A number of findings and recommendations regarding the mission of Private Industry Councils (PICs) under the Job Training Partnership Act (JTPA) were developed based on information collected in several ways: a focus group of PICs, roundtable discussions held nationwide with staff from nearly 100 PICs in 45 states, and canvasses of more than 200 randomly selected PIC chairpersons and of more than 1,000 local Chambers of Commerce. Among the 19 recommendations that emerged from the study were the following: (1) PICs should focus more attention on training for jobs with well-defined career ladders and transferable skills; (2) PICs should increase awareness of their services to other businesses and encourage them to become involved; (3) the U.S. government should clarify the PIC regulations to simplify accounting procedures; (4) PIC staff and volunteers need more training and more up-to-date training materials; (5) PICs should try to obtain a mix of members from various industries; and (6) the Department of Labor should increase the visibility of PICs. (Appendixes, which make up half the report, include the data and discussions from the focus groups and interviews. Contains 45 references.) (KC)
PRIVATE INDUSTRY COUNCILS: Examining Their Mission Under the Job Training Partnership Act

SPECIAL REPORT
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PRIVATE INDUSTRY COUNCILS: Examining Their Mission Under the Job Training Partnership Act

SPECIAL REPORT NUMBER 35

March 1993

NATIONAL COMMISSION FOR EMPLOYMENT POLICY
To the President and the Congress of the United States:

On behalf of the National Commission for Employment Policy, I am pleased to submit this report of findings and recommendation on the effectiveness of the Nation’s Private Industry Councils in overseeing employment and training programs under the Job Training Partnership Act (JTPA). The study began in the summer of 1990 and was concluded in the fall of 1992.

When JTPA was enacted in 1982, the Private Industry Councils, along with local elected officials, became partners in the management of employment and training services at the local level. During the early years of JTPA, the Councils had little experience which could guide them in carrying out their responsibilities. The federal government intentionally offered little guidance, because local responsibility and flexibility was a hallmark of JTPA. Over the years the states began providing technical assistance to local areas and several national and local organizations began developing and disseminating information on the Council’s roles and responsibilities.

As a result of this history, local administration of JTPA programs has evolved in different ways among and within the states. The Councils vary considerably in the extent to which they have exercised their responsibilities in the management and oversight of JTPA programs.

Even though the Private Industry Councils received little guidance, the Commission found that the private sector’s involvement in the Nation’s largest job training program has become firmly established. In most localities, private sector oversight has become a routine part of JTPA administration.

The Councils have proven themselves to be motivated to do their jobs well and when directly involved in JTPA administration, they have produced improvements in program outcomes. Although there have been instances of poor quality management, these cases are not representative of the JTPA system as a whole.

Nevertheless, the Commission believes that there is still considerable room for improvement. Many Private Industry Councils remain uncertain regarding their rights and precise roles and responsibilities. There’s also room for improvement in the relationship between the state and local levels; in particular, there is a need for increased coordination between the PICs and the State Job Training Coordinating Councils.
As this project was being completed, the U.S. Congress passed and the President signed into law the first major set of amendments to JTPA -- the Job Training Reform Amendments of 1992. Several elements of these amendments will directly affect the ways in which the Private Industry Councils seek to improve the employment and earnings prospects of disadvantaged workers.

The 1992 Job Training Reform Amendments have addressed some of the concerns that emerged as a result of this Commission project. However, an implication of other findings in this report is that in some areas the amendments may have unintended adverse consequences for the system. Accordingly, the report suggests ways both to build on the likely positive changes the amendments will bring to the administration of JTPA and to lessen possible unintended adverse effects. It also suggests areas where careful monitoring of the impact of the amendments on JTPA operations would be important.

The emphasis of the report is on practical matters. The recommendations are intended to assist the Private Industry Councils -- and their private sector members -- in maximizing their effectiveness. The Councils' goal, and that of all partners in the employment and training system, is to help individuals receiving welfare assistance, and the economically disadvantaged in general, so they can acquire the training and other services necessary to improve their labor market prospects.

JOHN C. GARTLAND
Chairman
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PRIVATE INDUSTRY COUNCILS:
Examining Their Mission
Under the Job Training Partnership Act

COMMISSION FINDINGS AND RECOMMENDATIONS
COMMISSION FINDINGS AND RECOMMENDATIONS

Introduction

When the Job Training Partnership Act (JTPA) was enacted in 1982, local Private Industry Councils (PICs) were given responsibility for providing policy guidance to the programs and overseeing their performance, including the labor market outcomes of program participants and the uses of JTPA funds. Thus, the Act made the private sector the foundation of the Private Industry Councils.

The Commission presents below its findings on the effectiveness of Private Industry Councils in achieving their mission and its recommendations for ways the Councils—by themselves and also in cooperation with other organizations within the JTPA administrative structure—can improve the employment and training system.

After this Commission project on Private Industry Councils was well underway, two events occurred that influenced the direction of these recommendations. First, proposals were introduced by President George Bush and also within the U.S. Senate that would give Private Industry Councils responsibilities for employment and training programs in addition to those funded under JTPA. Second, the Job Training Reform Amendments of 1992, which made major changes in the existing programs, were enacted.

With these events in mind, the Commission has sought to achieve two goals through its recommendations. The first is to insure that the intent of the 1992 Reform Amendments is achieved and, simultaneously, that the important elements of local flexibility and control, and private sector involvement— inherent in the original Act— are retained. The second and longer term goal is to assist the JTPA system so that the private sector, in partnership with the public sector, can assume the greater responsibilities that seem to be emerging on the horizon.

The findings and recommendations are based on information collected in several ways. The Commission sponsored a Focus Group meeting of members of the National Association of Private Industry Councils (NAPIC). This meeting was followed by a series of roundtable discussions, held nationwide, with PIC Chairs, members, and staff from almost 100 PICs in 45 states. These roundtables gave the Commission important insights into the practical issues involved in overseeing and administering JTPA programs at the local level.

The Commission also sponsored canvasses of over 200 randomly selected Chairs of Private Industry Councils and of over 1,000 local Chambers of Commerce. The purpose of these canvasses was to ascertain in a structured form the private views of Chairs and local business representatives regarding the effectiveness of the Councils and of the private sector's involvement in the Councils' activities. Further, the Commission sponsored a study of the relationships between Private Industry Councils and their State Job Training Coordinating Councils (SJTCs). Finally, the Commission sponsored a new empirical analysis of the effects on program outcomes of both the Councils' policies and their administrative role.
Four sets of recommendations are given below. The first set concerns the "Roles and Responsibilities of PICs." The second set, "Orientation and Training for PIC Chairs and Members," focuses on the use of the "National Training Network," established under the 1992 Job Training Reform Amendments, to provide increased training to Chairs and members. The third set, "Program Coordination" addresses the need for enhanced coordination among human resource programs and improved working relationships between the PICs and their SJTCCs. The final set of recommendations, "PIC Membership," concerns the continuity and composition of the Councils.

Roles and Responsibilities of PICs

JTPA intended that the training programs be both designed and administered locally; thus local authorities -- PICs and local elected officials -- were assigned the greatest degree of responsibility. The law intended PICs to be partners in all decisions about the content and management of the local job training programs. JTPA requires a PIC's approval, not only of the SDA's biennial Job Training Plan, but also of the process for the plan's development.

There were two primary reasons why JTPA gave PICs a prominent role in the oversight of JTPA programs. One was to bring a "bottom line" orientation to the training in both programmatic and fiscal terms -- private sector representatives on PICs know more about the skill requirements of local employers and how to effectively train participants to meet those needs.

A second key reason was that private sector PIC members were expected to actively promote the programs among other members of the private sector. This was to be accomplished either directly, by their companies' training and/or hiring participants, or indirectly, by the members "spreading the word" about the program within the local business community.

In general, the goal of establishing a public/private partnership in JTPA program management and oversight at the local level has been achieved. The role of Private Industry Councils in federal employment and training programs has become institutionalized. When considered nationwide, working relationships between the Private Industry Councils and local elected officials have become established and private sector oversight has become a routine part of JTPA administration. The Commission believes that the Councils have demonstrated that they are motivated to carry out their responsibilities.

Also overall, the Councils have had a constructive and positive influence on achieving increases over time in the proportions of economically disadvantaged adults who are placed in jobs after completing training (programs funded under JTPA Title II). They have been less successful, however, in achieving increases over time in the wage rates at program termination of these adult participants who obtain jobs.

One way program performance can be improved is through increases in the provision of on-the-job training and in direct placement assistance for those adults who have completed the training. The U.S. Department of Labor's "National JTPA Study," as well as studies by the National Commission for Employment Policy, demonstrate that on-the-job training (OJT) is associated with increased earnings of participants during at least the first year after they have left the program. Direct placement assistance is also associated with increases in the post-program earnings of JTPA participants.

RECOMMENDATION 1: The Commission recommends that, while Private Industry Councils currently focus on job opportunities with sufficient earnings, more attention needs to be paid to training for jobs with well-defined
career ladders and specific skills that are transferable to a variety of job clusters.

**RECOMMENDATION 2:** The Commission recommends that the private sector PIC members use their unique position to increase awareness within the business sector of the advantages and importance to employers becoming involved in training and/or hiring program participants.

Recognizing that localities would vary in the particular management structures and programs that were appropriate to their circumstances, the law intentionally gave to SDAs flexibility in the design, selection, and administration of the training activities. One way in which SDAs have used their local flexibility regarding JTPA administration and oversight is in their decisions concerning program management.

The Commission has found that local management and oversight of JTPA programs -- including the Private Industry Councils -- has evolved unevenly. A "snapshot" of Private Industry Councils reveals a wide variety of administrative arrangements across the approximately 650 JTPA Service Delivery Areas throughout the Nation.

At one extreme, some Councils are very knowledgeable about JTPA programs and are very actively involved in their management and oversight. For example, some localities have determined that the Private Industry Councils should incorporate and thereby be both grant recipient and administrative entity; in other localities, the local elected official is the grant recipient, while the Private Industry Council administers the programs; and in still other localities, the Private Industry Council is actively involved, but does not have direct administrative program responsibilities. At the other extreme, there are Councils that have largely entrusted their responsibilities to their SDA staff.

However, the Commission has also found that total reliance on a snapshot view of PICs' involvement and effectiveness would be misleading. The extent and type of their involvement have varied over the years as the program has matured, responsibilities have changed, Council members have gained experience with their roles, and PIC membership has changed.

Over half of the Private Industry Councils have become incorporated as a non-profit organization under 501(c)(3) of the Internal Revenue Service tax code, although for different reasons. For example, incorporation has enabled the Councils to protect members from liability and also to more easily raise funds from non-JTPA sources since donations under the code are tax deductible. From an operational standpoint, incorporation also enabled some Councils to become more assertive and politically independent. Incorporation has provided them with more authority and enabled them to administer programs with their own staffs. However, the Commission recognizes that incorporation does not necessarily lead to active involvement and political independence; rather, active and independent PICs may decide to incorporate.

Moreover, Private Industry Councils can exert their influence over program policies and operations regardless of their incorporation status or role in the SDA's administrative structure. Areas in which Private Industry Councils can exert their influence include: selection of service providers; types of program services offered; types and terms of contracts used; the types of clients enrolled; and performance outcomes.

Therefore, the Commission believes that the relevant provisions of JTPA which give Private Industry Councils the flexibility and authority to decide whether or not to incorporate, and thereby become the grant recipient and/or administrative entity, should be retained in any further amendments.
RECOMMENDATION 3: Private Industry Councils should assess the extent to which they are exercising their rights and responsibilities under JTPA. They should be as actively involved in managing JTPA programs as possible within the law. This may mean that some PICs should become incorporated and thereby become the administrative entity and/or the grant recipient. It may also mean that PICs should assert themselves by becoming more actively involved in the development of the SDA’s Job Training Plan, in any modifications to the Plan, and in assessments of the Plan’s implications for participants’ post-program outcomes. The Private Industry Councils should also recognize that they need to go beyond the outlines of the JTPA planning guidelines to attain their potential as leaders in workforce development in their communities.

Maintaining the fiscal integrity of the JTPA programs is a critical role of all partners in the JTPA system: the U.S. Department of Labor, the states, the SJTCCs, local elected officials, and the Private Industry Councils. By doing so, they help preserve the public’s confidence in the programs.

The 1992 Amendments to JTPA have sought to improve the program’s fiscal integrity. The types of activities permitted within each of three cost categories have been defined precisely. The provisions to be included in on-the-job training contracts have been specified; and areas where minimum standards for fiscal controls are to be developed by the U.S. Secretary of Labor and implemented by the Governors have been listed.

The reasons for these particular amendments stemmed from reports of the U.S. General Accounting Office and the Office of Inspector General, U.S. Department of Labor. Such reports resulted in articles in the popular media that were highly critical of JTPA programs in general. While these reports indicate that there were instances where JTPA funds were not being used properly, or the use of funds was not fully documented, this does not appear to be the case system wide.

It is the Councils and local elected officials who are key to maintaining JTPA’s fiscal integrity and who are most affected by the paperwork burden that can result from the need to document carefully the use of government funds. PICs in particular must not only comply with all regulations, but also they must overcome the reticence of the private sector in becoming involved with government bureaucracy when recruiting new members. In addition, because PIC members are expected to advertise JTPA programs within the business community, they face the practical issue of maintaining employers’ interest in training and hiring program participants by keeping their paperwork burden to a minimum.

RECOMMENDATION 4: The U.S. Department of Labor should write the regulations regarding Fiscal Controls, as mandated in the 1992 Reform amendments, in a fashion that is articulate and understandable to the Private Industry Council members who will be responsible for their implementation.

The intent of the following recommendation is to reinforce the importance of Private Industry Councils becoming fully informed of JTPA program activities in their Service Delivery Areas. It is not expected that PICs become involved in the day-to-day management of the programs. Instead, their role is to establish clear policies and guidelines as to the appropriate uses of JTPA funds and contracting procedures.

RECOMMENDATION 5: The Private Industry Councils should increase their oversight and monitoring of procurement and contracting practices, especially on-the-job training contracts. In the process of oversight and
monitoring, the Councils need to be cognizant of the importance of both protecting the fiscal integrity of the funds and insuring that program participants receive the training necessary to improve their employment and earnings. At the same time, the necessary terms and conditions of contracts, and associated regulations, should be written in such a fashion that will not discourage employers who may be willing to train and/or hire program participants.

The Commission applauds the Job Training Reform Amendments of 1992 for stating: "no grantee, contractor, subgrantee, or subcontractor shall engage in any conflict of interest, actual or apparent, in the selection, award, and administration of a contract or grant under this act." However, the issue of what constitutes conflict of interest is not addressed in the amendments. The potential exists for conflict of interest due to the unique nature of the composition of Private Industry Councils. Councils are comprised of individuals who not only provide policy guidance and oversight to the JTPA system, but who also could benefit from JTPA programs as providers of training services.

Private Industry Councils have recognized the potential for conflicts of interest and have developed various methods for overcoming this problem. While they have established by-laws and codes of ethics, and have allowed members to abstain from voting when there are perceptions of conflicts of interest, the Councils are not fully confident that these actions have been sufficient.

RECOMMENDATION 6: The U.S. Department of Labor should provide clear and precise guidelines as to exactly what constitutes a conflict of interest among Private Industry Council members and staff and ways in which the Private Industry Councils should handle such problems when they arise. These guidelines should include as comprehensive a listing as possible of specific examples of those activities the Department would interpret to be a conflict of interest as well as those activities that would not be construed as a conflict of interest.

Orientation and Training for PIC Chairs and Members

Since JTPA was enacted, there has been no systematic and on-going effort to train PICs nationwide. The states were expected to assume major responsibility for the provision of technical assistance to SDAs and their Private Industry Councils. The law envisioned little direct intervention by the federal government. As a result, the U.S. Department of Labor purposefully issued few regulations and guidance memoranda and did not view the training of PIC members as a national priority for JTPA.

Private Industry Council Chairs and members report that they need more orientation and training to carry out their roles and responsibilities. It was noted by several attendees at the Commission-sponsored roundtables that some of the Councils are not providing adequate policy guidance and oversight for JTPA programs due to the lack of orientation and training for Chairs and members as to their major responsibilities in this area.

While there are a variety of training materials available to Council members, the usefulness of these materials is often limited: they are not always timely; Council members may not know about them or have access to them; and, their usefulness has become somewhat outdated due to the 1992 Amendments. The documents that are available are often more general and...
theoretical than specific and concrete since they were intended for a broad audience rather than targeted specifically for PIC members.

The Job Training Reform Amendments of 1992 have addressed this problem. The amendments require that the Secretary of the U.S. Department of Labor establish a national "Capacity Building and Information and Dissemination Network." Among the purposes of the Network is to provide broad human services policy and planning training to PIC volunteers and members of State Councils, where appropriate. This is to be accomplished through direct training and the dissemination of information on successful programs and on model planning, procurement, and contracting practices.

RECOMMENDATION 7: The Commission recommends that the U.S. Department of Labor use the "National Training Network" (established under the 1992 Reform Amendments), to provide increased training, and clear guidance, to PIC Chairs and members on the role and responsibilities of the Councils. This training should be available to new PIC Chairs and members and provided on an on-going basis, as needed, due to changes in laws, regulations, and policies.

Both the content of, and delivery method for, the orientation and training are important. The training should contain core information that is relevant to all Private Industry Councils. To the extent possible, the training should be tailored to incorporate the diversity of local labor markets.

RECOMMENDATION 8: The Commission further recommends that orientation and training be provided in the following "core" areas to enable members to carry out their roles and responsibilities under the Act and the 1992 Amendments:

(a) **Federal, state, and local responsibilities.** For example: an overview of the functions of the three levels of government and the interrelationship of these functions in administering JTPA.

(b) **Activities of, and goals for, program participants.** For example: the PIC's rights and responsibilities regarding policy guidance, oversight and monitoring in such areas as the development and implementation of the Job Training Plan, the performance standards system, types of clients served, training offered, and services used.

(c) **Fiscal integrity of programs and allowable activities.** For example: the PIC's rights and responsibilities regarding procurement policies; proper use of funds among the allowable cost categories (administration, direct training, and training-related activities); and conflict of interest issues.

(d) **Local coordination with education and other human services agencies.** For example: the PIC's responsibilities regarding mandated linkages and referrals to education and other employment and training programs.

(e) **Specific state policies, practices and regulations.** For example: the role and responsibilities of the SJTCC (or Human Resource Investment Council), state incentive policies, laws affecting PICs' incorporation; regulations regarding fiscal controls; and use of the state's set-aside...
programs, such as the eight-percent set-aside for education and training coordination grants.

Additional areas in which information should be provided include:

(a) Particulars on incorporating and becoming the grant recipient and administrative entity.

(b) Marketing JTPA programs and services (such as on-the-job training, job development and placement activities).

(c) Marketing of the Private Industry Council in the local community.

(d) Improving program performance.

(e) Effective training and placement strategies for different participant groups.

(f) Strategies to facilitate improved coordination with other human resource programs.

RECOMMENDATION 9: The Commission recommends that for all of the above, Private Industry Council members be provided up-to-date materials presented in a non-technical style. These materials should be readily accessible and include information on the full range of technical assistance and training services available to the Councils from the U.S. Department of Labor, the states, the National Association of Private Industry Councils, the National Alliance of Business, and other organizations. All training materials should be disseminated to new members in a timely and systematic fashion and to all members as needed when there are changes in the law, or in federal or state regulations or policies.

RECOMMENDATION 10: In both developing and providing orientation and training materials, seminars, conferences, et cetera, the U.S. Department of Labor should work in close cooperation with private sector members who are knowledgeable of PIC members' needs. The Department should also work closely with the states to insure that Private Industry Council Chairs and members are fully informed of state policies and programs.

RECOMMENDATION 11: The Private Industry Councils should take full advantage of all opportunities for technical assistance in these matters offered to them by the U.S. Department of Labor, by their state, or by national or other organizations.

The Reform Amendments also authorize Governors to use up to 33 percent of the 5 percent allotted to the state for incentive grants for training of PIC members and PIC/SDA staff.

RECOMMENDATION 12: The Commission recommends that the states use the 33 percent of the 5 percent funds available to them under the 1992 Reform Amendments to provide training to Private Industry Council members and staff. The training should be tailored to the particular ways each state is implementing the Reform Amendments and other provisions of the law, as well as to the special needs of individual SDAs and PICs.
Program Coordination

The 1992 Amendments to JTPA promote coordination among employment and training related programs and require that the Private Industry Councils have a major role in these efforts. Coordination benefits the employment and training system by providing more effective and efficient services and assists trainees by providing a comprehensive, client-oriented service delivery system that meets multiple needs.

Prior to the amendments, many Councils had already established lines of communication and coordinated programs with other agencies involved in employment and training activities, as documented in the 1991 Commission report, Coordinating Federal Assistance Programs for the Economically Disadvantaged: Recommendations and Background Materials. All states had initiated at least some efforts to improve coordination among the different federal and state public assistance programs in order to increase client access and improve program administration. Nevertheless, budget constraints at all levels of government will require even greater efforts to improve coordination among public employment and training agencies and programs.

To further coordination, the Job Training Reform Amendments of 1992 mandated linkages at the local level with other education and employment and training programs. In addition, applicants to JTPA who do not meet JTPA's eligibility requirements are to be referred to other appropriate programs and that referral is to be documented.

The 1992 Amendments also offer states the option of establishing Human Resource Investment Councils (HRICs), which would replace the State Job Training Coordinating Councils that currently exist. The Commission recommended establishing such councils in 1991 as part of its report on program coordination, cited above.

These new councils would have responsibilities for programs in addition to those under the Job Training Partnership Act. A primary function would be to promote coordination of federal employment and training programs within their state. At least one member of a Private Industry Council is to be on this new council.

RECOMMENDATION 13: The Commission recommends that the U.S. Department of Labor work with other federal agencies to provide additional information and technical assistance to the states and local governments to extend the level of coordination that exists within the employment and training system. These efforts are especially important given the emphasis the 1992 Amendments place on coordination and integrated services at the state and local levels.

RECOMMENDATION 14: The Commission recommends that Governors establish their existing State Job Training Coordinating Councils as "Human Resource Investment Councils" (as permitted in the 1992 Amendments to JTPA) to foster coordinated program approaches in such key functions as planning, operations, and oversight.

Both the original Act and the 1992 Reform Amendments are silent on the expected relationship between the PIC and the SJTCC. Nevertheless, from a practical standpoint, it would be reasonable to expect that the two councils would work together when it would be to their mutual benefit. The Private Industry Councils are the major administrative structure at the local level for delivering JTPA programs. The State Job Training Coordinating Council is responsible for developing the state's two-year JTPA plan, which draws from all local PIC plans.
Greater leadership is needed at the state level to improve the working relationship between the two councils. There seems to be a perception gap between the SJTCCs and the PICs as to their respective roles and relationship. In particular, while the majority of SJTCCs view the PICs as an integral partner in the JTPA program, the PICs do not systematically view the SJTCCs in a similar fashion, nor do all Private Industry Councils believe that the policy recommendations the State Councils make to the Governor are based on consideration of this partnership.

RECOMMENDATION 15: The Commission recommends that Governors provide more leadership by increasing their involvement with JTPA programs. They should assure that the State Councils understand the importance of working cooperatively with Private Industry Councils. Governors should provide technical assistance and guidance to the State Councils regarding ways to improve working relationships between the State Council and the state's local Private Industry Councils. The goal of improved working relationships would be to enhance the JTPA programs in such areas as marketing them to the private sector, identifying training needs in the communities, and solving programmatic and coordination problems that may occur with other human resource providers at the local level.

PIC Membership

The Commission recognizes that the size and composition of a Private Industry Council depends, in part, on the characteristics of the area served and local labor market needs. The Commission believes it is desirable, however, that the Councils have a broad mix of members that are representative of the communities the Councils serve, including both high level executives who can be instrumental in providing their firms' resources and mid-level managers who have the time and interest to devote to the boards.

RECOMMENDATION 16: The Commission recommends that Private Industry Councils should try to attain a mix of members that broadly represents the communities that they serve, including members from both small and large employers who are high level and mid-management officials.

The Commission is aware that continuity of membership on the Private Industry Councils is important to their effectiveness in carrying out their respective roles and responsibilities. Central to the issue of length of members' terms are that terms should be long enough to allow time for members to gain experience in their job.

RECOMMENDATION 17: Within the flexibility that the Councils have in setting the length of their members' terms, the Commission recommends that the Councils consider establishing terms of sufficient length to enable members to gain experience.

The law requires that a minimum of 51 percent of the Private Industry Council's membership be comprised of private sector representatives. While there is general satisfaction with this requirement, the Commission is recommending, below, that Private Industry Councils increase the percentage above the 51 percent figure to improve the likelihood that the private sector will have a majority at PIC meetings when all private sector members are unable to attend.

RECOMMENDATION 18: The Commission recommends that the PICs consider increasing the percentage of private sector representatives above the 51 percent required in the law.
The Commission found that in a few instances Private Industry Councils have difficulty recruiting the types of individuals they would like to serve on the Councils, including individuals from large employers. One reason for this difficulty is the low profile of PICs in some communities due to a lack of marketing of the Council’s services. The large geographical areas served by some Private Industry Councils also contribute to recruiting problems since it requires a substantial investment in travel time for members to attend Council meetings.

The Commission believes it is desirable that all business people have an opportunity to be considered for membership on the Councils and that recruitment of members should not be limited to any one particular business organization. In addition to using various business organizations (such as the Chambers of Commerce) to recruit members, some Councils have undertaken extensive marketing campaigns to raise their level of visibility within their respective communities.

The Commission found that Private Industry Council members are recruited in several ways. While local Chambers are a major potential source for the recruitment of PIC members, only 30 percent of the Chambers inform the business community about PIC activities. Also, of those Chambers that have members serving on the Councils, only 40 percent inform business about PIC activities. Fewer than 10 percent of PICs report that their members are recruited by local elected officials; and less than a quarter of PICs are very involved in recruiting new members.

RECOMMENDATION 19: The U.S. Department of Labor, using the resources of the National Association of Private Industry Councils (NAPIC) and other such organizations, should provide technical assistance to increase the visibility of the Councils within their communities so as to improve their ability to recruit new members.
ENDNOTES


PRIVATE INDUSTRY COUNCILS:
Examining Their Mission
Under the Job Training Partnership Act

BACKGROUND REPORT
PREFACE

The National Commission for Employment Policy began this project on Private Industry Councils in August 1990 when the Commission sponsored a Focus Group Meeting with the members of the National Association of Private Industry Councils (NAPIC). This meeting set the stage for the development of the topics that formed the organizational basis for research the Commission subsequently conducted and for this report. Appendix A presents the issues that were discussed at the meeting and the NAPIC Board members who participated.

To obtain information from those individuals who have the practical responsibilities for overseeing the JTPA programs, the Commission held a series of roundtable discussions across the country with Chairs and members of the Private Industry Councils. These roundtables gave the Commission important insights into the day-to-day issues that Private Industry Councils face. The Council members showed clearly their commitment to assisting persons receiving welfare as well as other economically disadvantaged youth and adults. They dispelled misconceptions about the overall management of JTPA programs that had been created by the wide-spread publicity of a few examples of a lack of proper management and oversight.

The Chair and members of the Subcommittee on Employment Opportunities, U.S. House of Representatives, were active participants in several of these roundtables. Appendix B lists the over 200 participants of the 10 roundtables; Appendix C contains a summary of points that were discussed.

The Commission also sponsored several research activities to obtain information on how the Councils carry out their roles and responsibilities, the private sector's involvement with Private Industry Councils, and the relationship between the Councils and the State Job Training Coordinating Councils. These research activities are described in Appendix D.

The authors of this report are Mr. Robert Ainsworth, Ms. Barbara Oakley and Dr. Carol J. Romero. At critical points in the report's preparation, the authors received expert assistance from Mr. John Baj, Center for Governmental Studies, Northern Illinois University; and Mr. Robert Knight, NAPIC. The authors also received insightful comments on a draft of this report from Mr. Knight and Ms. Kay Albright, NAPIC; Dr. Charles E. Trott, Center for Governmental Studies, Northern Illinois University; and Dr. William R. Bowman, Annapolis Economic Research.

On behalf of the Commission and its staff, I would like to thank the many people in the employment and training community who so willingly and openly shared their knowledge and views with us.

BARBARA C. McQUOWN
Director
I. INTRODUCTION

This report examines a number of issues important to improving the effectiveness of the Private Industry Councils. To do so, the study focuses on the roles and responsibilities of the Councils -- and their private sector members specifically -- in furthering the goals of the Job Training Partnership Act (JTPA) of 1982. These goals are to provide training to those youth and adults, who are either economically disadvantaged or dislocated, so they can secure long-term employment and improved earnings.

The emphasis of the report is on JTPA programs funded under Title II-A (which authorizes programs for economically disadvantaged youth and adults). The Economic Dislocation and Worker Adjustment Assistance Act of 1988 (EDWAA), which amended JTPA Title III, the dislocated worker component of JTPA, gave the Private Industry Councils (PICs) and the local elected officials (LEOs) the major responsibility for administering this program at the local level. In 1991, the Commission published three related reports on services to dislocated workers under EDWAA. 1

Assessing the effectiveness of the Private Industry Councils is important because JTPA authorizes the Nation’s largest training program for economically disadvantaged workers, and the Private Industry Councils are the cornerstone of its service delivery system. The Councils are the primary mechanism by which the private sector, along with representatives of the public sector, guide and oversee the direction of employment and training programs at the local level. Their mission has not been examined since the early years of JTPA. 2

A need for this examination became apparent to the Commission through public hearings, site visits, and discussions with employment and training officials conducted as part of other projects. Private Industry Councils were found to vary widely in the ways, and the extent to which, they were fulfilling their expected roles. The need for this study was reinforced by three particular events after the project was underway.

First, as part of a separate Commission project, discussions at Commission-sponsored seminars of state and local officials in the employment and training community revealed that pressures were growing to coordinate JTPA with other employment and training programs. While PIC members at the seminars viewed improvements in coordination as essential, some expressed concern about potential disruptions in their existing program operations if coordination issues were not handled properly. 3

The second event was President Bush’s announced initiative to improve the coordination and accountability of federal employment and training programs. In this "Job Training 2000" initiative, Private Industry Councils would be given a key role in furthering coordination and accountability at the local level. The concept embodied in the initiative would highlight PICs and would give them responsibilities for providing guidance to employment and training programs beyond those mandated by JTPA.

Third, the first major set of amendments to JTPA -- the Job Training Reform Amendments of 1992 -- was passed by the U.S. Congress and signed into law as the project was coming to completion. Several elements of these amendments will directly affect the ways in which PICs seek to improve the employment and earnings prospects of disadvantaged workers. This report suggests what can reasonably be expected of the Councils under the new provisions.
The scope of this report is necessarily broad due to the nature of Private Industry Councils, and the fact that they have not been fully examined in almost a decade. It covers such topics as:

- PICs' roles in achieving JTPA's performance goals;
- conflict of interest;
- the roles private sector members play on the Councils; and
- PICs' relationships with other entities within the JTPA structure, such as the local elected officials and the State Job Training Coordinating Councils.

The report was written with two audiences in mind: individuals familiar with both JTPA and PICs and those with little or no background in this area. As a consequence, it contains basic background information as well as new findings. In particular, Chapter II provides information on the Job Training Partnership Act as a whole; it outlines those changes in JTPA due to the 1992 Amendments that are especially important to the Councils; and it describes the basic elements of the Job Training 2000 concept.

The next several chapters contain new information on Private Industry Councils. Each begins with background information on JTPA and PICs relevant to the particular topic. Chapter III describes PICs' roles within the JTPA administrative structure in their local Service Delivery Area (SDA). It also presents new empirical results on the ways in which they have been able to influence the employment and earnings of Title II adult participants after they have left the program, and the likely impact of provisions in the 1992 Amendments to JTPA on their programs' operations and performance.

Chapter IV focuses on the role of the private sector on the Councils. It includes new information on the awareness of JTPA and PICs on the part of the private sector in general. It also discusses how members are recruited, the composition of private sector membership on the Councils, and the private sector's satisfaction and involvement with JTPA programs.

Chapter V discusses PICs' relationships with other entities within the JTPA structure, specifically the State Job Training Coordinating Councils (SJTCCs) and local elected officials (LEOs).

Chapter VI focuses on the extent to which PIC Chairs and members have received orientation and training regarding their roles and responsibilities under the Act, topics on which additional training is needed, and how the Job Training Reform Amendments of 1992 have addressed concerns about training for Council members.

Chapter VII contains the report's conclusions. It focuses on the future, by discussing the problems that the 1992 Amendments addressed and additional areas where further improvements will be necessary for PICs to assume greater responsibilities in the federal government's employment and training system.

To cover the range of topics contained in this report, information was collected from many sources and examined in different ways. For example, the most useful way to examine the extent to which there are "working relationships" between PICs and SJTCCs was to ask the relevant individuals directly and assess their responses. In contrast, an examination of PICs' influence on the performance of their local areas' programs necessitated data independent of PIC members' own views on their programs' performance. It also required use of statistical techniques that take into account factors outside PICs' control that could also affect program performance, such as the local areas' unemployment rates.
The remainder of this Introductory Chapter gives an overview of the sources of information on which this report is based. As noted below, more information is contained in various appendices.

First, the Commission sponsored a Focus Group Meeting with members of the National Association of Private Industry Councils (NAPIC). (Appendix A presents the issues that were discussed at the meeting.) This meeting was followed by a series of Commission-sponsored roundtable discussions with PIC Chairs, members, staff, and state JTPA officials from across the country. The over 200 participants were from 99 PICs in 45 states. (Appendix B contains the list of participants at these roundtables.) From these meetings the Commission learned the views of state and local JTPA policy-makers, from both the private and the public sectors, on issues facing the Councils and ways to improve their effectiveness. (Appendix C contains a summary of findings from the roundtable discussions.)

A literature review was also undertaken. It confirmed that while the literature from the past decade that dealt with job training and Private Industry Councils was relatively large, only a few studies and policy papers had attempted to examine how business-led boards of directors -- such as Private Industry Councils -- affect the programs under their purview.

In addition, the Commission sponsored or co-sponsored several new data collection efforts. (Appendix D contains a detailed description of the data sources used in this report.) To ascertain the involvement of local Chambers of Commerce in their PICs and JTPA programs, the U.S. Chamber of Commerce canvassed over 1,000 of the 2,800 local and state Chambers.

The Commission assisted the National Alliance of Business (NAB) and the National Association of Private Industry Councils with a survey of over 200 PIC Chairs, randomly selected from the approximately 650 Service Delivery Areas across the Nation. Through this survey the Commission sought to ascertain changes that may have occurred since a similar survey had been undertaken in 1985. Such topics as recruitment of PIC members, private sector PIC members' satisfaction with their roles, and PICs' views of State Job Training Coordinating Councils were included in the survey. As a follow-up, the Commission canvassed the Directors from the same SDAs regarding the Councils' organizational structures and the extent to which the Councils serve as the formal recipient of the JTPA grants (the "grant recipient") and/or as the administrator of the funds and programs (the "administrative entity"). NAB also obtained information from approximately 15 percent of all PIC/SDA Directors on the areas in which they felt technical assistance and training were needed.

The Commission sponsored a further study to examine the relationships between PICs and SJTCCs specifically. Twenty-five SJTCC Chairs and 24 PIC Chairs from 26 states were contacted, with at least two of each from every U.S. Department of Labor region.

Finally, the Commission sponsored a re-examination of data it had previously collected for the project, "JTPA Performance Standards: Effects on Clients Services and Costs." Some data were from surveys of PIC/SDA Directors undertaken early in PY 1987 about PIC and SDA operations in PY 1986. Other data were from a compilation of state policies regarding the JTPA set-aside for performance awards.
ENDNOTES


II. AN OVERVIEW OF THE JOB TRAINING PARTNERSHIP ACT

The purpose of the Job Training Partnership Act (JTPA) is to

...establish programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment.¹

The law was enacted in 1982, replacing the Comprehensive Employment and Training Act (CETA). After a year of transition, JTPA became fully operational in 1983.

This chapter discusses the basic elements of the employment and training system under JTPA. It is intended to provide background information that is especially relevant for Private Industry Councils (PICs). Hence, the chapter does not detail all aspects of JTPA or all changes that have occurred due to particular amendments or regulations. When additional detail is important, it is given in the appropriate subsequent chapters.

The emphasis is on those elements of the law that pertain to programs for economically disadvantaged workers. JTPA also authorizes programs for dislocated workers, who are largely workers who have lost their jobs due to a plant closing or mass layoff. A discussion of the system for serving these workers is found in Assisting Dislocated Workers: Alternatives to Layoffs, and the Role of the Employment Service under the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA).²

The chapter begins with an overview of the training activities the Act supports, the criteria individuals must meet to be eligible for the training, and the scope of JTPA programs in terms of numbers of people served and funding levels nationally.

The second section describes the overall structure of the JTPA system as it existed prior to its amendments in 1992.³ This section sets the general context for the subsequent chapters since the research on which the findings in these chapters are based was undertaken prior to passage of the amendments. Because JTPA's overall structure was originally based on five major principles, these principles provide the framework for the description.

The third section describes those changes in the law resulting from the 1992 Job Training Reform Amendments that are especially pertinent to PICs. It serves as necessary background to the discussions in later chapters regarding the possible implications of aspects of the amendments for the Councils.

The chapter concludes with an overview of President Bush's "Job Training 2000" concept. Although some of the particulars of the concept were controversial at the time it was announced, the concepts it embodied -- ways to improve coordination and accountability of all employment and training programs -- have been of increasing importance to policy-makers at all levels of government. Some of the themes in the initiative were already being considered in the process of amending JTPA.
JTPA Training Programs and Participants

JTPA authorizes several different types of training programs for economically disadvantaged youth and adults. To participate in these programs individuals must meet certain eligibility criteria. For example, their family's income must have been below a specified level of poverty, or they had to have been a recipient of Aid to Families with Dependent Children (AFDC), or they had to be receiving Food Stamps. Up to 10 percent of the participants did not have to meet the eligibility requirements if they had some other barrier to employment, such as limited proficiency in English. (The Job Training Reform Amendments of 1992 included additional eligibility requirements, discussed later in the chapter.)

While many specific training activities are allowed, the ones in which most participants enroll are:

- occupational training in a classroom setting;
- occupational training through on-the-job training where employers are reimbursed for up to 50 percent of a trainee's wages for a maximum of 6 months;
- basic/remedial education; and
- job search assistance.

Examples of major additional activities for youth specifically include: school-to-work transition programs and dropout prevention programs.

These programs, run locally, were originally authorized under Title II-A of JTPA. They could be operated on a year-round basis. A minimum of 40 percent of a local area's JTPA funds was required to be allocated to programs for youth (defined as persons between 16 and 21 years of age).4

JTPA also authorizes separate employment and training programs over the school vacation months (the summer months for most school districts). These programs (funded under JTPA Title II-B) are for economically disadvantaged youth, who could be as young as 14 years of age.

The law has always permitted these summer programs to have an educational component, as well as an employment component. However, in 1986 JTPA was amended in part to strengthen the focus on education by including an explicit list of the purposes of the programs:

- enhance the basic educational skills of youth;
- encourage school completion, or enrollment in supplementary or alternative school programs; and
- provide eligible youth with exposure to the world of work.5

Although not discussed in detail in this report, dislocated workers comprise another group of workers for whom JTPA provides training and related services. Programs for this group were originally covered under Title III.

In 1988, Title III was amended by the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA). One major change that directly affected PICs was that responsibility for these dislocated worker programs was shifted from the state to the local level. Originally, funds for dislocated worker programs remained at the state level; Governors were responsible for
determining how to allocate the funds locally, for example, through Requests for Proposals or by formula. In 1988, EDWAA changed the within-state funding so that at least 60 percent of the funds were to be allocated directly to substate areas, "Sub State Grantees," many of which are also the Service Delivery Areas (SDAs) authorized to receive funds under JTPA Title II. 6

Funding allocations for JTPA's year-round programs for economically disadvantaged persons (Title II-A) have been approximately $1.8 billion annually. In 1984, JTPA's allocation was just under $1.9 billion; due to various deficit reduction measures at the federal level, its allocation has declined, to just under $1.8 billion in 1991. (These figures have not been adjusted for inflation.) 7

Slightly over 5.6 million persons have been enrolled in the Title II-A programs from the transition year through June 30, 1991. The highest annual enrollment was over 800,000 individuals (during 1985 and 1986). In the most recent year for which published figures are available, 540,000 persons were enrolled (July 1, 1990 through June 30, 1991). 8 This decline since the mid 1980s is likely due to the combination of decreases in funding and increases in the amount (and hence cost) of services provided to each enrollee.

The funding allocation for JTPA's summer youth programs has been at approximately $700 million annually. Roughly 600,000 youth have been served each summer. 9

JTPA also authorizes several national programs, such as those serving Native Americans and migrant and seasonal farmworkers. 10

JTPA's Basic Principles and Structure

When JTPA was enacted in 1982, it was based on several principles. These principles explain the system's overall organizational structure.

Local, State, and Federal Responsibilities

The first principle was that programs are better administered by officials who are closer -- rather than farther away -- from their actual operations. Thus local authorities -- PICs and local elected officials -- were assigned the greatest degree of responsibility for the training programs. For example, they establish their own administrative structures, such as which local entity is to be the formal recipient of JTPA funds (the "grant recipient") and which local entity is to be responsible for administering the programs (the "administrative entity").

In addition, local authorities were given the responsibility of developing their own job training plans for their communities. Major elements of these plans are: descriptions of the training services to be provided, procedures for selecting service providers, their budgets, procedures for identifying and selecting participants, methods for complying with the Governor's plan for coordination and special services, and their local area's (SDA's) performance goals.

States were given the next greatest amount of authority and responsibility. (Additional specific responsibilities relevant to PICs are discussed below in the context of other basic principles on which JTPA was based.) In general, the Governor was to be responsible for oversight of all local JTPA activities and state-supported programs under the state JTPA "set-asides." The Governor was mandated to:

- determine which State agency administers the JTPA programs;
nominate members to the State job Training Coordinating Council;

- conduct biennial fiscal audits of local programs;

- approve the State Coordination and Special Services Plan which describes how local employment and training agencies will work together and in conjunction with state agencies to avoid duplication;

- designate new Service Delivery Areas (SDAs), which may be the entire state or any substate district that contains one or more units of local government and which promotes the effective delivery of job training services;

- certify the Private Industry Council in each new SDA;

- approve each PIC’s biennial plan in accordance with the state-wide coordination plan; and

- provide technical assistance.

The Governor also was given a role in JTPA’s performance management system, as discussed later.

The federal government, the U.S. Department of Labor (USDOL) in particular, was assigned responsibility for overall national policy and oversight. In the context of this report, one important responsibility was to develop national regulations that interpret and clarify how JTPA is to be implemented.

Beyond its responsibilities for Title II and Title III programs, the USDOL was to administer directly certain national job training programs. They include the Job Corps, special programs for veterans and migrant farm workers, Native American programs, multi-state programs, and research and demonstration projects.

**Private Sector Input**

The second principle on which JTPA was based was an emphasis on input from private business. The view was that members of the private sector have a clear understanding of the job training needs of their communities and also have a strong concern for efficiency and "bottom line" performance.

It was this principle that made the private sector a permanent partner with local elected officials. The private sector was to be directly involved in JTPA through its role on Private Industry Councils. A PIC was to be established in every local area; PICs were to be chaired by persons from the private sector, and private sector representatives were to comprise the majority of the Council’s membership (51 percent).

Nominations for PIC membership were to be presented to the local elected official(s). In turn, the local elected officials were to appoint the Council members.

In general, PICs were given responsibility for providing policy guidance over the programs in partnership with the local unit or units of government. For example, local elected officials and the Councils were to decide jointly which local entity was to be the grant recipient of JTPA funds and which local entity was to administer the program. The law permitted the Councils to...
incorporate as private non-profit organizations under 501(c)(3) of the Internal Revenue Code and, once incorporated, become JTPA's grant recipient, the administrative entity or both.14

In addition, both the PIC and the local elected official(s) were to approve their SDA’s job training plan prior to its submission to the Governor. PICs were authorized to provide oversight of the programs indicated in the job training plan. They were to have access to the information they deem necessary to carry out this function.

The same principle that led to the establishment of PICs led to the inclusion of business representatives at the state level, on State Job Training Coordinating Councils (SJTCCs). These Councils were intended to be independent from the state agency administering JTPA. They were authorized to obtain the services of such staff as may be necessary to carry out their functions; they were not expressly permitted to incorporate as private non-profit organizations.

There was less emphasis in the law on private sector input at the state level than at the local level. For example, originally representatives of business and industry were to comprise one-third of the membership of the SJTCCs, compared to the 51 percent required of PICs. When JTPA was amended in 1986, the proportion required on SJTCCs dropped to 30 percent.

SJTCCs were established to provide advice and recommendations to the Governor in many areas. These Councils were authorized to review the operations of SDAs and make recommendations on ways to improve program effectiveness; advise on, and certify, SDAs’ job training plans; identify the employment and training needs of the state and recommend ways to improve coordination among the relevant state agencies; and recommend variations in JTPA’s performance standards (performance standards are discussed next).

JTPA Funds as Investments in Human Capital

The third principle on which JTPA was based was that program funds must be treated as investments in human capital rather than as expenditures that yield no measurable return. This principle led to the establishment of a performance management system, including measures of the expected outcomes of the programs and incentives for achieving these outcomes. Each level of the JTPA system -- federal, state, and local -- was given its own role and responsibilities within this system.

The U.S. Department of Labor was to specify the measures of program performance for the Nation that are intended to indicate the extent to which the goals of the Act are being achieved. The USDOL was also to assign numerical values to these measures; these values are the performance standards the system as a whole is expected to meet.

In the early years of JTPA, program performance for adults was primarily measured in terms of job placements and wages at the time participants left the programs. As the system of performance standards became established, the USDOL began to move toward measures of longer-term outcomes, consistent with the goals of the Act. For example, by 1988 the performance measures for adults included their employment and earnings status during the 13th week after the participants had left the program. This information is collected through follow-up surveys of participants. Depending upon the state, the administrative costs of the surveys may be borne by the SDA, the state, or a combination of the two.15

Governors were given several responsibilities in JTPA's performance management system. First, they were permitted to establish additional performance measures and associated standards for their SDAs. Second, they were permitted to adjust the national performance
standards to take into account particular conditions of their SDAs which may affect SDAs’ abilities to meet their standards (for example, the local area’s unemployment rate).

Third, Governors were authorized to develop policies to reward SDAs that exceed their performance standards with incentive bonuses. Prior to the 1986 Amendments to JTPA, Governors were to provide technical assistance to SDAs that failed to meet their performance standards. Since 1986, technical assistance has been available to all SDAs.

Local authorities within SDAs -- PICs and local elected officials -- were given responsibility for meeting the performance standards set for them by the Governor.

**Emphasis on Training**

The final two principles of JTPA were intended to emphasize the training of program participants, especially in the programs for economically disadvantaged participants (Title II-A). One principle was that the focus would be on training for unsubsidized jobs in the private sector, rather than for work experience and/or subsidized jobs in the public sector. Thus, public sector employment was prohibited for the Title II-A programs.

The second principle was that the distribution of local JTPA funds across categories -- program administration, participants’ training, needs-based payments, work experience programs, and support services (such as transportation or child care) -- would reflect the emphasis on training. This was incorporated into the law through limitations on how SDAs could use the funds they received. For the programs authorized under Title II-A, a maximum of 15 percent of the funds could be spent on administration; a maximum of 30 percent could be spent on the combination of administrative costs, support services, work experience and needs-based payments. This meant that a minimum of 70 percent was to be spent on training.16

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**The Job Training Reform Amendments of 1992**

In 1992, JTPA was amended by the Job Training Reform Amendments. These amendments left intact the system’s basic administrative structure, as just described. However, information available to Congress indicated that JTPA required strengthening in several areas. To strengthen JTPA, the amendments sought to achieve the following objectives:

- improve JTPA’s coordination with other programs,
- focus the training more closely on particular groups,
- encourage the provision of more intensive training for participants,
- increase the programs’ fiscal accountability and integrity, and
- increase the skills, knowledge, and expertise of PICs, SJTCCs, and JTPA staff.

The reasons for these objectives have their origins in several events that occurred during the 1980s, after JTPA had originally been enacted.

This section discusses the reasons behind the amendments and, in general terms, how JTPA was amended. It purposefully does not detail the specifics of the amendments. Some of the specific changes are described in later chapters, where relevant to the topic being discussed.
Coordination

During the 1980s policymakers became increasingly aware of the sizeable number of federal programs that are providing essentially the same services to essentially the same group — economically disadvantaged persons. For example, in addition to JTPA programs, there are employment and training programs associated with Food Stamps; the Family Support Act of 1988 established employment and training programs for welfare recipients (Job Opportunities and Basic Skills (JOBS)); job referral services are offered by the Employment Service; and training programs are offered through vocational education (funded under the Carl Perkins Act). The problem is that each program has its own rules and regulations.17

The vast array of similar programs, in conjunction with increasing budget constraints at all levels of government, led to growing pressures for program coordination. These pressures had not existed to the same degree in 1982.

The importance of coordination between JTPA and other employment and training programs was not stressed in the original Act, although coordination issues were addressed. For example, public sector membership on the PICs was to represent a variety of agencies in the employment and training system. In the 1992 Amendments, the precise agencies to be represented have been specified (such as the local Employment Service, public assistance agency, and economic development agency).

Also, the amendments more clearly specify the methods SDAs are to use to coordinate their programs with other employment and training programs. Previously, SDAs had only to include a description of their plans for coordination in the job training plan they submitted to the Governor.

With the amendments, SDAs are required to establish linkages with other employment and training programs, such as vocational education, Head Start, and the Employment Service. In addition, applicants to JTPA programs who do not meet the eligibility requirements are to be referred to agencies or programs appropriate to the applicants' needs. Moreover, SDAs are to maintain documentation of the referrals and the reasons for them.

Finally, at the state level, the amendments permit Governors to establish "Human Resource Investment Councils," which would replace the current SJTCCs. These new Councils would have responsibilities for programs in addition to JTPA: a primary function would be to promote coordination of the federal employment and training programs within their state. At least one member of a Private Industry Council is to be on this new council.

Targeting and Training

Also during the 1980s, there was a growing awareness among policymakers of the increasing diversity of the Nation's workforce and the implications of this diversity for the education, and employment and training systems. The issue is that groups who historically have had relatively low levels of education and training are becoming larger proportions of the labor force. Simultaneously, international pressures are forcing the private sector to become more competitive through greater use of advanced technologies, which require higher levels of skills and training. Because meeting the skill needs of employers requires long-term strategies, the education and training needs of the Nation's youth assumed renewed importance over the decade.18
Even as awareness of the Nation's education and training needs was growing nationally, issues were being raised about the characteristics of the clientele JTPA was serving. One set of issues related to the fact that the eligibility requirements were making it difficult for some economically disadvantaged persons to enroll.

One issue related to the eligibility requirement "receipt of Food Stamps." According to the law, people who meet the eligibility requirements for the Food Stamp program but are not receiving Food Stamps, must meet JTPA's income cut-off if they are to enroll in JTPA. Due to differences between the two programs in both the level of the income cut-offs and the way the cut-offs are determined, in low cost-of-living areas it is possible for persons to qualify for Food Stamps, but not for JTPA, on the basis of their income. They can enroll in JTPA only if they receive Food Stamps; if they do not wish to enroll in the Food Stamp program, they cannot enroll in JTPA training programs.19

A second issue pertained to the documentation required to demonstrate eligibility. In particular, for youth to qualify for JTPA programs they have to provide documentation of their parents' income. This means they have to ask their mother or father to "prove" that the family is poor. Rather than being placed in this embarrassing situation, some young people do not enroll in the programs.20

In addition, JTPA was being criticized for a lack of emphasis on serving those individuals facing the greatest difficulties in the labor market.21 Instead, it was being said that those individuals least in need of training were the most likely to be served in general. They were also the most likely to receive the most intensive services.22

The amendments addressed these issues in several ways. One was to broaden the income-related criteria for determining an individual's eligibility for training. For example, rather than being required to be a recipient of Food Stamps to be eligible for JTPA, a person now needs only to be eligible for receipt of Food Stamps in order to be eligible for JTPA as well.

For in-school youth in particular, income eligibility is no longer based solely on measures of the family's economic disadvantage. For example, the youth are eligible for JTPA if they are in a compensatory education program under Chapter 1 of Title I of the Elementary and Secondary Education act of 1965 or if they have been determined to meet the eligibility requirements for free meals under the National School Lunch Act.23 Also, in-school youth as young as 14 years of age are eligible for the programs if such a provision is included in a SDA's job training plan.

Second, to focus the training programs more closely on specific groups of individuals -- those "hardest to serve" -- the amendments included additional criteria for eligibility. In addition to being economically disadvantaged, at least 65 percent of the participants must meet one of several additional criteria that are indicators that the individuals are experiencing "barriers to employment."

Among the criteria for both youth and adults are: being a school dropout, being deficient in "basic skills," being an offender, being homeless, or having a disability. For youth in particular, some other criteria are: being pregnant or a parent, being a runaway, or having a learning disability.24

Additional amendments focused on youth in particular. Separate year-round programs for youth have been established. Whereas both youth and adults have been served under Title II-A, as of July 1993, the two age groups will be served under separate titles. Title II-A continues to authorize programs for adults; youth programs are authorized under a new Title II-C. Finally,
within the Title II-C programs, a minimum of 50 percent of the youth are to be out-of-school; no such provision existed previously.

The goal of encouraging training which is both intensive and directly related to participants' labor market needs was included in the amendments in two ways. First, the Secretary of the U.S. Department of Labor is permitted to develop standards for new performance measures. For adult programs the measure is:

... [the] acquisition of skills, including basic skills, required to promote continued employability in the local labor market or acquisition of a high school diploma or the equivalent of the diploma, if the acquisition of such skills or diploma is in addition to obtaining one or more of the [more direct measures of labor market outcomes previously in the law].

For youth programs, the measure is "dropout prevention and recovery." Second, a careful assessment of participants' needs is now required along with the development of service strategies designed to achieve particular employment goals.

Fiscal Integrity

During the 1980s, there were reports that JTPA program funds were not being used properly. On-the-job training contracts were particularly criticized: they were being used with program participants least in need of this type of training. For example, the Office of Inspector General of the U.S. Department of Labor reported that "about 60 percent of the employers who receive on-the-job training subsidies say they would have hired the participants without the subsidy." Reports such as this resulted in magazine articles highly critical of JTPA programs.

Also, the U.S. General Accounting Office reported that in some Service Delivery Areas, contracting procedures with Title II-A program operators were permitting costs that were administrative in nature to be included under "training." One source of the problem appeared to be that the limitations on SDAs' expenditures for support services were too strict, especially when the "harder to serve" were a target group. Another source of the problem appeared to be that administrative costs in many SDAs had increased due to the surveys of program participants required to obtain information on their employment and earnings after they had left the program.

The amendments addressed these problems in several ways. First, there are changes in the percentages that SDAs can spend for different purposes. The maximum for administrative costs was raised to 20 percent (from 15 percent) for the year-round programs (Title II-A and II-C). The minimum percentage of funds to be spent on training dropped to 50 percent (compared to 70 percent previously).

Second, the law requires that funds expended are to be charged directly to one of three categories: administration, direct training services, and training-related and supportive services. The particular activities permitted in each category are clearly specified.

Third, contracting procedures for on-the-job training contracts have been tightened.

Fourth, due to the 1992 amendments on fiscal controls, the Secretary of Labor is required to prescribe regulations establishing uniform cost principles. The Secretary is also required to establish through regulations minimum standards to ensure fiscal accountability and prevent fraud and abuse. The Governors are to prescribe and implement standards based on those
developed by the Secretary. If Governors find that SDAs are not in compliance, they are to take prompt corrective action.34

Finally, one of the functions of the newly created "Capacity Building Network" (discussed next) is to improve procurement and contracting procedures.35

Skills, Knowledge, and Expertise in the JTPA System

When JTPA was enacted in 1982, the U.S. Department of Labor purposefully issued little guidance or technical assistance to states or SDAs regarding the law's implementation. This was consistent with one of the principles on which the law was based: states and local communities were to have the primary responsibility for administering JTPA.36

States had authority to provide technical assistance to their SDAs under Sections 121 (the 5 percent set-aside for administration) and, after the 1986 Amendments, under Section 202 (the 6 percent set-aside for incentive grants). However, JTPA was new to the states as well as to the SDAs. Initially states lacked the expertise required to provide substantial amounts of technical assistance; also, they were uncertain about their role in providing technical assistance since, historically, this had been primarily the responsibility of the U.S. Department of Labor.37

As people became experienced with the law over time, more and better training and technical assistance came to be provided by states, national employment and training organizations, and consultants. Nevertheless, neither the training nor the technical assistance was provided in a systematic, organized, and on-going fashion across the Nation. One result is that while some PICs, some SJTCCs, and some staff have become very knowledgeable about JTPA, others are less knowledgeable. A second result is that people throughout the system, and especially private sector members of PICs and SJTCCs, have become uncertain about the amount of their knowledge: is their knowledge sufficient to insure that they are carrying out their responsibilities properly under the law?

The 1992 Amendments addressed the need for training and technical assistance by requiring the Secretary of the U.S. Department of Labor to establish a "Capacity Building and Information and Dissemination Network." Its purpose is to strengthen the expertise of PIC and SJTCC members, and of the staff in JTPA's employment and training system.38

Consideration of the Job Training Reform Amendments as a whole suggests two basic changes in the thrust of the law. First, it appears that "coordination" has become another principle on which JTPA is based.

Second, the original "tilt" of the law -- embodied in the principle of giving more control to local authorities and less control to the federal government -- has changed. The U.S. Department of Labor has been given more direct oversight responsibilities than it had in the past. One of the consequences of these increased responsibilities is likely to be greater "paperwork" at the local level. How the new tilt in general will change actual program operations at the local level is an open question.

President Bush's Job Training 2000 Concept 39

The concept of "Job Training 2000" emerged as a result of a perceived need to improve both the coordination and accountability of federal employment and training programs. Each level of authority -- federal, state, and local -- would be involved.
At the federal level, a council of relevant agencies would be established (Labor, Education, Agriculture, Health and Human Services, and Veterans Affairs). This Federal Vocational Training Council would ensure that the different federal programs had consistent policies, practices, and procedures.

At the state level, a single Human Resource Investment Council would be established, replacing the separate councils that currently exist. (As noted earlier, Governors were given the option of establishing Human Resource Investment Councils under the 1992 Amendments to JTPA.) For example, states presently have councils or committees for vocational education, the public job service, and health and human services programs.

One major function of the new councils would be to review the way resources for employment and training programs are being used in the state and to advise the Governor on ways to coordinate them better. The new council would also advise the Governor on the development and implementation of performance measures and standards for the programs.

The Job Training 2000 concept would give Private Industry Councils major new responsibilities. In conjunction with the relevant state agency, they would certify that the federally funded training programs in which participants are enrolling meet established standards. Funds from programs such as JTPA Title II and Title III, the Food Stamp programs, JOBS, and Refugee Assistance among others could only be used in PIC-certified programs.

Private Industry Councils would also designate and manage "Skills Centers." The purpose of these centers would be to provide "one-stop shopping" for individuals in need of employment and training assistance. The centers would offer such services as skills assessment and testing, job placement assistance, and counseling concerning post-secondary vocational training programs. This concept of "one-stop shopping" is already being incorporated into the delivery of employment and training services in many local areas around the country.

The Skills Centers would also be responsible for coordinating the delivery of federal employment and training programs, including JTPA Title II programs, Job Corps, post-secondary vocational training programs funded under the Carl Perkins Act, the Employment Service, Veterans' Employment Service and Title IV of the Higher Education Act. Job Opportunities and Basic Skills (JOBS) programs and Food Stamp Employment and Training programs would be involved as well.

Measures of performance would be defined for the Skills Centers. They would include, for example, participants' job placement, their retention and earnings in unsubsidized jobs, and their placement in appropriate vocational training programs.

Finally, PICs would be responsible for overseeing the establishment and operation of a "voucher system" for participants of JTPA Title II and III programs, the Food Stamp Employment and Training program, and post-secondary vocational education programs funded under the Carl Perkins Act. The purpose of this voucher system would be to widen the choices available to program participants and to enhance the quality of the programs offered by promoting competition among service providers.

Apparent from this description is that, as a whole, the concept of Job Training 2000 is very far-reaching and ambitious. Yet from the description of the 1992 Job Training Reform Amendments, it is also apparent that the employment and training system is moving in at least some of the directions indicated by this concept.

For example, the amendments offer states the opportunity to establish Human Resource Investment Councils, although their functions do not include developing and implementing
performance indicators for non-JTPA programs. Also, at the local level, JTPA programs must establish linkages with other employment and training programs. They must also refer individuals to other programs and document the referral.

The subsequent chapters indicate how aspects of the 1992 Amendments could affect JTPA's program operations, especially as they pertain to the role of Private Industry Councils. They also suggest the extent to which PICs appear to be prepared to assume new responsibilities (such as those embodied in Job Training 2000) and areas where improvements in PICs -- such as their training and relationships with other entities -- would first be necessary.
ENDNOTES

1. The Job Training Partnership Act (Section 2).


4. Youth who were 14 or 15 years of age and enrolled in pre-employment skills training were also eligible for these programs. The Job Training Partnership Act (Section 203).

5. The Job Training Partnership Act (Section 251 as amended in 1986).


7. JTPA operates on a Program Year basis, which runs from July 1 of one year to June 30 of the following year. The funding and participation levels given in the text refer to Program Years.


11. Nationwide, there were approximately 650 SDAs in 1991, an increase of over 50 SDAs from 1985. While most states have multiple SDAs, a few are single-state SDAs.

12. The Governor certifies that these PICs are constituted according to the proper procedures in the law and regulations.

13. In addition, USDOL approves the Governors' state-wide program delivery coordination master plan and reviews state public Employment Service plans. It adjudicates certain disputes between local program agents and state governments, including conflicts over SDA designation, state approval of local plans and appeals from state labor findings. Finally, USDOL serves as arbiter if there are differences between the SJTCC and the Governor over how the Employment Service should be coordinated with JTPA programs.

14. In some states, state law permits only public agencies to be grant recipients of federal funds. In these states, PICs and other non-profit private sector organizations are precluded from being JTPA's grant recipient although they may administer the program.
15. In 1991, the Commission recommended to the U.S. Department of Labor that Unemployment Insurance wage record data be used in lieu of the follow-up surveys. One of the major reasons was the potential cost-savings that would result. The USDOL plans to have pilot projects to test this alternative system. See National Commission for Employment Policy, Using Unemployment Insurance Wage-Record Data for JTPA Performance Management, Research Report 91-07, Washington, D.C., June 1992. Chapter I of that report gives an overview of the history of performance standards for the Title II-A adult and Title III programs.

16. The Job Training Partnership Act (Section 108).


21. For a comparison of the characteristics of the eligible population with the characteristics of the JTPA participants in the mid 1980s, see Steven Sandell and Kalman Rupp, Who is Served in JTPA Programs: Patterns of Participation and Intergroup Equity, Research Report 88-03, National Commission for Employment Policy, Washington, D.C., February 1988.


23. The Job Training Reform Amendments of 1992 (Section 263).

24. Not more than 10 percent of youth served can be non-economically disadvantaged. They must meet one of the additional categories such as those given in the text, have limited proficiency in English proficiency, or have drug or alcoholism problems. For both youth and adults, SDAs may request approval from the Governor to include an additional category.

25. The Job Training Reform Amendments of 1992 (Section 115).

26. The Job Training Reform Amendments of 1992 (Section 115).

27. The Job Training Reform Amendments of 1992 (Sections 204 and 264).


32. The Job Training Reform Amendments of 1992 (Section 204).

33. The Job Training Reform Amendments of 1992 (Section 131).

34. The Job Training Reform Amendments of 1992 (Section 142).

35. The Job Training Reform Amendments of 1992 (Section 453).


37. Prior to the 1986 Amendments to JTPA, funds from the 6 percent set-aside could only be used to provide technical assistance to SDAs that failed to qualify for incentive awards. In 1986, the law was changed to permit the use of these funds for technical assistance to SDAs without regard to their receipt of incentive awards.

38. The Job Training Reform Amendments of 1992 (Section 453).


40. Other bills in the 102nd Congress also gave increased responsibilities to PICs; for example, see “Community Works Progress Act of 1992” (S. 2373) and “The School-to-Work Transition and Youth Apprenticeship Act” (HR. 4976).

III. THE ROLES, RESPONSIBILITIES, AND EFFECTIVENESS OF PRIVATE INDUSTRY COUNCILS

A partnership between local elected officials and Private Industry Councils (PICs) is a fundamental aspect of JTPA, as discussed earlier. Section 103(a) of the Job Training Partnership Act calls for the establishment of Private Industry Councils... to provide policy guidance for, and exercise oversight with respect to, activities under the job training plan for its service delivery area in partnership with the ... government.

To help PICs become equal partners with their local elected officials, the law gave the Councils the authority to prepare and approve their own budgets, to incorporate, to hire staff, and to solicit and accept contributions and grants from public and private sources. This gave PICs the opportunity to have substantial influence over the programs and practices of their Service Delivery Areas (SDAs), since if they incorporated as private non-profit organizations they could become the JTPA grant recipient and administrative entity if they so chose.

PICs -- and the Councils' private sector representatives -- have had great latitude in determining how they are to accomplish the goals of JTPA. Consistent with the law's intent to permit local flexibility in program operations, specific guidance for PICs was intentionally omitted from the Act in 1982. For the same reason, the U.S. Department of Labor (USDOL) promulgated few regulations or guidance memoranda regarding the role of the Councils in JTPA administration.

Due to this flexibility, PICs have organized themselves in various ways since JTPA was enacted. Moreover, the organization of some PICs has changed over time as they gained experience with the programs and their responsibilities.

This chapter examines the roles and responsibilities PICs assumed for themselves and their effectiveness in overseeing the programs, prior to the 1992 Amendments to JTPA. It also discusses the potential impact of the 1992 Amendments on the PICs. The specific roles of private sector PIC members are discussed in the next chapter.

It begins with background information on Private Industry Councils. The second section describes how PICs have organized themselves to meet their responsibilities as well as some of the changes which have occurred over the past decade. Three aspects of PICs are considered:

- their assumption of direct responsibility for program operations by becoming the grant recipient, administrative entity, or both;
- their influence over the programs' policies and operations; and
- their status as incorporated private, non-profit organizations under 501(c)(3) of the Internal Revenue Code.
The third section focuses on the relationship between PICs' administrative arrangements and areas of policy emphasis and program "success." Specifically, it presents results of new empirical examinations on the extent to which PICs' organizational structure and policy emphasis have been related to improvements in adult participants' post-program outcomes. The final section discusses the ways in which those provisions of the 1992 Job Training Reform Amendments that addressed "fiscal integrity and conflict of interest" issues may affect PICs' program operations and effectiveness.

Background

The creation of a public/private partnership represented a substantial change from the administration of training programs under JTPA's predecessor, the Comprehensive Employment and Training Act (CETA). Under CETA, local elected officials were both the grant recipient and the administrative entity for their local area (termed "prime sponsors"). Program responsibility was theirs alone; the Governors were responsible for only the largely rural Balance of State programs.

The concept of Private Industry Councils had its origins in an amendment to CETA in 1978. Under the Private Sector Initiative Program (PSIP), PICs were created to provide guidance and input to the local prime sponsors on ways to make the employment and training programs more responsive to the needs of local private employers. However, in practice, PICs under Title VII of CETA were largely advisory.

Not only did JTPA intend the Private Industry Councils to be the "cornerstone" of the administration of the training programs, the Act also intended that the private sector be the "cornerstone" of the Councils. Private sector involvement was intended to have two primary and related effects.

The first was to focus training programs on a "bottom line," in this case, on training people for jobs and improving their earnings. The view was that local employers are the best judges of the types of training needed within their communities. As stated in the Senate Report accompanying the bill that became JTPA:

Such involvement is essential because it is the private sector which will employ the graduates of the training programs, and it is only those who will employ the graduates who can really define the kinds of training programs that are needed. 1

The second intended effect was to give enhanced credibility to government-funded programs within the private sector, where jobs for participants are located. This could be accomplished in a number of ways. First and primarily, through their oversight activities, members of the private sector would bring a businesslike sense of efficiency and accountability, including fiscal integrity, to the local programs.

In addition, private sector members specifically could "spread the word" within the business sector that the programs were both important to the community and useful to employers, thereby promoting the training of participants (through on-the-job training) and their post-program placement. Private sector PIC members could also be "walking advertisements" for the programs: through their own actions in training and hiring participants, they would promote the goals of the Act.
The Organization and Policy Emphasis of PICs

It is clear from the above discussion that PICs were intended to be actively and directly involved in JTPA programs. One of the questions that has largely gone unanswered is: to what extent are PICs active and involved in achieving the purposes for which they were established?

For the most part a PIC's incorporation status has been considered a signal of an active and involved PIC. Certainly, it is a characteristic of PICs about which the most information has been collected. However, incorporation status is not the only possible signal. Others include: a PIC's assumption of direct responsibility for its SDA's program operations by becoming the grant recipient, administrative entity, or both; and a PIC's influence over the programs' policies and operations, regardless of its incorporation status or position in the SDA's administrative structure. In fact, as the discussion below indicates, PICs' incorporation status appears to reveal less information about the extent of their involvement in JTPA activities than the other measures.

Incorporation Status

In 1984 (one year after JTPA had become fully operational), 35 percent of PICs were incorporated, some of which had incorporated prior to JTPA, under Title VII of CETA. By 1986, another 8 percent had incorporated; and by 1992, 53 percent -- or slightly over 300 -- of the approximately 650 Private Industry Councils across the nation were incorporated as private, non-profit organizations. These incorporated PICs do not appear to be randomly distributed; rather they are disproportionately located in very large SDAs. Only 24 percent of those in small rural SDAs were incorporated compared to 64 percent in very large SDAs.

However, a PIC's incorporation status does not appear to be a useful way of identifying PICs that are active and involved. Generally speaking, organizations incorporate for a number of reasons, only some of which are directly related to a desire to increase their influence over a program's operations. For PICs in particular, some may incorporate in order to become the JTPA grant recipient and/or administrative entity. Others may do so in order to protect members from liability or receive funds from non-JTPA sources. In these latter cases, even though they are incorporated, the PICs have assumed only the minimum amount of responsibility the law assigns to them.

To determine the extent to which PICs have been incorporating in order to assume greater responsibilities, changes in their status between 1986 and 1992 were analyzed. PICs' movements among three categories were included in this examination: (a) incorporated and grant recipient/administrative entity, (b) incorporated only, and (c) not incorporated. Data on changes in PICs' status are given in Table 1.

These data indicate that relatively few of the PICs that were incorporated in 1986 have become JTPA's grant recipient, administrative entity, or both since that time (11 percent). The vast majority -- 89 percent -- have not assumed greater direct responsibility for program operations.

In a similar vein, most of the PICs that were not incorporated in 1986 continued to be unincorporated in 1992 (79 percent); 14 percent have become incorporated but have not changed their roles. Only 7 percent incorporated and became the grant recipient and/or administrative entity.
TABLE 1

Percentage Of PICS In 1992 That Are (a) Incorporated, JTPA Grant Recipients, Administrative Entities, Or Both, (b) Incorporated Only, And (c) Not Incorporated According To Their Status In 1986

<table>
<thead>
<tr>
<th>STATUS</th>
<th>TOTAL</th>
<th>STATUS IN 1992</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1986 Percent</td>
<td>Inc., Grant &amp;/or Admin.</td>
</tr>
<tr>
<td>Inc., Grant &amp;/or Admin.</td>
<td>100%</td>
<td>100</td>
</tr>
<tr>
<td>Inc. only</td>
<td>100%</td>
<td>11</td>
</tr>
<tr>
<td>Not Inc.</td>
<td>100%</td>
<td>7</td>
</tr>
</tbody>
</table>

Note: Sample is 216 Private Industry Councils.

The finding that not all PICs incorporate to assume greater direct responsibilities was confirmed by comments at the Commission's roundtable discussions. Attendees addressed the following question directly: Are the purposes for which PICs were established more likely to be realized by incorporated or non-incorporated Councils?

Attendees gave four reasons for incorporation that would suggest such PICs are active and involved. However, the direction of causation cannot be known with certainty, as also noted by the roundtable attendees. An active PIC may not be the result of incorporation, but rather incorporation may be the result of an already active council.

The reasons why PICs incorporate, and examples of attendees' comments are given below.

1. Can become more involved with JTPA training programs:
   - Incorporated PICs can become more directly involved with the programs, because they can become the grant recipient and/or administrative entity;
   - they are able to administer programs with their own staff;
   - incorporation provides business leaders with more control;
   - incorporation improves a PIC's oversight activities and increases the confidence and self-worth of PIC directors in making funding decisions; and
   - there is a greater sense of accountability and responsibility among the volunteers.

2. Improves attitudes of the private sector toward JTPA programs:
   - Incorporation improves the programs' credibility with the private sector;
   - it improves members' attitudes toward JTPA program activities;
   - it is a way for a public program to buy into the world of the private sector; and
• it gives the programs a better public image and more credibility in the local community.

3. Enhances private sector involvement on PICs:
   • Incorporation improves the Council's attractiveness to the private sector and increases private sector participation;
   • it enhances the Councils' ability to attract individuals to serve on the boards; and
   • it enables the Councils to retain a strong board membership;

4. Becoming incorporated enables PICs to be politically independent from their local government.

   However, there are other reasons why a PIC may incorporate that are less directly related to a desire to become more involved. In particular, incorporation

5. limits the liability of board members; and,

6. enables the Councils to raise non-JTPA funds from private sources.

At the roundtable discussions, PIC Chairs and members whose PICs were not incorporated stated that their Councils have been effective. They saw no advantages to incorporation because

• the private sector views their Councils as viable entities;
• there are no problems regarding the liability issue;
• there is little local politics involved in the PIC structure; and
• their Councils do not need greater visibility since the level of funding does not permit them to serve any more individuals than are already being served.

There was a strong consensus among roundtable attendees that incorporation should not be mandated. Two reasons were given. One was offered by incorporated and non-incorporated PICs alike: mandates in general reduce local flexibility, one of the principles on which JTPA was originally based. The second reason was offered by non-incorporated PICs specifically: a mandate to incorporate could adversely affect their smoothly operating programs.

There was also a strong consensus that whether PICs are incorporated or not, they need to be independent of the local government structure.

A PIC's Status as Grant Recipient and/or Administrative Entity

An alternative approach to assessing the extent to which PICs are "active and involved" is to focus directly on the number that have assumed direct responsibility for JTPA programs. This could be accomplished by incorporating in order to become the JTPA grant recipient and/or administrative entity, as indicated by the data in Table 1.

As background to the discussion of PICs' assumption of greater responsibilities, it is helpful first to describe the different types of administrative arrangements that exist within SDAs. There were nine different administrative arrangements across SDAs in PY 1986, according to a
survey of over 500 PIC/SDA directors undertaken in PY 1987 (the most recent year for which data with this detail are available). These arrangements and the percentages of SDAs in each category are shown in Table 2.

Two points emerge from these data. First, 86 percent of the SDAs had one organization serving as both the grant recipient and the administrative entity, although the particular organization selected varied across SDAs.

Second, PICs were not the most likely agency to have been both the grant recipient and administrative entity. In almost 50 percent of the SDAs, local governments carried out both responsibilities. In another 27 percent, non-profit agencies carried out both responsibilities. In only 13 percent of all SDAs, the PIC was both the grant recipient and administrative entity.

However, this 13 percent figure understates PICs’ direct involvement in JTPA. In another 8 percent of the SDAs, the PIC was either the grant recipient or the administrative entity.

Turning these figures around to focus on PICs rather than SDAs, Table 3 shows percentages of PICs that were incorporated and had various administrative roles in their SDA as of 1992. For purposes of comparison, the comparable distribution in 1986 is also shown.

These data show again that somewhat more PICs are involved in the direct operations of JTPA than in the past. As of July 1992, 20 percent were incorporated and served as JTPA grant recipients and administrative entities; another 6 percent were incorporated and had one or the

### TABLE 2

Percentage Of SDAs With Various Arrangements For JTPA Grant Recipient And Administrative Entity (PY 1986)

<table>
<thead>
<tr>
<th>PERCENTAGE</th>
<th>ARRANGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>All SDAs (a)</td>
</tr>
<tr>
<td>46</td>
<td>Local government is both the administrative entity and the grant recipient (b)</td>
</tr>
<tr>
<td>27</td>
<td>Non-profit or other organization is the grant recipient and the administrative entity (b)</td>
</tr>
<tr>
<td>13</td>
<td>PIC is the grant recipient and administrative entity</td>
</tr>
<tr>
<td>5</td>
<td>Local government is the grant recipient and a non-profit or other organization is the administrative entity (b)</td>
</tr>
<tr>
<td>5</td>
<td>Local government is the grant recipient and the PIC is the administrative entity</td>
</tr>
<tr>
<td>1</td>
<td>PIC is the grant recipient and the local government is the administrative entity</td>
</tr>
<tr>
<td>1</td>
<td>PIC is the grant recipient and a non-profit or other organization is the administrative entity</td>
</tr>
<tr>
<td>1</td>
<td>Non-profit or other organization is the grant recipient and the PIC is the administrative entity</td>
</tr>
<tr>
<td>1</td>
<td>Non-profit or other organization is the grant recipient and the government is the administrative entity (b)</td>
</tr>
</tbody>
</table>

Notes: (a) Sample size is 514 SDAs. 
(b) No direct PIC involvement as grant recipient or administrative entity.

Source: NCEP Surveys of State and Local JTPA Policies and Programs, 1986.
TABLE 3

Percentage Of PICs By Their Incorporation Status And Their Status As Administrative Entity, And/Or Grant Recipient (1986 and 1992)

<table>
<thead>
<tr>
<th>STATUS</th>
<th>PERCENT 1986</th>
<th>PERCENT 1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (a)</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Incorporated</td>
<td>42</td>
<td>54</td>
</tr>
<tr>
<td>Administrative entity and grant recipient</td>
<td>(13)</td>
<td>(20)</td>
</tr>
<tr>
<td>Administrative entity only</td>
<td>(5)</td>
<td>(5)</td>
</tr>
<tr>
<td>Grant recipient only</td>
<td>(2)</td>
<td>(1)</td>
</tr>
<tr>
<td>Not grant recipient or administrative entity</td>
<td>(22)</td>
<td>(27)</td>
</tr>
<tr>
<td>Not incorporated</td>
<td>58</td>
<td>46</td>
</tr>
</tbody>
</table>

Note: (a) Sample size is 216 Private Industry Councils.

In a separate survey of local and State Chambers of Commerce, 2 percent reported that they served as JTPA’s administrative entity in 1991.


other responsibility. Combining these figures indicates that at the beginning of PY 1992, 26 percent of PICs were involved directly in at least one administrative role in JTPA operations. This is up from 20 percent in 1986.

PICs’ Areas of Influence and Issues of Importance

The previous two ways of identifying PICs that are active and involved in JTPA programs used indicators that are easy to measure. They require a "yes/no" answer to such questions as "Is the PIC incorporated?" and "Is it the grant recipient or administrative entity?"

The third way discussed in this chapter is more difficult to quantify: the extent to which PICs influence program policies and operations. However, their degree of influence is a manifestation of their commitment to achieving the goals the legislation intended for them to achieve. The importance of this point was made forcefully at the Commission’s roundtable discussions. Virtually every attendee indicated that it was the commitment of PIC Chairs and members that made a difference in their ability to meet their obligations under the Act.

Because of the emphasis that PIC members placed on this measure of their involvement in JTPA programs, the Commission examined empirical information on PICs’ areas of interest and influence. The most recent data was for PY 1986, based on SDA Directors’ assessments about the importance their PICs attach to various policy and operational aspects of the programs. It should be emphasized these data reflect the Directors’ views of the significance PICs attach to different matters, rather than the views of the PICs themselves. Since Directors implement policies and their actions are based on their perceptions of the PIC’s views (rather than the PIC’s reports of its views), these data are likely to be reasonable indicators of the actual approaches different PICs take.

Table 4 contains the data on the emphasis that PICs placed on various policy matters. It shows the percentages of SDA Directors who indicated that the policy issue was "extremely important"
Five policy issues are included. The first concerns meeting the needs of local employers; the second concerns meeting the needs of JTPA-eligible participants.

The remaining three policy issues represent different ways that a PIC could have responded to JTPA’s emphasis on program performance. They include options that states may have selected for their policies regarding incentive awards to SDAs for exceeding expected program performance. The particular areas are: the importance to a PIC of its SDA’s performance relative to (a) that expected of it by the state, (b) the performance of other SDAs in the state, (c) national standards, and (d) the previous year’s performance.

These data indicate that in the early years of JTPA most PICs focused on two policy areas: meeting the needs of local employers and meeting the needs of the JTPA-eligible population. Over 60 percent of SDA Directors stated that these issues were "extremely important" to their PICs.

Fewer PICs appeared to emphasize performance in terms of JTPA’s performance management system. For example, about one-third were reported to consider program performance relative to their states’ standards to be "extremely important" and just over 10 percent considered their performance relative to national standards to be "extremely important."

### TABLE 4

Percentages Of SDA Directors Reporting That The PIC Viewed The Policy As "Extremely Important" (Program Year 1986)

<table>
<thead>
<tr>
<th>POLICY AREA</th>
<th>PERCENTAGE OF DIRECTORS REPORTING POLICY AREA IS &quot;EXTREMELY IMPORTANT&quot; (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whether the SDA meets the needs of local employers</td>
<td>64%</td>
</tr>
<tr>
<td>Whether the SDA meets the needs of those eligible for JTPA</td>
<td>61</td>
</tr>
<tr>
<td>Program performance relative to the SDA’s standards, set by the State</td>
<td>35</td>
</tr>
<tr>
<td>Program performance relative to previous year’s performance</td>
<td>23</td>
</tr>
<tr>
<td>Program performance relative to that of other SDAs in the State</td>
<td>13</td>
</tr>
<tr>
<td>Program performance relative to national standards</td>
<td>13</td>
</tr>
</tbody>
</table>

Note: (a) Sample size is 522 SDA Directors, some of whom were PIC Directors.

Source: NCEP Surveys of State and Local JTPA Policies and Programs, 1986.
Taken together these findings suggest that most PICs chose to focus on the practical issues of their local communities. Consistent with their mandate, they emphasized linking the training needs of their JTPA clients with the training requirements of local employers. Fewer were influenced by the more abstract and new performance standards system, including their states' incentive policies regarding performance.

More recently, one particular PIC made this point directly at the roundtable discussions in 1992. Their members had explicitly decided to undertake a long-term strategy for dropout prevention because they believed it would best assist the young people in their community. The PIC maintained its strategy even though state officials indicated that the SDA would not be able to meet its expected performance goals.

Table 5 contains similar data on PICs' influence over program operations. It shows the percentages of SDA Directors who reported that their PIC was "extremely influential" over various aspects of program operations. (10) The areas include: types of clients enrolled, types of services provided, selection of service providers, and the types and terms of the contracts used with service providers.

Three points emerge from these data. The first one involves a comparison of Tables 4 and 5. Specifically, proportionately fewer PICs appeared to focus on operational aspects of the program than on the policy areas. The highest percentage of PICs viewed as "extremely influential" in program operations was 51 percent (for the program area "selection of service providers"). In comparison, the highest percentage of PICs viewed as "extremely important" in policy areas was 64 percent (for the policy area "meeting the needs of employers").

The second point relates to the data in Table 5 alone. PICs appeared to focus their attention more on various aspects of the training programs than on the types of clients or the specifics of the contractual arrangements that were made. This is indicated by the fact that the two areas in which the greatest proportion of PICs were considered to be very influential were: the selection of service providers (51 percent, as indicated above) and the types of programs that are offered (41 percent).

This particular emphasis on training is consistent with one of the reasons JTPA established Private Industry Councils, as noted earlier. Members of the private sector were viewed as the best judges of the types and quality of training that participants need in order to meet the job requirements of employers.

Third, the data in Table 5 indicate that relatively few SDA Directors perceived their PICs to have focused on contractual arrangements with service providers: 22 percent were reported to be very influential over the types of contracts and 17 percent were reported to be very influential over contract terms. This may be one of the sources of the problems that led to the 1992 Amendments concerning JTPA's fiscal integrity (described in a general way in Chapter II and discussed in more detail later in this chapter).

These data on PICs' areas of policy emphasis indicate that as JTPA was becoming established, "meeting the needs of their communities" (both employers and employees) was of priority importance to most PICs. They sought to meet this need by focusing their attention on the types, and providers, of the training programs.

More generally, the discussion has shown that there are a variety of ways to identify and estimate the number of active and involved Private Industry Councils -- the ones most likely to be effective in enhancing JTPA programs and their outcomes. This section has illustrated that no one measure appears to be "perfect"; rather, there are different ways that PICs may be said
TABLE 5
Percentages Of SDA Directors Reporting That The PIC Is "Extremely Influential" Over The Program Area (Program Year 1986)

<table>
<thead>
<tr>
<th>PROGRAM AREA</th>
<th>PERCENTAGE OF DIRECTORS REPORTING PIC IS &quot;EXTREMELY INFLUENTIAL&quot; OVER AREA (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The selection of service providers</td>
<td>51%</td>
</tr>
<tr>
<td>The types of program services that are offered</td>
<td>41</td>
</tr>
<tr>
<td>The type(s) of contracts used</td>
<td>22</td>
</tr>
<tr>
<td>The terms of the contracts</td>
<td>17</td>
</tr>
<tr>
<td>The types of clients who are enrolled in the program</td>
<td>14</td>
</tr>
</tbody>
</table>

Note: (a) Sample size is 527 SDA Directors, some of whom were PIC Directors.
Source: NCEP Surveys of State and Local JTPA Policies and Programs, 1986.

to be active and involved. The number of PICs that would be described in this manner depends upon the particular measure selected.

A PIC's status as "incorporated" seems to be the least useful of the alternatives discussed here. It does not distinguish between those that have assumed direct responsibility for program operations and those that have not. Further, it does not differentiate among PICs by their decisions to focus their attention on particular policy goals or operational matters. For these reasons, the next section, which examines PICs' influence on program outcomes, focuses on their status in their SDA's administrative structure and on the areas where they have chosen to concentrate their attention.

Policy Guidance, Oversight, and Performance Management

JTPA requires PICs to be fully involved -- from beginning to end -- in all decisions about the content and management of the local job training programs. JTPA requires PICs' approval not only of the SDA biennial job training plan, but also of the process for developing it.

The Councils also exercise independent oversight over activities indicated in the job training plan. They are to review, monitor, and evaluate programs and services authorized by the local job training plan. The law does not require them to take specific administrative actions -- such as termination of contracts -- on the basis of oversight findings. The Councils fulfill these obligations in a number of ways. They carry out program oversight independently or in conjunction with local elected officials. Councils review "bottom line" performance indicators and basic management systems, and/or they conduct more detailed and comprehensive investigations.

As part of meeting these responsibilities, PICs meet eight to nine times per year, on average. (Also, PICs have formal committees that meet in addition to their normal PIC meetings.) The average number of meetings does not vary significantly by a PIC's geographic location -- either
PICs spend approximately equal proportions of time on planning, oversight, policy development, and program administration. Having a well-defined plan and planning process are considered characteristics of an exemplary PIC. However, the extent to which PICs either have these characteristics, or understand the reasons why well specified plans are important, is not clear. Chairs of State Job Training Coordinating Councils report that PICs in their states vary widely in this regard. Some PIC Chairs report having processes and plans, but are uncertain about their members' commitment to either.

An issue that has not been fully addressed in the literature on JTPA is the extent to which and how -- Councils with different administrative structures and policies affect JTPA program performance. How does a PIC influence its SDA's program performance? For example, is a SDA's likelihood of meeting or exceeding its performance standards affected by its PIC's status as grant recipient, or administrative entity? Alternatively, as suggested by the roundtable discussions, is it the degree of a PIC's influence on program policies or operations that affects program outcomes?

These are important questions since the goal of JTPA is to train people for jobs and improve their earnings. In addition, the key role that JTPA gave to PICs was predicated on the view that direct involvement of the private sector in the training programs would improve the likelihood that this goal would be achieved.

Through the roundtable discussions, the Commission found that PIC Chairs and members generally feel that they are providing the policy guidance, monitoring, and oversight that the Congress intended. However, their concern was that, instead of receiving clear guidance from the USDOL as to allowable activities under the law, the Councils too often learn through the audit process what were non-allowable activities. Evidence from a 1991 survey of PIC/SDA Directors suggests there continues to be a need for assistance in defining the appropriate role of the Council. They indicated information would be useful on the role of the PIC, self-assessment of the PIC, and strategic planning.

**PICs' Roles and Influence in Performance Outcomes**

One way to assess the extent to which PICs have "made a difference" is by examining their effect on the performance of their SDAs. As noted in Chapter II, JTPA mandates that the performance of the training programs be assessed in terms of the post-program outcomes of the participants. Before beginning this discussion, it is useful to describe briefly some of the elements of JTPA's performance management system and previous research on PICs' effects on program performance.

The USDOL defines the measures of performance that are used to assess the effectiveness of the programs. In broad terms, for adults in Title II-A programs, the measures are participants' placement and retention in unsubsidized jobs, increases in earnings (including hourly wages) and reductions in welfare dependency. For youth in Title II-A programs, they are placement in unsubsidized jobs and various indicators of "employability enhancements," such as completing a General Equivalency Diploma (GED) or entering post-secondary educational institution.

The USDOL also assigns numerical values -- "performance standards" -- to the performance measures. States are permitted to adjust the standards for their SDAs due to local conditions that may affect SDAs' ability to meet them, such as the local unemployment rate. It is these state-adjusted standards which PICs/SDAs are expected to meet. Depending upon the
particular state policies, a PIC's or SDA's performance can make them eligible for additional funds in the form of "incentive grants." 17

One early study of JTPA found that whether a SDA's programs were "government led," "PIC led," or "shared" had no effect on the extent to which the SDA achieved its performance standards. 18 However, this study had several limitations which raise questions about its findings. First, it was based on the experiences of only 25 of the almost 600 SDAs in operation at the time.

Second, the study did not take into account other factors that could be expected to influence program outcomes, such as the local area's unemployment rate.

Third, the study took a "snapshot" view of PICs' effects on SDAs' performance, rather than a longer term view. It examined differences across SDAs in a single year, when instead it seems to be more appropriate to measure PICs' influence on programs over time. For example, PICs can and have, become more assertive in a year when the programs have performance problems. If program outcomes are examined at the same time a PIC is becoming assertive, misleading results could emerge: it could appear that a strong PIC has a negative impact on performance. To avoid this problem, an examination should ask if SDAs with "strong" PICs show improvements over time.

PICs' Influence on Changes in Performance Outcomes

To see how PICs have affected program performance over time, the Commission sponsored an empirical examination of the relationship between several ways PICs influence programs and SDAs' program outcomes for adult participants. 19 The time period covered was between PY 1986 and PY 1988, the most recent years for which the necessary data were available. 20

Two outcomes for Title II-A adult programs were analyzed separately. In each case, the outcomes are "change over time" (from PY 1986 to PY 1988) in measures of SDAs' performance. 21 The outcomes are:

1. The change in a SDA's Adult Entered Employment Rate (the percentage of adult program terminees who are placed in unsubsidized jobs).

2. The change in a SDA's Adult Average Wage Rate at Placement (the average wage of adult participants who were placed in unsubsidized jobs).

Overall results are discussed in the text. (Specific results are given in Appendix F.)

Findings from this examination should be considered a baseline for future research on PICs for several reasons. First, solid analyses of the ways PICs influence program outcomes have not been undertaken previously. Second, Program Year 1986, the base year in this examination, was very early in the life of JTPA. Many PICs were still becoming accustomed to their role and were in the midst of a learning process. As a result, the role of the PIC within its SDA may not have crystallized by the time the data on which this examination is based were collected. A reexamination of the relationships found in the following analysis would be necessary before the results are considered definitive.

Third, the standards for adults, examined here, are no longer in effect. Since PY 1990, the national performance measures for adults have focused on longer-term outcomes. They are now the adult participants' employment status and earnings in the 13th week after leaving the program.
In addition, a performance measure, Cost per Placement in effect at the time, has been dropped. The reason was a concern that when PICs and SDAs attempted to exceed this standard — that is, to have a lower average cost per terminee than the national or their state's standard -- they would be behaving in a manner counterproductive to program goals. They would be seeking to serve those participants who do not require costly programs and are also easy to place. In other words, the existence of this performance measure may have influenced outcomes on the other performance measures and affected targeting decisions.

In spite of these caveats, the findings from this investigation are instructive. They suggest the extent to which PICs with different characteristics have influenced their SDAs' program outcomes.

The statistical technique used (formally termed "multiple regression analysis") seeks to disentangle the separate effects that different factors have on the outcome under investigation. In this case, the technique was used to estimate the separate effects that a PIC's status in its SDA's administrative structure, and its policy emphasis, had on changes in the SDA's program performance, after taking into account other factors which also affect performance, such as the local area's unemployment rate.

A brief description of the factors included in the examination is given below. The precise ways they were defined are given in Appendix F.

The focus of the discussion is on several "policy" variables. Three represent PICs' potential impact on changes in SDAs' performance:

- a PIC's status in the administrative structure of its SDA,
- the importance a PIC placed on achieving specific performance goals, and
- a PIC's influence on various aspects of the programs' operations.

The measures of the importance PICs placed on goals and their influence on program operations are based on the views of SDA Directors, as described in the previous section.

Other policy variables included in the analyses are: (a) measures of states' incentive policies and (b) the change in the SDAs' Cost per Placement. This latter variable was included in the analyses to test the extent to which changes in JTPA expenditures per placement were associated with changes in Adult Entered Employment Rates and Average Wages at Placement.

Several variables were included in the analyses as "controls." They included (a) changes in the proportions served of groups typically considered to be "hard to serve," such as school dropouts and welfare recipients; and (b) indicators of local economic conditions. It is recognized that the proportions of the different groups served could be considered policy variables, since PICs/SDAs had some control over the characteristics of their program participants. However, the purpose of this examination is to highlight direct, rather than indirect, ways that PICs influenced outcomes.

A final "control" variable is the level of each standard in the base year (PY 1986). It was expected that the lower the level of the standard in the base year, the greater the room for improvement during the subsequent two years.
PICs' Influence on Changes in Adult Entered Employment Rates

Table 6 shows the Adult Entered Employment Rate (AEER) for PY 1986 and PY 1988, the change between the two years, and the policy variables that were associated with statistically significant increases or decreases in the AEER.  

The administrative role of a PIC in the organizational structure of the SDA was related to improvements in the Adult Entered Employment Rate. SDAs in which the PIC was the grant recipient, the administrative entity, or both, had significantly greater increases in the AEER than SDAs in which the PIC was not a direct recipient of the JTPA funds and/or did not directly administer the programs.

However, a PIC's administrative role in its SDA's structure was not the only characteristic of a PIC associated with program outcomes. Regardless of its administrative role, a PIC's views of the importance of performance goals also mattered.

Specifically, those SDAs in which the PICs viewed that it was extremely important to "exceed" the standards set by the state (or to be more successful than the state's other SDAs) had significantly higher gains in their Adult Entered Employment Rates than other SDAs. By comparison, those SDAs in which the PICs viewed that it was extremely important to "meet" the national performance standards averaged lower gains than other SDAs.

One explanation for this particular finding is that during the PY 1986-1988 period, states' performance expectations of their SDAs were typically more demanding than the performance expectations embodied in the national standards. It appears that SDAs in which the PICs focused on the more challenging goals tended to experience greater gains in Adult Entered Employment Rates.

State policies, as well as PIC policies, had an influence on changes in adult participants' post-program employment. SDAs in states that had policies which promoted competition among SDAs for incentive dollars had greater increases in performance than SDAs in other states. Also, SDAs in states that used very stringent criteria for qualifying for incentive grants (the upper bound of the USDOL's tolerance range) had greater increases in their AEERs than SDAs in other states.

Also, as policymakers had believed, the use of Cost per Placement as a performance measure does appear to have had unintended program effects: decreases in costs per placement were associated with increases in entered employment rates for adults. This finding suggests PICs/SDAs served the easiest to both train and place so that they could simultaneously reduce their Cost per Placement and increase their Entered Employment Rate, thereby "meeting" or "exceeding" both standards.

It is noteworthy that several PIC-related variables were not found to be statistically significant. In particular, although PICs appeared to have an affect on placement rates when they set policy goals, they did not seem to have an affect when they attempted to influence program operations in other ways. In every case where the SDA Director viewed the PIC as "extremely influential" in its SDA's operations, the relationship between their influence and changes in performance was not statistically significant.

While PICs' influence over various aspects of program operations -- including "who enrolls" - did not affect changes in program outcomes, actual changes in the composition of the adult client population did have such an effect. Increases in service to "less job ready" participants were associated with smaller gains in SDAs' Entered Employment Rates.
TABLE 6

Average Adult Entered Employment Rate (AEER) And Policy Variables Affecting Their Change Between PY 1986 And PY 1988 (a)

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td></td>
<td>73.1</td>
<td>73.9</td>
<td>0.8</td>
</tr>
</tbody>
</table>

FACTORS ASSOCIATED WITH AN INCREASE IN THE AEER (b)

- The PIC was the grant recipient and/or administrative entity.
- It was "extremely important" to the PICs that they exceed the standard set for them by the state.
- Their SDA’s performance relative to the performance of other SDAs in the state was "extremely important" to the PICs.
- There was competition among SDAs for state incentive grants.
- State policies permitted SDAs to qualify for incentive grants if they were above the upper bound of the USDOL’s tolerance range for performance outcomes. (c)
- There was an decrease in the SDA’s cost per employment.

FACTORS ASSOCIATED WITH A DECREASE IN THE AEER (b)

- Their SDA’s performance relative to national standards was "extremely important" to the PICs.

Notes: (a) Sample size is 436 SDAs.
(b) Variables included only if they were significant at least at the 10 percent level.
(c) While the national standard has a precise numerical value, it also has upper and lower bounds (the "tolerance range") to take into account any imprecision in the analysis on which the precise values are based.

This suggests that the 1992 Amendments to JTPA, which seek to target services more directly to "less job ready" individuals, may make it more difficult for some SDAs' to continue achieving increases in adult placement rates. SDAs that do not already serve substantial numbers of participants with multiple barriers to employment (as described in Chapter II) will need to invest more per participant (provide more intensive services) and, given budget limitations, serve fewer participants. Other SDAs, which already serve sizeable numbers of such participants are less likely to find their performance affected by the amendments.

PICs’ Influence on Changes in Average Wage at Placement

The major finding regarding the program outcome, Average Wage at Placement, is the minor effect that both local and state policies had on this performance measure. (See Table 7; precise results are given in Appendix F.) Similar to findings on employment outcomes, a PIC’s influence on program operations was not related to changes in its SDA’s Average Wage at Placement for adults. Unlike findings regarding the relationship between improvements in the Entered Employment Rate and a PIC’s administrative role in its SDA’s structure, a PIC’s administrative role appeared to have no affect on this outcome.
In addition, there was no relationship between changes in Cost per Placement and changes in Average Wage at Placement. Increases in costs were not associated with greater gains in wages.

Of the several factors used to capture state and PIC policy choices, only one had a significant relationship to a SDA's performance on this measure. Greater wage gains were experienced by SDAs in which the PIC sought to improve over its own past performance. Nevertheless, it should be noted that the strength of this relationship was fairly weak and would not have withstood a test of statistical significance if a more stringent criterion had been used.

The factors best able to explain changes in Average Wage at Placement were in two categories. The first reflected the types of clients served by PICs/SDAs. Those that increased their levels of service to females and individuals with disabilities experienced lower gains.

The second category of factors reflected the local economic conditions of the SDA during the base period, PY 1986. For example, SDAs that had greater average wage gains tended to be in areas with relatively high average earnings in PY 1986. Low wage gains between PY 1986 and PY 1988 were found among SDAs with high unemployment rates.

Taken together, these findings indicate that local economic conditions, and the structure of the labor market for particular groups of workers, were more important to this measure of program performance than the policies examined here that the states and PICs enacted. A goal of the 1992 Amendments is to improve participant's post-program wages and earnings through more intensive training. A not mutually exclusive alternative is to increase job development efforts for program completers. Recent research suggests that participants who complete JTPA training and are directly placed in jobs earn more one year later than participants who are not placed. Identifying potential employers for JTPA participants is a valuable activity for PIC members.

### TABLE 7

**Average Adult Wage At Placement (Adult Wage) and Policy Variables Affecting Change Between PY 1986 and PY 1988 (a)**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$5.13</td>
<td>$5.55</td>
<td>$0.42</td>
</tr>
</tbody>
</table>

**FACTORS ASSOCIATED WITH AN INCREASE IN THE ADULT WAGE (b)**

- Their SDA’s performance in PY 1986 compared to the performance in the previous year was "extremely important" to the PICs.

**FACTORS ASSOCIATED WITH A DECREASE IN THE ADULT WAGE (b)**

- None of the "policy variables" as defined in the text.

Notes: (a) Sample size is 436 SDAs.  
(b) Variables included only if they were significant at least at the 10 percent level.
Fiscal Integrity and Conflicts of Interest

Over the past several years -- prior to the enactment of amendments to JTPA in 1992 -- PICs had become quite concerned over "conflict of interest" issues. Many of these concerns stemmed from reports of misuse of program funds and areas where JTPA was vulnerable to mismanagement; these reports had been issued by the Office of Inspector General of the U.S. Department of Labor (OIG) and by the U.S. General Accounting Office (GAO). The reports received widespread publicity in the media: there were magazine articles with headlines such as "The Federal Job-Training Fiasco" and "How Job-Training Funds are Being Misused."

PICs' concerns over conflict of interest also stemmed from the fact that they had been given no clear guidance on the conditions which constituted such a conflict. On the one hand, for both private and public sector members, voting on contracts for which their organization or company had submitted a bid was a clear conflict of interest.

On the other hand, PICs were uncertain about other situations. Would it be a conflict of interest for PIC members (public and private sector) ever to hire program participants? Should members vote on a training contract which might result in participants their companies would subsequently hire? How were members to judge at the time of a vote whether their organizations would be interested in the participants several months later?

One result of the negative publicity and lack of guidance was that the Councils became uncertain about their roles and responsibilities, and the rules they had established for governing themselves. On the one hand, PICs believed they were being faulted for neglecting potential conflicts of interest when, on the other hand, they also believed they had developed ways to handle such problems.

At the roundtable discussions, attendees indicated that they were aware that the potential for conflict of interest is inherent in the structure of Private Industry Councils. They recognized that the Councils are comprised of individuals who not only are to provide policy guidance and oversight to the system, but who also stand to benefit from JTPA programs, as either vendors of training, subsequent employers of program participants, or both.

As a result of their awareness, PIC members reported having developed various procedures for addressing potential conflicts of interest: through established by-laws, codes of ethics and members’ abstention from voting.

Some PIC members -- from small SDAs -- expressed apprehension that forthcoming conflict of interest standards would be overly stringent, thereby reducing the number of potential private sector candidates for PICs, a number which was already relatively small due to the size of their SDAs. Other PIC members expressed concern that the standards would eliminate many potential candidates who could contribute valuable services to the Councils.

However, conflict of interest issues -- especially as they pertain to private sector members of PICs -- do not appear to have been the major problem the OIG and GAO were addressing. While PICs were focusing on this issue, other issues appeared to have been equally (or more) important, as indicated by the 1992 Amendments to JTPA.

One of the goals of the 1992 Amendments to JTPA was to improve the programs' fiscal integrity. This was done primarily through three changes, as outlined in Chapter II.
First, cost categories for the use of funds were more clearly defined and the types of activities allowed within each were explicitly delineated. Second, specific provisions were made regarding on-the-job training contracts.

Third, the law listed nine areas where minimum standards for fiscal controls are to be developed by the U.S. Secretary of Labor and prescribed and implemented by the Governors. Of special importance here are three of the nine: avoidance of actual or apparent conflicts of interest; provision for full and open competition in procurement; and minimization of sole-source procurement to the extent practicable.

In short, conflict of interest was only one aspect of those amendments that dealt with fiscal integrity. When this standard is implemented by the Governors, PICs' uncertainties regarding the rules by which they govern themselves should be clarified.

The issues surrounding the other two standards and on-the-job training contracts were somewhat overlooked in the literature and in discussions of proposed amendments. The two standards aimed at increasing competition for JTPA contracts were designed to improve the fiscal integrity of all JTPA training activities.

The provisions regarding on-the-job contracts were designed to improve the quality of that type of training specifically. They stemmed primarily from reports of the OIG and GAO. For example, the General Accounting Office reported that, especially for lower-skill occupations, the length of on-the-job training contracts was excessive.

SDAs provided OJT [on-the-job training] for lower skill jobs (e.g., carwash attendant, hotel maid, and fast-food worker) for periods that exceeded Labor's suggested training times for these types of jobs.

Also, the Office of Inspector General reported:

Approximately 60 percent of all OJT employers say they would have hired the participant without the [50 percent] wage subsidy. This same group of employers retained 66 percent of the adults and 48 percent of the youth after the OJT subsidy ended.

The implication of these reports was that JTPA funds were being used to subsidize the private sector.

There is evidence to suggest that an unintended consequence of the combination of amendments regarding competition generally and on-the-job training contracts specifically could be a reduction in the provision of on-the-job training by the private sector as a whole as well as private sector PIC members. PIC members may become uneasy about the amount of paperwork on-the-job contracting implies and the potential for error and subsequent audit exception. Potential employers may have a similar reaction.

The provisions regarding on-the-job training are relatively numerous and they have increased the complexity of providing this service. The major provisions are:

- the development of regulations by the Secretary of Labor to assure that contracts will not be developed with employers who have exhibited a pattern of failing to provide past participants in on-the-job training with continued long-term employment as regular employees with wages and benefits at the same level as other similar employees;
limitations in the duration of on-the-job training to a period not in excess of that generally required to obtain the skills needed for the position within a particular occupation, but not to exceed 6 months unless the total number of hours is less than 500 hours; and

- inclusion of the following elements in on-the-job training contracts: the types and duration of training and other services in sufficient detail to allow for a fair analysis of the reasonableness of proposed costs; and an indication of compliance with the applicable requirements found in Section 164, "Fiscal Controls and Sanctions" (which includes the establishment of the standards noted above). 31

As a practical matter, these amendments suggest that there will be an increase in the amount of "paperwork" involved in developing on-the-job training contracts and in insuring that they are not subjected to audit exceptions. Prior to the amendments, bureaucracy and "red tape" were already reported by members of the business community who had become dissatisfied with JTPA programs.

In addition, to the extent that the new standards lead to a local emphasis on competitive (rather than sole-source) contracting, there are likely to be fewer on-the-job training contracts. The discussion below explains this point.

An emphasis on competitive contracting is likely to reduce the number of on-the-job training contracts to the extent that SDAs and PICs procure these contracts independently with local employers. Their alternative is to use a competitive process to obtain the services of vendors who then procure the on-the-job training contracts. Past procurement patterns suggest that SDAs and PICs have been less likely to use the competitive process for on-the-job training contracts than for occupational classroom training contracts. As shown in Table 8 below, over 70 percent of the funds spent in on-the-job training contracts were handled through non-competitive procurement. This contrasts with the procurement of occupational classroom training: less than 25 percent of the funds were expended through non-competitive procurement.

The problem is that a reduction in the provision of on-the-job training would be detrimental to goals of JTPA programs. This type of training is an important way to improve the long-run earnings of adult participants according to the report of the U.S. Department of Labor's national evaluation of JTPA as well as Commission studies. 32

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TABLE 8

Procurement By Types Of Occupational Training

<table>
<thead>
<tr>
<th>TYPE OF PROCUREMENT</th>
<th>TYPE OF OCCUPATIONAL TRAINING</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OJT</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
<tr>
<td>Competitive</td>
<td>28</td>
</tr>
<tr>
<td>Non-Competitive</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: Gerald W. Peterson, Assistant Inspector General for Audit, Memorandum for Roberts T. Jones, Assistant Secretary for Employment and Training, Subject: Management Information on JTPA Service Provider Contracts, Attachment III - Contract Procurement, February 21, 1989, p. 10
Thus, in implementing these new provisions, the U.S. Department of Labor will be forced to do a delicate balancing act. It will need to improve the programs' fiscal integrity and enhance the quality of on-the-job training. Simultaneously, it will need to assure that the provision of on-the-job training -- and the economic well-being of program participants -- are not adversely affected.
ENDNOTES


2. Most information on how PICs have structured themselves is based on two sources: surveys of PIC Chairs undertaken in 1983, 1984, 1985 and 1991 by the National Alliance of Business; and by CSR Inc., Practical Guidance for Strengthening Private Industry Councils, Volume II: Analytic Summary of Findings From Ten Exemplary PICs, U.S. Department of Labor, Employment and Training Administration, Washington, D.C., March 1990. The CSR report documents the characteristics of "exemplary PICs." It describes the operation of 10 exemplary PICs, summarizes key findings and provides an analysis of their implications. The report found that almost all of the PICs studied did more than provide policy guidance and oversight. Many administered and operated their own programs and were JTPA grant recipients. The few Councils that confined themselves to planning and monitoring nevertheless had significant responsibilities. They controlled, at a minimum, the entire policy making process. In short, the PICs had enough responsibility to make incorporation an attractive option. Eight of the 10 PICs selected as models in the CSR study were incorporated as private, not for profit organizations under section 501(c)(3) of the Internal Revenue Code. CSR examined why incorporation should be strongly considered by any PIC that wants to have major responsibility, particularly fiscal accountability, in its partnership with LEOS. CSR recommended that incorporation can help a PIC establish its independence from local government politics and bureaucracy, attract the support of the business community, solicit donations that would otherwise be unavailable to a government entity, and protect individual PIC members from personal liability for the PIC's actions. CSR Inc., Practical Guidance for Strengthening Private Industry Councils, Volume III: Lessons From Job Training Partners, March 1990, p. 37.

3. These figures are based on a canvass of over 200 PICs across the country. According to a 1991 canvass of 215 PIC Chairs by the National Alliance of Business (NAB), 60 percent of PICs were incorporated. According to a 1992 Commission follow-up canvass of the Directors of the same 215 PICs, 51 percent were incorporated at the time of the NAB survey. An additional 2 percent had become incorporated since the NAB survey. See Appendix D for more detail on the canvasses.

4. NCEP PIC/SDA Follow-up Canvass, 1992

5. These funds may be used to enhance the training programs or they may be used by the PIC itself.


7. The extent to which private sector PIC members train or hire participants, and promote JTPA programs in their business communities is discussed in Chapter IV.

8. See Appendix D for a description of the data, NCEP Surveys of State and Local JTPA Policies and Programs.

9. Other possible responses were "quite," "somewhat," and "not important."

10. Other possible responses included "quite," "somewhat," or "not influential."

12. These data are based on reports from representatives of local Chambers of Commerce who are familiar with JTPA. The canvass of the local Chamber of Commerce is described in Appendix D.


14. Canvass of Chairs of State Councils and of PIC Chairs, described in Appendix D.

15. There have been several efforts at defining “exemplary” Private Industry Councils. These efforts and the criteria used are given in Appendix E.


19. The research was undertaken by Mr. John Baj, Center for Governmental Studies, Northern Illinois University, DelKalb, Illinois, October 1992.

20. A two year period was selected to insure that there was sufficient time for a PIC’s influence to have an affect on performance. Although performance data from more recent program years were available, an examination of longer term changes was inappropriate because updated data on PICs were not available. See Appendix D for a discussion of the data base that was used, NCEP Surveys of State and Local JTPA Policies and Programs.

21. The other performance measures for adults in effect at that time were Cost per Placement and the Entered Employment Rate for welfare recipients.

22. Given the exploratory nature of this examination, a significance level of alpha = .10 was used.


27. The Job Training Reform Amendments of 1992 (Section 131).

28. The Job Training Reform Amendments of 1992 (Section 142).


31. The Job Training Reform Amendments of 1992 (Section 131).

III IV. THE ROLE OF THE PRIVATE SECTOR ON PRIVATE INDUSTRY COUNCILS

The Job Training Partnership Act (JTPA) intended local business communities to be in charge of their Private Industry Councils (PICs). When JTPA was enacted in 1982, it was the first time that the private sector had been brought into a major domestic program as a full, permanent partner with government. At the time, policy makers did not know if this partnership could be sustained throughout the country. Nor did they know precisely how private sector members would define their roles as members of a PIC. These issues were especially problematic since the Council members were to be volunteers. Nevertheless, hopes were high that the private and public sectors would join forces to address the employment and training needs of their local communities.

This chapter focuses on the private sector component of Private Industry Councils. It begins with background information on JTPA's requirements regarding PICs.

The second section discusses the extent to which the private sector has become aware of JTPA and its programs in general. The third section presents findings on the ways private sector members are recruited and the composition of Councils that has resulted.

The chapter concludes with new information regarding the roles private sector PIC members have assumed for themselves. As indicated in Chapter III, the law not only intended for them to provide guidance and oversight for the programs but also there was an expectation that they would promote the goals of the Act by "spreading the word" about the programs within the business community and by being "walking advertisements" through their companies' training and/or hiring participants directly.

Background

To give the private sector a major role in the administration of employment and training programs, JTPA required that a minimum of 51 percent of PIC members, as well as the Chair, must be from the private sector.

Both nominations and the ultimate appointments are to be reasonably representative of the industrial and demographic composition of the business community. Further, at least half of the private sector PIC members are to be from small business, including minority enterprises. They are also expected to be individuals with real authority in their firms -- namely, owners of businesses, chief executives or chief operating officers of nongovernmental employers, or other private sector executives with substantial management or policy responsibilities.

The Job Training Reform Amendments of 1992 added a few requirements regarding the composition of the Councils. As of July 1993, representatives of organized labor and community-based organizations are to be not less than 15 percent of the PIC membership. There are also to be representatives from each of the following: educational agencies, vocational
rehabilitation agencies, public assistance agencies, economic development agencies and the public employment service.

Nominations are submitted to the local elected official(s) who make the appointments. In the case of private sector members, the number of nominations is to be at least 150 percent of the number to be appointed.  

The number of members on each Council is determined locally. Initially the number is determined by the local elected official(s). Thereafter, the Council itself determines its size.

Finally, as noted at the outset of this chapter, all members are volunteers. Their terms are established locally by the Councils. Individual members' terms may be of specific duration (fixed). The terms of all members may be staggered. For example, a Council may have some members with two-year terms and other members with three-year terms. Alternatively, all members may have three-year terms with the appointments occurring at different times. Councils also establish their own rules regarding re-appointments.

The Private Sector's Awareness of JTPA

Because the U.S. Chamber of Commerce is the most widely representative organization of business and industry, the Commission sponsored a canvass of local Chambers to ascertain the extent of their knowledge and involvement with JTPA programs. Currently there are approximately 2,800 Chambers representing about three million businesses in the United States. These Chambers are located in the approximately 650 Service Delivery Areas under JTPA. Consequently, in nearly all SDAs there is more than one Chamber.

JTPA programs have become widely known by local Chambers throughout the country. About 90 percent of local Chambers report being aware of JTPA and its programs. This degree of awareness is essentially the same across regions of the country, and across rural, suburban and urban areas. For example, the range of awareness was from a low of 85 percent in suburban areas to a high of 93 percent in urban areas.

Chamber members have become aware of JTPA in a number of ways, although contact with a PIC member was the predominant means. As indicated in Table 9, close to 40 percent reported that they became aware of JTPA in this way. It was the dominant reason regardless of the region of the country or the size of the local area which the Chamber served. For example, the range was from 36 percent in suburban areas to 49 percent in urban areas.

Three other ways Chambers have learned about JTPA were of about equal importance: Chamber respondents' past experience with CETA programs, the media, and reading related JTPA materials. The range here was from 15 to 19 percent.

One of the least likely ways that local Chamber representatives learned about JTPA was through contact with their local elected official(s) -- 8 percent. This, rather low figure is somewhat surprising given the emphasis in the law on a "partnership" between the private and public sectors. This finding -- especially when juxtaposed with the 40 percent figure of "learned through contact with a PIC member" -- suggests that local elected officials have not played a major role in publicizing JTPA throughout the business community. However, this should not be taken to mean that there are poor working relationships between local elected officials and the Private Industry Councils. As discussed in Chapter V, relationships appear to be harmonious in most SDAs.
### TABLE 9

Chamber Of Commerce Awareness Of JTPA By Source (a)

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>PERCENT OF CHAMBERS (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through contact with PIC member</td>
<td>39%</td>
</tr>
<tr>
<td>Through past experience with CETA</td>
<td>19</td>
</tr>
<tr>
<td>Through the media</td>
<td>16</td>
</tr>
<tr>
<td>Through reading related JTPA materials</td>
<td>15</td>
</tr>
<tr>
<td>Through contact with local elected official(s)</td>
<td>8</td>
</tr>
<tr>
<td>Through reading the Job Training Partnership Act</td>
<td>6</td>
</tr>
</tbody>
</table>

Notes: (a) Sample size is 1,036 local Chambers of Commerce. (b) Figures total more than 100 percent because multiple responses were possible.


### Recruitment of Private Sector PIC Members

In broad terms the public-private partnership of JTPA has been sustained. Most Private Industry Councils are able to recruit private sector members without difficulty. Over 70 percent of the PIC Chairs had not experienced problems in replacing private sector members on the Councils, according to surveys undertaken in 1985 and 1991.²

This general finding was confirmed at the Commission’s roundtable discussions. Some Private Industry Councils reported that there is a waiting list of individuals who would like to serve on the Council. Others reported that membership on the PIC is viewed as being very prestigious with individuals lobbying for appointments.

However, a few problems in recruiting members have also emerged. Some relate to the way JTPA itself is structured; others are specific to particular types of SDAs. The fact that PIC members are to volunteer their time is one kind of general problem that has surfaced. Of the roughly 25 percent of PIC Chairs that had said replacement of private sector members was a problem, one reason predominated: the individuals believed that serving on the PIC would require too much of their time.³ At the Commission’s roundtable discussions, there was also concern that the potential for conflict of interest and the "150 percent requirement" sometimes strains the recruitment process.

Other reasons for recruitment difficulties were more specific to individual PICs. There have been difficulties recruiting particular types of individuals to serve on the Councils, including individuals from large employers. Private Industry Councils have low profiles in some communities due to a lack of public awareness and of marketing its JTPA services. Another reason relates to the large geographical areas some Councils oversee. In large areas the travel time required to attend board meetings can present a barrier to recruitment.

New members are recruited in a wide variety of ways. There appears to be no systematic pattern across SDAs. For example, local Chambers and other organizations solicit nominations from
among their members; local elected officials solicit nominations; individuals volunteer on their own; and Private Industry Councils themselves are directly involved in contacting potential new members. All of these methods are used, although to different degrees in SDAs of different sizes.

Of those Chambers that reported that they are aware of JTPA, about two-fifths nationwide are also involved in the recruitment and/or nomination process for Council members. However, this degree of involvement varies by the Chamber's location. While 60 percent of the Chambers in urban areas are involved in the nomination process, only 42 percent of those in suburban areas -- and 36 percent of those in rural areas -- report being part of the nomination process.

Among Chambers aware of JTPA and also involved in the nomination process, 98 percent report that the local elected officials follow the Chambers' recommendations. This finding held true regardless of region or population size served by the Chamber and across rural, suburban, and urban areas. Almost one-quarter of the Chambers reported that new members are recruited by community leaders. Again, this is most likely to occur in areas with very large populations.

Nationwide, few new PIC members volunteered on their own to serve (8 percent). New members are slightly more likely to volunteer in larger rather than smaller areas. For example, only 6 percent of new members volunteer in areas with populations under 25,000, whereas 14 percent volunteer in areas having a population of over 200,000.

Private Industry Councils are involved in recruiting new members to varying degrees, as indicated in Table 10. At one extreme, 22 percent of the PICs report being "very involved"; at the other extreme, 15 percent report no involvement.

Some attendees at the Commission's roundtable discussions were from PICs that were actively involved in the recruitment of new members. These members reported becoming involved because they are aware of those individuals in the community that can contribute the most to PIC activities.

Some PICs have developed specific recruitment techniques. For example, some Councils invite prospective members to attend board meetings and other functions so candidates can see

<table>
<thead>
<tr>
<th>STATUS</th>
<th>PERCENT</th>
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<tbody>
<tr>
<td>Total (a)</td>
<td>100%</td>
</tr>
<tr>
<td>Not involved at all</td>
<td>15</td>
</tr>
<tr>
<td>Minimally involved</td>
<td>30</td>
</tr>
<tr>
<td>Somewhat involved</td>
<td>33</td>
</tr>
<tr>
<td>Very involved</td>
<td>22</td>
</tr>
</tbody>
</table>

Note: (a) Sample size is 215 PIC Chairs.

first-hand how the Councils operate. Other Councils have increased their marketing efforts in an attempt to raise their visibility and to promote the Council within the community. However, some roundtable attendees noted that the lack of administrative funds have hindered these efforts.

While individual PICs have developed methods to promote their visibility and hence their recruitment efforts, in general the Private Industry Councils need more information on ways to market themselves to the private sector, according to the NAB survey of PIC Directors and discussions at the Commission-sponsored roundtables.

Composition of Private Sector Membership on PICs

While the law is specific with regard to the composition of Private Industry Councils, there are also aspects that are open to the Council's discretion. Discussed here are the proportion of private sector membership above the 51 percent figure; rules governing terms and reappointments; and the sectors of the local economy which the members represent.

From the roundtable discussions, it became apparent that the size and composition of the PIC board depends on the characteristics of the area served and local labor market needs. PICs seem to have developed various mixes of members from both large employers and small businesses as well as mixes of both high level executives who are instrumental in providing their firms' resources and mid-level managers who have more time to devote to the Councils.

Some participants believe that Councils comprised of a preponderance of private sector members who have substantial authority in their own businesses is a major asset. It is these business leaders who are better able to commit their companies' resources to PIC activities as well as give the Council more prestige in the local community. 4

Others indicated that to maximize their effectiveness the Councils need to have not only executives and other high-level members of businesses and community agencies but also individuals who are fully committed to the role and responsibilities of the Councils. Generally, it is desirable that all business people have the opportunity to be considered for membership on the Councils and that recruitment of members not be limited solely to any one source, according to the roundtable participants.

While JTPA requires at least 51 percent of the Council’s membership be from the private sector, some PICs have even higher proportions. This is due to the demands on member’s time from their own businesses. Sometimes private sector representatives are unable to attend council meetings; therefore, the ones who do attend are outnumbered by the public sector members. Consequently, some PICs have established a larger requirement than the 51 percent required in JTPA to ensure that business members maintain a voting majority at council meetings.

The effect of local Chambers' involvement in recruiting and nominating members to their Private Industry Councils is seen in the extent to which they have representatives on the Councils. Nationwide, nearly 83 percent of Chambers either currently have, or have had in the past, members serve on the Councils.

In other words, slightly under 20 percent of local Chambers have never been represented on Private Industry Councils. This may not be surprising since there are more local Chambers than PICs (about 2,800 Chambers compared to approximately 650 PICs, as noted earlier). Some SDAs have over 20 local Chambers. In any particular SDA, one Chamber may predominate due to its exact location (for example, in the County seat) or due to the size of the population it represents.
Also, in some SDAs local Chambers have joined together to determine which shall represent them as a group.

In general, Chambers in large, urban areas are more likely to have representatives on their PICs than their counterparts in smaller areas. Among Chambers aware of JTPA, about 45 percent currently have members serving on the PICs across the Nation. However, there are some differences across the areas the Chambers represent. Only one-third of the Chambers in areas with populations of less than 25,000 have representatives on the PIC; in contrast, over two-thirds of the Chambers serving populations of over 200,000 have representatives on the Councils.

About 20 percent of the Chambers reported that their representatives served as PIC Chairs. Again, the larger the population of the area the Chamber serves, the more likely Chamber members’ representatives served as Chair. For example, 30 percent of the Chambers in areas with populations over 200,000 had members serve as Chair compared to only 16 percent of the Chambers in areas with populations under 25,000.

While PIC Chairs continue to represent the full range of industries in the United States, there is some evidence to suggest that the more recently appointed Chairs are increasingly coming from different industries and firms of different sizes than in earlier years. For example, in 1985 approximately 35 percent of the Chairs surveyed reported that they worked in the manufacturing sector. In 1991, the percentage declined to about 24 percent. Chairs are increasingly coming from the service sector, rising from roughly 17 percent in 1985 to 28 percent in 1991.

Considered nationwide, this shift to service sector firms could be interpreted as signaling a potential for increased involvement on the part of PIC Chairs in direct training and, more particularly, hiring of JTPA participants. While it is well known that employment in this sector is growing more rapidly than in other sectors, especially manufacturing, this shift has not been associated with increased training and hiring (as discussed in the next section). One reason appears to be the specific types of firms that many of the Chairs represent -- professional and technical services, such as in finance, insurance and real estate; and in law and computer services. These firms require more pre-employment education and training of their employees than is typically provided by JTPA programs.

Also, Chairs tend to be from firms with small numbers of employees. For example, about one-third employ 10 or fewer workers; about 45 percent employ over 50 workers. Again, considered nationwide, this too could be interpreted as a signal that the Chairs' firm would be more likely to train and/or hire participants since small firms are growing more rapidly than large firms. However, expectations regarding training and hiring should not rely on this characteristic of PIC Chairs' firms. Due to their size, small businesses have few positions potentially available to JTPA participants. Also, they are less likely than large businesses to be willing (and able) to enter into the increasingly complicated on-the-job training contracts resulting from the 1992 Amendments to JTPA. (For more on this, see the discussion in Chapter III.)

While some individuals have served as Chair for two years or less, the majority of the more recently appointed Chairs have had the experience of serving as Council members prior to becoming Chair, according to the 1991 NAB survey of PIC Chairs. Such continuity of membership on the Private Industry Councils, including continuity of the Chair, is very important to carrying out the Council's role and responsibilities, according to roundtable discussants. This experience will be crucial to PICs and local program operations as SDAs plan for, and implement, the changes produced by the 1992 Job Training Reform Amendments.
The length and continuity of members' terms is similarly important to a well functioning PIC. The law specifies that members are to be appointed for fixed and staggered terms and may serve until their successors are appointed. Roundtable participants added that terms should be of sufficient length to allow members time to gain experience in their role as Council member.

Private Sector Involvement with JTPA Programs

As mentioned earlier, the Job Training Partnership Act was predicated on the fundamental belief that the Nation's federally funded training and employment system would be more effective if the business community played a major role in it. Some questions are: How satisfied are these private sector Council members with their roles on the PICs? In what ways are they involved in JTPA programs in addition to meeting their responsibilities as Council members?

Members' Satisfaction with Their Role and Degree of Involvement

A large majority (85 percent) of PIC Chairs surveyed by NAB in 1991 believed that the private sector representatives on their Councils were satisfied with their role and degree of involvement in the decision-making process as it relates to program operations. Of these, about 54 percent were "satisfied" and 31 percent "very satisfied." In contrast, only 15 percent of the Chairs reported that the business members on their Councils were "dissatisfied" with their roles and levels of decision making. Only one of the over 200 Chairs surveyed said that business members were "very dissatisfied." These results were very similar to the findings of the 1985 survey.

Those Council Chairs who reported dissatisfaction among the private sector members cited a wide variety of reasons. However, the two most cited reasons in both the 1991 and 1985 surveys were: (a) the system is too bureaucratic and entails too much paperwork and (b) local elected officials have too much influence thereby making the system too political (21 percent and 11 percent, respectively in 1991). 6

Changes in Business Involvement Over Time

In addition to assessing private sector members' degree of satisfaction with their roles, the Commission also sought information on how business involvement in the Private Industry Councils has changed over time. When asked in the 1991 NAB survey, "Has the overall level of business involvement in the PIC been sustained, increased, or decreased over the past two years," over 90 percent of the PIC Chairs said that business involvement with the Council had either increased or had continued at the same level over the past two years. More specifically, more than two-fifths of the PIC Chairs indicated that business involvement with the PIC had increased over the past two years. These findings were quite similar to those obtained in 1985. 5

In 1991, the PIC Chairs who noted an increase in business involvement with the PIC over the past two years were given an opportunity to list reasons for this increase. Although a wide variety of responses were cited, the most common were: "new and more committed business members," and that the "PIC had become better organized" (approximately 20 and 15 percent, respectively).

This differs somewhat from the findings in 1985. At that time the most common reason noted for an increase in business involvement was: "business people were more knowledgeable about and more comfortable with the JTPA system." This contrast is understandable as the JTPA system has matured since 1985 — from a system which requires business people to understand
the fundamentals of JTPA to a system that requires technical expertise and organizational ability.

In the 1991 survey, of the 9 percent of the PIC Chairs who noted a decrease in business involvement over the past two years, "being frustrated with the JTPA system" and "experiencing low funding levels" were the reasons most often cited (17 percent and 23 percent, respectively). Although frustration with the JTPA system had been mentioned as a reason for decreased business involvement in 1985, some PIC Chairs also at that time noted a general loss of enthusiasm and increased tension between public sector and private sector PIC members.

Amendments to JTPA cannot address directly complaints and frustrations over balances between public and private sector involvement. The law intended local elected officials and PICs to be partners. While most Councils appear to have developed working relationships with their local officials (as discussed in the next chapter), in some localities problems exist. The advent of a "Capacity Building Network" due to the 1992 Amendments has the potential for alleviating some of these strains to the extent it helps better define the respective roles of the public and private sectors.

On the other hand, amendments can affect the bureaucratic nature of program operations. The 1992 Amendments, while addressing problems that merited attention, may also have the effect of increasing the amount of paperwork. In light of the amendments, future examinations of private sector involvement in, and satisfaction with, the program will likely be necessary.

The remainder of this chapter turns to two major roles of business members' involvement in JTPA in addition to their direct service in guiding and overseeing the program:

- informing businesses in their communities about JTPA programs and activities of the Private Industry Councils; and
- training and hiring of JTPA graduates.

Members Informing Businesses About JTPA and PIC Activities

In 1991; as in 1985, nearly 90 percent of the Council Chairs said that the presence of business volunteers serving on the Councils increased employers' willingness to become involved in JTPA activities as well as the acceptance of JTPA trainees.

With regard to local Chambers' activities in informing businesses about JTPA programs, the findings were somewhat surprising given the importance the Act gave the private sector in the JTPA system. Of those local Chambers aware of JTPA, only one-third inform members of their business community about JTPA programs. There is little variation in this percentage by size of population the Chamber serves; or by rural, suburban, and urban area.

Similarly, only about 30 percent of the local Chambers report that they inform businesses about their local PIC's activities. Chambers in larger areas are more likely to undertake this activity than those in smaller areas. For example, Chambers serving rural areas are least likely to inform local businesses about PIC activities (23 percent), whereas those in suburban areas are most likely (39 percent). This particular finding is undoubtedly related to the earlier finding that Chambers in large urban areas are more likely than others to be directly involved in nominating individuals to serve on PICs.

A more interesting finding is that less than 50 percent of those Chambers that have representatives on the PICs inform local businesses about JTPA programs and PIC activities.
It appears that as with the process of nominating members to PICs, there is no systematic pattern across SDAs regarding "spreading the word" about JTPA programs and Council activities. While this is to be expected in a system designed to take into account differences among localities, it also has the potential for allowing gaps to emerge. PIC/SDA Directors have noted such gaps. As mentioned earlier, marketing JTPA to the private sector was an area where they wanted additional information.

Members' Companies Hiring and Training JTPA Graduates

In addition to private sector members bringing expertise to the Councils, JTPA originally envisioned that they could provide needed training for program participants and hire graduates of JTPA programs. In an effort to determine if this is occurring, the NAB surveys in 1985 and 1991 asked PIC Chairs if PIC members' involvement helped to increase general business support for JTPA and if members' companies train and hire JTPA graduates.

In both surveys, over 40 percent of PIC Chairs said that the companies they represent had trained JTPA program participants. About one-half of the PIC Chairs reported that their companies had hired JTPA graduates. Local Chambers (and their members) appear to have been doing more in this regard. Approximately 60 percent of the Chamber members have been directly involved in some manner with JTPA employment and training programs in their local communities (for instance, in providing basic skill development, job referral services, job development programs, and job training programs). This involvement varies across the country: proportionately more Chambers in rural areas undertake these types of activities than those in urban areas.

For example, Chambers and Chamber member employers in rural areas are more likely to participate in JTPA youth programs (42 percent) than are those in urban and suburban areas (30 percent and 26 percent, respectively). This finding is consistent with a previous Commission study on JTPA summer youth programs. Specifically, urban SDAs tend to have many sources for funding youth programs; sources are more limited in small SDAs. Just as JTPA funds for youth programs, including summer programs, assume a larger role in rural than urban SDAs, so do the local Chambers' involvement in them.

Chambers tend to be involved directly with JTPA programs only if they are already involved in similar non-JTPA programs. For example, among Chambers with adult employment and training programs, 67 percent had JTPA programs. Among those that did not have non-JTPA programs, none had JTPA programs. For youth, the pattern was similar.

The Commission also assessed the degree to which Chamber members hire JTPA graduates. Nationwide, 17 percent of the Chambers reported that their members hire JTPA program participants.

The smaller the population served by the Chamber the more likely Chamber members are to hire JTPA participants. For example, in areas where the population is under 25,000, about 24 percent hire; whereas in areas where the population is over 200,000, only 11 percent hire. One reason Chambers or their member employers in rural areas may be more involved in training and hiring is that there are few employers other than those associated with the local Chambers.

For the most part, this chapter has been a snapshot of private sector involvement with JTPA programs as of 1991. There was little information collected during the 1980s which could serve as a baseline for purposes of comparison. In general, a public-private partnership has been sustained over the decade, at least according to available indicators. Thus, one goal when JTPA was enacted appears to have been realized.
Also, according to available indicators, the type of private sector involvement varies according to localities' sizes and urban, suburban, rural character. This confirms expectations that led to one of the principles on which JTPA was based – local flexibility. While the system is not without problems, local communities appear to have found their own ways of developing working private-public partnerships.
1. In cases of disagreement over appointments, the Governor makes the selection from among those nominated or recommended. Within 30 days of appointment, the Governor must certify that the PIC’s composition is consistent with provisions in the Act, and the Council must meet within 30 days of such certification. In cases where the entire state represents a Service Delivery Area, the SJTCC, or a part of it, can be reconstituted to meet the requirements for a Private Industry Council.


4. For example, a Council member who was the chief executive officer of a telephone company allowed the Private Industry Council to use the company’s telemarketing facilities to solicit small business participation in JTPA’s summer program for youth.


V. PIC RELATIONSHIPS WITH THE STATE JOB TRAINING COORDINATING COUNCILS AND LOCAL ELECTED OFFICIALS

This chapter discusses the relationships between Private Industry Councils and two other entities within the administrative structure of the Job Training Partnership Act (JTPA): the State Job Training Coordinating Council (SJTCC) and local elected officials (LEOs). The relationship between the PICs and the SJTCC is important since the State Councils were expected to have a key role in the development of state and local policies and programs. The relationship between the PICs and the local elected officials is important because the Job Training Partnership Act gives LEOs the authority to appoint board members and because of the Act requires that both the local elected official(s) and the Private Industry Councils agree on the local plan of services.

Background on State Job Training Coordinating Councils

State Job Training Coordinating Councils are appointed by the Governor. They are composed of 30 percent business and industry representatives; 30 percent state and local government and local education representatives; 30 percent organized labor and community-based organization representatives; and 10 percent general public representatives.

The law gives the SJTCCs responsibilities in many areas. This section describes those activities of the State Councils that are relevant to their relationships with Private Industry Councils in administering JTPA programs and activities.

For example, the State Councils are to:

- recommend to the Governor substate Service Delivery Areas (SDAs), plan resource allocations not required to be formula-funded, provide management guidance and review for all programs in the state, develop linkages with other programs, coordinate activities with Private Industry Councils, develop the Governor's Coordination and Special Services Plan, and recommend variations in performance standards;

- advise the Governors and local entities on job training plans and certify the consistency of such plans with criteria under the Governor's Coordination and Special Services Plan for coordination activities;

- review the operation of programs conducted in each SDA, and the availability, responsiveness, and adequacy of state services;

- make recommendations to the Governor, appropriate chief elected official, Private Industry Councils, service providers, the state legislature, and the general public with respect to ways to improve the effectiveness of such programs and services; and
make an annual report to the Governor and issue other studies or documents as it deems advisable to assist SDAs in carrying out the purposes of the Act.

With the Job Training Reform Amendments of 1992, each state may establish a single state Human Resource Investment Council (HRIC) to replace the current SJTCC. If the Governor elects to establish an HRIC, the composition of the State Council would change. Each Human Resource Investment Council would include the head of each state agency responsible for the administration of an applicable federal human resource program. Each HRIC would also include one or more representatives, appointed by the Governor to the HRIC for a minimum of 2 years, from each of the following:

- not less than 15 percent of the membership, nor more than 60 percent, will be comprised of the total number of members from local public education, a postsecondary institution, a secondary or postsecondary vocational education institution, and a community-based organization;
- not less than 15 percent of the membership, nor more than 60 percent, will be comprised of representatives from business and industry, including members of the Private Industry Councils; and
- not less than 15 percent, nor more than 60 percent, will be comprised of representatives of organized labor.

Each Human Resource Investment Council may also include additional qualified members from representatives of: (a) local welfare agencies; (b) public housing agencies; (c) units of general local government or consortia of such units; (d) state legislature; (e) any state and local program that receives funds under an applicable federal human resource program that the Governor determines to have a direct interest in the utilization of human resources within the state; and (f) individuals who have special knowledge and qualifications with respect to special education and career development needs of hard-to-serve individuals. The total number of these individuals may not exceed 60 percent.

Additional employment and training responsibilities would be given to the Human Resource Investment Councils, particularly in the area of coordination. These responsibilities include reviewing the services and funding of all employment and training, vocational education, and human service programs under one advisory council. (Programs authorized under the Rehabilitation Act of 1973 are not to be included under the HRICs.)

The HRIC would continue to have the same state role in the development of programs and policy. Other additional responsibilities would be to:

- review the provision of services and use of funds under applicable federal human resource programs and advise the Governor on methods of coordinating such services consistent with the laws and regulations governing such programs;
- advise the Governor on the development, coordination, and implementation of state and local standards and measures relating to applicable human resource programs; and
- carry out duties and functions prescribed for existing Councils for applicable federal programs.

In addition, the Human Resource Investment Councils may identify the human investment needs in the state and recommend to the Governor goals for meeting such needs. The new
council may also recommend to the Governor goals for the development and coordination of the human resource systems in the state; prepare and recommend to the Governor a strategic plan to accomplish the goals; and, evaluate the effectiveness of the strategic plan.

Should the Governor decide not to create Human Resource Investment Councils, SJTCC membership requirements and responsibilities would remain the same as under the original Act.

Relationships Between PICs and SJTCCs

Both the original Act and the 1992 Reform Amendments are silent on the expected relationship between Private Industry Councils and the SJTCCs. Their separate responsibilities are clearly listed: PICs are the major administrative structure at the local level for delivering JTPA programs and the SJTCC is responsible for overseeing the administration of the state’s JTPA plan which draws from local PIC plans. However, broad terms which would describe the nature of their relationship (such as “partners”) are not used.

Nevertheless from a practical standpoint, it would seem reasonable to expect that the two councils would join forces when it is to their mutual benefit. It would also seem reasonable to expect that they would be interested in working in concert since both the state and local JTPA programs would operate more efficiently when the councils have good working relationships.

For example, the two councils could promote common goals. At the state level, SJTCCs could lend support to the causes PICs identify locally, such as a need to overcome particular problems of program coordination or a need to increase the visibility of JTPA programs within the private sector. The potential power of the two councils working in concert would seem to be formidable. However, as the discussion below indicates, this potential has yet to be realized throughout the JTPA system.

In 1985, PIC Chairs were asked to assess the effectiveness of their State Job Training Coordinating Councils. Their responses are shown in Table 11. A majority (63 percent) rated their State Council as either "very effective" or "somewhat effective." However, over one-fourth said that their State Council had "no impact" on their JTPA efforts and 4 percent said that their State Council "caused problems.

In 1991, when PIC Chairs were asked the same question, the majority continued to rate their State Council as either "very effective" or "somewhat effective" (Table 11). However, increases occurred in the percentages who responded "no impact" and "caused problems" (to 29 percent and 7.5 percent, respectively).

Because over a third of the PIC Chairs indicated that the SJTCC had no impact or caused problems, the Commission decided to examine further the relationship between the councils in two ways.

First, the topic was addressed at the Commission-sponsored roundtable discussions. Particular issues were: policy versus operational roles of the State Councils as they relate to the PICs; how State Council leadership and improved working relations between the councils would facilitate coordination; how State Council members’ terms should be structured; and the need for orientation and training for the State Council members.

Second, in 1991 the Commission sponsored a canvass of 25 State Job Training Coordinating Councils and 24 Private Industry Councils in 26 states with at least two from each of the ten
TABLE 11

PIC Chairs’ Assessment Of The Effectiveness Of SJTCCs (a)

<table>
<thead>
<tr>
<th>Assessment</th>
<th>1991 (Percents)</th>
<th>1985 (Percents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Effective</td>
<td>13.7%</td>
<td>13.7%</td>
</tr>
<tr>
<td>Somewhat Effective</td>
<td>49.5</td>
<td>49.1</td>
</tr>
<tr>
<td>No Impact</td>
<td>29.2</td>
<td>26.1</td>
</tr>
<tr>
<td>Caused Problems</td>
<td>7.5</td>
<td>4.0</td>
</tr>
<tr>
<td>Did Not Know</td>
<td>0.0</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Notes: (a) Sample is 322 Chairs in 1985 and 215 in 1991.
(b) Does not add to 100 percent due to rounding.


U.S. Department of Labor regions. All the respondents were Chairs of their respective councils. This canvass covered the following topics:

- the degree of knowledge each council has of its own and the other council’s role and responsibilities;
- direct communication of information between the two councils;
- degree to which each council views the other as an integral partner within the JTPA system;
- the councils’ respective effectiveness on employment and training policy and program implementation;
- each council’s participation in the other’s activities; and
- State Councils’ performance review of PICs, and the assistance they provide in the training and development of PICs.

Generally, as the discussion below indicates, there appears to be a perception gap between the SJTCCs and the PICs on several issues pertaining to their respective roles and their relationship. While there are effective relationships between some PICs and SJTCCs, the relationships between others can at best be said to be "very limited," confirming the survey data in Table 11.

Councils’ Knowledge of Each Others’ Roles and Responsibilities

One major issue is the extent to which the two councils understand each other’s functions. Both councils believe the SJTCC is aware of the PIC’s roles and responsibilities. In fact, the most agreed upon view in the entire canvass is that PICs are an integral partner in the JTPA system.
Among the State Council Chairs it was unanimous, and among the PIC Chairs it was only one short of unanimity.

Moreover, nearly 90 percent of the SJTCC Chairs report that they fully recognize PIC successes; two-thirds of the PIC Chairs believe that the SJTCCs recognize PIC successes. Such recognition is made through annual ceremonies, and through the distribution of 6 percent incentive funds from the state to the SDAs.

In sharp contrast to perceptions regarding PICs' roles, less than half of both State Council and PIC Chairs believe that PICs view the SJTCCs as a full integral partner. More specifically, only 30 percent of the PIC Chairs contacted in the canvass were fully aware of the roles, responsibilities, and authority of the SJTCCs.

Even the most positive statements from the PIC Chairs indicated that there was a lack of clarity regarding SJTCCs' role. For example,

- "The State Job Training Coordinating Council is very necessary, but the relationship needs to be solidified."
- "The State Job Training Coordinating Council is not as responsive as our Private Industry Council would like, but we clearly see them as necessary."
- "Private Industry Councils do not always see the connection to the State Councils."
- "The relationship between the two councils is not well defined."

Negative comments were quite strong:

- "If the State Job Training Coordinating Council went away, 90 percent of the Private Industry Council members wouldn't realize it."
- "The State Council is a necessary evil."

The Commission's roundtable discussions mirrored these ambivalent views regarding SJTCCs' roles. Participants from several states at one roundtable viewed the State Councils as important to the success of the employment and training system. It was noted that the SJTCCs are policy-making bodies—setting policy by which the local Private Industry Councils operate.

However, this view was not universally shared. At other roundtables, many attendees did not believe their PICs were receiving strong leadership from the State Council, nor did they have a close, on-going working relationship with them. Attendees also reported a lack of understanding as to how the two councils should relate to one another.

Some participants viewed their State Councils as simply an extension of the state JTPA administrative office. They were seen as bureaucrats whose responsibilities are to audit and direct JTPA programs as opposed to private sector representatives who can use their business expertise to improve local employment and training programs.

**SJTCCs' Policy/Program Implementation**

The lack of a direct working relationship between the two councils manifested itself in responses to questions about specific activities and functions.
About 75 percent of the State Chairs indicated their SJTCCs take PICs into consideration in their policy and program decisions. By comparison, only half of the PIC Chairs share this opinion.

The two groups of Chairs are certain that their respective council has a defined planning process. However, they are less certain about the planning processes of the other council. For example, PIC Chairs had the following comments regarding SJTCCs:

- "I understand the SJTCC has a plan, but I do not know what it is and I have not seen a written copy of it."
- "At times the State Council goes too far down the road on their own in their planning process."
- "The SJTCC must have a planning process, I get copies of their plan."

As to the relationship between the State Council's plans and those of Private Industry Councils, several PIC Chairs and SJTCC Chairs indicated in the canvass that state direction is beneficial, but will never be more than "somewhat" beneficial because of the uniqueness of each Service Delivery Area. Another PIC Chair indicated his council has a definite planning process but does not refer to the State Council for guidance and direction.

The largest gap in perception concerned the extent to which State Councils ask the Private Industry Councils for input, direction, and feedback in the State Council's decision making processes. On the one hand, two-thirds of the SJTCC Chairs report that they ask PICs for their advice. Depending upon the state, they do this by holding hearings; canvassing PIC Chairs; through annual meetings of the SJTCC, PICs, and SDA association; and through contacts with the state's PIC association.

In contrast, only one-third of the PIC Chairs believe that SJTCCs solicit their views. Some specific comments were:

- "The Private Industry Council is asked for direction and feedback but is not really listened to."
- "This is more by mandate than by desire."

**PIC Development and Assistance**

Although one of the major functions of the State Council is to review PIC's development, that is, PICs' performance and the training provided to JTPA program participants, this function does not appear to be systematically carried out. While 60 percent of the PIC Chairs indicated that their State Councils appropriate time to this function, only 45 percent of the State Chairs indicated that the SJTCCs appropriated time.

Among State Councils that do review their PICs' development, the SJTCC Chairs report that it is done "with time devoted as required"; through SDA/PIC presentations made at their meetings; and through reviews of PIC activities every other month. Some State Chairs that reported not reviewing PIC development also said that their council is "moving in that direction" or more specifically, restructuring their committee system to move in that direction.

Proportionately more State Chairs believe their SJTCCs provide PICs with assistance in the area of policy and program improvement: about 75 percent, compared to under half who indicated they review PIC development. Again, fewer PIC Chairs than State Chairs believe the SJTCCs
provide this type of assistance (half of the PIC Chairs in the canvass). Specific comments indicated that this function is often carried out by the state JTPA administrative office and also that requests from PICs go directly to this office rather than to the SJTCCs.

The two groups were in general concurrence on the extent to which PICs ask for assistance in carrying out various activities, such as improving performance and serving the hard-to-serve. Almost half of the State Council Chairs, and 60 percent of the PIC Chairs, report that PICs request assistance from the State Councils when needed.

Direct Communication Between the Councils

While the Private Industry Council Chairs in the canvass seemed to be somewhat uncertain about the roles of the State Job Training Coordinating Councils, most had lines of communication with the State Councils. However, the lines of communication from the SJTCCs to the PICs appear somewhat better than the lines of communication from PICs to the State Councils. About two-thirds of both the Private Industry Council Chairs and State Council Chairs reported that the SJTCC communicates information directly to the PICs. By comparison, about 40 percent of both the State Councils and PICs believe that there is full communication of information from the PICs to the SJTCCs.

Staff at the state and local levels seem to be the key in the flow of information. PIC Chairs and State Chairs in the canvass said that sometimes the state administration is a conduit, sometimes a filter, and certainly a gatekeeper of JTPA information. It was stated that there is "a tendency to threaten state staff when board talks directly to board." It was also assumed by one respondent that staff-to-staff is the primary communication method.

At one of the Commission's roundtable discussions, the participants noted that the State Council had recently become more effective in providing leadership to the PICs. In earlier times, the State Council was dominated by state staff and the private sector volunteers had little impact in the decision making process.

In both the roundtables and the canvass, the importance of staff to the flow of information was largely the consequence of four factors. One is the limited amount of time that the members of the two councils, as volunteers, can devote to their respective council's activities.

A second factor was the need for improved training of the SJTCC members so they can better carry out their roles and responsibilities. PICs need to be educated on the roles and responsibilities of the State Councils.

A third factor was turnover among State Council members. This was reported to be a problem especially when state administrations changed and the SJTCCs' membership changed as well. In this regard, some participants at the roundtables felt that SJTCC members' terms should be structured (staggered and of sufficient length) to maintain policy continuity and to avoid the turnover in membership resulting from a new administration. This was seen as important because of the complexities of the JTPA system. However, attendees felt how terms are structured should not be mandated by the federal government.

Finally, while there is some participation by PIC Chairs and members in SJTCC activities, there is less participation by State Chairs and members in PIC activities. Indeed, direct contact between the two groups appears to be a key ingredient to overcoming some of the tensions between them.
Reciprocal Participation in Councils’ Activities

All of the State Chairs in the canvass reported that their SJTCC, at least in some ways, creates opportunities for PIC participation in SJTCC activities. Moreover, when the SJTCCs do create opportunities, over 90 percent of both Chair groups agree that the PICs do participate to some degree. Depending upon the state, PICs may be invited to the SJTCC meetings or the meetings may be moved around the state to make it easier for PIC members to attend.

About two-thirds of the PIC Chairs in the canvass agreed that opportunities exist for the PICs to attend State Council meetings; another 20 percent reported that opportunities exist only to some extent. However, only half believed that they were encouraged to participate (compared to 84 percent of the State Chairs who reported they encourage PIC participation). Some comments from PIC Chairs were:

- "Maybe the State Council does encourage the Private Industry Councils to participate in JTPA activities, but our PIC has seen no evidence of it."
- "We may have opportunities, but really are not encouraged to participate."

PICs do not appear to create as many opportunities for SJTCCs to participate in PIC activities as do the SJTCCs in State Council activities. Only 42 percent of the PIC Chairs reported that SJTCC members were encouraged to participate in PIC activities; 56 percent of the State Chairs indicated that PIC members were encouraged to participate in State Council activities. State Chairs had the following comments on their participation in PIC activities:

- "At best, we get invited to a few Private Industry Council meetings."
- "We are welcome at meetings, but few other activities."
- "PICs act very independently of the State Council."

Private Industry Council Chairs acknowledge that they could be doing more in this regard. The two statements below are illustrative of sentiments that were expressed in the canvass:

- "We realize that the Private Industry Council could do much more to encourage State Council participation with the PICs."
- "PICs do not encourage SJTCC participation and it should not really be this way."

However, even when Private Industry Councils ask their State Council to participate in an activity, the response on the part of the SJTCCs is not uniform. Only a little over half of both the State Chairs and PIC Chairs definitely felt that the State Council participates in PIC activities when asked to do so.

The lack of systematic and direct contact between the two councils, found in the canvass, also became evident through the roundtable discussions. For example, at one roundtable where the majority of the Private Industry Councils in that state participated, attendees reported very little contact with their State Council. At several roundtables, it was apparent neither PIC Chairs nor members knew the name of their State Council’s Chair.

Awareness of each other’s roles and responsibilities appears to be greatest when there is a direct personal contact between the two councils. This is accomplished in various ways. For example in the canvass, State Council Chairs indicated that SJTCC members serving as PIC members has helped State Council Chairs become aware of the roles and responsibilities of the Private
Industry Councils. Of the 23 SJTCC Chairs contacted, 15 indicated that their State Council had one or more Private Industry Council members also serving on the SJTCC. Other SJTCC Chairs said they attend the meetings of each of their Private Industry Councils once a year. Still other State Council Chairs said that the PICs and the SJTCCs hold joint meetings on a regular basis.

Roundtable participants concurred with this assessment of the importance of personal contact. To improve coordination between the two councils, some indicated that their State Council has included a number of local PIC members, as well as PIC Chairs. This cross fertilization has helped to keep the Private Industry Councils informed about the important issues discussed at State Council meetings.

In conclusion, just as there was some ambivalence in the nationwide canvass on the relationships between the two councils, there was also ambivalence in roundtable discussions. One particular comment best summarizes the views of Chairs and members from both the SJTCCs and the PICs: "It's not what it should be on either of our parts."

**Background on Local Elected Officials**

As mentioned earlier, the Job Training Partnership Act provides local elected officials (LEOs) with significant power in their authority to appoint Private Industry Council members. The Act also requires that both the local elected official and the PIC agree on the local plan of service. A key ingredient of an effective local training and employment effort is a good working relationship between the Council and the LEOs. JTPA program design and operations are most effective when Mayors, city council representatives, county commissioners, etc. work together with the local PIC to ensure a proper balance between public and private sectors.

**Relationships Between PICs and LECs**

By all accounts -- from findings from the NAB survey, the Chamber canvass and the Commission's roundtable discussions -- there appears to be a good, cooperative relationship between the Private Industry Councils and the local elected officials in the vast majority of SDAs.

In an effort to determine if relationships between the PICs and LEOs have changed over the past six years, the NAB survey asked PIC Chairs in 1991 to rate the relationship between their PIC and local elected officials. About 40 percent of the PIC Chairs who responded to this survey question described the relationship between their PIC and the local elected officials as "excellent"; about the same proportion described the relationship as "adequate". The 1985 survey results indicated that nearly 46 percent of the PIC Chairs rated their PICs relationship with the LEOs as "excellent" and 32 percent rated the relationship as "good".

In both surveys, slightly under 10 percent of the Chairs described the relationship between their PIC and LEOs as "adequate," and only about 4 percent described the relationship as having some problems. In both the 1991 and 1985 surveys, approximately 6 percent of the PIC Chairs reported that there was no relationship at all between their PIC and the local elected officials.

Reports from local Chambers of Commerce are consistent with findings from the NAB survey. According to the Chamber survey, 36 percent of the all Chamber representatives that were aware of JTPA characterized the relationship between their members and the local elected officials as being "very cooperative." Another 47 percent said the relationship was "cooperative." Only 17 percent characterized the relationship as "somewhat cooperative" or "not cooperative."
Also, of all those responding that the Chamber had a representative on the PIC, 38 percent said the relationship between the PIC and LEOs was very cooperative; 48 percent "cooperative"; and 14 percent "less than cooperative".

Similarly, those Chambers that were involved in the nomination process for PIC board members reported good, cooperative relationships between the Council and their local elected officials.

The Commission's roundtable discussion, represented by 99 PICs across the country, generally confirmed the findings from the NAB and Chamber surveys. A large majority of the attendees at the roundtables were pleased with the relationship between the PICs and the LEOs.

In general, many attendees noted that local elected officials were actively involved, cooperative, and supportive of the PIC. In some SDAs there are regular monthly meetings between the members and the LEOs. Through these meetings LEOs are made aware of the Council's role and responsibilities and the types of programs being operated to meet the communities' needs. As a result, LEOs often take into account the needs of the Councils in making appointments to the board.

In addition, some local elected officials serve on the PIC planning committees which establish plans and set goals and objectives. The LEOs are particularly active when it comes to discussing nominations to the board and the approval of plans.

To conclude, it is important to PICs in carrying out their responsibilities to have good working relationships with both the SJTCCs and the local elected officials. As described in this chapter, there is some confusion among some Private Industry Councils and State Councils as to their respective roles and responsibilities in the Nation's employment and training system. There is uncertainty, as well, as to how the two councils should interrelate. It seems clear, however, that more "cross membership" between the two councils would act to forge a closer working relationship between the two. In contrast, there appears to be a very cooperative working relationship between the Private Industry Councils and the local elected officials. The local elected officials in most states are involved in the activities of the Private Industry Councils and supportive of the Councils' mission.
ENDNOTE

1. As noted earlier, the 1992 Job Training Reform Amendments will require the establishment of a minimum two-year term for State Council members should the Governor establish an HRIC. If the current SJTCC is left intact this membership requirement will not be in place.
VI. ORIENTATION AND TRAINING FOR COUNCIL MEMBERS

The Job Training Partnership Act (JTPA), as well as the various operational activities Private Industry Councils (PICs) undertake, can sometimes be difficult for new PIC Chairs and members to understand. New members' initial understanding of JTPA and PIC operations can vary depending upon their particular backgrounds.

For example, unless new members have served as human resource directors in companies that have participated in training JTPA clients, or have been involved with other government human resource programs (such as the Targeted Job Tax Credit program, the Unemployment Insurance System or the Employment Service), they may initially have difficulty understanding program acronyms and terminology. But more importantly, new members may not understand some of the "technical" or operational aspects of the Councils, such as how to choose among training providers and how to assess the quality of Request for Proposals (RFPs) submissions.

The extent to which members gain knowledge regarding the administration of JTPA programs is also likely to vary. The more knowledge gained, the more influence they can have. Similarly, the more knowledge PICs as a whole have, the greater is their ability to influence policies and programs outside their own locality, that is, at the state and federal levels.

While members need not become experts on the law, they do need a strong basic knowledge to make informed decisions in their Service Delivery Areas (SDAs). Several board members who attended the Commission’s roundtable discussions indicated that it can take up to one year or more to learn the many aspects involved in administering JTPA programs.

This chapter of the report presents: (a) the extent to which Private Industry Council members have received orientation and training to carry out their responsibilities; (b) how members have received the training and its usefulness; and (c) orientation and technical training needs of board members.

Background

Prior to the 1992 Amendments, there were two references in the Job Training Partnership Act regarding the orientation and training of Private Industry Council members by the states. However, neither of the two specifically mandates or directs that JTPA funds are to be used to train PIC members.

The first reference is in the Governor's Coordination and Special Services Plan. As part of the plan, the Governor is to describe the projected use of JTPA resources, including oversight and support activities for state supported programs. In addition, the Governors Coordination and Special Service Plan activities may include:

- making available to Service Delivery Areas with or without reimbursement and upon request, appropriate information and technical assistance to assist in developing and implementing plans and programs, ... and providing
preservice and inservice training for planning, management, and delivery
staffs of administrative entities and Private Industry Councils (underlining
added for emphasis). 1

The second reference relates to the uses of a state's "6 percent set-aside," the portion of each
state's allocation available for incentive awards to SDAs exceeding their performance standards.
If the full amount is not needed for incentive grants, the Governor is required to use those funds
for technical assistance to SDAs, which may include training of PIC members.

As to the Private Industry Councils' responsibilities for training their members and staff, the
Act was silent.

Extent of Past Orientation and Training

Half of the Chairs surveyed in 1991 said they received training prior to or shortly after being
designated as Chair. Over three-fourths indicated that other members of their PIC received
training in the early days of their service. 2

As shown in the diagram below, Chairs' training and members' training seem to go
hand-in-hand. Among Chairs who were trained, 91 percent report their members were also
trained; in comparison, among Chairs who were not trained, 63 percent reported their members
were trained.

CHAIR TRAINED?

yes=51%  no=49%

MEMBERS TRAINED?

yes=91%  no=9%  yes=63%  no=37%

Thus, about 320 of the nation's approximately 650 Private Industry Council Chairs did not
receive training prior to or shortly after being named Chair and about one quarter of PIC
members have not been trained. This finding does not mean a lack of desire for information.
SDA Directors reported wanting information on both the general management of the PIC and
JTPA orientation for new members, according to NAB's 1991 canvass.

Also, at the Commission's roundtable discussions, PIC Chairs and members were nearly
unanimous in their expressions of a need for more orientation and training.

While some training is generally available, it needs to be far more extensive and provided on a
more continuous basis. There was some consternation that while the federal government has
given a great deal of responsibility to the PICs, it has not invested a commensurate amount in
training. In this connection, PIC members noted that the system does a substantially better job
in orienting staff than in orienting members.
Initial training for new members is only one area that roundtable discussants noted. Chairs also need training even if they have served as Council members for several years. Such training is needed to provide Chairs with a better sense of the overall responsibilities of the Councils.

Further, participants cited a need for training on a regular, on-going basis. This particular type of training is especially important in light of the changes in local program operations due to the 1992 Amendments. While on-going training is desired, it is not always possible to implement, largely for two reasons: a lack of funding was cited by discussants as one reason why the Councils themselves do not provide comprehensive orientation regularly; and since members are volunteers, their time for on-going training is limited.

**How Members Have Received Training And Its Usefulness**

PIC members have received their training in a variety of ways: on-the-job (through experience on the Councils); in more formal settings, such as orientation sessions for new members, and state or national-level conferences; through the use of mentors (experienced members assisting new ones); and by reading training manuals or watching videos prepared for this purpose. Roundtable participants indicated that there are currently two primary sources for training: within the Council itself and through NAB/NAPIC meetings that Chairs and members attend. States also provide training.

Most training appears to be provided locally according to both the 1991 survey of PIC Chairs and the roundtable discussions. According to the survey, of the PIC Chairs who reported their members had been trained, 35 percent indicated this training had been provided locally. Almost 20 percent said the training had been conducted at the state level and 15 percent indicated that their members had been trained by an outside association or consultant. The remainder of those who had been trained reported receiving their orientation from more than one source (32 percent). Local training plus "other" was the dominant method (20 percent).

Within the Private Industry Councils, Chairs and members are oriented initially in various ways. Some receive training from the Council's staff and from other board members. In some instances, senior members serve as mentors to those newly appointed to the Council. A variety of training materials is used, including manuals, videos, charts, and other visual aids. Sometimes new members visit the JTPA training providers to see first-hand the types of skills being taught.

In some PICs, several hours are spent prior to the first two meetings orienting new members on the role and responsibilities of the Council. In other PICs, comprehensive orientation is provided at all-day retreats set aside for that purpose. The PIC-to-PIC orientation and training of Chairs and members was seen by many roundtable participants as being beneficial, because the Councils are led by private sector individuals who better relate to business people.

To some extent there are training materials from the federal and state levels (discussed later). However, they do not always filter through from the staff to the Chairs and members. In recognition of this, roundtable attendees reported developing their own sources of information so they do not have to totally rely on staff to understand the extent of the Councils' authority.

A limitation to training that is provided by one's own PIC is that it is only as good as the extent to which members (and staff) are knowledgeable. Total reliance on this method would mean that "weak" PICs could forever remain weak and "strong" ones would remain strong. To overcome this problem, while maintaining the concept of PICs training PICs, roundtable discussants suggested that training could be provided locally by teams of knowledgeable PIC
members that could travel from state-to-state, adapting the training to local situations. Such a team would also be able to provide the Councils feedback as to ways in which other PICs handle certain situations.

Roundtable participants indicated that the NAB/NAPIC PIC Institutes in particular have provided valuable information for Chairs and members. However, there are limitations to this approach as a general course of action for the future. One is the relatively small number who have attended compared to the number who could potentially benefit. While orientation has been provided to 500 members from 150 PICs, this is less than 5 percent of the 10,000 plus PIC members across the country. Also, national institutes can not be expected to address local issues adequately; it would be difficult for whoever provides the training sessions to repeat training for those members who miss sessions, and there will always be some individuals unable to attend. Finally, these institutes are costly, especially since PIC members who participate may subsequently leave their Councils and the knowledge they have gained is not readily transferable to new members.

The use of videos could be useful in this regard; they could describe the federal and state perspectives. Because the members are somewhat limited in the time they can spend away from their businesses, it would be more cost effective since they could view the orientation materials within their own time frame.

There was also support for training sessions within the states, as opposed to regionally. State-level training was viewed by some attendees as preferable to nationally sponsored regional retreats because PIC members could focus on their own state policies and practices.

Finally, some attendees were of the opinion that while formalized training is important, the most valuable training is that which members gain through their experience from serving on the Councils and special PIC sub-committees.

Many organizations, including the U.S. Department of Labor, the National Association of Private Industry Councils, the National Association of Business, and the National Commission for Employment Policy have published reports that provide basic information on the primary features of the Job Training Partnership Act as well as information on the roles and responsibilities of the PICs. Examples from the 1980s are:

- **What Color is Your Partnership?**, National Alliance of Business, December 1985. (This document is designed to help PICs/SDAs reassess their performance.)

- **Inside the PIC Board Room: Defining Policy Guidance and Program Oversight**, National Alliance of Business, 1986. (This report lays out a blueprint for achieving active PIC participation. Its purpose is to assist PIC members in making a positive difference in the local employment and training arena.)

- **The Job Training Partnership Act: A Report by the National Commission for Employment Policy**, September 1987. (This report reviews the status of the Job Training Partnership Act programs nationwide and contains recommendations for strengthening the Act.)

- **Private Industry Council Roles and Options: Making the Job Training Partnership Work**, National Alliance of Business, January, 1988. (This publication discusses the purposes of JTPA and gives options for organizing the Councils.)

- **The Driver's Guide: A PIC Member's Orientation**, National Alliance of Business, 1987. (This handbook provides basic information on the primary features of JTPA. It serves
as a guide to an audio-cassette series, giving background and context for the discussion of the federal, state, and local roles, policy issues and program activities covered in the tapes.)

- Planning and Managing With Performance Standards: A Guide for PIC Members, National Alliance of Business, 1988. (This guide provides PIC members with an approach to establishing clear policy guidance and in exercising oversight.)

Examples of publications in the 1990s are:

- Practical Guidance for Strengthening Private Industry Councils, U.S. Department of Labor, 1990. (This guide describes the operation of 10 exemplary PICs, summarizes the key findings and provides an analysis of their implications. It also makes recommendations for improving PIC functioning, and gives technical guidance on ways to improve a PIC.)

- PIC Membership Services Directory, National Association of Private Industry Councils, 1992. (This directory contains information on the full range of services available to NAPIC members, as well as information on a number of topics that should be useful to board members. In addition, the directory provides information about training and technical assistance offered by other organizations and associations. Over 500 of the approximately 650 PICs are members of NAPIC.

While such training materials as these are available to Council members, their usefulness is somewhat outdated due to the 1992 Amendments. Even prior to the amendments, many members did not have full and systematic access to the materials. In addition, several documents are general and theoretical rather than specific and concrete as they were intended for a broad audience, rather than targeted specifically for PIC members.

Moreover, a review of the literature failed to show a single example of a systematic study of how PIC members learn their jobs, what members need to know specifically, the skills they should bring to their PIC service, or how one might go about the development of this capacity.

Finally, roundtable discussants noted, the training materials are not presented, nor disseminated, in a systematic fashion for training purposes. This can be a problem when PIC members are replaced: the older ones do not always pass along the materials to the newer ones.

Orientation and Training Needs

As noted above, PIC Chairs and members report needing more orientation and training to carry out their roles and responsibilities. While training is generally available, they indicate it needs to be more extensive and provided on a more continuous basis.

It was noted by several attendees at the roundtables that some of the Councils are not providing adequate policy guidance and oversight for JTPA programs due to the lack of orientation and training for Chairs and members as to their major responsibilities in this area. For example, PICs are not systematically aware, through training, of the potential importance of being incorporated, the grant recipient, and/or the administrative entity of JTPA programs.

In addition, participants viewed conflict of interest as an important issue (discussed in detail in Chapter III). There was a strong desire for more clarification from the U.S. Department of Labor as to what constitutes a conflict of interest.
Following is a description of the type of "core" information Council members need to carry out their roles and responsibilities under the Act and the 1992 Amendments:

1. **Federal, state, and local responsibilities.** For example: an overview of the functions of the three levels of government and the interrelationship of these functions in administering JTPA.

2. **Activities of, and goals for, program participants.** For example: the PIC's rights and responsibilities regarding policy guidance, oversight and monitoring in such areas as the development and implementation of the Job Training Plan, the performance standards system, types of clients served, training offered and services used.

3. **Fiscal integrity of programs and allowable activities.** For example: the PIC's rights and responsibilities regarding procurement policies; proper use of funds among the allowable cost categories (administration, direct training, and training-related activities); and conflict of interest issues.

4. **Local coordination with education and other human resource agencies.** For example: the PIC's responsibilities regarding mandated linkages and referrals to education and other employment and training programs.

5. **Specific state policies, practices and regulations.** For example: the role and responsibilities of the SJTCC (or HRIC), state incentive policies, laws affecting the PIC's incorporation; regulations regarding fiscal controls; and state's use of the set-aside programs, such as the eight-percent set-aside for education and training coordination grants.

Other areas in which members report desiring assistance are:

1. Particulars on incorporating and becoming the grant recipient and administrative entity.

2. Marketing JTPA programs and services (job development and placement activities).


4. Improving program performance.

5. Effective training and placement strategies for different participant groups.

6. Strategies to facilitate improved coordination with other human resource programs.

For all of the above, PIC members report needing up-to-date and readily accessible information. They also report wanting information on the full range of technical assistance and training services available to the Councils from the U.S. Department of Labor, the states, the National Association of Private Industry Councils (NAPIC), the National Alliance of Business, and other organizations.

The JTPA Reform Amendments of 1992 have addressed some of these concerns regarding the need for training for PIC Chairs and members, as well as what is to be included in training. The amendments mandate the Secretary of the U.S. Department of Labor to increase the technical capacity of all members of the JTPA system, including members of Private Industry Councils. This is to be done through direct training and the dissemination of information on successful
programs and on model planning, procurement and contracting practices. They require that the Secretary of Labor establish a national "Capacity Building and Information and Dissemination Network" to enhance the effectiveness and strengthen the caliber of services provided through JTPA and other federal, state and local programs. Among the purposes of the Network are to provide broad human services policy and planning training to PIC volunteers. The "National Training Network" offers a vehicle for increased training and clear guidance to PIC Chairs and members on the role and responsibilities of the Councils.
ENDNOTES


VII. CONCLUSIONS

This report has examined the status and effectiveness of Private Industry Councils (PICs) under the Job Training Partnership Act (JTPA) of 1982. In large measure, the report has ventured into "uncharted waters" since relatively few analyses of the Private Industry Councils have been conducted since the Councils were first established. Before presenting the report's conclusions, it is important to put Private Industry Councils in an historical context.

Under the Job Training Partnership Act, the Private Industry Councils -- along with local elected officials -- became fully responsible for JTPA programs. The Councils were founded on a principle: the need for a full, permanent public/private partnership in employment and training. The law mandated the Councils to provide policy guidance and oversight to the JTPA programs. To carry out these responsibilities, the Act authorized the Councils to have access to such information on program operations as they deemed necessary; the law also permitted the Councils to incorporate in order to become the grant recipient and/or administrative entity of JTPA programs.

The Councils' initial development under JTPA was guided by a philosophical framework alone. There was little in the way of experience to guide the course of their evolution. [The 1978 Amendments to the Comprehensive Employment and Training Act (CETA) established PICs to "test out" the concept of a public/private partnership. In practice, most of these PICs operated as advisory bodies. Local elected officials were the grant recipients and administrative entities for CETA programs.] It has taken time for PIC members to develop an understanding of their responsibilities under JTPA and to find ways for carrying out those responsibilities.

Also, in the early years of JTPA, the U.S. Department of Labor offered few guidelines to the states or the Private Industry Councils regarding the Act's expectations and provided little technical assistance regarding program administration. There was no official body of core information that contained PICs' rights, the knowledge they should have, and the set of activities in which the Councils should engage. "Learning by doing" largely describes the experiences of the early PIC members.

The Department's "hands-off" approach was intentional and appropriate as it illustrated another element of the philosophical framework underlying JTPA: the importance of local responsibility and flexibility.

Initially, the states provided technical assistance to local areas (Service Delivery Areas (SDAs)) and PICs regarding the requirements of the Act and federal regulations. In addition, a variety of associations, such as the National Alliance of Business, the National Governor's Association, and the National Association of Counties, began to develop and disseminate information on the Private Industry Councils' roles and responsibilities. While much of this information has been useful, it has not been provided to the Councils in a systematic, on-going fashion. As a result, there is still no assurance that Council members (in addition to PIC staff) receive the materials or that materials are supplied to new PIC members when there is a turnover in membership.

In spite of the relatively small amount of guidance, after almost a decade of experience, the private sector's involvement has become institutionalized. Considered nationwide, working relationships between the PICs and local elected officials have become established and private sector oversight has become a routine part of JTPA administration.
Indeed, a public/private sector partnership has proven to be sound, achievable, and sustainable. In legislation enacted in the future in the area of employment and training, the private sector is likely to continue to have a pivotal role through PICs or a similar structure.

A second general conclusion is that the Councils have proven themselves to be motivated to do their job well, although they have different perceptions about what constitutes success. Some PICs view meeting or exceeding performance standards as "the" measure of success. Other Councils view success in terms of meeting the needs of their local communities, both employers and JTPA participants alike.

Third, private sector involvement can "make a difference" in program performance. According to data from the middle to late 1980s, there were greater improvements in a SDA's performance when PICs were directly involved in JTPA administration and focused on performance improvements. This finding is consistent with one of the reasons PICs were established under JTPA: the private sector was expected to bring a "bottom line orientation" to program performance.

A fourth conclusion is that the Councils differ not only in how they carry out their functions, but also in the degree of their effectiveness. They vary considerably in the extent to which they exercise their responsibilities, and influence the JTPA programs over which they have oversight. Some PICs are very active; they have become incorporated in order to serve as the JTPA grant recipient and/or administrative entity, or they have substantial input into the programs' policies. Other Councils are relatively passive, relying primarily on staff to administer and oversee programs.

This unevenness in effectiveness among PICs indicates that there is still considerable room for improvement. Much of this improvement relates to the need for clarification of the roles and responsibilities of the Councils themselves and of the respective federal, state, and local roles.

Many PICs still are uncertain with regard to their roles and responsibilities; this is demonstrated in several ways. For example, they desire more information on conflict of interest and on ways to market the Councils and JTPA programs.

In addition, although JTPA gave the Councils authority to be creative in their program design, they have become focused on programs that have the greatest assurance of success, both in programmatic and fiscal terms. This is largely due to signals from the General Accounting Office and the Office of the Inspector General regarding acceptable practices. Instances of both audit exceptions and negative program findings from auditors' offices have been widely publicized. "Bad press" has created misconceptions about Private Industry Councils and has also led them to become risk averse. As a practical matter, technical assistance is needed to help PICs become more creative in their program operations and in assisting various "hard to serve" populations.

There is also room for considerable improvement in the relationship between the state and local levels, in particular for increased "coordination" between PICs and the State Job Training Coordinating Councils (SJTCCs). A principle underlying the original law was flexibility at the local level. Over time, this was interpreted by PICs and local staff to mean flexibility within Service Delivery Areas. However, countering that interpretation was the fact that the law gave states and State Councils responsibilities over the operations of PICs and SDAs.

Because the respective roles and responsibilities of the state and local levels were not clarified in the early years of JTPA, confusion has emerged. As a result, PICs and SJTCCs have not been systematically working together in a harmonious fashion.
A lack of harmonious working relationships has not necessarily meant that problems have been created. Rather, it has meant that opportunities for solving problems have been foregone. State Councils have the potential for being a powerful voice for PICs. This would be especially true in the area of program coordination, where changes in state laws, regulations, and/or policies would improve participants' access to programs and efficiency at the local level.

By the early 1990s, evidence available to Congress indicated that the federal government had to assume more responsibility over JTPA programs. The 1992 Job Training Reform Amendments were largely a response to perceived problems.

Findings from this study apply to three of the broad goals the 1992 Amendments sought to achieve: (a) increase the programs' fiscal accountability and integrity, (b) improve JTPA's coordination with other programs, and (c) enhance the skills, knowledge and expertise of PICs, SJTCCs, and JTPA staff. (Other goals of the 1992 Amendments were to focus the training more closely on particular groups and to encourage more intensive training for participants.)

An implication of the report's findings is that there may be unintended adverse consequences to the ways the amendments have sought to achieve the first two goals given above. One consequence may be to challenge the system's ability to sustain private sector interest in training programs for the economically disadvantaged. In particular, implementation of both the newly mandated regulations regarding fiscal controls and the new requirements for on-the-job training contracts has the potential for increasing the amount of paperwork at the state and local levels. To the extent that increases in paperwork are associated with commensurate increases in the fiscal integrity of JTPA programs, the provisions will have achieved their intended purpose.

However, to the extent that increases in paperwork are associated with decreases in the private sector’s willingness to train and/or hire participants, the provisions may well have unintended adverse effects on program outcomes. It will be especially important to maintain the private sector’s willingness to enter into on-the-job training contracts since this type of training has been found to be one of the activities most likely to lead to improvements in participants’ post-program employment and earnings.

With regard to local program coordination, the amendments mandate representation of particular public agencies on PICs, linkages with other public programs, referrals to other programs and documentation of those referrals. Because these amendments are not yet in effect, it is not possible to say how these provisions will be implemented locally or how successful they will be in improving program coordination. In localities where coordination is virtually non-existent or "on paper" only, the very existence of the provisions may be a powerful impetus for change. However, in localities that have developed strong inter-agency working relationships, the specifics of the provisions (such as documentation of every referral) could have a dampening effect on staff's enthusiasm for program coordination.

With regard to the goal of improving expertise within the JTPA system, the 1992 Amendments require the Secretary of the U.S. Department of Labor to establish a national "Capacity Building and Information and Dissemination Network." Its purpose is to strengthen the expertise of all members of the JTPA system, PICs, State Job Training Coordinating Councils, and staff.

This "network" has the potential of providing all Private Industry Councils with the basic information they should have and of assuring that the provision of this information will occur on an on-going basis. Even though almost a decade has passed, it would still seem reasonable to provide all PICs with the same information so that they fully understand the activities required under JTPA. Given that some PIC members have developed a considerable amount of expertise, it would also seem reasonable to use their knowledge to build the PICs' capacity.
Furthermore, a lesson learned from the 1980s is that if the Councils are to be given responsibilities for other programs, they should also be given the technical assistance and guidance needed to carry out those responsibilities.

Finally, this report surfaced an issue that relates to prospects for improvements in JTPA program outcomes and administration: the Private Industry Councils need to focus more heavily on improving program performance, especially the wages and earnings of participants who are employed after leaving the program.

The 1992 Amendments sought to improve program performance through increases in the intensity of training. A not mutually exclusive alternative is for PICs to intensify their job placement activities. This alternative is suggested because participants who have received program assistance in finding jobs after they leave JTPA programs appear to have higher earnings than those who did not receive such assistance. Moreover, one of the reasons for directly involving the private sector in JTPA's administration was the view that they could be effective advertisements for the programs.

The experiences of the 1980s, in combination with the Job Training Reform Amendments of 1992, offer Private Industry Councils the opportunity to improve program performance, administration, and coordination. While the Councils must seize the initiative, their success will also depend heavily on the support and guidance they receive from the U.S. Department of Labor, the states and State Councils.
PRIVATE INDUSTRY COUNCILS:
Examining Their Mission
Under the Job Training Partnership Act

APPENDICES
APPENDIX A:
Issues Discussed at the Focus Group Meeting of the National Association of Private Industry Councils

The questions listed below formed the basis for the Focus Group Meeting of the National Association of Private Industry Councils Board of Directors, sponsored by the National Commission for Employment Policy in August 1990.

A. Characteristics of Private Industry Council (PIC) Members

1. Do members hold key positions in their business or organization? To what extent are members active in other community activities and networks that assist the PIC in obtaining its goals or otherwise demonstrate community leadership?

2. Is membership reflective of the diversity of businesses in the Service Delivery Area (SDA)?

3. Are key policy makers and leaders from the public and community sectors on the PIC? How do they contribute to the goals and objectives of the PIC?

4. Does PIC membership demonstrate continuity of membership over time while also remaining open to new membership?

5. Does the PIC encourage active participation of principals rather than proxies?

6. What role do the smallest and largest employers within the SDA play on the PIC?

7. PIC member recruitment is important to the long-term viability of the PIC. How should it be done to ensure that community leaders are involved on the PIC?

B. Private Industry Council Organizational Structure

1. Does a PIC's structure make a difference, i.e. are there preferred methods for organizing committees and full board roles and responsibilities?

2. Does PIC incorporation make a difference in the quality of PICs? How and why? Should we distinguish incorporation from the issue of where to place the administrative entity? Does this decision affect the quality of PICs?

3. How should the PIC be staffed? Line staff have a good sense of day-to-day issues but may view reports to the PIC as a burden rather than a key part of the job description.

4. Does hands-on PIC development of a mission statement, goals and objectives lead to a better PIC? How is this process best accomplished?
5. Many PIC members and staff say that PIC meetings are boring because little of substance occurs. Good PICs may have quality meetings, but how is "quality" defined?

C. Private Industry Council Capacity Building

1. Are there best practices in PIC orientation and what is the general state of the art?

2. How much time will PIC volunteers devote to learning the issues and how much JTPA program information should an "experienced" member know? What structures are in existence to move this process along?

3. Should there be state, regional or national training structures for the PIC volunteers? Should efforts focus on orientation or advanced technical assistance? Who should pay for this?

4. What is the current and appropriate role for government in PIC capacity building?

5. What is the appropriate role for Governors and State Job Training Coordinating Councils (SJTCC) in PIC capacity building?

6. To what extent should the U.S. Department of Labor promote the Job Training Partnership Act (JTPA) and PICs through advertising and other means?

D. Private Industry Council as a Community Forum – Relationships Internal and External

External

1. Does the PIC enjoy a good relationship with local elected officials (LEOs)? How is this relationship demonstrated -- joint meetings, local elected officials attend PIC meetings, joint press releases, or other means?

2. Does the PIC promote local needs and priorities at the state level (including the SJTCC) and provide leadership to the SDA?

3. Should the PIC be an advocate for JTPA in the community and promote community awareness and acceptance of JTPA programs? How is this demonstrated -- through marketing programs, public speaking at business, service, professional and community meetings, public relations efforts or other means?

4. How should the role of the elected official be examined both from the LEO's perspective and that of PIC members?

5. How should the impact of the political process at the federal, state, and local levels be examined in terms of the overall performance of PICs?

Internal

1. Does the PIC promote business and labor participation in JTPA and does it have strong ties to business and labor groups? Participation should include both active involvement on the PIC and utilization of programs and services of the PIC.

2. Does the PIC have the support and participation of the local education community, as well as other key public systems such as economic development, welfare and the Employment Service? Are leaders from these systems on the PIC?
3. If the PIC does not have the support and participation of key community groups, how can this be developed without putting every group on the PIC?

4. What are the ethical responsibilities of PIC members? Should they be more clearly delineated and who should set them?

5. What is conflict of interest? How can issues of conflict of interest be clarified?

E. Private Industry Council Policy and Planning

1. Are members actively involved in planning and oversight of programs? Are goals discussed and priorities established by the members? Are measurable objectives set for each investment?

2. Does the PIC understand its role in allocating scarce resources? Does the PIC consider the needs and returns on investment in serving different segments of the population? Does the PIC articulate and accept the notion that planning drives performance standards rather than standards driving planning? Does the PIC attempt to define "hard-to-serve" and make allocation decisions that take such groups into account?

3. Does the PIC job training plan provide specific short-term training and employment goals for the next few years? Are goals established in the context of related community goals, especially those for education, welfare, community and economic development and the public labor exchange? Where feasible and appropriate, do goals emphasize coordination, integration and joint funding? Is collaborative planning with governmental and community groups an expressed value?

4. Does the PIC review the coordination of the Job Opportunities and Basic Skills (JOBS) Program with JTPA as it affects business and PIC perceptions of public job training efforts?

5. JTPA is a social as well as an economic investment. What does this mean for PICs?

6. Does the PIC review the effectiveness of the current planning/approval process?

7. Is JTPA an economic development tool? Should it be?

8. Are local PICs human resource development bodies and are they only for JTPA clients or for all clients in need of employment and training?

9. What should the PIC role be in changes in U.S. education?

F. Performance of Private Industry Council Job Training Programs

1. Performance standards are viewed by business as a positive addition to JTPA yet they may lead PICs to focus on the short-term, as some have charged. To what extent are PICs "in charge" of the performance standards?

2. Should a PIC's mission include a commitment to research and development at least insofar as it will fund experimental programs and services? Does/should the Research and Development (R&D) capacity focus on specific goals such as serving the "hard-to-serve," targeting poor neighborhoods or communities, introducing new learning or service technologies, or meeting the needs of businesses or industries experiencing labor shortages?
3. Should, or do, PICs consider income (wage) levels, fringe benefits and career opportunities in selecting training programs, especially for adults?

4. Is improved coordination among related programs and services a primary but often unstated goal of JTPA? Do quality PICs have successful examples of program coordination and examples of programs that reflect leveraging or joint-funding with non-JTPA resources? Why, as some PICs have indicated, do major coordination efforts such as with JOBS and the Employment Service not work? What is the PIC role and responsibility in this respect?

5. Economic Dislocation Worker Adjustment Assistance (EDWAA) is now a major responsibility of PICs. Is it working? Has a clear PIC role emerged? Are there issues that need to be looked at from the PIC perspective?

G. Issues Related to Federal Legislation and the U.S. Department of Labor

1. Should PICs be given greater authority and responsibility for choosing the administrative entity?

2. Does the fact that there is no "official" interpretation of the Job Training Partnership Act or regulations affect PICs and how? Would a universal set of "facts" be preferable to the current situation?

3. The role of the U.S. Department of Labor is not well understood and tends to be seen in negative terms. Can roles be clarified and perceptions improved?

4. Should the role of the Office of the Inspector General (OIG) be better defined and should auditors have a better understanding of JTPA?

5. Is JTPA overregulated?

6. Has the allocation formula had a negative impact on business support and PIC performance?

7. How much local flexibility should there be in determining which clients to serve? Are services to easier-to-serve clients important at the community level? How do PICs reconcile competing interests?

8. Drug abuse is a major problem among the JTPA eligible population. Do we need modifications to JTPA or regulations to reach this group? Should it be a priority group?

9. Should there be a minimum level for state funding? What level should it be?
Participants at the Focus Group Meeting of the National Association of Private Industry Councils, sponsored by the National Commission for Employment Policy.

San Francisco, California
August 1990

Mr. John C. Gartland, Chair
National Commission for Employment Policy
Washington, D.C.

Ms. Barbara Shaw, Chair
National Association of Private Industry Councils
Lafayette, California

Mr. Marvin Berger, Chair
Pennsylvania State Job Training Coordinating Council
Member and Past Chair
Delaware County Private Industry Council
Service Delivery Area #2
Newtown Square, Pennsylvania

Mr. James T. Beshalske, President
Toledo Area Private Industry Council
Toledo, Ohio

Mr. Don Bischoff, Chair
Region 7B Consortium Private Industry Council
Gladwin, Michigan

Mr. Earl Davenport, Chair
Eastern Job Training Partnership Act Private Industry Council
Colville, Washington

Mr. Warren Frelund, Chair
Service Delivery Area 2
Private Industry Council
Mason City, Iowa

Mr. Leon Fulton, Member and Past Chair
New Orleans Private Industry Council
New Orleans, Louisiana

Mr. W. Perry Gaines, Chair
South Carolina State Job Training Coordinating Council
Spartanburg, South Carolina

Mr. Arturo Guzman, Member
San Juan Private Industry Council
Puerta de Tierra, Puerto Rico

Mr. Jack Klepinger, Member and Past Chair
Weber/Morgan Private Industry Council
Ogden, Utah

Mr. Larry Krampert, Chair
City of Tampa Private Industry Council
Tampa, Florida

Mr. Ray Lindsey, Chair
Birmingham Area Private Industry Council
Birmingham, Alabama
APPENDIX B: Participants in the Commission-Sponsored Roundtable Discussions:

"Enhancing the Effectiveness of the Private Industry Councils: Assessing the Evidence"


San Antonio, Texas
January 18, 1992

The National Association of Private Industry Council Board members and the Private Industry Council Chair and the Administrator from the meeting host city of San Antonio participated.

Mr. John C. Gartland, Chair
National Commission for Employment Policy
Washington, D.C.

Mr. Eduardo Aguirre, Commissioner
National Commission for Employment Policy
Houston, Texas

Mr. Henri Rauschenbach, Commissioner
National Commission for Employment Policy
Boston, Massachusetts

Ms. Barbara Shaw, Chair
National Association of Private Industry Councils
Lafayette, California

Mr. Erick Akins, Administrator
A1 Service Delivery Area
Private Industry Council
San Antonio, Texas

Ms. Kay Albright
Chief Operating Officer
National Association of Private Industry Councils
Washington, D.C.

Mr. James Beshalske, President
Toledo Area
Private Industry Council
Toledo, Ohio

Mr. Donald Bischoff, Chair
Region 7B Consortium
Private Industry Council
Gladwin, Michigan

Mr. Ramiro Cavazos, Chair
Alamo Service Delivery Area
Private Industry Council
San Antonio, Texas

Mr. Orrin Everhart
North Idaho
Private Industry Council
Bonners Ferry, Idaho
Bellmawr, New Jersey
January 21, 1992


Mr. John C. Gartland, Chair
National Commission for Employment Policy
Washington, D.C.

The Honorable Robert E. Andrews
United States Congressman
Washington, D.C.

Ms. Darlene E. Benash
Camden County
Private Industry Council
Camden, New Jersey

Mr. William D'Autrechy, Chair
Burlington County
Private Industry Council
Cinnaminson, New Jersey
Philadelphia, Pennsylvania
January 22, 1992


Mr. John C. Gartland, Chair
National Commission for Employment Policy
Washington, D.C.

Mr. Marvin E. Berger, Chair
Pennsylvania State Job Training Coordinating Council

Mr. Samuel G. Berlin
Business Consultant
Philadelphia
Private Industry Council
Philadelphia, Pennsylvania

Mr. Warren Bolton
Montgomery County
Private Industry Council
Lansdale, Pennsylvania

Mr. Brad Brown
Advantage Employment
Sidney Park, Pennsylvania

Mr. Francis J. Carey
Executive Director
Delaware County
Private Industry Council
Media, Pennsylvania

Mr. Nicholas Vitagliano, Chair
 Camden County
Private Industry Council
Camden, New Jersey

Mr. Thomas MInguez, Chair
Gloucester County
Private Industry Council
Glassboro, New Jersey

Mr. Lewis Nagy, Director
Burlington County
Private Industry Council
Mt. Holly, New Jersey

Mr. Harold R. Pearl
Camden County
Private Industry Council
Camden, New Jersey

Ms. Tomara Primas, Director
Gloucester County
Private Industry Council
Woodbury, New Jersey

Mr. Thomas Toll
Camden County
Private Industry Council
Camden, New Jersey

Ms. Virginia Joyce
Pennsylvania Service Delivery Area Association
Harrisburg, Pennsylvania

Mr. Thomas R. Levins, Director
Montgomery County
Private Industry Council
Norristown, Pennsylvania

Ms. Linda Long
Federal Representative
U.S. Department of Labor
Region III
Philadelphia, Pennsylvania
Westfield, Massachusetts
January 24, 1992

U.S. Congressman John W. Olver, Massachusetts First District, and members from three Massachusetts Private Industry Councils participated: Berkshire, Franklin/Hampshire, and Hampden Counties.

Mr. John C. Gartland, Chair
National Commission for Employment Policy
Washington, D.C.

Mr. Henri Rauschenbach, Commissioner
National Commission for Employment Policy
Boston, Massachusetts

The Honorable John W. Olver
United States Congressman
Washington, D.C.

Mr. Nils Nordberg, Commissioner
Massachusetts Department of Employment and Training
Boston, Massachusetts

The Honorable George A. Varelas, Mayor
City of Westfield
Westfield, Massachusetts

Mr. Dan Bianchi
Berkshire County
Private Industry Council
Pittsfield, Massachusetts

Ms. Patricia Chatman
Hampden County
Private Industry Council
Springfield, Massachusetts

Mr. Guy Dellea, Manager
Berkshire County
Training & Employment
Pittsfield, Massachusetts

Mr. Thomas Mallon
Delaware County
Private Industry Council
Glen Mills, Pennsylvania

Ms. Margaret M. McGrath
Deputy Director
Delaware
Private Industry Council
Wilmington, Delaware

Mr. Frank A. Newton
Delaware
Private Industry Council
Dover, Delaware

Mr. John F. Nugent III, Chair
Montgomery County
Private Industry Council
Conshohocken, Pennsylvania

Ms. Sonya Pappas
Philadelphia
Private Industry Council
Philadelphia, Pennsylvania

Mr. Carson Puriefoy
Delaware County
Private Industry Council
Media, Pennsylvania

The Honorable Jan E. Robinson
Secretary of Labor
Wilmington, Delaware

Mr. Don Jose Stovall
Executive Director
Philadelphia
Private Industry Council
Philadelphia, Pennsylvania

Mr. William Taylor, Jr.
Delaware County
Private Industry Council
Ardmore, Pennsylvania
Baltimore, Maryland
February 25, 1992

Private Industry Council members from the Baltimore City and Baltimore County Private Industry Councils participated.

Mr. John C. Cartland, Chair
National Commission for Employment Policy
Washington, D.C.

Mr. Carl W. Stearn, Chair
Baltimore City
Private Industry Council
Baltimore, Maryland

Mr. Dan Dorsey, Chair
Baltimore County
Private Industry Council
Baltimore, Maryland

Mr. Richard Aarons
Baltimore County
Private Industry Council
Towson, Maryland

Mr. Bernard L. Antkowiak
Assistant Director
Baltimore City
Private Industry Council
Office of Employment Development
Baltimore, Maryland

Mr. Gino Gemignani
Baltimore County
Private Industry Council
Towson, Maryland

Mr. Steve Hammer
Baltimore City
Private Industry Council
Baltimore, Maryland

Ms. Linda A. Harris, Director
Baltimore City
Private Industry Council
Office of Employment Development
Baltimore, Maryland

Ms. Mary K. O'Brien
Berkshire County
Private Industry Council
Pittsfield, Massachusetts

Mr. Arthur A. Schwenger
Executive Director
Franklin/Hampshire
Private Industry Council
Greenfield, Massachusetts

Mr. J. William Ward
Executive Director
Hampden County
Private Industry Council
Springfield, Massachusetts

Ms. Florence Webb, Director
South Office
Hampden County
Private Industry Council
Springfield, Massachusetts

Mr. Robert Zewski, Director
Department of Employment and Training
Northampton, Massachusetts

Mr. James Garivaldis
Service Coordinator
Berkshire County
Training & Employment
Pittsfield, Massachusetts

Mr. Albert A. Ingegni III, Chair
Berkshire County
Private Industry Council
Pittsfield, Massachusetts

Dr. Ronald Ippebaum, President
Westfield State College
Westfield, Massachusetts

Mr. Ray Jarvis
Hampden County Employment and Training Consortium
Springfield, Massachusetts

Mr. Vincent Lopes
Department of Employment and Training
Boston, Massachusetts

Mr. Nicholas Mele, Director
Department of Employment and Training
Springfield, Massachusetts

Mr. Robert Zewski, Director
Department of Employment and Training
Northampton, Massachusetts

Mr. John C. Garlant, Chair
National Commission for Employment Policy
Washington, D.C.

Ms. Margot Machol, Commissioner
National Commission for Employment Policy
Washington, D.C.

Mr. Roger Whyte, Commissioner
National Commission for Employment Policy
Alexandria, Virginia

Mr. John Allen, Vice Chair
Orange County
Private Industry Council
Santa Ana, California

Ms. Carole Burrow
Permian Basin
Private Industry Council
Midland, Texas

Mr. Dave Cashon
Kankakee Valley
Workforce Development
Valparaiso, Indiana

Mr. Malcolm Cobb
Santa Barbara, County
Private Industry Council
Santa Barbara, California

Mr. Lynn Dawson, Chair
Jefferson County
Private Industry Council
Golden, Colorado

Ms. Laurel Erickson
Duluth
Private Industry Council
Duluth, Minnesota

Mr. Bob Fay, Chair
Tri-Valley
Private Industry Council
Yakima, Washington

Mr. Knute Figenshow
Northwest Washington
Private Industry Council
Bellingham, Washington

Ms. Noreen Fischer, Chair
Service Delivery Area 7
Private Industry Council
Waterloo, Iowa

Mr. Perry. W. Gaines, Chair
State Job Training Coordinating Council of South Carolina
Spartanburg, South Carolina
Oklahoma City, Oklahoma
March 19, 1992

Private Industry Council members from the thirteen Private Industry Councils in Oklahoma participated at the Roundtable.

Mr. John C. Gartland, Chair
National Commission For Employment Policy
Washington, D.C.

Mr. Donald Jones, Commissioner
National Commission For Employment Policy
Springfield, Missouri

Mr. Corlandus Lang, Jr., Chair
Central Oklahoma Private Industry Council
Oklahoma City, Oklahoma

Ms. Joan Barker
Executive Director
Cleveland County
Private Industry Council, Inc.
Norman, Oklahoma

Mr. Doyle Blythe, Chair
South Central
Private Industry Council
Purcell, Oklahoma

Mr. Mike Bostic
Executive Director
Economic Development Association
Northwest Oklahoma
Private Industry Council
Beaver, Oklahoma

Ms. Pat Cochran, Program Director
Job Training Partnership Act
South Western Oklahoma
Development Authority
Burns Flat, Oklahoma

Ms. Carian Davis, Chair
Eastern
Private Industry Council, Inc.
Eufala, Oklahoma

Mr. Chester Dennis, Director
South Eastern
Private Industry Council, Inc.
Job Training Partnership Act
Wilburton, Oklahoma

Ms. Sylvia V. Flemming, Director
Job Training Partnership Act
Office of Job Training and Education
Central Oklahoma
Private Industry Council
Oklahoma City, Oklahoma

Mr. Ray Friedl
South Central
Private Industry Council
Duncan, Oklahoma

Mr. T. L. Gramling, Chair
South Western
Private Industry Council
Altus, Oklahoma

Ms. Juanita Hermans
Eastern
Private Industry Council, Inc.
Muskogee, Oklahoma

Mr. W.J. Haddock, Jr., Director
Job Training Partnership Act
Southern Oklahoma
Private Industry Council
Big Five Community Services, Inc.
Durant, Oklahoma

Mr. Ed Ingram, Chair
South Eastern Oklahoma
Private Industry Council, Inc.
Rockwell International
 McAlester, Oklahoma

Mr. Cato Jones, Chair
East Central Oklahoma
Private Industry Council
Wewoka, Oklahoma

Mr. Joe Lesley
Executive Director
Eastern
Private Industry Council, Inc.
Muskogee, Oklahoma

Mr. Brad Nelson
Executive Director
Job Training Northeast
Private Industry Council
Chelsea, Oklahoma

Ms. Norma Noble, Director
Oklahoma County Employment and Training Program
Oklahoma City, Oklahoma
Ms. Pat Podolec
Central Oklahoma
Private Industry Council
Oklahoma City, Oklahoma

Mr. Charles Robison, Chair
Big Five Community Services, Inc.
Bennington, Oklahoma

Mr. Blaine Smith
South Central Oklahoma
Private Industry Council
Duncan, Oklahoma

Ms. Susan Wall
Kiamichi Economic Development District
Job Training Partnership Act
Wilburton, Oklahoma

Mr. Raymond W. West, Director
Job Training Partnership Act Association of
South Central Oklahoma Governments
Duncan, Oklahoma

Ms. Gail Wood
Southern Oklahoma
Private Industry Council
Stonewall, Oklahoma

Knoxville, Tennessee
March 20, 1992

Private Industry Council members from the six Tennessee Private Industry Councils participated:
The First Tennessee PIC Inc., and Service Delivery Areas Two through Six.

Mr. John C. Gartland, Chair
National Commission for Employment Policy
Washington, D.C.

Mr. Donald Jones, Commissioner
National Commission for Employment Policy
Springfield, Missouri

Mr. James R. White, Commissioner
Tennessee Department of Labor
Nashville, Tennessee

Ms. Betty Blanton
Tennessee Department of Labor
Nashville, Tennessee

Mr. Robert E. Delfusk, Chair
Service Delivery Area 2
Private Industry Council
Sevierville, Tennessee

Mr. Walt Douglas
Maryville Rehabilitation Center
Maryville, Tennessee

Mr. Bob East
Executive Director
First Tennessee
Private Industry Council, Inc.
Johnson City, Tennessee

Mr. Tim Fox, Liaison
Tennessee Department of Labor
Nashville, Tennessee

Mr. James S. Franks
Service Delivery Area 2
Private Industry Council
Newport, Tennessee

Mr. Ronald Hammontree
Deputy Commissioner
Tennessee Department of Labor
Nashville, Tennessee

Mr. Jackson Jones, Chair
Service Delivery Area 5
Private Industry Council
Sweetwater, Tennessee

Mr. Wanza Lee, Executive Director
Southeast Tennessee
Service Delivery Area 6
Private Industry Council, Inc.
Chattanooga, Tennessee

Mr. Halstead Meadows, Jr.
Private Industry Council
Service Delivery Area 4
Crossville, Tennessee

Ms. Nancy Nitzberg
Knox County
Private Industry Council
Service Delivery Area 3
Knoxville, Tennessee
Mr. Horace Patterson
Maryville Rehabilitation Center
Maryville, Tennessee

Mr. Roger Radel
Sevier County Economic Development Council
Sevierville, Tennessee

Mr. Bobby Renfro, Director
Private Industry Council
Service Delivery Area 4
Kingston, Tennessee

Mr. Jack Sample, Chair
Southeast Tennessee Service Delivery Area 6
Private Industry Council, Inc.
Chattanooga, Tennessee

Mr. Ray Seaton
Private Industry Council
Service Delivery Area 5
Athens, Tennessee

Mr. Frank W. Skinnell, Director
Private Industry Council
Service Delivery Area 2
Morristown, Tennessee

Ms. Hope Sloan
1st Tennessee Private Industry Council, Inc.
Johnson City, Tennessee

Mr. Vaughn G. Smith, Director
Knox County Private Industry Council
Service Delivery Area 3
Knoxville, Tennessee

Ms. Pamela Stoop
1st Tennessee Private Industry Council, Inc.
Johnson City, Tennessee

Mr. Perry L. Storey, Director
Job Training Partnership Office
Cleveland State Community College
Cleveland, Tennessee

Mr. Bill Stuart
Service Delivery Area 5
Private Industry Council
Copperhill, Tennessee

Mr. Ted Wampler, Jr., Chair
Service Delivery Area 4
Private Industry Council
Lenoir City, Tennessee

Mr. George Williams
Service Delivery Area 2
Private Industry Council
Knoxville, Tennessee

Mr. Harold G. Wood
Private Industry Council
Service Delivery Area 3
Knoxville, Tennessee

Mr. John C. Gartland, Chair
National Commission for Employment Policy
Washington, D.C.

The Honorable Carl C. Perkins, Chair
Subcommittee on Employment Opportunities
U.S. House of Representatives
Washington, D.C.

Mr. Joseph F. Allen
Manpower Programs Director
Northeast Kentucky ADC
Olive Hill, Kentucky

Mr. E. Shannon Bailey, Director
Eastern Kentucky Private Industry Council
Hazard, Kentucky

Mr. James E. Baker, Chair
Eastern Kentucky Private Industry Council
Frankfort, Kentucky

Mr. Finley Begley
Private Industry Council
Hazard, Kentucky

Mr. Eugene Binion, Superintendent
Elliott County Board of Education
Sandy Hook, Kentucky

Lexington, Kentucky
April 13, 1992


Mr. John C. Gartland, Chair
National Commission for Employment Policy
Washington, D.C.

The Honorable Carl C. Perkins, Chair
Subcommittee on Employment Opportunities
U.S. House of Representatives
Washington, D.C.
La Crosse, Wisconsin
May 1, 1992

U.S. Congressman Steve Gunderson, Wisconsin Third District, and members from seven Wisconsin Private Industry Councils participated: Western Wisconsin, Northwest Wisconsin Concentrated Employment Program, West Central, Southwestern, South Central, Rock County, and Winne-Fond Lake Private Industry Councils.

Mr. John C. Gartland, Chair
National Commission for Employment Policy
Washington, D.C.

Ms. Melanie Lackland, Commissioner
National Commission for Employment Policy
Columbus, Ohio

The Honorable Steve Gunderson
Ranking Member
Subcommittee on Employment Opportunities
U.S. House of Representatives
Washington, D.C.

Mr. Tom Abing
Western Wisconsin Private Industry Council, Inc.
La Crosse, Wisconsin

Dr. Patricia Allen
Executive Director
South Central Private Industry Council, Inc.
Portage, Wisconsin
Ms. Ann Brandau, Attorney at Law  
Western Wisconsin  
Private Industry Council, Inc.  
La Crosse, Wisconsin

Ms. Roberta Early, Director  
Southwestern  
Private Industry Council, Inc.  
Dodgeville, Wisconsin

Mr. Richard George  
Western Wisconsin  
Private Industry Council, Inc.  
Sparta, Wisconsin

Mr. Paul Gordon, Chair  
West Central  
Private Industry Council, Inc.  
Chippewa Falls, Wisconsin

Mr. Joe Halter  
Chief Operating Officer  
Winne-Fond Lake  
Private Industry Council, Inc.  
Oshkosh, Wisconsin

Mr. Jerry Hanoski  
Executive Director  
Western Wisconsin  
Private Industry Council, Inc.  
La Crosse, Wisconsin

Mr. Jim Hutchinson  
Executive Director  
Rock County  
Private Industry Council, Inc.  
Janesville, Wisconsin

Mr. Tim McGettigan, Chair  
South Central  
Private Industry Council, Inc.  
Darlington, Wisconsin

Ms. Elizabeth Pedersen  
Western Wisconsin  
Private Industry Council, Inc.  
Mauston, Wisconsin

Ms. Cindy Preuss  
Western Wisconsin  
Private Industry Council, Inc.  
Mauston, Wisconsin

Mr. Jerry Price  
West Central Wisconsin  
Private Industry Council, Inc.  
Menomonie, Wisconsin

Mr. Earl Ryder  
Trempealeau Co. Board Chair  
Trempealeau, Wisconsin

Ms. Mary Kaye Sands  
Western Wisconsin  
Private Industry Council, Inc.  
Black River Falls, Wisconsin

Mr. Jeff Scheel, Chair  
Western Wisconsin  
Private Industry Council, Inc.  
La Crosse, Wisconsin

Mr. Fred Schnook, Director  
Northwest Wisconsin CEP, Inc.  
Ashland, Wisconsin

Mr. Dennis Stephenson  
Western Wisconsin  
Private Industry Council, Inc.  
Blair, Wisconsin

Mr. Tom Stowers  
Western Wisconsin  
Private Industry Council, Inc.  
La Crosse, Wisconsin

Ms. Debra Suchla, Fiscal Manager  
Western Wisconsin  
Private Industry Council, Inc.  
La Crosse, Wisconsin

Ms. June Suhling, Administrator  
Division of Jobs, Employment  
and Training Services  
Madison, Wisconsin

Mr. Tom Werner  
Southwestern  
Private Industry Council, Inc.  
Richland Center, Wisconsin
APPENDIX C: Roundtable Discussions On Enhancing The Effectiveness Of The Private Industry Councils: Assessing The Evidence

Key Points And Concerns Of Attendees

PREFACE

The following is a summary of key points and concerns of attendees who participated in the Commission's 10 roundtables on "Enhancing the Effectiveness of the Private Industry Councils: Assessing the Evidence." It was prepared by Commission staff from the roundtable transcripts. A draft was disseminated to all roundtable participants during the summer of 1992 for their review and comments, which have been incorporated.

The roundtables and the draft summary were organized around four issues areas:

- **Issue #1.** What is the most effective organizational structure for including the business perspective in improving the effectiveness of the Private Industry Councils?
- **Issue #2.** Are the PICs providing the policy guidance for, and exercising the monitoring and oversight over, all JTPA programs as Congress intended?
- **Issue #3.** To what extent is orientation and training provided to PIC Chairs and members?
- **Issue #4.** To what extent have PICs developed quality relationships between business and non-business members, with their staffs, local elected officials, and other employment and training officials?

Because the discussion of points under Issues #1 and #2 could not be readily differentiated, the issues are combined in this summary.
KEY POINTS AND CONCERNS OF ATTENDEES

1. There was some concern expressed by the roundtable participants about the lack of a national-level organization to oversee the entire system of Private Industry Councils (PICs). The participants view the role of such an organization to include orchestrating the sharing of ideas and proven methods of operational procedures in such areas as, organization/structure, selecting members, and orienting Chairs and members, etc. The National Association of Private Industry Councils (NAPIC) was seen as possibly fulfilling this role. One participant suggested enfranchising the PICs under the umbrella of a national organization to facilitate the sharing and implementation of proven procedures. While the attendees felt that Councils should have local flexibility with regard to how they are structured, they stated that PICs do need clear definitions of their responsibilities.

2. There was some support for the Councils being independent of the local government structure. The attendees felt that business-led organizations should not be run by a county or a city if the private sector members are to have influence, responsibility, and accountability.

3. The roundtable participants believe the U.S. Department of Labor (USDOL) should provide leadership in making available to Chairs information on successful locally-designed PIC structures and provide the framework of a model Council. However, the type of organizational structure should not be mandated.

4. Attendees noted that Councils which incorporate merely to limit the liability of their members and directors (or to raise private funds) do not necessarily have the authority to be more than advisory in nature. However, an advantage of incorporating is that incorporation can enable Councils to be independent by allowing them to serve as grant recipient and/or administrative entity. Independent PICs, therefore, have more authority, are able to administer programs with their own staff, provide business leaders more control, and increase private sector participation. It was pointed out that some states allow Councils to incorporate only for liability purposes; such states do not allow PICs to be grant recipients or administrative entities.

5. A large majority of those attendees who commented on the issue of incorporation felt that PICs should incorporate, emphasizing the strong independence this would bring to the Council. However, there appeared to be a general consensus among the participants that incorporation should not be mandated. Other attendees felt that the Councils do not necessarily need to be incorporated to be effective. PIC effectiveness was seen by these attendees as depending primarily on the strength and leadership of the Chair, the Chair's knowledge of allowable activities under the Job Training Partnership Act (JTPA), and the Chair's capabilities regarding orientation of Council members.

6. There was some support among the attendees for the following: (a) Developing a vehicle by which an effective member or Chair could remain on the Council and not be replaced because of political reasons, such as a change in local elected officials (LEOs); (b) appointing board members for staggered terms to maintain continuity among the membership; and (c) developing a process whereby Chairs could be elected by the board members (rather than being appointed by LEOs) to maintain political independence.
7. Concern was expressed at the roundtable about the lack of leadership qualities of some individuals interested in becoming Council members.

8. Attendees noted that some Councils are not providing adequate policy guidance and oversight for JTPA programs because Chairs and members have received insufficient training.

9. Conflict of interest was viewed as an important issue by the roundtable participants. There was a call for more clarification from the USDOL for PIC members as to what constitutes a conflict of interest. The need for a full understanding of conflict of interest issues is an example of the need to better train Chairs and members.

Bellmawr, New Jersey January 21, 1992

1. While the roundtable participants expressed mixed feelings about the issue of whether Private Industry Councils should incorporate, there was a general consensus that incorporation should not be mandatory.

2. Attendees which expressed satisfaction with their Council's unincorporated status suggested that the success of a PIC comes from having good leadership and a good staff, as well as from the protection it is accorded from being a government entity. Attendees from incorporated Councils mentioned the following advantages of incorporation: (a) It enables the PIC to infuse more dollars into their programs by raising funds from foundation grants; (b) it provides the Council with a better image and more credibility; (c) it allows for the involvement of more business people; and (d) it allows for more political independence.

3. Two attendees commented on JTPA's requirement that a minimum of 51 percent of the Council members be from the private sector. One attendee noted that even though a majority of the members are from the private sector, at any one PIC meeting the business members will be outnumbered substantially by the public sector members. The other participant was in favor of a higher percentage suggesting that perhaps 75 percent of the members should be from the private sector. This attendee felt that a higher percentage would give the PIC more credibility, particularly in light of the importance of economic development and the needs of the private sector.

4. There was some support among attendees for the following: (a) lengthening Council members' terms because of the time members need to learn their responsibilities and contribute to the decision-making process; (b) allowing PIC members, with the approval of the governing entity, to select new members since sitting members on the council know who they can best work with and who can contribute the most to PIC activities; and (c) allowing Council members to elect the Chair, instead of Chairs being appointed by LEOs.

5. Attendees were in agreement that both small and large businesses should be represented on the PIC. However, there was a preference for more representation from large companies because these firms can provide the Council with greater credibility and assistance in forecasting labor force needs. There was also a preference among the attendees for more upper middle management personnel on the Council, as opposed to CEOs. Upper middle management personnel were seen as being more active in the Council's activities and in finding solutions to problems than were CEOs who are more limited in the amount of time they can spend on PIC activities.

6. There was general agreement that while there is a potential for conflict of interest, it is not a serious problem. When there is an appearance, or even a semblance, of a conflict of interest, abstention from voting is practiced. One attendee noted that he would not like to see qualified
individuals excluded from the PIC membership because of a potential semblance of conflict of interest. In the view of this attendee, this would eliminate many individuals who could contribute valuable service to the PIC. It was also mentioned that another way to avoid conflict of interest is to have non-voting members on the Council who can provide valuable input. Because Council meetings are open, anyone can be invited to participate.

Philadelphia, Pennsylvania January 22, 1992

1. In general, the roundtable participants did not feel strongly that Private Industry Councils should incorporate (the three PIC Chairs in attendance were from unincorporated PICs). Two of the Chairs from unincorporated Councils specifically mentioned that their Councils have been effective and saw no reason to incorporate. Some attendees were unclear as to the advantages and disadvantages of incorporation.

2. One attendee (from an incorporated PIC) noted several advantages of incorporation: (a) protection from liability; (b) an improved image; (c) a clear distinction and break from the bureaucratic environment; and (d) improved and more effective private sector participation.

3. Additional specific comments on the issue of incorporation included the following: (a) It would be important to know how program outcomes differ between incorporated and unincorporated Councils; (b) there is the lack of a handbook or guide which describes how PICs can incorporate; and (c) if incorporated Councils are found to be more effective and the federal government wants PICs to incorporate, incorporation would need to be mandated since there may not be sufficient internal initiative within some Councils to incorporate on their own.

4. One participant noted that in some areas re-designation issues regarding Service Delivery Area (SDA) jurisdictional rights might affect decisions to incorporate.

5. There was general satisfaction with the law’s requirement that a minimum of 51 percent of the membership be from the private sector. There was some concern that if private sector membership on the PIC boards were diluted, for example by bringing labor representation into parity with that of the private sector, the enthusiasm of private sector members and PIC performance would be negatively affected. The Private Industry Councils like the flexibility they have regarding the composition of the Council within the bounds of the current law.

6. With respect to members’ terms, attendees felt that the length of time members serve on the Council should be long enough to enable them to learn the system. It was also suggested that states should continue to have flexibility in setting members’ terms. One participant felt that terms should not be limited at all. Another attendee suggested 5-year terms, noting the lack of immediate automatic training available to new members.

7. There was agreement among the discussants that there is a potential for conflict of interest, but that when conflicts arise members abstain from voting. There is a written code of ethics that is followed.

8. The potential for conflict of interest was seen as greater in Delaware than in Pennsylvania. This is due to the small size of the SDA in Delaware. In a small SDA, individuals are more likely to serve on the boards of a variety of organizations. Nevertheless, attendees felt that conflict of interest is handled well. It was also noted that because PICs are composed of a majority of private sector members, conflict of interest issues are easy to resolve.
Westfield, Massachusetts January 24, 1992

1. There was not a consensus among the roundtable participants as to whether or not PICs should incorporate. There was general agreement, however, that incorporation should not be mandated; such decisions should be left to local discretion.

2. One attendee noted that his Council had been incorporated to enable it to be a self-contained entity that could seek funding from other sources, especially from the private sector. The attendee said that being a single entity has resulted in the Council receiving more input from its members. It was further noted that the Council has had a sufficient number of individuals willing to serve on the board. In this PIC, nominees' names are forwarded by the Council to the Mayor who makes the final selection.

3. While incorporation may provide an avenue for raising additional financial resources (due to such gifts being a tax deduction to donees), one attendee noted that his unincorporated PIC had not experienced difficulty in raising additional resources.

4. With regard to members' terms, it was noted that the incorporated Council had one, two, and three-year terms and that when some members' terms expire, they are given the option to continue to serve on the board.

5. Attendees suggest that there is no one optimal size for PICs. The number of members needed on a Council depends upon the characteristics of the region served and local issues. It was mentioned that most Councils in Massachusetts have a large number of high-level officials among their membership. Attendees suggested that this should be encouraged in other areas across the country.

6. There was some support for a change in the law to allow local elected officials to be more strongly represented at PIC meetings and also to allow local elected officials (LEOs) to be appointed to the Council. Increased representation of LEOs was seen as enhancing the partnership between the business community and the LEOs. It was suggested that this idea be tried out in a few states on a demonstration basis.

7. It was also suggested that the law should be changed to provide a means to assure representation on the Council by individuals from large, prominent employers in the SDA.

8. There was some concern about continuity of membership because of the turnover in membership when a new Mayor comes into office.

9. Several points were made regarding conflicts of interest: (a) When there is potential for a conflict of interest on the part of members who are vendors and contractors, such members should abstain from voting (there was some support for the idea of having vendors and contractors serve on boards only as non-voting members); (b) despite the potential for such conflicts, the input that vendors provide to the Councils is seen as important; (c) attendees noted that if there were not conflicts of interest, it would mean that the right persons were not serving on the Councils; and (d) because of the PIC's role in carrying out its responsibilities, it is almost impossible not to have members who potentially could have conflicts of interest.

10. One roundtable participant suggested that the National Commission for Employment Policy (NCEP) should look carefully at potential conflicts of interest and how such conflicts can be alleviated, particularly with regard to the process of awarding contracts.
Baltimore, Maryland  February 25, 1992

1. The two Councils represented at this roundtable were unincorporated. Neither of the two Councils saw an advantage to becoming incorporated. Both Councils have a good working relationship with the local elected officials which the attendees felt is important to PIC effectiveness.

2. Regarding continuity of membership, participants noted the importance of set terms in preserving the knowledge existing within Councils after a change in administrations. Attendees also noted the importance of staggered terms for continuity, as well as the need for longer terms to provide adequate time for members to learn their responsibilities and to enable them to contribute more fully.

3. Attendees noted that the Chamber of Commerce has been very involved in making nominations to one board, but less so with respect to the other where nominations are more likely to emanate from the PIC.

4. There was general agreement that LEOs should have a role in appointing members to the Councils. One participant suggested, however, the elected official's role in appointing members be tempered with suggestions from the private sector. Another attendee felt it was important for the Mayor to have a role in the appointment process because it elevates the status of the councils and thereby symbolizes the public-private partnership intended by JTPA.

5. With regard to the JTPA requirement that 51 percent of the members be from the private sector, one participant was concerned that adding non-business members to the boards from many different constituency groups would dilute the level of business input and the Councils' effectiveness. Another attendee felt it was important to have small business representation from all industries since small businesses typically do not take advantage of the JTPA program.

6. There were mixed opinions with respect to the importance of having high level community business leaders, such as CEOs, serve as Chairs. One participant noted that sometimes a choice has to be made between selecting a Chair as someone prominent who may lack the time or interest to fulfill his or her duties, or someone else of less prominence in the community who understands the issues and can devote the needed time.

7. One participant felt the type of individual best suited to serve as Chair could vary from Council to Council. It was noted that to be an effective Chair in a large urban area the person would need to be a business leader who is well recognized in the community. Otherwise, it would be difficult to leverage other assets. Another participant felt it was also important that the Chair come from a well recognized company.

8. Other attendees suggested that the amount of time the individual can devote to the program is critical; sometimes CEOs do not have the time nor the commitment. Also, from a staff perspective, it is important to have access to the Chair. One attendee said the ideal Chair would be a CEO from a well recognized company who is committed to the system and willing to work hard.

9. The roundtable participants said that when potential conflicts of interest arise, members abstain from voting; such issues are addressed in the Council's by-laws. One attendee said that there have been situations where programs have been discontinued due to concerns about conflicts of interest. In any case, attendees felt that there should be clear guidelines in writing as to how to handle such conflicts.
10. The discussants felt that the Councils are providing policy guidance, monitoring, and oversight activities as Congress intended. It was noted that there is an evaluation committee, a mission statement, and established goals and objectives which facilitate the provision of these activities.


1. Nearly all roundtable attendees who commented on the issue of PIC incorporation felt that incorporation offered several advantages. For example, participants noted that incorporation improves PIC oversight activities; better enables the Councils to retain strong membership; improves members' attitudes toward JTPA program activities; and enhances the Councils' ability to attract individuals to serve on the boards. In addition, incorporation was found to increase the confidence of PIC directors in making funding decisions; better enable Councils to attain funding from outside sources; and provide the PIC with more political independence.

2. Regarding recruitment of members, one participant reported that the Council's active involvement in recruiting members to serve on its board is appreciated by the county commissioners, due to the many boards for which the commissioners must find members. The participant added that the PIC facilitates the recruitment process by recruiting members through general purpose organizations such as the Chamber of Commerce and the Economic Development Council. The Council then forwards letters of nomination to the county commissioners who, upon consideration, usually agree to the Council's recommendations.

3. One roundtable discussant mentioned that should "Job Training 2000" come to fruition, there will be a need for members with specific areas of influence and for PICs to be representative of the entire community.

4. There was some concern expressed by attendees about the 150 percent requirement in JTPA for filling board vacancies. One attendee said that it is somewhat cumbersome to fulfill this requirement when members know who they would like to have serve on the Council. The attendee also noted that it is awkward for members to notify those not selected to serve.

5. A few participants mentioned having experienced problems in recruiting members. Some discussants also noted difficulties in recruiting members from large companies. Contributing to recruitment problems in some Private Industry Councils is the large geographical area served. In such SDAs, the substantial investment in travel time that would be required to attend meetings provides a major obstacle to recruiting.

6. It was mentioned that more intensive marketing efforts would improve the Councils' abilities to recruit members. In addition to using marketing strategies, those interested in serving on the council are invited to attend sessions with other members and staff in which the appointment process and the amount of time members are expected to spend on PIC activities is discussed.

7. Another helpful recruitment tool used by one Council is having each of its members invite two business leaders to attend the annual awards presentation. This provides those from the business community an opportunity to learn about the PIC and see how the Council operates.

8. One participant expressed concern about the recruitment process being the responsibility of the Chambers of Commerce. The attendee noted that the Chambers may not necessarily represent the entire community since there are growing efforts in the minority communities of some Service Delivery Areas to establish their own Chambers. Also, many individuals recruited by the Chambers, particularly CEOs and those in other high level positions, are not aware of how much work is involved in serving on the board.
9. Two participants commented on the usefulness of having CEOs or company presidents serve on PICs. One participant noted that one disadvantage in having members from large companies is that managers in such companies tend to be more transient than those from small businesses and, therefore, are less likely to complete their term of service. Another participant felt the opposite -- that the Councils should attempt to get the most successful and highest level businessperson possible, whether from a large or small company.

10. There was general agreement that the length of members' terms should not be mandated.

11. General comments indicated the Councils believe they are carrying out their policy guidance and oversight activities as intended under the law. However, the Councils prefer guidance on what are allowable and not allowable activities earlier, rather than later through the audit process.

12. With regard to conflict of interest issues, participants noted that there is always a potential for such conflicts due to the types of individuals who serve on the Councils. However, it was mentioned that when such issues arise, members abstain from voting. The point was made that if Councils have quality individuals from education and business, there will always be a potential for conflicts of interest. There was a call for guidelines, from either the state or the federal government, on how to handle these problems.

Oklahoma City, Oklahoma March 19, 1992

1. Participants from incorporated Councils thought there were definite advantages to incorporation. Among the advantages mentioned were the following: (a) Improves participation by board members; (b) enhances a PIC's ability to raise funds from outside sources; (c) reduces liability; and (d) enables the Councils to better direct their own programs and serve as the grant recipient.

2. One attendee specifically mentioned continuing to allow the PICs to decide, for themselves, whether or not to incorporate, and whether to administer their programs or contract them out.

3. There was some support for increasing the 51 percent private sector membership requirement and for expanding the size of the Councils. It was noted that private sector individuals are more interested than other members in getting good employees into their workforce, and that a larger number of individuals on the board provides a better chance of obtaining input from a wider range of participants. Attendees also noted that some private sector members have difficulty in participating in board meetings due to their busy schedules. Another problem in rural areas is obtaining an adequate number of qualified private sector people to serve on the Councils due to long distances to travel to meetings.

4. There was agreement that each individual Council should determine the number of individuals to serve on the board because of the individual characteristics of each SDA.

5. One reason it is difficult to get business people to serve on the boards is the lack of public awareness about JTPA and the Councils. Several attendees suggested a national publicity program to increase public awareness. There was also a call for more publicity at the state and local levels.

6. Attendees further suggested the establishment of a state association of Private Industry Councils so SDAs can learn from one another; improve coordination of programs; and, increase marketing of the Councils and the programs they operate. It was noted that the Councils'
limited administrative funds present a barrier to more advertising and marketing of the PICs; assistance is needed from the national level.

7. One attendee discussed the kinds of individuals who can best serve as Chair or Council members. Such individuals do not necessarily have to be CEOs or other high-level executives, but should have the time and the willingness to become actively involved in the business of the PIC.

8. Regarding conflict of interest, the following comments were made: (a) PIC members’ employers should be able to hire JTPA participants – it should not be considered a conflict of interest if they do so; (b) there has been a lack of guidance on how to handle conflict of interest from the national level, particularly with respect to the community-based organizations (CBOs) and how to keep training programs from overlapping; and (c) there is some perception that the PIC and JTPA are in conflict with vocational education programs regarding decisions about the types of training that needs to be provided in the SDAs.

9. One attendee noted that while the PIC does a good job in policy guidance and oversight activities, it could do better. It was suggested that the Councils need more independence from the state with regard to these activities.

Knoxville, Tennessee  March 20, 1992

1. Participants from the incorporated Councils believe incorporation offers several advantages: (a) A greater sense of accountability and responsibility among the volunteers; (b) improved credibility and results; (c) a way for a public program to buy into the world of the private sector; (d) greater autonomy; and (e) limited liability for its members.

2. Participants from non-incorporated Councils noted that their Councils are performing extremely well. One attendee said that there is an excellent partnership with the state, the community colleges, and the local elected officials.

3. It was suggested that incorporation itself is not the issue. What is more important is for the Council to be separate from the local government structure so it is not subjected to political influence.

4. An attendee from an incorporated Council stated that incorporation has not been a factor in achieving successful outcomes. Regardless of the type of organizational structure, what is important is that Councils have clear mission statements, strong staff to support that statement, and committed members.

5. It was further suggested that in major urban areas there may be some benefits to incorporation in order to form an identity so that Councils are not overwhelmed in developing partnerships. However, in rural or suburban areas incorporation may not be necessary due to the close relationships within the private sector. In such communities partnerships can be more easily formed without having to deal with some of the turf issues typical in urban areas.

6. There was general agreement with the law’s requirement that 51 percent of the Council be from the private sector.

7. The roundtable participants from rural areas reported they do not have great difficulty in finding private sector individuals to serve on the PIC. It was noted that it may even be easier to find individuals to serve in rural areas than in large urban areas because the Councils are more aware of the individual strengths and personalities of potential members.
8. It was reported that in one county, individuals actually lobby for appointments to the PIC; membership on the Council is seen as very prestigious. Also, the county has a very supportive newspaper that provides frequent articles on the Council's successful programs.

9. The participants noted the importance of having high level executives and/or community leaders serve as Chairs or as members. The attendees felt that it was also important that members come from a cross-section of the community since it is necessary to interact with so many different agencies and service providers.

10. It was further mentioned that community leaders in rural areas do not necessarily have to be individuals who are presidents of very large companies. There are many individuals on the Councils that are community leaders and owners of small businesses; it is in the small businesses where many of the jobs are going to be created over the next decade.

11. One participant suggested that whether members are from small or large businesses, the most important factor is the actual commitment of the individual to the work of the Council.

12. With regard to conflict of interest, several comments were made. Participants noted that as Council members, they avail themselves of the opportunity to hire individuals from JTPA programs. One Chair stated that he hired JTPA participants because he would not want to be chairing an organization that he could not personally endorse. This Chair felt strongly that Council members should be willing to commit to hiring the people from JTPA programs. It was noted that in the past there have been some problems with members from CBOs lobbying for their best interest with respect to receiving contracts, particularly when the contracts are of high dollar values. However, it was pointed out that there are written procedures that address such problems and which require abstaining from voting. In some cases the procedures require that a personal statement be made as to why the member is abstaining in the voting process. It was further mentioned that in some areas there are few options when it comes to selecting training providers. In such instances, however, the Council tries to acknowledge any conflicts that may exist.

13. Attendees felt that their Councils are providing the policy guidance and oversight as Congress intended. There was some concern that only the poorly operated programs around the country get the attention of the press. It was suggested that there is a need to more aggressively market the positive aspects of these programs, including increasing the awareness of the Congress.

Lexington, Kentucky April 13, 1992

1. The Eastern Kentucky Private Industry Council, the only PIC represented at this roundtable, is not incorporated. Incorporation was not viewed by the roundtable attendees as a means of enhancing the PIC's effectiveness for the following reasons: (a) The Council is already viewed as a viable entity; (b) there are no problems regarding the liability issue; and (c) there are little local politics involved in the PIC's structure. The Council does not need higher visibility because its level of funding does not permit the Council to serve any more individuals than it is already serving.

2. Members' have two-year staggered terms. The roundtable participants reported no problems in recruiting private sector individuals to serve on the PIC. There are no large companies in the areas served by the Council; the private sector is comprised of small businesses. The Council selects members from each community so the diversity of these businesses are reflected in the membership. Also, the Council has no difficulty in obtaining a quorum of its members for meetings.
3. The roundtable discussants were somewhat concerned with conflict of interest issues. One participant stated that the members are provided an orientation on conflict of interest issues and the Council has bylaws that address the issue. However, more specific guidance is needed from the USDOL on what constitutes conflict of interest. Some of the guidance the USDOL has provided the Council has been conflicting. Another participant said the Council is not clear as to which guidelines should be followed -- the state's or the USDOL's. The general guidance provided by the state is that Council members should not participate in a vote or a discussion if the member has an interest in a particular proposal.

4. There was some concern about the possibility that regulations could be forthcoming that would prevent the private sector members from hiring JTPA graduates. This would penalize the graduates who already face limited opportunities for employment as well as penalize those serving on the Council that would like to hire program participants. It was further mentioned that there are so few job opportunities that a Council member willing to employ program participants may be the only one hiring in the region at a particular time.

5. While JTPA allows for local flexibility, one of the problems in serving the hard-to-serve is performance standards -- during a given year, it is extremely difficult to improve the skills of some of the individuals served to the extent required for entry level positions. It was noted that due to the high illiteracy of those being served, this is a problem in many areas across the country.

6. Attendees believe the PIC is providing the policy guidance, monitoring and oversight as Congress intended. There is a strong positive relationship between the Council and the staff and both have lengthy experience with employment and training programs. Logistically, the Council members and staff represent most of the counties and towns comprising the Service Delivery Area. Both members and staff are well informed on the projects. The staff keeps members well informed of program activities and all monitoring and oversight activities. Staff encourages members to become involved in monitoring and oversight activities and in reviewing projects first-hand through on-site visits. One participant described the Council's monitoring system as one of the most intensive in the country.

La Crosse, Wisconsin May 1, 1992

1. The six Private Industry Councils represented at this roundtable were incorporated. They were incorporated for the following reasons: (a) Members are more comfortable with the corporate structure; (b) incorporation makes members more accountable; and (c) incorporation affords members protection from liability.

2. The key to having a well run Council is the quality of the individuals selected to serve on the board, not necessarily that the PIC is incorporated. In order to have maximum involvement from those on the board, it is important that the Council not serve as just an advisory body.

3. With regard to the law's requirement that a minimum of 51 percent of the membership be from the private sector, there was unanimity that this percentage not be decreased. Some of the participants suggested the percentage be raised to increase the involvement of the business community.

4. Generally, the Councils have not had difficulty recruiting individuals to serve on the boards. Nominations are received by the PICs primarily from the Chambers of Commerce and other business groups in the community. It is important that the LEOs and the Chambers, particularly in rural areas, have an interest in the mission of the PIC in order to assure that quality people
are appointed to the boards. One of the PICs had experienced some difficulties in recruiting members due to its past reputation.

5. The communities' awareness of the Private Industry Councils' role depends, in part, on the amount of funds available for marketing the PICs and their programs. It was suggested that the federal government, as well as the Council members themselves, could do a better job in creating a more positive image of the Councils and JTPA programs.

6. There were several concerns expressed by the attendees regarding conflicts of interest: (a) Conflict of interest rules should not be so restrictive that members will be disinclined to serve on the board; (b) it is unclear whether or not members whose companies hire JTPA clients have a conflict of interest; (c) there is not a clear definition as to what constitutes conflict of interest -- it is a difficult issue to define; (d) the Councils would prefer to define for themselves what constitutes a conflict rather than being told by a higher authority, such as the state or the federal government; (e) while there should not be mandates, some advisory guidelines need to be provided from the national level that would be reflective of how other PICs handle such issues; and (f) a "hotline" should be established so individual members could obtain an opinion on such issues as they arise.

7. Attendees believe the Councils are providing the policy guidance, monitoring, and oversight as Congress intended. One attendee specifically mentioned that the PIC staff plays a major role in the activities related to these responsibilities. Other attendees mentioned that there is a committee structure whereby financial issues (via a planning committee) and performance issues (oversight committee) are presented and discussed at each Council meeting.

8. Another participant mentioned that the Council has a formal planning process during which information is gathered from the public and other agencies (e.g., the receipt of labor market information from the Employment Service). Based on this information, the Council formulates the types of programs best suited for the SDA.

• Issue #2. To what extent is orientation and training provided to PIC Chairs and members?

San Antonio, Texas (NAPIC Meeting) January 18, 1992

1. PIC-to-PIC orientation of Chairs and board members was seen by the attendees as being beneficial because the Councils are led by private sector individuals and, therefore, will benefit by having their business people receive orientation from other business people.

2. There was some support at the roundtable for the National Alliance of Business (NAB) orienting private sector volunteers. NAB's Private Industry Council Institutes were viewed as providing effective orientation for Chairs and members. It was noted that there has been a misconception that NAB and the National Association of Private Industry Councils (NAPIC) is not involved in orienting members. While orientation has been provided to 500 individuals from 150 Councils, it was recognized by some attendees that there is a need for an expanded role for NAPIC but that such an expanded role may require additional funding.

3. One of the reasons NAB/NAPIC PIC-to-PIC orientation has been successful, according to some of the participants, is that the orientation sessions are partially run by private sector individuals. This type of orientation was viewed as more effective than orientation provided by USDOL, or by NAB without NAPIC.
4. To improve orientation, one participant suggested that a curriculum be established, as it is to some extent with the Private Industry Council Institutes, and accompanied by a voluntary certification program so individuals can receive certificates documenting that they have completed the elements of a curriculum enabling them to become Council members. Similarly, it was suggested that national standards be established for orienting and certifying staff. Currently, there is great variation across the Nation in the capabilities of staff to carry out policy, once policy is understood.

5. How to pay for the costs of orientation was a concern to many of the attendees. There was general agreement among the participants that the PICs should not have to bear the expense of orientating members due to limited administrative funds.

6. Another ramification of inadequate orientation of Chairs and members is that the Councils are, in some instances, controlled by their staff and are limited to the information they receive from staff. It was further suggested by attendees that Chairs and members need to develop their own sources of information so they do not have to rely solely on staff for understanding the extent of the Council’s authority. In this connection, it was noted that the system does a fairly good job of educating and orienting staff but a poor job of orienting Chairs and members.

Bellmawr, New Jersey January 21, 1992

1. There was a consensus among the roundtable participants that there is a need for training members and Chairs. The participants mentioned that there are currently two primary sources for orienting Chairs and members: (a) from within the Council itself and (b) from NAB and NAPIC meetings that Chairs and members attend.

2. There was concern expressed by the attendees that while training is available, it needs to be used more extensively. It was also mentioned that some Councils could do a better job in training their own members. In this connection, attendees noted that because each PIC is different and the labor markets they serve are different, training from within the Council is very important and needs to be customized. There was also concern expressed about having to use JTPA funds to train members.

3. There was some support for the following: (a) Should the federal government establish an institute to provide orientation for board members, weekend training would be preferable because of members’ time pressures during the week; (b) the federal government should pay for the costs of orientation; and (c) the orientation benefits would exceed the cost because members need the education and background to attain the knowledge necessary for fulfilling their responsibilities.

4. There was support for using the latest technology, such as videos and/or communications satellites rather than requiring members to travel to orientation sessions. This was viewed as not only more cost effective but would allow Council members to view the orientation materials when they are not pressed for time. There was also some support for orientation sessions to be held within states as opposed to regional or U.S. centrally located sites.

5. It was suggested by one attendee that as part of orientation, members should visit the JTPA training providers to view the curriculum and see first-hand the types of skills being taught that benefit the local community.
Philadelphia, Pennsylvania January 21, 1992

1. The roundtable participants were in general agreement that Council members and Chairs need training to be more effective in carrying out their responsibilities.

2. Among concerns and comments made by attendees on the issue of training logistics and cost were the following: (a) Members have serious time constraints which make it difficult for them to attend two or three-day orientation sessions at a central location; (b) there was also concern expressed about who would pay for orientation costs due to scarce administrative funds; and (c) even within a region or an area, logistics, costs, and scheduling of training would present problems.

3. Several suggestions were made about how training materials could be made available to members. There was some support for a national or state system for distributing orientation materials to members. One attendee suggested that in such a system, a certificate requesting training could be mailed from the Council to the state or to a national entity that, in turn, would mail to the member a package of the latest orientation information available. Another attendee suggested that, in addition to the basic orientation, training should be a continuous learning process. Because of the time and cost constraints, another attendee suggested that a video tape be made available which describes the federal and state perspectives; this information could then be augmented by local information at the SDA level.

4. One roundtable participant suggested that additional training be provided to Chairs even though the Chair may have served as a Council member for several years. Such training was seen as needed to provide Chairs with a better sense of the overall responsibilities of the Councils. Another attendee suggested using the term “exposure” instead of “training” since there has not been built into the system an ongoing continuous training program for either members or Chairs. Many members teach themselves from the materials they receive from NAB and NAPIC. There was some consternation that while the federal government has asked a lot of the PICs, the government has not invested enough in training members and Chairs.

Westfield, Massachusetts January 24, 1992

1. The roundtable participants acknowledged the need for orienting Chairs and members but expressed uncertainty as to how it could best be accomplished.

2. There was concern about the value of “formalized” training for Chairs and members. Some attendees were of the opinion that “on-the-job” training, that is, the knowledge members gain through their experience from serving on subcommittees, is preferable to formalized training. One attendee said that while it is important that board members have a general knowledge of the Council’s role and responsibilities, members also need to have specific knowledge regarding local issues. It was noted that in some SDAs, staff play a vital role in providing training to Chairs and members.

3. One attendee suggested using a generic video to provide members a general orientation on the major functions of the board and the PIC’s legislative mandate. Due to the diversity of Councils nationwide, attendees again emphasized the importance of local training to assist members in understanding local issues.
Baltimore, Maryland  February 25, 1992

1. There was a clear indication among the roundtable attendees that more orientation needs to be provided to Chairs and members. With regard to this issue, the following observations were made: (a) Some members themselves have taken on the responsibility of training other members using training films, organizational charts, and flow charts which have made the system more understandable; (b) some specific type of orientation needs to be targeted to new members, including a mentoring system; and (c) longer terms would give members time to become more involved and to better understand the system and staggered terms would eliminate the possibility of having completely new boards coming on at any one time that would require training.

2. With regard to two-day, nationally sponsored regional training retreats, the following points were made: (a) State-level training would be preferred because some states have different orientation methods and face different employment issues; (b) members may be willing to attend regional sessions if they can be made to fully understand the responsibilities they have as PIC members; and (c) such sessions were seen as particularly beneficial for new members.

3. Two of the attendees were less enthusiastic about regional training sessions for several reasons: (a) Local issues would not be adequately addressed; (b) it might be difficult for whomever provides the orientation sessions to repeat training for those who miss sessions; (c) some individuals would be unable to attend; and (d) training resources could be better spent on providing manuals, books, and videos that could be used when members had the time needed to devote to them.

4. Several members commented on whether or not they would actually make use of training manuals and videos on their own time. It was suggested that: (a) Videos have a regional focus due to the commonality among Councils in certain regions, such as the Baltimore area; (b) the material presented should be well organized with not too much information being provided at once; and (c) the national perspective be kept short -- perhaps 10 to 15 minutes -- with more emphasis on local issues. One attendee suggested that training, however it is structured, should be mandatory.


1. Roundtable discussants were in general agreement that Chairs and members need more orientation. Two participants cited the lack of funding as the principal reason the Councils themselves do not provide comprehensive orientation on a regular, on-going basis.

2. Attendees mentioned a variety of ways members receive training from their Council. While training manuals were found to be useful in providing orientation, it was noted that new members need to serve on the Council for several months before they feel comfortable with the variety and depth of the programs in which the PICs are involved. One participant noted that, in addition to supplying new members with manuals, it has been found to be helpful to the new members for an experienced member to serve as mentor. In another Council, the Chair, staff director, and other staff members meet with each new member to discuss the role of the PIC and review the Council’s training manual. Another attendee reported that charts and other visual aids are useful in training members.

3. There was very little enthusiasm for a national training facility to provide training to Chairs and members. Attendees expressed concern about how often training would be provided under a national system, the cost of training, and the extent to which members can find time to attend these sessions.
4. There was some support for regional training. However, attendees noted that there would still be a need for local orientation since local problems could not be adequately addressed at regional sessions. There was also support for the use of training videos that members could view at their own leisure. One participant suggested that the Private Industry Councils receive training materials which present the national perspective, and that the dollars that otherwise would have gone toward establishing the regional centers be used to provide local training.

**Oklahoma City, Oklahoma** March 19, 1992

1. There was general agreement among the roundtable participants that more orientation and training is needed for Chairs and members.

2. Some attendees thought that national or regional training would be useful if the primary focus of the training was on information that was pertinent to the SDA level. There was general agreement that the training should not be purely from the national level, but also should be provided locally by people within the state.

3. Some attendees felt that those traveling to training sessions would learn more if there was more interaction among members at these sessions; more role playing and problem-solving activities are needed.

4. One attendee suggested that training and orientation be provided locally by a team of knowledgeable individuals that could travel from state-to-state and adapt the training to local situations. This team would be able to provide the Councils feedback as to how other PICs handle certain situations.

**Knoxville, Tennessee** March 20, 1992

1. While the attendees acknowledged a lack of formal orientation, there seemed to be less of an urgency for orientation and training at this roundtable than at the others. Many of the attendees received orientation from the PIC/SDA directors and through the experience they gained from serving on the Councils. It was mentioned that members receive technical assistance at the annual state meetings where members can interact with those from other Private Industry Councils.

2. There was little enthusiasm for national or regional orientation sessions because of members’ time constraints. There was some support for training provided locally by members and staff from other Councils. One attendee felt that interaction among the SDAs within the state is an extremely important form of technical assistance. Another attendee suggested that, at some point in time, after they are appointed, new members be evaluated regarding their knowledge of the program.

**Lexington, Kentucky** April 13, 1992

1. With regard to orientation and training for Chairs and members the following points were made: (a) There are more training opportunities regionally and in Washington, D.C. than at the local level and (b) good sources for training members are the state JTPA conferences, run by the state Department for Employment Services, and National Alliance of Business’ publications which are used to keep people in the vocational system informed about legislative developments.
2. It was noted by another attendee that Private Industry Council members from other states attend the Southeastern Employment and Training Association (SETA) meetings, particularly when the meeting is held within their state. There is also a state conference each year and training opportunities provided through the Technical Assistance Branch at the Kentucky Department for Employment Services. Rather than having a national training center, the participant preferred that the USDOL work with the local and state systems to design an orientation package for use at the local level. This would prevent individuals from having to leave their businesses for two or three days which can be a real hardship for owners of small businesses.

3. Another participant suggested the use of video cassettes which could be used after business hours. Another attendee mentioned the severe strain on administrative funds and that the federal government would need to pay for the cost of sending members to regional or national training sessions.

4. One participant noted that all members of the Council have received orientation and have a great deal of experience with employment and training programs. However, the attendees questioned how comprehensive training could be packaged for individuals who have had little knowledge of the history of JTPA and its forerunner, the Comprehensive Employment and Training Act.

5. It was noted that continuity of membership, in itself, constitutes a form of comprehensive training that could not be achieved in a two-day time frame. However, it was recognized that there is a need to provide orientation for new members, particularly in PICs that have a large turnover in their membership.

6. There was concern that the creation of a major national training program for members would take dollars out of JTPA that are needed to train hard-to-employ individuals. It was suggested that an orientation program be developed by NAPIC or some other organization that could be tailored to local issues. Many Councils have the experience necessary to develop such an orientation video.

La Crosse, Wisconsin May 1, 1992

1. While all the Councils provide orientation/training to their members, attendees were in general agreement that orientation is extremely important and that more of it needs to be provided.

2. One attendee said that when new members join the board, several hours are spent prior to the first two meetings orienting the members on the role and responsibilities of the Council. However, because members are volunteers there is a lack of opportunity to provide on-going training. One Council provides comprehensive orientation to members at an all day retreat set aside for that purpose.

3. Attendees cautioned against making members technicians to the point where meetings could get bogged down on the technical aspects of how programs are operated. Members do not have to be technical experts on JTPA.

4. Another discussant suggested that it takes an entire year for a new member to understand the JTPA language and how programs operate. Because of this, there is a real concern about the amount of turnover among the members of some Councils and concern about the possibility of the Councils taking on more responsibilities under a "Job Training 2000" initiative.
5. Attendees said that a PIC's committee structure is an excellent way for members to develop expertise in one area.

6. The roundtable participants were somewhat agreeable that a one or two-day orientation session would be good for new members if members could make such a time commitment. However, one attendee noted that the vast majority of members do not want evening or weekend sessions but prefer a half-day meeting. A discussion of guidelines on conflict of interest should be included as a part of the training.

- **Issue #3.** To what extent have Private Industry Councils developed quality relationships between business and non-business members, with their staffs, local elected officials, and other employment and training officials?

**San Antonio, Texas (NAPIC Meeting) January 18, 1992**

1. Roundtable participants viewed the State Councils as key players in the employment and training arena. In some states the State Job Training Coordinating Councils (SJTCCs) are policy-making bodies -- setting policy by which the Private Industry Councils operate. It was suggested at the roundtable that the National Commission for Employment Policy look into ways the State Councils can be made more effective.

2. Attendees saw a need to improve the relationship among the federal, state and local levels to facilitate improved coordination and to provide more top-to-bottom leadership and direction. To do this, attendees suggested that the local level PIC structure, with its emphasis on private sector input, be mirrored in the State Councils and that a national organization be created to provide the same kind of structure with private sector input.

3. The attendees believed that the State Councils should have a policy role but not become involved operationally.

4. There was concern about whether control over the State Councils should come from national legislation or from the state level. It was suggested that more empowerment to the State Councils come from national legislation only after there is national coordination.

5. There was a call for state and federal leadership in improving coordination as well as national-level support in providing training to PIC members. In expressing their views about the lack of strong leadership from the national level, the participants noted their dissatisfaction with the amount of technical assistance, especially with regard to what is allowable and not allowable under JTPA, which they learn when they are audited.

6. In addition to supporting President Bush's recent announcement of an expanded role for the Private Industry Councils under the "Job Training 2000" initiative, there was support by the attendees for continued promotion of the importance of PICs on the national level.

**Bellmawr, New Jersey January 21, 1992**

1. Attendees did not express a sense of a close, on-going working relationship between the Private Industry Councils and the State Job Training Coordinating Councils. Time constraints on the part of the PIC members was the reason given by one attendee. Attendees suggested that the extent of the relationship is limited to state Chairs participating in some PIC meetings, assisting PIC staff, and assisting in the clarification of issues.
2. Three of the four attendees that responded to the question about the relationship between the Private Industry Council and the local elected officials indicated that they were pleased with the relationship. In general they noted that LEOs were actively involved, cooperative, and supportive of the PIC. One attendee, however, did not feel that the LEO was supportive because of the LEO's perception that the PIC was not a viable group.

3. There was agreement among attendees that the general public, as well as many employers and those individuals in need of employment and training services, are not aware of the Private Industry Councils. The attendees believe that the PICs, themselves, have to do a better job of marketing and that the key to gaining credibility is PIC performance.

4. Among other views expressed about the interrelationship between the federal, state, and local roles were the following: (a) The system has become too audit driven as little guidance has been provided by the USDOL regarding allowable JTPA activities until the Private Industry Councils are actually audited — auditing is also excessively burdensome; (b) the federal government would receive more value for their JTPA expenditures and there would be fewer turf battles among the different agencies if the Councils were the grant recipients; and (c) too much JTPA money is going for administrative expenses at the various levels and not enough toward training JTPA clients.

Philadelphia, Pennsylvania January 21, 1992

1. In general, the roundtable discussants did not feel the Private Industry Councils were receiving strong leadership from the SJTCCs, nor was there a close working relationship between the two.

2. There was some support for the idea of JTPA funds going directly from the federal level to the SDAs, bypassing the state. It was felt this would help to de-politicize the system and give PICs more empowerment. One attendee mentioned that, in the past, JTPA funds have been held up at the state level.

3. The participants noted that one way to enhance the performance of the Private Industry Councils was to improve the Council's image within the business community through more aggressive marketing strategies. There was a suggestion made that the federal government should provide guidance to the Councils in the development of marketing strategies that would increase community awareness of the need for reeducating those with poor skills and assisting individuals out of work due to industry dislocations.

4. Participants noted that marketing strategies need to be flexible to respond to changes in the local economy. Economic forces determine what Councils can do year-to-year with regard to programs offered and target groups served. As a result, there was concern about how the current recession is affecting both the kinds of jobs in which JTPA clients could be placed, and what the Councils can market in the way of training. There was also concern that the amount of marketing and promotion the Councils can undertake is limited by the administrative funds available.

Westfield, Massachusetts January 24, 1992

1. Attendees from two unincorporated Councils noted that: (a) The importance of local elected official's involvement in the Council's activities is not diminished whether or not the Council is incorporated; (b) the local elected officials need to be more involved in PIC operations and the PIC and the LEOs need to work closer together for the Council to be successful; and (c) the
Congress should take another look at the partnership role and encourage the Mayors to become more involved in the PIC's activities.

2. The discussants mentioned that the State Job Training Coordinating Council has become more effective recently in providing leadership to the PICs. In earlier times, the State Council was dominated by state staff and the PIC and SJTCC volunteers got little accomplished.

3. Some participants felt that SJTCC members' terms should be structured to maintain policy continuity and to avoid the turnover in membership that could result from a new administration coming into office. One attendee cautioned that how SJTCCs are structured and administered should be determined by the Governor and not mandated by the U.S. Department of Labor. It is important that the Governors are interested in their employment and training system and have an important role in how it operates. Another attendee suggested that staggered terms would allow for continuity and still enable a new Governor to replace some members.

Baltimore, Maryland  February 25, 1992

1. As mentioned earlier, both Councils at this roundtable have good relationships with their local elected officials.

2. There was a consensus that the Private Industry Councils need to be marketed more aggressively. Among the observations made about marketing the Councils were the following: (a) A universal state-wide marketing program is needed because the Councils basically have the same roles and responsibilities in all of Maryland's SDAs, and also because some companies have operations located in two or more SDAs; and (b) due to the large number of small businesses, it is important that these businesses be made aware of the Councils and the services that PICs provide.

3. One participant suggested that marketing/public relations be carried out on a number of fronts, including the LEOs, the Chamber of Commerce, and at the state level.

4. Another attendee said that as a result of the "Job Training 2000" initiative, now would be an excellent time to raise the level and visibility of the Councils. It is an opportune time to market the PICs locally and nationally as the place for individuals to go as their first stop in seeking employment and training services.

5. One participant cautioned that without some early planning there is going to be a strain on the PIC system if the "Job Training 2000" initiative becomes operative, given the large numbers of programs and dollars for which the Councils will be responsible.

6. Another attendee saw the "Job Training 2000" initiative as coming the closest to empowering the PICs and identifying the Councils' role in writing. It was suggested that the State Councils have a role in facilitating coordination at the state level and that the PICs be the facilitator of coordination at the local level.

7. SJTCC members also need training.


1. Several roundtable participants mentioned an adversarial relationship between their PIC and the state. It was noted that some states superimpose rules and regulations that are at odds with the broader, more flexible federal regulations. It was also suggested that it is important for the
PIC to have a good relationship with the SJTCC; both the SJTCC and the PIC need to have a better understanding of their respective roles.

2. There was general agreement among the participants that there has been an overall lack of leadership at the federal level, particularly in the provision of general guidance as to the PICs' role and consistent interpretation of allowable activities.

Oklahoma City, Oklahoma March 19, 1992

1. The attendees generally have good relationships with their local elected officials. There was some concern among a few of the participants that once a newly elected LEO takes office, members on the Private Industry Council would be replaced at the end of their terms.

2. In some small towns the Councils have difficulty working with the Chambers of Commerce due to the small size of the Chambers' staff. The lack of adequate staff sometimes limits the ability of the Chambers to search for potential board members. An additional problem is that some Chambers are not knowledgeable about the PICs; these Chambers need to be educated about the PICs' roles and responsibilities.

3. The roundtable discussants reported very little contact with the SJTCC as well as a lack of understanding as to how the PIC and the SJTCCs should relate to each other.

4. There was some uncertainty as to how the roles of the Human Investment Resource Councils (HIRCs), which were included in the House JTPA amendments, would differ from those of the SJTCCs they would be replacing. It was noted that the HIRCs would be involved with more human resources programs than just JTPA. To improve their effectiveness it was suggested that the HIRCs, or the SJTCCs, need to have a mix of private and public members similar to the Private Industry Councils. One attendee mentioned the need for training and orientation for the SJTCC members.

Knoxville, Tennessee March 20, 1992

1. The roundtable participants reported good relations with the local elected officials. In some SDAs there are regular monthly meetings between the members and the LEOs. Through these meetings LEOs are made aware of the PIC's role and responsibilities and the types of programs being operated to meet the communities' needs. As a result, LEOs often take into account the needs of the Councils in making appointments to the board.

2. The attendees also reported a good relationship with the SJTCCs. The SJTCCs are seen as an important source for technical assistance.

3. There was concern about the State Councils, as well as the state staff, being replaced when a new Governor takes office. There needs to be staggered terms to facilitate more continuity on the SJTCCs. There was also a suggestion that PICs be allowed to recommend to the Governor some individuals for the Governor to appoint.

Lexington, Kentucky April 13, 1992

1. Nominations for Private Industry Council members are sent to the Board of Directors of the Eastern Kentucky Concentrated Employment Program—a consortium Board comprised of 27 members, nine of whom are local elected officials. Nominations for members from the
education community are submitted by the schools. Nominees for members from the private sector are submitted by the Chamber of Commerce or other organizations if there is not a Chamber in the area. Usually there are three nominees for each opening on the Private Industry Council. The consortium Board of Directors selects the individual; the state has final approval.

2. A member of the consortium Board of Directors from the SDA sits on the State Job Training Coordinating Council representing the SDA. This individual keeps the PIC informed of issues that arise at SJTCC meetings.

3. One attendee felt that the USDOL should work directly with each Private Industry Council, thereby bypassing the state. The state is a level of bureaucracy that is not needed, not only in the JTPA program but in some other programs as well. Each level of bureaucracy adds additional regulations. Another participant said it is necessary to have state involvement; it is easier working with the state and the USDOL regional offices than with the federal government.

4. There was general agreement that the SJTCC is not actively involved in managing the affairs of the PIC. Many of the issues the state chooses to enforce are issues that the federal government has mandated the state to enforce.

5. There is a SJTCC committee system that solves basic coordination, programmatic, and evaluation issues before bringing these issues and solutions for approval to the full Council. The State Council has a number of local PIC members on it, including some PIC Chairs.

6. The SJTCC has staggered terms that allow for some continuity in membership. Continuity is important whether it be for the PIC staff, PIC members, or the State Council because of the complexities of the JTPA program. Continuity was seen by another attendee as important because in Kentucky the Governor can serve for only one term. One attendee stated that staggered terms for the SJTCCs should not be mandated.

7. The local elected officials that participate in the consortium Board of Directors' function have a similar mission as the PIC and are aware of how the PIC is operating. The Private Industry Councils and the consortium Board vote on the same projects -- contracts must be approved by both.

La Crosse, Wisconsin May 1, 1992

1. In general, the Private Industry Councils have positive relationships with their local elected officials and meet with them on a regular basis. LEOs attend board meetings and some serve on the PICs' planning committees which establish plans and set goals and objectives; one Private Industry Council has a policy committee which consists of nine county board supervisors. The LEOs are particularly active when it comes to discussing nominations to the Council and approving plans.

2. One attendee noted that there have been several meetings between the PIC and individuals from the federal level.

3. There did not appear to be, overall, a close working relationship between the PICs and the SJTCCs. One attendee said that the SJTCCs interest in coordination has been their primary focus over the past several years and that great strides have been made in Wisconsin in that area. Another attendee suggested that the PICs need to be educated on the roles and responsibilities of the State Councils. One PIC Chair was unaware of the role of the SJTCC and did not know the name of the State Council Chair.
Other Issues

San Antonio, Texas (NAPIC Board) January 18, 1992

1. One attendee mentioned several concerns about JTPA that are beyond control of the PICs: (a) The limited time for training hard-to-serve participants under JTPA -- many individuals require three to four years of training to be able to become self-sufficient; (b) the lack of stipends for participants while they are in training; and (c) the nature of the changing job market which makes it difficult to place and keep JTPA participants in some occupations due to the strong competition for good jobs and the low wage levels in many of the jobs.

Westfield, Massachusetts January 24, 1992

1. One attendee mentioned the need for a minimum base level of funding to insure that services can continue and to support the Private Industry Councils in carrying out the required administrative functions.

2. Another participant suggested that if the Councils were to expand their policy capacity under a "Job Training 2000" initiative, there needs to be additional resources directed toward staffing the Councils and training staff and members. It was the opinion of one participant that eighty to ninety percent of the PICs nationwide are not ready to handle the added responsibilities the initiative would bring.

Baltimore, Maryland February 25, 1992

1. There was concern that JTPA is too restrictive as to the ages of the population that can be served. There is an alarming rate of drop outs in the school system by youths too young to be eligible for JTPA services. Also, it is difficult to find these young people once they are old enough to be eligible.

2. There was also concern about those individuals on welfare. The following observations were made:

   - Many of the jobs welfare recipients are able to find, do not pay wages sufficiently high to make it economically worthwhile for them to work after taking into account the extra costs associated with work, such as travel, child care expenses, etc.

   - The reasons some welfare recipients cannot get jobs that pay a higher wage than the break-even point is that these individuals are trained for low level jobs and the next highest level is above their expectations. There is no JTPA funding for continuous training to enable them to move up the ladder to better paying jobs.

   - Many entry level jobs require individuals with skills that cannot be adequately taught in the length of time for which they can be trained under JTPA programs.

   - Many welfare recipients who do take jobs are very vulnerable to events that can happen in their personal lives and to local economic conditions. Therefore, many welfare recipients who do find work later return to welfare. Consequently, the government needs to consider a more sustained system of support and remediation for people who are on welfare.
Oklahoma City, Oklahoma  March 19, 1992

1. The following concerns were expressed by the roundtable participants about the expanded role of the Private Industry Councils under the "Job Training 2000" initiative: (a) How the vocational education system would fit into the new proposal (there was concern that vocational education would dominate the PICs); (b) how funds would be channeled to operate the programs (attendees preferred that the money flow directly to the PICs); and (c) how the role of JTPA would change.

2. Some of the participants felt that while there are problems that would need to be worked out, the Private Industry Councils could handle the added responsibilities under the "Job Training 2000" initiative.

3. Several comments were made about those individuals receiving welfare:
   - It is a nation-wide problem that many individuals are economically better off under the welfare system than they are working.
   - The low starting salaries some people receive are not adequate after paying for child care, transportation, etc., and having deductions made from their paychecks.
   - The system has to change because job training alone is not going to solve the problems of many of those on welfare.

Knoxville, Tennessee  March 20, 1992

1. There were mixed reactions among the roundtable participants as to whether the Private Industry Councils would be able to take on a greater role as called for in the "Job Training 2000" initiative. Following are some of the comments and concerns of those who thought the Councils would have difficulty undertaking an expanded role:

   - There was concern that some of the programs should not be the responsibility of the Councils. For example, the Pell Grants program and the educational system were seen as something entirely different from job training. There was also concern that members would not have enough time to carry out the additional responsibilities because of the time constraints of their full-time jobs. In addition, there would be too much authority and too much responsibility and accountability for the members given the resources they have been provided.

   - Several attendees noted that expansion of the PICs' responsibilities under the proposal would greatly increase the political pressure on the Councils.

   - Participants generally agreed that the Employment Service would logically belong under the Private Industry Councils; one attendee noted the ineffectiveness of the Employment Service.

   - There was concern that the regulations for the different programs are so piecemeal that the Councils could not be as effective as they would need to be.

2. Several comments were made about welfare:

   - In Tennessee, the economy is such that average wages are very low. The low wages add to the problem of trying to break the welfare cycle.
• Transitional child care and Medicaid benefits can be received for a year after welfare recipients go to work. While this is a step in the right direction, transitional housing and other benefits need to be provided to enable individuals to continue to work and stay off welfare.

• While many of the working poor do not qualify for JTPA programs, they desperately need employment and training assistance. There is a need for a JTPA-type program to serve these potential welfare clients.

• Because of the increase in technology and a lack of education, there is a growing problem concerning the ability of many individuals to earn a sufficiently high wage to keep them off welfare. Many individuals are better off on welfare than working due to the health benefits they receive while on welfare. Health care costs are accelerating and many individuals cannot afford these costs.

• The "bottom line" is that the system has to make it more economically beneficial to work than to be on welfare.

Lexington, Kentucky April 13, 1992

1. The roundtable attendees agreed that some individuals find it economically more beneficial to be on welfare than working because of relatively low wages and the loss of the health care benefits they have under the welfare program. This is particularly true because many small businesses cannot afford to buy health insurance plans for their employees. There needs to be some type of supplemental program that provides health care for those who work.

2. While there seemed to be general agreement that the Private Industry Councils could undertake an expanded role under the "Job Training 2000" initiative, several concerns were expressed by the roundtable participants:

• the problems that could be caused as a result of inconsistent data from the regions and different eligibility requirements under the various programs;

• the need for additional funding to carry out the expanded role;

• a lack of detail in the still developing initiative;

• the omission of the Employment Service's labor exchange function when the Employment Service is turned into skill centers and the proposal's failure to mention how labor market information will be gathered;

• the proposal's omission of the work test requirement for unemployment insurance (UI) claimants, which would short-change employers who pay the UI tax;

• a weakening of coordination between UI and the placement function of the Employment Service.

• the problems that could occur in coordination and sharing information as a result of replacing the Employment Service with a decentralized group of skill centers; and

• the proposal's omission of how individuals who are employed but seeking a better job are to be served.
La Crosse, Wisconsin  May 1, 1992

1. Following are key points and concerns of attendees in the discussion of an expanded Private Industry Council role under "Job Training 2000."

- Some attendees are unfamiliar with the magnitude of changes that may result from the proposal; some volunteers are concerned about being able to handle the responsibilities they now have as Council members.

- There was some concern that the proposal could disrupt the coordination process now existing in Wisconsin. However, if it would actually improve coordination and the delivery of services, PIC members would be more receptive to the proposal; it needs to be very carefully considered.

- Declining resources and increasing regulations provide a disincentive to CEOs' participation in the employment and training system. CEOs want to be able to make decisions as to how funds are going to be used. Their interest in participating in the system may increase should "Job Training 2000" actually bring about improved coordination of programs.

- Without new legislation, a higher level of coordination would be difficult to attain for some Private Industry Councils. Several participants were interested in the proposal because it would allow them to improve coordination with other programs and have control over more funds.

- Several additional concerns were expressed: (a) Funds will be needed for establishing skills centers in rural areas so services will be more accessible; (b) the labor exchange function of the Employment Service should be continued; (c) Council members, because they are volunteers, may be unable to handle all the additional responsibilities; and (d) there needs to be a role for economic development since improved coordination and services could result in an increase in the supply of highly trained workers relative to the availability of skilled jobs.
Appendix D: Sources Of Data

Over the course of this project, the Commission gathered and examined information from several sources:

- a literature review conducted by the National Association of Private Industry Councils;
- roundtable discussions with members of Private Industry Councils (PICs); and
- canvasses of Chambers of Commerce, PIC Chairs, Chairs of State Job Training Coordinating Councils (SJTCCs), and Directors of PICs (or Service Delivery Areas).

In addition, the Commission used a data base which combined data from the JTPA Annual Status Report (JASR) with data it had collected on JTPA for Program Year (PY) 1986 for the report, JTPA Performance Standards: Effects on Clients, Services, and Costs. (1) The remainder of this Appendix describes the data the Commission collected for PY 1986 and more recently through the canvasses. Appendices B and C describe the Commission-sponsored roundtables.

NCEP Surveys of State and Local JTPA Policies and Programs

The PY 1986 data came from three sources:

- One was a compilation of state policies regarding the uses of the JTPA 6 percent funds available for incentives.
- The second was a survey of PIC/SDA Directors conducted during the first half of PY 1987. Of the 610 SDAs in existence at the time, 530 responded to the survey either by mail or phone, a response rate of 87 percent. The survey, which focused on PY 1986 program operations, asked the Directors their opinion of their PLC's importance and influence in various areas of program operations as well as the PIC's position in the organizational structure of the SDA.
- The third data source was a questionnaire concerning fiscal and management information issues. It was sent to all SDAs along with the PIC/SDA Director questionnaire; no attempt was made to gather the information by telephone interviews. Of the 610 SDAs, 454 responded to the survey, a response rate of 74 percent.

Canvass of Local Chambers of Commerce

The Commission worked with the Chamber of Commerce of the United States to learn how business men and women respond to their roles and responsibilities on the Private Industry Councils. Through a mail survey between August and October in 1991, the Chamber canvassed
2,800 local and state Chamber executives. Information was requested on the Chamber members' knowledge of JTPA and PIC activities, and on the extent of their participation on the PIC and in JTPA programs. Responses were received from 1,036 Chambers, a response rate of 36 percent. In using the information, the Commission undertook its own individual analysis of the Chamber data.

As shown in Table A.1, responses from the Chamber survey were distributed in a manner which is fairly similar to the distribution of Service Delivery Areas (SDAs) across U.S. Department of Labor (USDOL) regions. For example, while two USDOL regions accounted for 42 percent of the Chamber responses (Regions 4 and 5) they comprise 39 percent of all SDAs. Regions 1 and 2, which account for 14 percent of all SDAs, were somewhat under-represented in the Chamber canvass. They accounted for only 10 percent of the Chamber responses.

### TABLE A.1

Percent of Responses to Canvass of Chambers of Commerce and Percent of Service Delivery Areas (SDAs) by USDOL Regions (a)

<table>
<thead>
<tr>
<th>USDOL REGIONS</th>
<th>RESPONSES</th>
<th>PERCENT OF</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>1 &amp; 2 (New York &amp; Boston)</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>3 (Philadelphia)</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>4 (Atlanta)</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td>5 (Chicago)</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>6 (Dallas)</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>7 &amp; 8 (Kansas City &amp; Denver)</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>9 &amp; 10 (San Francisco &amp; Seattle)</td>
<td>15</td>
<td>16</td>
</tr>
</tbody>
</table>

Notes: (a) Due to small sample sizes, Regions 1 and 2, Regions 7 and 8, and Regions 9 and 10 were combined.

(b) Sample size is 1,036 local Chambers of Commerce.

A breakdown by the size of the population represented by the respondents indicates that they were largely from Chambers representing small populations. As shown in Table A.2, one third were from Chambers representing populations under 25,000 people; another one fifth were from Chambers representing populations between 25,000 and 50,000.

Data on the respondents' Chambers representing businesses in rural, suburban and urban areas confirm that the Chambers in the survey are largely from small areas. Of all respondents, 52 percent were located in rural areas; 27 percent, in suburban areas; and 21 percent, in urban areas. Because of the geographic distribution of responses to the Chamber canvass, findings reported in the text are examined for differences by the population size of the areas the Chambers represent and their rural/suburban/urban location.
TABLE A.2

Percent Of Responses To Canvass Of Chambers Of Commerce By Population Represented By Local Chamber

<table>
<thead>
<tr>
<th>POPULATION SIZE</th>
<th>PERCENT OF RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>100% (a)</td>
</tr>
<tr>
<td>Under 25,000</td>
<td>34</td>
</tr>
<tr>
<td>25,000 - 49,999</td>
<td>22</td>
</tr>
<tr>
<td>50,000 - 99,999</td>
<td>19</td>
</tr>
<tr>
<td>100,000 - 199,999</td>
<td>13</td>
</tr>
<tr>
<td>200,000 and over</td>
<td>12</td>
</tr>
</tbody>
</table>

Note: (a) Sample size is 1,036 local Chambers of Commerce.

Canvass of PIC Chairs

In 1991 the Commission co-sponsored with the U.S. Department of Labor a survey of PIC Chairs, which was conducted by the National Alliance of Business (NAB). It was undertaken to determine the level and types of business support for JTPA. The survey was conducted by telephone between June and September.

Approximately one third of all Chairs, 218, were contacted. Several steps were involved in the development of this sample. First, PIC Chairs were randomly selected from a list of PICs arranged alphabetically by state and name of the SDA. Then additional Chairs were added to increase the representation of states where SDAs were under-represented and all single-state SDAs were included. (2)

Table A.3 compares the regional distribution of PIC Chairs in the canvass to the distribution of SDAs across the ten USDOL regions. As with the Chamber canvass, the distribution of PIC Chairs is reasonably similar to that of SDAs. Only two USDOL regions were slightly over-represented in the canvass: USDOL regions 7 and 8 accounted for 13 percent of the respondents, while 10 percent of all SDAs are in those regions.

In June 1992 the PIC offices of those Chairs were recontacted by Commission staff to verify their incorporation status and ascertain the exact year and month in which the PICs had become incorporated. If they were incorporated, they were further asked if and when the PICs had become the JTPA grant recipient and/or administrative entity.

This follow-up survey revealed that the NAB survey had over-stated the proportion of PICs that were incorporated: instead of 60 percent, 51 percent were found to have been incorporated as of the time of the NAB survey.
TABLE A.3

Percent Of Responses To Canvass Of PIC Chairs And Percent Of Service Delivery Areas (SDAs) By USDOL Regions (a)

<table>
<thead>
<tr>
<th>USDOL REGIONS</th>
<th>PERCENT OF RESPONSES</th>
<th>SDAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>100% (b)</td>
<td>100%</td>
</tr>
<tr>
<td>1 &amp; 2 (New York &amp; Boston)</td>
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<td>14</td>
</tr>
<tr>
<td>3 (Philadelphia)</td>
<td>10</td>
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<td>4 (Atlanta)</td>
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<tr>
<td>9 &amp; 10 (San Francisco &amp; Seattle)</td>
<td>15</td>
<td>16</td>
</tr>
</tbody>
</table>

Note: (a) Due to small sample sizes, Regions 1 and 2, Regions 7 and 8, and Regions 9 and 10 were combined. (b) Sample size is 217 PIC Chairs.

Survey of PIC/SDA Directors

In 1991 the Commission co-sponsored with the U.S. Department of Labor a mail survey of the approximately 625 PIC/SDA Directors, which also was conducted by the National Alliance of Business. Seventeen percent of the Directors responded to the survey.

The purpose of the survey was to determine the Directors' needs for technical assistance and training. They were asked to identify the information and technical assistance needs of their PIC/SDA and to rate by how much they need this information. A scale of 0-5 was used where 0 indicated "do not need" and 5 indicated "most needed." Findings in this report include the areas identified with a 2.5 rating or above (almost two-thirds of the 12 possible topics received such a rating).

Canvass of Chairs of SJTCCs and of PICs

In 1992 the Commission sponsored a canvass of Chairs of SJTCCs and of PICs. Twenty five SJTCC Chairs and 24 PIC Chairs from 26 states were contacted, with at least two of each in every USDOL region. The telephone interviews were conducted between January and April. The purpose of this canvass was to examine the relationships between PICs and SJTCCs. This canvass was undertaken by Mr. Rodo Sofranac, Chair of the Arizona SJTCC.
ENDNOTES


APPENDIX E: Criteria Used By Various Sources To Define An Effective PIC

The U.S. Department of Labor (USDOL) and the National Alliance of Business (NAB) have separately established criteria for the purposes of identifying and awarding "effective" PICs. In addition, CRS, Inc. has developed a list of the characteristics of exemplary PICs.

USDOL's Criteria

In its "JTPA Presidential Awards for 1992," USDOL makes an award for: "an outstanding contribution to a JTPA program by a Private Industry Council." This award recognizes "the achievements and exemplary activities of the PIC volunteers, who are representatives from the public and private sector." According to the criteria used by the Department in making this award, the PIC must have:

- Demonstrated effective planning and oversight over the SDA's programs, to ensure that the programs represent the training needs of the local area.
- Represented a SDA which serves the area's most-at-risk population and has exceeded all U.S. Department of Labor performance standards as adjusted by the Governor for local conditions.
- Promoted increased private sector participation in JTPA activities, as evidenced by provision of training and placement of participants in good quality jobs.
- Demonstrated coordination and linkages among its members and within their organizations to further the SDA's activities, which results in an integrated service strategy.
- Demonstrated leveraging non-JTPA resources through collaboration and planning with other human service agencies, community organizations and the private sector.

NAB's Criteria

In their process of identifying effective PICs, NAB uses the following criteria:

- The SDA or PIC must show evidence of a successful public/private partnership including significant private sector leadership, and local elected official involvement and support.
- The SDA or PIC should have attained outstanding performance in meeting local labor market needs through the design and structure of the service delivery system.
Accomplishments should at a minimum include an exemplary level of private sector involvement in the planning, design and delivery of job training and employment programs; high level of integrated service delivery resulting from collaborative planning and project implementation; successful development and delivery of services targeted to hard-to-serve groups; a history of meeting performance standards; and demonstrated successful program approaches that can be replicated by other communities.

CSR's List of Characteristics of Exemplary PICS

The Employment and Training Administration of USDOL awarded a contract to CSR, Inc. to select and systematically study ten "exemplary" PICs. The goals of the study were to determine the characteristics of an effective PIC and to identify strategies they use to coordinate their programs with other organizations and segments of the community.

The list of characteristics and strategies that CSR developed was lengthy. There were seven topic areas; under each there were several characteristics of exemplary PICs.

1. PIC History and Structure
   - Incorporated, with an identity independent from the public sector.
   - Strong leadership from the private sector.
   - Committee structure organized around PIC functions or programs.
   - Stable membership with high attendance at meetings.
   - Careful screening of nominees and training of new members.

2. Policies and Program Planning Process
   - Use of a small group of board members and staff who focus on the planning task to facilitate program development.
   - Development of the JTPA plan by trained staff, including employment and training professionals experienced in service delivery and PIC operations.
   - Clear role of the board in the planning process to facilitate their involvement and allow for efficient use of PIC members' time.
   - Input from the board obtained several times during the plan development.
   - Input from community-based organizations, contractors, and the public for incorporation into the plan to meet community needs.

3. Coordination with Other Agencies
   - Coordination with other agencies is standard operating procedure for the effective PIC.
• Coordination exists with the Employment Service, the welfare department, the school system, economic development agencies, vocational schools, and vocational rehabilitation agencies.

• Coordination initiatives range from complete collocation of services, including joint staff and facilities, to referral agreements.

• PIC committee was established to help achieve coordination.

• PIC leadership role is important in helping to overcome turf issues and other barriers to coordination.

4. PIC Chair and Board Characteristics

PIC Chair

• Has a thorough knowledge of PIC operations.

• Has real authority in their individual companies.

• Is influential in the community.

• Is accustomed to volunteering time to community work.

• Has some experience in employment issues.

Board Members

• Are high-ranking members of businesses and other community agencies that represent a balance among key leaders in the community. They include owners, presidents, managers, and heads of departments in the business community, and office or agency directors among community-based organizations and public agencies.

• Bring business perspective and management skills to PIC operations.

• Promote business involvement in JTPA programs and activities.

• Are able to commit the resources of their companies to PIC activities, which gives the PIC more power and prestige in the community.

5. Executive Director and PIC Staff

• The Executive Director interacts closely with board members and thus serves as a liaison between the staff and the board. The Executive Director also maintains contact with the local elected official(s).

• Staff members have background in employment and/or human service programs and senior staff members have long careers in administering and operating employment and training programs.
Staff members are responsible for all PIC operations, taking direction from the PIC Board. The staff operates autonomously and takes creative approaches to planning and implementing programs.

6. Relationship with Local Elected Official

- The PIC has a positive, harmonious relationship with the local elected official(s). This relationship is formalized with an agreement between the PIC and the local elected official(s) which describes the PIC's overall policy direction.
- The local elected official(s) allows the PIC's autonomy in program administration and in the development of policies and job training plans.
- The local elected official(s) provides oversight and monitoring of the PIC but does not normally get involved in operational details.
- The PIC keeps the local elected official(s) informed of its activities through regular briefings by the PIC Executive Director or other senior staff members.
- A representative of the local elected official(s) may also sit on the PIC board, ex-officio.

7. Program Operations

- The service delivery system of the effective PIC is regionally based, with satellite offices located in strategic areas throughout the SDA.
- PIC staff takes an active role in monitoring or directly operating the screening, assessing, and testing of all participants and referring them to the appropriate training programs.
- PIC staff assigns a case manager to track each participant from training to job placement. By monitoring progress, the ideal PIC minimizes dropouts and increases placement rates.
- PIC staff places those needing skill training in OJT and places job-ready participants in unsubsidized employment but contracts all classroom and remedial training.
- Contractors are selected through a competitive bid process and are required to meet performance goals to be re-funded.
- PIC staff and evaluation committees regularly monitor contractors through monthly reports and on site reviews.
- As a result of this oversight and the selection of quality training providers, effective PICs exceed all JTPA performance standards.
- Innovative programming is a hallmark of the effective PIC. These programs utilize unique approaches, reach out to new populations and/or serve hard-to-place groups.
APPENDIX F: Regressions Examining the Relationship Between PIC and State Policies and Changes in Post-Program Outcomes for JTPA Title II-A Adult Participants

As discussed in Chapter III, multiple regressions were used to explain changes in SDA performance on two outcomes: change between PY 1986 and PY 1988 in the (a) Adult Entered Employment Rate and (b) Adult Wage at Placement. General results of the analysis are given in the chapter.

This Appendix shows the precise empirical results. It begins with a description of the way in which the factors included in the analysis were specified. (Appendix D describes the data base on which these examinations were based, "NCEP Surveys of State and Local JTPA Policies and Programs, 1986").

Factors Included in the Regressions

The variables included in the empirical examinations are grouped into seven categories. Three of them reflect various ways a PIC may potentially affect its SDA’s performance over time.

Administrative Arrangements

The first category of factors includes aspects of the administrative arrangements within an SDA.

One factor represents the potential effect of a PIC that would be associated with its position in its SDA’s organizational structure. A binary variable (taking the value of 1 or 0) identified SDAs in which the PIC was either the grant recipient or the administrative entity or both (the value equalled 1) and those SDAs in which the PIC was advisory only (the value equalled 0).

A second factor represents whether or not the PIC/SDA made the assignments of participants to programs. It has the value of 1 for PICs/SDAs that acted as a "broker" among agencies/organizations in terms of program assignments rather than making assignments directly. It has the value of 0 for PICs/SDAs that made program assignments.
Issues Important to PICs

The second category of factors related to PICs specifically reflected the degree of importance that a PIC placed on various performance issues for its SDA, as reported by the survey PIC/SDA Directors. Six issues were included as separate factors: (a) Meeting the job training needs of the local employers, (b) meeting the job training needs of clients, (c) the SDA's actual performance relative to its own standard performance, (d) the SDA's performance relative to that of other SDAs in the state, (e) the SDA's performance relative to the national performance standards, and (f) the SDA's performance relative to its performance in the previous year.

These factors were measured as separate binary variables, equalling 1 if the Director reported that the PIC felt it was "extremely important"; the variables equalled 0 if the Director reported that it was "important," "somewhat important," or "not important."

PICs' Areas of Influence

The third set of PIC-related factors focused on the influence PICs had on SDA operations, also as reported by PIC/SDA Directors. The areas in which the PIC could have influence were: (a) Who enrolls in the programs, (b) what types of program services are offered, (c) the types or terms of contracts used by the SDA, and (d) the selection of service providers.

These factors were also measured as separate binary variables, equalling 1 if the Director reported that the PIC was "very influential"; the variables equalled 0 if the Director reported that the PIC was "influential," "somewhat influential," or "not influential."

States' Incentive Policies

The fourth category of factors includes two measures of states' incentive policies. Both are binary variables.

The first factor identified SDAs in states where a relatively stringent criterion was used to qualify SDAs for incentive funds. This criterion was the upper bound of the "tolerance range" around the level of the national standard. While every national standard has a precise numerical value, they also have upper and lower bounds to take into account any imprecision in the analysis on which the precise values are based. SDAs in states which used the upper bound in their incentive policies were coded 1; SDAs in states without such policies were coded 0.

The second factor identified SDAs in states where there was competition among the SDAs for the amount of incentive money received by SDAs. Such SDAs were coded 1; SDAs in states without such competition were coded 0.

Client Mix

The fifth set of factors focused on changes in the mix of the participants. Nine key client population groups were included: (a) Black non-Hispanics, (b) Hispanics, (c) school dropouts, (d) post-high school attendees, (e) females, (f) welfare recipients, (g) individuals with limited English speaking abilities, (h) individuals with disabilities, and (i) persons unemployed 15 of the last 26 weeks prior to enrollment. Change in the mix of clients was measured as the difference between PY 1986 and PY 1988 in the percentage of the participants who had the particular characteristic.
Economic Conditions

The sixth category of factors were included to account for the economic conditions of the SDAs. They are (a) the local area's unemployment rate in PY 1986, (b) the average yearly earnings of the industries in the local area in 1986, and (c) the local area's employee/resident worker ratio.

Other SDA Performance Indicators

The last category of factors represent other indicators of an SDA's performance.

An SDA’s change in the Cost per Placement between PY 1986 and PY 1988 was added to determine if increasing the level of JTPA funds spent per placement would produce changes in the percentage of placements and/or the wages of those who were placed.

Finally, each model included an SDA’s PY 1986 performance level on the outcome being examined. These variables operated as "controls" and were included since it was expected that the level of change in performance would, in part, be related to the performance level in the base year. For example, SDAs with low Entered Employment Rates in PY 1986 were expected to have greater absolute levels of improvement than SDAs which had high placement rates.

TABLE F.1

Means And Standard Deviations Of Adult Entered Employment Rate And Average Wage At Placement PY 1986, PY 1988, And Change Between PY 1986 And PY 1988

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>MEAN</th>
<th>STANDARD DEVIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Entered Employment Rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PY 1986</td>
<td>73.1</td>
<td>8.7</td>
</tr>
<tr>
<td>PY 1988</td>
<td>73.9</td>
<td>9.0</td>
</tr>
<tr>
<td>Change between PY 1986 and PY 1988</td>
<td>0.78</td>
<td>7.4</td>
</tr>
<tr>
<td>Average Wage at Placement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PY 1986</td>
<td>$5.13</td>
<td>0.64</td>
</tr>
<tr>
<td>PY 1988</td>
<td>5.55</td>
<td>0.81</td>
</tr>
<tr>
<td>Change between PY 1986 and PY 1988</td>
<td>0.42</td>
<td>0.38</td>
</tr>
</tbody>
</table>
TABLE F.2

Results Of Regressions On Factors Associated With Change In "Adult Entered Employment Rate" Between PY 1986 And PY 1988

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>COEFFICIENT</th>
<th>(t-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Administration:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PIC is Grant Recipient, Administrative Entity or Both</td>
<td>2.46***</td>
<td>(3.35)</td>
</tr>
<tr>
<td>SDA/PIC Acts as Broker in Program Assignment Activities</td>
<td>-0.31</td>
<td>(0.45)</td>
</tr>
<tr>
<td><strong>Issue Extremely Important to PIC:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meet Employers' Needs</td>
<td>0.51</td>
<td>(0.73)</td>
</tr>
<tr>
<td>Meeting Clients' Needs</td>
<td>-1.10</td>
<td>(1.57)</td>
</tr>
<tr>
<td>Performance Relative to SDA's Own Standard</td>
<td>1.20*</td>
<td>(1.77)</td>
</tr>
<tr>
<td>Performance Relative to Other SDAs in State</td>
<td>3.27***</td>
<td>(3.14)</td>
</tr>
<tr>
<td>Performance Relative to National Standards</td>
<td>-2.19**</td>
<td>(2.19)</td>
</tr>
<tr>
<td>Performance Relative to SDA's Performance Last Year</td>
<td>0.97</td>
<td>(1.23)</td>
</tr>
<tr>
<td><strong>PIC Extremely Influential in:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Types of Clients Enrolled</td>
<td>-0.83</td>
<td>(0.84)</td>
</tr>
<tr>
<td>Types of Program Services Offered</td>
<td>-0.53</td>
<td>(0.70)</td>
</tr>
<tr>
<td>Types or Terms of Contracts Used</td>
<td>-1.18</td>
<td>(1.47)</td>
</tr>
<tr>
<td>Selection of Service Providers</td>
<td>0.36</td>
<td>(0.51)</td>
</tr>
<tr>
<td><strong>States' Incentive Policies:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uses Upperbound of National Standards for Incentive Awards</td>
<td>1.59**</td>
<td>(2.02)</td>
</tr>
<tr>
<td>Has Competition Among SDAs for Incentive Awards</td>
<td>2.79***</td>
<td>(3.93)</td>
</tr>
<tr>
<td><strong>Client Mix:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent non-Hispanic Blacks</td>
<td>-0.28***</td>
<td>(3.26)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Hispanics</td>
<td>0.08</td>
<td>(0.82)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Dropouts</td>
<td>-0.19***</td>
<td>(3.00)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Post High School</td>
<td>-0.003</td>
<td>(0.06)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Female</td>
<td>-0.13***</td>
<td>(2.88)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Welfare Recipients</td>
<td>-0.09*</td>
<td>(1.89)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Limited English</td>
<td>-0.10</td>
<td>(1.01)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Participants with Disabilities</td>
<td>0.07</td>
<td>(1.00)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Unemployed 15 of 26 Weeks Prior to Enrollment</td>
<td>-0.02</td>
<td>(1.10)</td>
</tr>
<tr>
<td><strong>Economic Conditions:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PY 1986 Local Unemployment Rate</td>
<td>-0.12</td>
<td>(1.06)</td>
</tr>
<tr>
<td>PY 1986 Average Yearly Earnings</td>
<td>0.002</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Employee/Resident Worker Ratio</td>
<td>-2.58*</td>
<td>(1.68)</td>
</tr>
<tr>
<td><strong>SDA Performance:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PY 1986 - 1988 Change in Cost Per Placement</td>
<td>-0.001***</td>
<td>(3.43)</td>
</tr>
<tr>
<td>PY 1986 Adult Entered Employment Rate</td>
<td>-0.34***</td>
<td>(8.59)</td>
</tr>
<tr>
<td><strong>Intercept</strong></td>
<td>26.75***</td>
<td>(6.21)</td>
</tr>
</tbody>
</table>

R-squared (adjusted) = .31
F = 7.86
N = 436
* Significant at the 10 percent level.
** Significant at the 5 percent level.
*** Significant at the 1 percent level.
**TABLE F.3**

Results of Regressions on Factors Affecting Change in "Adult Average Wage At Placement" Between PY 1986 and PY 1988

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>COEFFICIENT</th>
<th>(t-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Administration:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PIC is Grant Recipient, Administrative Entity or Both</td>
<td>0.01</td>
<td>(0.26)</td>
</tr>
<tr>
<td>SDA/PIC Acts as Broker in Program Assignment Activities</td>
<td>-0.04</td>
<td>(1.08)</td>
</tr>
<tr>
<td><strong>Issue Extremely Important to PIC:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meeting Employers' Needs</td>
<td>0.03</td>
<td>(0.80)</td>
</tr>
<tr>
<td>Meeting Clients’ Needs</td>
<td>0.02</td>
<td>(0.48)</td>
</tr>
<tr>
<td>Performance Relative to SDA’s Own Standard</td>
<td>-0.01</td>
<td>(0.17)</td>
</tr>
<tr>
<td>Performance Relative to Other SDAs in State</td>
<td>0.09</td>
<td>(1.58)</td>
</tr>
<tr>
<td>Performance Relative to National Standards</td>
<td>0.01</td>
<td>(0.21)</td>
</tr>
<tr>
<td>Performance Relative to SDA’s Performance Last Year</td>
<td>0.07*</td>
<td>(1.70)</td>
</tr>
<tr>
<td><strong>PIC Extremely Influential in:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Types of Clients Enrolled</td>
<td>0.01</td>
<td>(0.27)</td>
</tr>
<tr>
<td>Types of Program Services Offered</td>
<td>0.002</td>
<td>(0.04)</td>
</tr>
<tr>
<td>Types or Terms of Contracts Used</td>
<td>-0.001</td>
<td>(0.02)</td>
</tr>
<tr>
<td>Selection of Service Providers</td>
<td>-0.01</td>
<td>(0.35)</td>
</tr>
<tr>
<td><strong>States’ Incentive Policies:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uses Upperbound of National Standards for Incentive Awards</td>
<td>0.01</td>
<td>(0.27)</td>
</tr>
<tr>
<td>Has Competition Among SDAs for Incentive Awards</td>
<td>0.01</td>
<td>(0.17)</td>
</tr>
<tr>
<td><strong>Client Mix:</strong></td>
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<td></td>
</tr>
<tr>
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<td>-0.003</td>
<td>(0.57)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Hispanics</td>
<td>-0.003</td>
<td>(0.58)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Dropouts</td>
<td>-0.01</td>
<td>(1.53)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Post High School</td>
<td>0.01*</td>
<td>(1.79)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Female</td>
<td>-0.01***</td>
<td>(2.69)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Welfare Recipients</td>
<td>0.0002</td>
<td>(0.09)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Limited English</td>
<td>-0.002</td>
<td>(0.38)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Participants with Disabilities</td>
<td>-0.01***</td>
<td>(2.80)</td>
</tr>
<tr>
<td>PY 1986-1988 Change in Percent Unemployed 15 of 26 Weeks Prior to Enrollment</td>
<td>-0.0002</td>
<td>(0.20)</td>
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<tr>
<td><strong>Economic Conditions:</strong></td>
<td></td>
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</tr>
<tr>
<td>PY 1986 Local Unemployment Rate</td>
<td>-0.04***</td>
<td>(7.62)</td>
</tr>
<tr>
<td>PY 1986 Average Yearly Earnings</td>
<td>0.02***</td>
<td>(3.13)</td>
</tr>
<tr>
<td>Employee/Resident Worker Ratio</td>
<td>-0.18**</td>
<td>(2.15)</td>
</tr>
<tr>
<td><strong>SDA Performance:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PY 1986 - 1988 Change in Cost Per Placement</td>
<td>0.000</td>
<td>(0.51)</td>
</tr>
<tr>
<td>PY 1986 Average Wage at Placement</td>
<td>0.02</td>
<td>(0.42)</td>
</tr>
<tr>
<td><strong>Intercept</strong></td>
<td>0.40**</td>
<td>(2.06)</td>
</tr>
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R-squared (adjusted) = .24
F = 5.83
N = 436
*Significant at the 10 percent level.
** Significant at the 5 percent level.
***Significant at the 1 percent level.
BIBLIOGRAPHY


U.S. Senate, 97th Congress, 2nd Session, Report Number 97-469.