years 1984 through 1986, it does not appear that the current 10% flexibility was fully utilized. These data indicate that the percent of those enrolled in JTPA who were economically disadvantaged has ranged from 92% to 93%, suggesting that States and locals also want to remain focused on the poorest of the eligible population.

**What Services Should Be Provided?**

Turning from issues of "who should be served" to "what services should JTPA program operators be providing to their participants," one sees similar signs of Federal encroachment. Should legislation limit the types of services States and locals can provide with JTPA resources? Should remediation services be mandated.
for every JTPA participant? Should allowances and stipends and/or other supportive services be expanded? All of these questions should be answered with an unqualified "no!" The Act as currently designed gives the tools and flexibility to the States and locals to design the programs that best meet their specific needs.

Current data show a trend by States and PICs to more intensive services while at the same time maintaining quality performance. The Commission has long since noted in its comprehensive review of JTPA, that support of pilot and demonstration projects and proactive technical assistance would be more effective at encouraging services to the harder to serve groups than mandated specific programs to local areas. The role of the Federal government should be to expand the tools available to States and PICs, not to narrowly prescribe which tool must be used for a particular situation or client. The Commission has done this through our research papers on basic skill testing options, coordination practices, and uses of set aside funds. The Department of Labor has seen similar results from its promotion of successful pilot programs for at-risk youth.

Should JTPA direct more resources to allowable supportive service costs? The authors of the Act made a fundamental choice that JTPA should be a training program and not an income maintenance program. Although they did allow for limited resources to be directed to supportive services, allowances and stipends, Congress clearly wanted dollars directed at allowable training activities. The Commission has reviewed the evaluation literature carefully to determine whether the Act's limitations on needs-based payments and/or supportive services have resulted in undesirable restrictions on services to the most disadvantaged. It is the Commission's considered judgment that there is ample provision for waivers in the existing legislation. These waivers permit any SDA that wishes to serve a more disadvantaged clientele the needed supportive services and/or needs-based payments to achieve that end.
The issues relating to whom should be served by JTPA programs and how should States and locals serve JTPA participants seem to revolve around a single question -- are State and local policymakers better equipped to judge the needs of their communities than the Federal government? The Commission feels the President and the authors of the Act knew the answer when they designed JTPA. They provided: 1) the direction as to whom should be served, 2) the flexibility in the types of services that could be delivered, and 3) the ultimate decision making authority to those who would be in the best position to know the needs of their community - State and local citizens. In return, the leaders of this legislation required performance and accountability, no more and no less.

Are Changes In JTPA Management Needed?

The centerpiece to evaluating the effectiveness of local programs is the performance standards system. Many have charged that standards, not local control, have directed JTPA resources away from serving the harder to serve groups. Are performance standards having the unintended effect of encouraging services to more job-ready individuals? What have been the effects of performance standards on who is being served, the costs of services, and/or the types of services provided? The Commission was mandated to study these and other related performance standards issues by the Congress.

The Commission has just completed the most thorough assessment of the performance standards system under JTPA. Insights gained from this comprehensive analysis call for actions from national, state, and local policymakers and are not limited to just performance standards issues, but include the larger performance management system. With respect to performance standards, as is evident throughout the structure of JTPA, the Act balances legislative and Federal objectives for the program with local discretion designed to allow the programs to meet local needs.
Probably more than any other vehicle, performance standards have been used to communicate national policy in JTPA programs. Sometimes these signals, transmitted through the choice of performance measures and levels of national standards have not always been clear to State and local program managers. Based on Commission research, recommendations were made that the Department of Labor clearly articulate policy objectives for JTPA programs apart from performance standards, and that the Department delineate clearly the State's role in promoting such objectives. This recommendation was based on the belief that performance standards should reinforce policy, not establish it.

For the most part, this research shows that the States and PICs have a fairly good understanding of the performance standards system, but there is still a clear need for improved technical assistance. Specifically, the Commission is recommending that future technical assistance efforts be focused on improving programs and developing innovative strategies which promote long-term employment of the harder to serve individuals. Such strategies may include those discussed in a recent Commission research paper, Using Performance Management to Encourage Services to Hard-to-Serve Individuals in JTPA. This study, as well as others, suggests utilizing incentive approaches rather than (or in addition to) the current "hold harmless" approach used in adjustment models.

There are many other observations and recommendations that the Commission will be promoting from this research. But the themes of these action steps are to give the States and local policymakers clear policy guidance and adequate tools to manage their programs. This allows the intended balance of Federal objectives and local discretion to work harmoniously and effectively.

**Should JTPA Be More Coordinated With Other Programs?**

The authors of JTPA recognized that, to be effective, JTPA programs could not operate in a vacuum, but must work in concert with other human resource develop-
ment efforts. Many provisions in the Act were explicitly included to improve coordination. Last year the Commission supported a major review of coordination practices among the JTPA and other entities to see how this aspect of program management has fared. The research conducted by the National Alliance of Business stated that "overall results suggest that the JTPA system, as it matures, is building on past relationships with other programs in order to provide more and higher quality services to structurally unemployed individuals than in the past. The increasing receptiveness of the JTPA system to working with other programs is an encouraging sign that headway, indeed, is being made toward developing a more rational and effective approach to improving the skill levels of our nation's current and future workforce." This report also points out "while it is not possible to legislate the trust that is the heart of all successful coordination, there are some barriers that can be removed by State and local policy or operating procedures."

The Commission recognizes that coordination - no matter how emphatic the rhetorical exhortations become - usually depends upon the impetus of one or two strong personalities who support the goal and an awareness by all parties that coordination will result in mutual benefits. The Commission has supported the removal of any legal or administrative impediments (e.g., local welfare program income requirements that count OJT training wages as income in determining eligibility for public assistance) to joint program efforts. Many of these barriers reflect State and local laws and the responsibility must therefore rest at those levels. It was stressed in the comprehensive review of JTPA that work needs to be done at the Federal level to remove laws or regulations which are barriers to coordination. Finally, the Commission recommended to Congress that similar coordination language to that found in JTPA needs to be added to other employment and training legislation. Mutual requirements for coordination do more to accomplish that end than do "one-way" mandates under JTPA.

What are the best and most flexible administrative devices to achieve linkages? There probably is no one right answer for all areas of this diverse nation. In our past
research, outstanding efforts have been observed between JTPA and welfare programs, between JTPA and education, and between JTPA and economic development efforts. However, technical assistance should be provided as to what seems to work for certain areas and what does not for others. The Commission is committed to continuing its role of promoting greater coordination by researching exemplary models. Currently, the Commission is investigating the role of the SJTCC in improving coordination efforts in their respective states. There are many success stories of the SJTCC acting as a catalyst for change and innovative program coordination. This report will share the inroads that these states have made so that other states may be aided in their similar pursuit of greater efficiency across human resource programs.

IV. BROADENING THE PRIVATE-PUBLIC PARTNERSHIP

The success of the Job Training Partnership Act programs has in large part been a reflection of the revitalization of the American economy. JTPA has also been a testimony to the way government programs need to be designed in order to flourish. The achievements of JTPA are the achievements of State and local citizens who know what is best for their community. Federalism and private sector involvement are the trademarks of an effective strategy which gives the taxpayers a return on their investment. It is also a winning formula for over two million disadvantaged persons who have received their own dividends - unsubsidized jobs.

Just as it is imperative that the recipe for economic well being of our nation must be maintained, the ingredients of this private-public partnership must be kept in order to assure continued hope for the thousands of economically disadvantaged persons who want a better life for themselves. The Commission will continue its part in providing relevant, supportive technical assistance so that State and local leaders can have the best possible tools and information to make their decisions.

Already on the Commission’s research agenda are projects aimed at assessing the various computer assisted instruction systems, reviewing state strategies in address-
The Commission's research will continue to keep a watchful eye on the principles which were instrumental in enacting JTPA, the new Worker Adjustment Assistance Program, and others. These principles of Federalism, private sector involvement and accountability will be used as benchmarks to judge the results of these programs as well as new programs emerging from Congress, such as welfare reform. These principles offer a proven equation for success that should be promoted for each and every new legislative effort related to employment and training programs.

The question before the policymakers now should not be "how should we change this winning formula?" but "how can we strengthen it?" State and local councils should seek every opportunity to expand their role in coordinating all employment and training programs. The Commission will actively work to expand its research and information on successful coordination ventures so that State and local councils are better equipped to take on a more expanded role. Not because JTPA is a better program than any other, but because the private-public partnership and local control within a framework of accountability are the key elements in effectively achieving program successes far beyond any other strategy. The results to date suggest that an investment in strengthening this partnership will continue to yield dividends for millions of disadvantaged youth and adults.