

BY THE COMPTROLLER GENERAL

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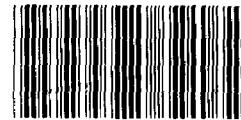
# Report To The Congress

OF THE UNITED STATES

## Labor Should Make Sure CETA Programs Have Effective Employability Development Systems

The 1978 Comprehensive Employment and Training Act amendments established several requirements to improve the ability of title II participants to obtain unsubsidized jobs.

Both Labor and State and local governments failed to adequately carry out these employability development requirements. GAO believes that Labor should place a high priority on ensuring that CETA programs have effective employability development systems by improving its monitoring, technical assistance, and training activities.



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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON D.C. 20548

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To the President of the Senate and the  
Speaker of the House of Representatives

This report summarizes the results of our review of the impact that the 1978 Comprehensive Employment and Training Act amendments had on improving employability development systems and moving participants into unsubsidized jobs. It describes weaknesses in State and local government employability development systems which hinder moving participants into unsubsidized jobs. The report makes recommendations to the Secretary of Labor for correcting these weaknesses.

The review was undertaken to determine what effect the 1978 amendments had on employability development systems, because many past problems in moving participants into unsubsidized employment stemmed from weaknesses in these systems.

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

*Charles A. Bowsher*  
Comptroller General  
of the United States



D I G E S T

Title II of the Comprehensive Employment and Training Act (CETA) is designed to improve the employability of economically disadvantaged persons. Moving participants from title II program activities into unsubsidized employment is a key element in achieving the act's purpose.

In 1978, the Congress amended the act and added several new requirements to improve employability development systems--the process sponsors use to ensure that participants receive the services they need to improve their employability and move into unsubsidized employment. One of the main requirements was the employability plan. But Labor and the State and local governments operating the programs failed to fully carry out the new requirements, thus hindering movement of participants into unsubsidized jobs.

OBJECTIVES OF THE REVIEW

Before the 1978 amendments, GAO and other organizations showed that weaknesses in employability development systems hampered moving participants into unsubsidized jobs. The amendments to title II of the act and Labor's implementing regulations contained several requirements to strengthen these systems. GAO sought to determine the impact of these amendments on improving employability development systems and on moving title II participants into unsubsidized jobs.

GAO visited 15 prime sponsors in 10 States. The files of 1,135 participants were reviewed and 478 of them were interviewed. GAO also interviewed sponsor officials at each location, plus officials at the Employment and Training Administration and four of its regional offices. (See pp. 5 and 6 and app. I.)

PLACEMENT IN UNSUBSIDIZED  
JOBS FAILS TO IMPROVE

Sponsors' problems in moving participants into unsubsidized jobs continued after the 1978 amendments. GAO's sample showed that employment and training needs were not met for 26 percent of the participants it contacted. Examples of the problems found include not providing needed supportive services, entry-level job skills, or remedial skills and not placing participants in activities related to their occupational or program goal or not addressing their physical or mental handicaps. These and other problems were similar to those identified in previous studies and show that employability development systems remained weak. (See pp. 8 to 10.)

Between fiscal years 1978 and 1980, the rates for placing title II participants into unsubsidized jobs dropped. Increases in unemployment rates, plus the effects of new provisions in the 1978 amendments, such as stricter eligibility requirements and wage restrictions, contributed significantly to this decline. However, in GAO's opinion, weak employability development systems were also a factor. (See pp. 10 to 14.)

EMPLOYABILITY DEVELOPMENT  
SYSTEMS REMAIN INCOMPLETE

CETA sponsors are to use employability development systems to ensure that their programs provide participants with the activities and services which improve their employability and movement into unsubsidized jobs. The basic elements of a system have always been embodied in the requirements and intent of the act and in Labor's regulations. These elements are

- assessing each applicant to determine whether he or she is eligible and whether CETA can provide activities and services which will enable him or her to obtain unsubsidized employment,
- developing a personalized action plan to overcome each individual's barriers to employment,
- implementing the action plan, and

- reviewing the participant's progress periodically to ensure the action plan will overcome his or her barriers and enable him or her to obtain unsubsidized employment.

The 1978 CETA amendments and Labor's implementing regulations contained several requirements designed to strengthen these employability development systems. Foremost among them was the employability plan. However, at many sponsor locations, preparing employability plans was a paperwork exercise that did little to improve the systems.

Sponsor employability plans frequently omitted the following items required by Labor regulations:

- Assessment information showing the participants' employment barriers and employment and training needs.
- Planned activities and services that meet the participants' needs.
- A plan for the participants' transition into unsubsidized employment. (See pp. 15 to 30.)

Many sponsors did not use the employability plans after preparing them. Many plans contained inaccurate lists of the participants' activities and services because sponsors did not update plans when they provided additional services. (See p. 30.)

Many sponsors also failed to periodically contact participants to review their progress and revise the employability plan. (See pp. 31 to 33.)

GAO's analysis showed that when sponsors developed good plans, kept them up to date, and periodically reviewed participants' progress, placement rates were higher. It is pointed out that employability plans and their related procedures do not directly get jobs for participants. However, GAO believes that plans which are correctly prepared and used contribute to an effective employability development system and enable the sponsors to do a better job of helping participants obtain unsubsidized employment. (See p. 34.)

## LITTLE EMPHASIS GIVEN TO IMPROVING EMPLOYABILITY DEVELOPMENT SYSTEMS

Both Labor and sponsors gave little emphasis to implementing the employability development requirements of the 1978 amendments because their attention was focused on other requirements, such as eligibility verification, which did not directly contribute to the movement of participants into unsubsidized jobs. As a result, in the area of employability plans, sponsors often devoted insufficient time to preparing the plans, provided little training, and did little monitoring. (See pp. 35 to 38.)

Labor did not adequately monitor employability development systems or provide adequate training and technical assistance. Labor's monitoring activities were inadequate to identify and correct the weaknesses in sponsors' systems. (See pp. 39 to 42.)

Labor's technical assistance and training were also inadequate. Many sponsor officials complained about the vagueness and inconsistency of the little technical assistance they received. In addition, they complained about the lack of content and poor timing of Labor's training. Labor did not give its staff adequate training and assistance. (See pp. 42 to 44.)

In fiscal year 1981, Labor announced a new technical assistance and training program. This program includes a nationwide course in employability development, a technical assistance guide on employability plans, and training for Labor's staff. GAO believes that, if these recent steps are to be effective, Labor must demonstrate through its actions that developing good employability development systems is important and has a high priority. (See pp. 44 and 45.)

## RECOMMENDATIONS TO THE SECRETARY OF LABOR

The Secretary should make sure that each sponsor has an effective employability development system. GAO makes specific recommendations for doing this on pages 46 and 47.



AGENCY COMMENTS

Labor concurred with GAO's recommendations and reported a number of actions planned or already being taken to implement them. (See pp. 47 and 48.)

GAO also provided the 15 prime sponsors it examined the opportunity to review and comment on the report. The seven prime sponsors that responded generally concurred with GAO's findings or offered no comments. (See p. 48.)



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ABBREVIATIONS

CETA	Comprehensive Employment and Training Act
EDP	employability development plan
ETA	Employment and Training Administration
GAO	General Accounting Office
IMU	independent monitoring unit
OJT	on-the-job training
PSE	public service employment



## CHAPTER 1

### INTRODUCTION

Title II of the Comprehensive Employment and Training Act (CETA), as amended in 1978, is designed to improve the employability of economically disadvantaged persons. The purpose of title II programs is to

"\* \* \* ease barriers to labor force participation encountered by economically disadvantaged persons, to enable such persons to secure and retain employment at their maximum capacity, and to enhance the potential for individuals to increase their earned income. \* \* \*"

The enactment of CETA in 1973 marked a new era in the delivery of employment and training services. CETA combined several previous manpower programs under one act. In a very fundamental way it also changed how employment training programs operate. Program control shifted from the Federal level to more than 400 State or local government units, called prime sponsors.

Generally, a prime sponsor is (1) a unit of local government, such as a city or county, having a population of at least 100,000; (2) a combination (consortium) of local government units, one of which serves a population of at least 100,000; or (3) a State that operates CETA programs in areas outside the boundaries of other established sponsors. Prime sponsors numbered over 400 during fiscal year 1981.

While these sponsors have a large role in planning and managing employment and training programs under CETA's decentralized approach, the Department of Labor's Employment and Training Administration (ETA) shares responsibility for effectively implementing such programs. Sponsors must submit detailed plans to regional ETA offices on how they will operate their programs. ETA makes grants to sponsors based on its approval of their plans. In addition, ETA monitors plan implementation, provides technical assistance, and evaluates sponsor performance.

Since the initial passage of CETA, many problems were identified which focused attention on the need to make legislative changes. These problems included serving individuals who did not meet eligibility requirements, using CETA funds as a substitute for State and local funds, and failing to focus CETA programs on disadvantaged people. However, the problems also concerned difficulties in moving, or transitioning, participants into unsubsidized jobs.

In an effort to improve transition performance and eliminate other program weaknesses, the Congress amended the CETA program in 1978. These amendments continued title II programs through fiscal year 1982 and made the most sweeping changes to the program since the Congress passed the original act in 1973.

Our review focused on the impact these changes had on moving title II participants into unsubsidized jobs.

#### CURRENT TITLE II PROGRAMS

Before the 1978 amendments, the programs now provided for under title II parts B and D were authorized under titles I and II, respectively.

Part B contains the heart of the original CETA legislation. It authorizes sponsors to provide a wide variety of employment and training activities to eligible persons. To be eligible, a person must be (1) economically disadvantaged and (2) unemployed, underemployed, or in school. Specific activities and services provided to participants under this part can generally be categorized into one of the following areas.

- Classroom training: Any training normally conducted in an institutional setting. Participants may receive classroom training to learn specific skills or to have their basic skills, such as English or mathematics, upgraded.
- On-the-job training (OJT): Training provided to participants, usually by private-sector employers, while they are engaged in productive work. Through OJT, participants should learn knowledge and skills essential to fully perform a specific job.
- Work experience: A short-term or part-time work assignment designed for persons who need assistance in becoming accustomed to basic work requirements in order to compete successfully in the labor market. Because of the basic nature of this activity, sponsors often transfer participants into other activities, such as OJT, after they complete a short work experience assignment.
- Services: Sponsors can provide participants with a wide variety of services designed to enhance their employability. These services can include employment counseling, occupational testing, and such services as job development and placement activities to help the participants move into unsubsidized employment. Participants can also receive a variety of supportive services, such as health care, child care, and transportation allowances.



Part D authorizes sponsors to provide persons with temporary entry-level jobs which benefit the community. However, such public service employment (PSE) jobs cannot be with private for-profit employers. To be eligible for PSE, a person must be (1) economically disadvantaged and unemployed during 15 of the 20 weeks before applying for the program or (2) a member of a family receiving public assistance.

Title II also authorizes relatively small programs under parts A and C. Part A authorizes grants to governors for providing needed vocational education services in areas served by sponsors. Most of the funds must be used to provide vocational education and services to individual participants. National statistics do not break out II-A expenditures, but based on data covering ETA's region X, part A comprised about 4 percent of title II expenditures in fiscal year 1980. Part C authorizes sponsors to provide (1) upgrading programs for individuals working at less than their full capacity and (2) retraining programs for persons who have received a layoff notice and who probably cannot get a similar job in the labor market area. During fiscal year 1980, part C accounted for less than 1 percent of title II expenditures.

TRANSITION TO UNSUBSIDIZED  
EMPLOYMENT IS FUNDAMENTAL  
TO ACHIEVING CETA'S PURPOSE

Moving participants from program activities into unsubsidized employment is a key element in achieving the purpose of CETA. The act and Labor's regulations contain many requirements dealing with this objective. These requirements relate to the sponsors' systems for improving participants' employability and moving them into unsubsidized jobs. For example, ETA requires sponsors to (1) design their programs to lead to unsubsidized employment and (2) make maximum efforts to move participants into unsubsidized jobs.

Employability development systems--a key  
to achieving good transition performance

Many factors contribute to transition performance, which is the success or failure of participants' moving into unsubsidized jobs. Some factors, such as local economic and job market conditions, are beyond the control of sponsors, yet can obviously have a great influence on the transition rates. But the sponsors control many other factors that can influence success, such as the type and quality of training courses and jobs, counseling, placement assistance, and other activities.

Since the focus of title II is on individual participants, we looked at sponsors' systems from this framework as well. We use the term "employability development system" to describe

the processes sponsors use to ensure that participants receive the services they need to improve their employability and move into unsubsidized employment.

Although CETA's decentralized approach allows sponsors much flexibility in operating programs, the requirements and intent of the act and Labor's regulations have always embodied a framework for designing employability development systems. The basic elements of this framework are:

- Assessing each participant to determine whether he or she is eligible and can benefit from the program. We believe a critical task in this element is obtaining enough information about each participant to allow the sponsor to determine (1) what employment and training services are needed to overcome the participant's employment barriers and (2) what the outcome goal of the title II program will be for that participant. Except for in-school youths, the goal should involve moving the participant into unsubsidized employment.
- Developing a specific course of action designed to overcome the participant's barriers and meet the outcome goal.
- Implementing the course of action established.
- Reviewing periodically the participant's progress to ensure the course of action remains consistent with overcoming his or her barriers and meeting the outcome goal. Changed conditions or problems resulting from this process may dictate a new course of action.

These basic elements are founded in fundamental management principles and, if effectively implemented, should tend to maximize sponsors' performance in moving participants into unsubsidized employment. Each element may be viewed as a building block--each being important, but a failure of any element can result in a program that neither meets a participant's needs nor leads to unsubsidized employment.

1978 amendments attempted to  
improve transition performance  
and deal with other problems

Many changes of the 1978 amendments related directly or indirectly to the goal of moving participants into unsubsidized jobs. Some were specifically geared to improve sponsors' employability development systems and/or transition performance. Other changes could adversely affect transition performance. Major changes that affect transition under title II programs include the following.

- Employability plans: To improve sponsors' systems for moving participants into unsubsidized employment, the Congress required sponsors to help each title II participant develop a personalized employability plan.
- Time limits: In part, to encourage transition, the Congress established an overall 30-month limit (in any 5-year period) for participating in CETA. The Congress also limited participation in specific programs. For example, the amendments generally limited participation in PSE programs to 18 months (in any 5-year period).
- Training PSE participants: To help improve PSE participants' ability to qualify for unsubsidized jobs, the Congress required that title II PSE participants generally receive training in addition to their PSE job. The amendments established minimum requirements for how much money sponsors must spend on training PSE participants.
- Independent monitoring units (IMUs): To improve the monitoring of CETA activities, the Congress required each sponsor to establish an IMU. Through the reviews of such units and their resulting recommendations, sponsors' performance could be improved.
- Reduced PSE wage levels: In part, to allow more persons to be served with available funds and to help control the substitution of CETA funds for State and local funds, the Congress placed new restrictions on PSE wages. Since this action would tend to limit the types of PSE jobs and thus the employment experiences available to participants, it could negatively affect transition performance.
- Targeting to the economically disadvantaged: To better target CETA to persons in need, the Congress restricted the eligibility for title II-B and II-D programs to economically disadvantaged persons. This action could also negatively affect transition performance, as the program would likely serve more persons with significant employment problems.

#### OBJECTIVES, SCOPE, AND METHODOLOGY

Our review focused on the impact of the 1978 CETA amendments in improving sponsors' employability development systems and transition performance. We reviewed the implementation of the various aspects of the amendments that could directly or indirectly affect employability development systems or the movement of title II participants into unsubsidized jobs. This review

was performed in accordance with our current "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions."

Appendix I describes the scope and methodology of our review. Briefly, we conducted our review at 15 sponsors located in 10 States. To help us in this effort, we developed a "Preliminary Position Paper" on employability development systems. (See app. II.) The purpose of the paper was to summarize the portions of the law and regulations that relate to the elements each sponsor should have as part of its system. At each sponsor we selected a random sample of participants who had been involved in title II programs sometime between October 1, 1979, and March 31, 1980. The total number of participants sampled was 1,135. We reviewed the files for these participants and talked to 478 of them about their CETA experiences. We interviewed sponsor officials about their title II programs, the impact of the 1978 CETA amendments on performance, and the causes of problems that surfaced during our review. We also interviewed officials at four ETA regional offices and at ETA's national office. To add further perspective to our review, we reviewed national statistics on the title II programs and several previous reports on these programs by us and other organizations. (See app. VI.)

The sample results pertain only to the 15 sponsors we reviewed. Because we reviewed relatively few sponsors and took a judgmental sample, statistically valid projections to all sponsors nationwide cannot be made from our sample. On the other hand, we have no reason to believe that the 15 sponsors we reviewed are atypical or that the sample results would be materially different if a nationwide sample were taken. In fact, reports and studies by us and other organizations show the same kinds of problems we identified in this review. (See pp. 8, 9, 33, and 34.) Therefore, we believe the range and variability of our findings are likely to exist at other prime sponsors.

Near the completion of our fieldwork, the administration began action to eliminate a major CETA program--PSE. When President Reagan took office in January 1981, reducing Federal expenditures became a priority. His fiscal year 1981 revised budget request to the Congress called for phasing out PSE programs by the end of the year. Anticipating congressional approval, in February 1981 ETA froze enrollments for titles II-D and VI PSE jobs and developed plans for phasing out all programs under these titles by September 30, 1981. ETA specified in its plans that sponsors were to make every effort to move affected participants into unsubsidized jobs or other manpower programs. Subsequently, the Congress approved the budget reductions which led to a phaseout of PSE programs by the end of fiscal year 1981.

It is important to note, however, that this action defunds only PSE. The 1978 CETA amendments, which are still in effect, authorized all title II programs through the end of fiscal year 1982. The elimination of PSE does not alter the need for sponsors to have good employability development systems and to achieve good transition performance.

## CHAPTER 2

### PRIME SPONSORS CONTINUE TO HAVE PROBLEMS IN MOVING TITLE II PARTICIPANTS INTO UNSUBSIDIZED JOBS

Before the 1978 amendments, we and other organizations found that prime sponsors had difficulty moving participants into unsubsidized employment. These reports often showed that weaknesses in sponsors' employability development systems contributed to failures in meeting participants' needs and hampered moving them into unsubsidized employment. The 1978 amendments contained provisions to strengthen sponsors' employability development systems and to improve transition performance. However, we found that significant transition problems continued. Many participants we contacted did not have their employment and training needs addressed, which hampered their movement into unsubsidized employment.

#### WEAK EMPLOYABILITY DEVELOPMENT SYSTEMS HAMPERED PAST TRANSITION PERFORMANCE

Although many participants benefited from title II activities and services before the 1978 amendments, Labor statistics showed that most people left CETA without having an unsubsidized job. For example, in fiscal year 1978 Labor reports show that nearly 488,000 title II participants obtained unsubsidized jobs. However, these participants represented only 42 percent of those who left the title II program that year. Of the others, 22 percent either returned to school, entered other training programs, or joined the military. Labor reported the remaining 36 percent as "nonpositive" terminations. 1/

Past studies on CETA often illustrated weaknesses in sponsors' employability development systems. These weaknesses hampered the sponsors' abilities to meet participants' needs and move the participants into unsubsidized employment. For example, a 1978 study by the National Academy of Sciences 2/ reported that CETA transition rates were lower than those of the pre-CETA manpower programs. The study attributed the lower rates in part to ineffective placement strategies and a deemphasis on transition as a program goal.

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1/Figures exclude direct placements and intertitle transfers. See note a on figure 2.1 (p. 11).

2/William Mirengoff and Lester Rindler, "CETA: Manpower Programs Under Local Control," National Academy of Sciences, staff paper, 1978, pp. 6 and 254.

Similarly, our previous reports stated that CETA had problems moving participants into unsubsidized jobs. For example, in a 1978 report, 1/ we stated that most participants did not get or keep jobs after leaving classroom training and OJT.

The report noted that many participants

- received training for which they were neither academically nor physically prepared;
- received training in low-demand occupations and received jobs which labor market surveys forecasted as surplus or low-demand occupations;
- received training that did not provide them with skills needed to do the job; and
- received jobs which (1) were not related to their training, (2) were seasonal, (3) had a high turnover rate, or (4) paid little more than the minimum wage.

In a 1979 review on PSE, 2/ we reported that sponsors lacked systematic approaches for moving participants into unsubsidized jobs and did not emphasize transition as a program goal. This report showed that many participants

- remained in their "temporary" PSE jobs for several years,
- received no formal training either related or unrelated to their PSE jobs,
- received little or no placement assistance from sponsors, and
- did not have their employment needs identified or an action plan developed detailing the activities they should receive. As a result, sponsors had no assurance that program activities would lead to unsubsidized employment.

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1/U.S. General Accounting Office, "Job Training Programs Need More Effective Management" (HRD-78-96, July 7, 1978), pp. iii and 41.

2/U.S. General Accounting Office, "Moving Participants From Public Service Employment Programs Into Unsubsidized Jobs Needs More Attention" (HRD-79-101, Oct. 12, 1979), pp. ii-iv.

PRIME SPONSORS CONTINUE  
TO HAVE PROBLEMS IN MEETING  
PARTICIPANTS' EMPLOYMENT NEEDS

In response to past problems, the Congress added provisions to strengthen sponsors' systems for meeting participants' employment and training needs in the 1978 amendments. (See pp. 2 to 5.) However, our sample results show that 26 percent of the participants we contacted did not have their employment and training needs met; this often hampered their movement into unsubsidized employment. These problems were not isolated to only a few sponsors and occurred in all title II programs (OJT, PSE, etc.) we reviewed. Examples of employment and training needs that sponsors did not address included

- not providing needed supportive services, such as transportation assistance;
- not providing entry-level job skills;
- not providing remedial skills, such as those to acquire a General Equivalency Diploma;
- not placing participants in an activity related to their occupational or program goal;
- not providing needed transition assistance; or
- not addressing a participant's physical or mental handicap.

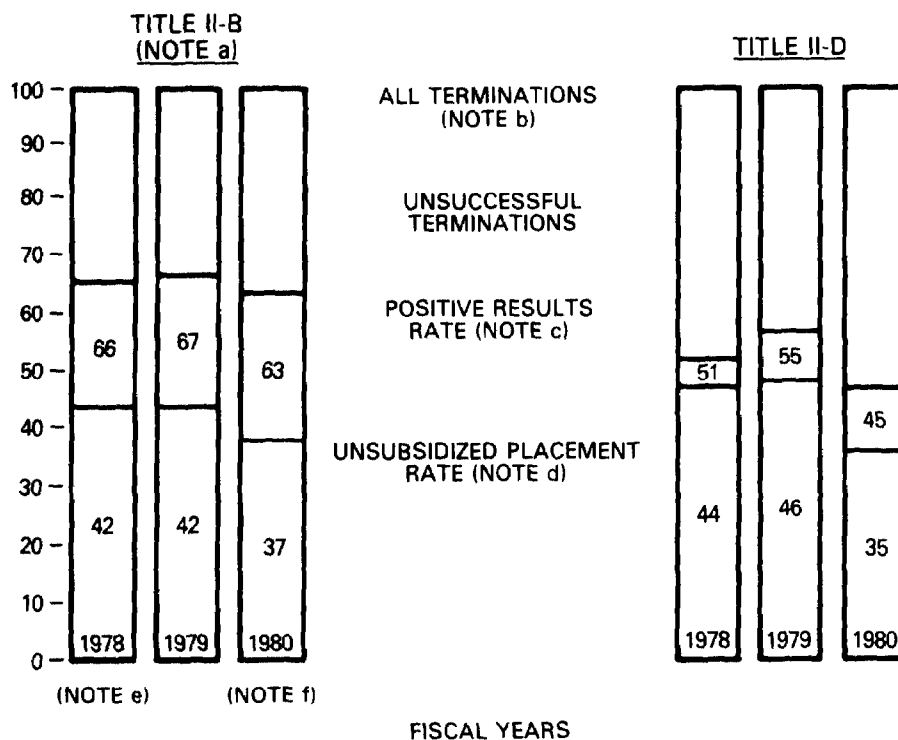
These problems are similar to those identified in previous studies.

TRANSITION RATES HAVE NOT IMPROVED  
SINCE THE 1978 AMENDMENTS

Because weaknesses in sponsors' employability development systems still exist, we believe there is room to substantially improve national transition rates. Labor statistics showed that title II-B and II-D transition rates dropped since fiscal year 1978. (See fig. 2.1.)



Figure 2.1  
National Transition Rates for Title II-B  
and II-D in Fiscal Years 1978 to 1980



- a/ National statistics for part "B" are commingled with relatively small programs conducted under parts "A" and "C" (see p. 3).
- b/ Terminations exclude (1) people who did not leave CETA but only transferred to other titles and (2) people who were recorded as "direct placements." Direct placements are people who were placed in an unsubsidized job but without being involved in a PSE Job or a major training component (i.e., OJT, work experience, or classroom training).
- c/ Includes participants who entered unsubsidized employment, left CETA to go back to school, entered a non-CETA training program, or left CETA because they completed program objectives not involving entrance into unsubsidized employment.
- d/ Consists of terminated participants who entered unsubsidized employment.
- e/ Title II-B programs were authorized under Title I prior to the 1978 CETA amendments.
- f/ 1980 preliminary results; excludes two sponsors — New York City and Nassau County.

We believe that factors beyond the control of prime sponsors contributed significantly to the decline in national transition rates. These included increased unemployment, stricter eligibility requirements, and PSE wage limitations. However, we believe the continued weaknesses in employability development systems also contributed to the reduction in the movement of CETA participants into unsubsidized jobs.

Unemployment rates increase--The national unemployment rate increased from 6 percent in 1978 to 7.1 percent in 1980. The higher unemployment rate indicates that CETA participants faced increased competition for available jobs. Most sponsors in our sample blamed the economy, in part, for lower transition rates.

Stricter eligibility requirements--To improve the targeting of CETA to needy people, the 1978 amendments restricted the eligibility for titles II-B and II-D to economically disadvantaged persons. This helped produce major changes in the characteristics of participants served. For example, sponsors served more welfare and fewer well-educated persons in fiscal year 1980 than in 1978. In addition, sponsors enrolled more women, minorities, and handicapped persons. (See app. III.) While these shifts bring the program more in line with the targeting objectives of the act, they likely contributed to the reduced transition rates. The "new" CETA participants generally have more employment barriers to overcome. Past reports showed that transition rates have been lower for groups often considered to be at a disadvantage in the labor market. For example, Labor's Continuous Longitudinal Manpower Survey of fiscal year 1976 participants found that the post-CETA employment rate for each of the above groups was lower than the rate for all CETA participants. 1/

New PSE wages--To achieve objectives unrelated to transition, such as serving more persons with PSE funds, the 1978 amendments contained several new wage requirements. The new requirements established a national average annual PSE wage rate at \$7,200 for fiscal year 1979 and prohibited PSE employers from supplementing CETA wages. In general, the new requirements lowered the wages for PSE participants.

The wage limits caused many employers to either stop employing PSE participants or create new jobs that paid less. According to sponsor officials, many PSE employers who stopped employing PSE workers previously had good transition records and had offered

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1/Westat, Inc., "Follow-up Report No. 2 (18 months after entry), Post-Program Experiences and Pre/Post Comparisons for Terminees Who Entered CETA During Fiscal Year 1976, (July 1975-June 1976)," Continuous Longitudinal Manpower Survey, Rockville, Md., March 1979, Appendix D, Table 20.

positive work experiences. The new jobs that sponsors and employers created frequently lacked promotion potential and were in low-skill or unskilled occupations offering little transition potential. In addition, sponsor officials we interviewed stated the shift in PSE jobs hindered their ability to plan and deliver activities that met participant needs and thus hindered the movement of these persons into unsubsidized employment.

A National Academy of Sciences report entitled "The New CETA: Effect on Public Service Employment Programs" also found that the PSE wage provisions shifted PSE jobs into lower skill positions. According to the report, there has been a sharp reduction in PSE jobs for professional positions and sharp increases in laborer jobs. In addition, the report found that job restructuring was generally accomplished by creating subentry level positions, such as trainee, aide, assistant, and helper positions.

The impact of the PSE wage provisions has been greater in some areas than in others. ETA adjusts the national average wage limit up or down for each sponsor to allow for differences in local economic conditions. According to the National Academy of Sciences' report, ETA's method gave too much consideration to private sector wages. Because PSE jobs are limited to the public sector or private nonprofit agencies, including private sector wages in the calculations can cause inequities between sponsors. For example, the report shows that in some locations the lowest wages for typists in the public sector are more than \$2,000 over the sponsor's average wage limit, while in other locations they are more than \$2,000 less. Because of these kinds of discrepancies, the National Academy of Sciences recommended that ETA give greater weight to public sector wages when calculating each sponsor's area average wage limit. 1/

Weak employability development systems--While higher unemployment rates, enrollment of more disadvantaged individuals, and lower PSE wages make it difficult for sponsors to move participants into unsubsidized jobs, these factors also make having good employability development systems more important. That is, properly implemented employability development systems can help minimize the adverse impact that the other factors can have on transition performance. For example, employability development systems can minimize the impact of higher unemployment by assuring that title II activities are oriented to high-demand occupations. Also, employability development systems can minimize the impact of serving more disadvantaged people by identifying barriers and planning

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1/William Mirengoff, et al., "The New CETA: Effect On Public Service Employment Programs," National Academy of Sciences, (April 1980), p. 170.

activities that meet participants' employment and training needs. Finally, the impact of limited PSE job opportunities can be minimized by coupling appropriate training activities with PSE jobs to meet participants' needs.

#### CONCLUSIONS

Sponsors continue to have substantial problems in meeting participants' needs and in moving them into unsubsidized jobs. Basic weaknesses in sponsors' employability development systems continued to exist. While factors beyond the sponsors' control played a major role in the drop in national transition rates, weaknesses in sponsors' employability development systems contributed to the reduction in the rate of moving CETA participants into unsubsidized jobs.

### CHAPTER 3

#### PRIME SPONSORS HAVE NOT FULLY IMPLEMENTED THEIR EMPLOYABILITY DEVELOPMENT SYSTEMS

The 1978 CETA amendments contained new procedures designed to correct some of the weaknesses in prime sponsors' employability development systems--thereby improving the transition of title II participants into unsubsidized employment. However, as discussed in chapter 2, this improvement did not occur. In our opinion, sponsors' failure to fully implement the new employability plan and other procedures contributed to this lack of improvement.

The sponsors we reviewed were preparing employability plans. However, their plans often lacked basic information about the applicant, omitted planned activities during CETA, or did not address transition out of CETA, even though ETA's regulations required sponsors to include these items. In addition, sponsors often failed to follow the plans they had prepared or failed to review and revise the plans when they contacted CETA participants. Overall, we believe that most sponsors we visited considered the employability plan and its related processes to be a paperwork exercise that did little to improve the employability development system.

Our analysis showed that, when sponsors did carry out many of the employability planning procedures, more of their participants obtained unsubsidized jobs.

#### THE 1978 CETA AMENDMENTS SOUGHT TO IMPROVE EMPLOYABILITY DEVELOPMENT SYSTEMS

Sponsors are to use employability development systems to assure their programs provide participants with the activities and services which improve their employability and help ensure their movement into unsubsidized employment. The basic elements of the system have always been embodied in the requirements and intent of the act and in ETA's regulations. These elements are

- assessing each applicant to determine whether he or she is eligible and whether CETA can provide activities and services which will enable him or her to obtain unsubsidized employment,
- developing a personalized action plan to overcome each individual's barriers to employment,
- implementing the action plan, and

--reviewing a participant's progress periodically to ensure the action plan will overcome his or her barriers and enable him or her to obtain unsubsidized employment.

We believe these basic elements are founded in fundamental management principles and, if effectively implemented, should tend to maximize sponsors' performance in moving participants into unsubsidized employment.

The 1978 CETA amendments and ETA's implementing regulations contained several requirements designed to strengthen these employability development systems. Foremost among them was the employability plan. Each sponsor must develop a personalized employability plan jointly with each title II participant. In preparing this plan, the sponsor must consider an individual's skills, interests, employment barriers, and employment and training needs. The sponsor must also record the specific activities and services that it will provide to achieve the outcome goal for a given participant. Finally, the plan must describe how transition into unsubsidized employment should be achieved. In our opinion, the completed plan should focus attention on each basic element of a sponsor's employability development system and assure that all elements are properly linked together. In this way, the plan is a tool that facilitates the work of the system. Completing employability plans does not directly get jobs for participants. Instead, the plans contribute to an effective employability development system and enable the sponsors to do a better job of helping participants obtain unsubsidized employment.

The amendments and regulations contained several other requirements designed to improve sponsors' employability development systems. These requirements included reviewing participant progress, evaluating the job market, and training PSE participants.

#### MANY EMPLOYABILITY PLANS ARE INADEQUATE

Most sponsors responded to the employability plan requirements and began preparing plans for their title II participants. But many of the plans lacked so much information that they were not an effective tool for improving the employability development system. Sponsors' employability plans frequently omitted

- an assessment of the individual's employment barriers and employment and training needs,
- planned activities and services to meet the individual's needs, and
- a plan for the individual's transition into unsubsidized employment.

As a result, the participants in our sample who had poor employability plans fared little better at obtaining unsubsidized jobs than those having no plan. However, when sponsors prepared good employability plans, significant improvements in placement rates occurred.

Most sponsors visited now  
prepare employability plans  
for title II participants

Overall, 74 percent of the participants in our sample had employability plans. All the sponsors we visited except Lincoln, Nebraska (47 percent), prepared plans for most of their title II participants. (See fig. 3.1.) Three sponsors prepared plans for each participant sampled.

This is a significant improvement over the situation existing before the Congress enacted the 1978 CETA amendments. Our 1979 PSE transition report showed that between July and November 1978 only 6 percent of the PSE participants sampled had an employability plan. 1/

Further increases in the extent to which employability plans are prepared should occur in the future. The Lincoln, Nebraska, sponsor began preparing plans for all new enrollees in January 1980; the St. Louis County, Missouri, sponsor began preparing them at all intake locations in February 1980. Other sponsors prepared plans for new enrollees but did not prepare them for previously enrolled participants. In these locations, the proportion of participants with employability plans should rise as new participants are enrolled or as participants who enrolled before the sponsors began preparing plans leave.

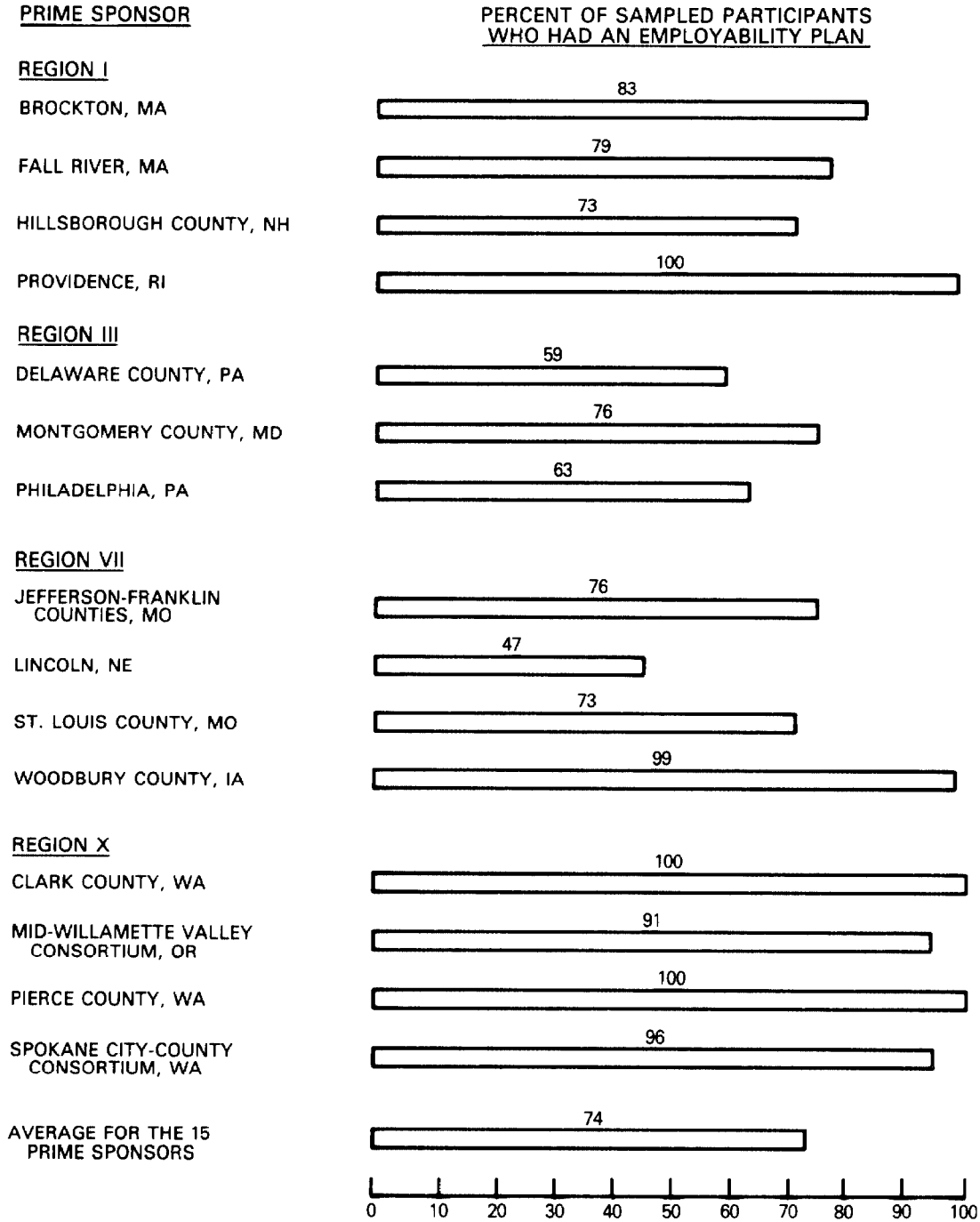
ETA's regulations require sponsors to prepare employability plans jointly with participants and to give them copies. About 80 percent of the participants who had employability plans recalled being involved in preparing the plans, and 84 percent of the plans we reviewed showed by signature or other means that the participants were involved or agreed with the documents. However, only 33 percent of the participants we interviewed for whom a plan existed recalled receiving a copy. Some sponsors attributed this low percentage to their practice of not providing copies of plans to participants unless they requested them. Others attributed it to participants' not remembering that they received a copy.

Our sample results indicate that involving participants in preparing their plans has positive benefits. Participants who told us they were involved in preparing their plans had better

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1/U.S. General Accounting Office (October 12, 1979), p. 16.

Figure 3.1  
 Employability Plan Completion  
 for 15 Prime Sponsors





quality plans. Further, their placement rate was 22 percentage points higher than participants who had employability plans but were not involved in preparing them.

Incomplete assessments hurt  
CETA's ability to identify  
and meet participant needs

The Congress and ETA established several specific requirements pertaining to assessing participants' needs and goals. However, because they often failed to follow these requirements, sponsors did not meet the employment and training needs of some participants. This practice has hampered participants' ability to obtain unsubsidized employment.

Many participants received  
poor assessments

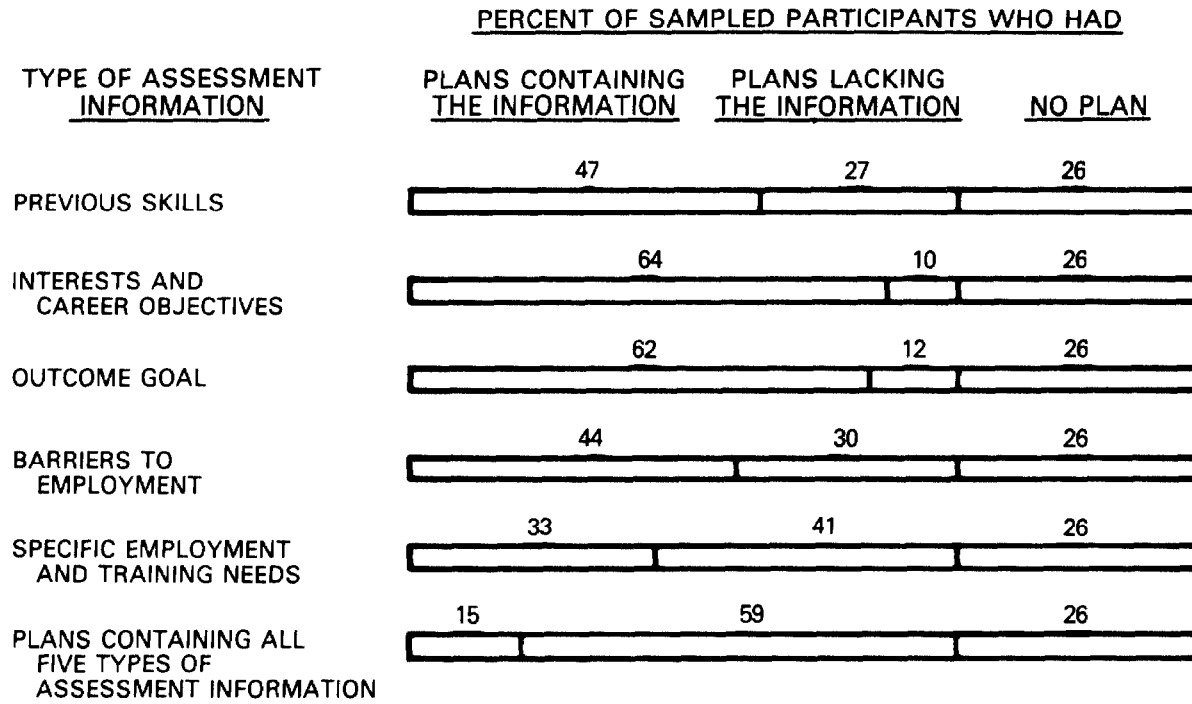
The 1978 CETA amendments required sponsors to assess the appropriate mixture of training and employment services each participant needed. Sponsors must make this assessment at the time an individual enrolls in a title II program and record the results in an employability plan.

ETA regulations added further requirements. First, an employability plan must include assessment data showing the participant's employment readiness (this could include previous work history, education, skills, etc.), employment barriers, and specific employment and training needs. Second, ETA requires sponsors to limit employment and training to occupational fields in which the participant can reasonably expect to get unsubsidized employment. To effectively meet this last requirement, we believe sponsors must consider and discuss with participants the labor market opportunities in their chosen fields.

Our review indicates that many title II participants received incomplete assessments. Figure 3.2 shows the extent to which we found information on five assessment areas which we believe are required by the regulations or good management practices. The areas are the participant's (1) previous skills, (2) interest or career objective, (3) employment barriers, (4) goal at the end of his or her CETA involvement (outcome goal), and (5) employment and training needs. As shown, only 15 percent of the participants in our sample had complete assessment information recorded in their employability plans.

Figure 3.2 shows only part of the story. Sponsors did a poorer job of selecting participants' outcome goals than the information in figure 3.2 shows. Only 73 percent of the plans that had outcome goals described a specific type of expected unsubsidized employment. The goals in the remaining 27 percent were

**Figure 3.2**  
**Extent of Assessment Information**  
**In Employability Plans**



for something other than employment, such as returning to school (about half of this group were in-school youths enrolled in work experience), or for unsubsidized employment of any type, no matter what the job was, where it was located, or what it paid. Descriptions of the participants' employment barriers were also poorer than the figure shows. Only 40 percent of the plans describing the participants' employment barriers explained how the barriers affected participants' employment. The other 60 percent were so general that they did not specify how the barriers affected the participants' employability. For example, many plans indicated barriers by checked boxes, such as "handicapped," "lacks skills," or "lacks experience," without describing the handicapping condition, its effect on employability, or the skills or experiences that were lacking.

We believe that assessments should include some analysis of the jobs available within the participants' expected occupation. While we see no need to include details about such labor market information on individual employability plans, we do believe that sponsors should discuss it with participants when determining outcome goals and employment and training needs. In this way sponsors should avoid training participants in occupations where too many qualified people already compete for the available job openings. However, only about half the participants interviewed remembered discussing the availability of job openings as part of their assessment and goal-setting experience. Several sponsor officials stated that their staffs are unable to provide such job market information to participants because the information is not compiled and made available to the sponsor.

#### Poor assessments hurt transition

The results of our sample indicate that properly assessing applicants' needs and barriers and recording the assessment information on employability plans can improve program performance. For example, the placement rates among our sampled participants were higher when the plans showed the outcome goals, the participants' skills, or their employment barriers (by 8, 5, and 4 percentage points, respectively). Placement rates were also higher when sponsors discussed labor market information with the participants (by 27 percentage points). Other benefits can occur as well. For example, those participants who had plans describing their program goals more often had their employment and training needs met.

Conversely, assessment weaknesses have adversely affected the movement of people into unsubsidized jobs that meet their needs. The following are examples from several sponsors we visited.

- A sponsor trained an individual in a small print shop operation without discussing the labor market with him. After 6 months of training, the participant tried to obtain a job in this field, but found no market for his new skill. The sponsor then tried to enroll the individual in security guard training. The participant rejected this, and he was unemployed when we talked to him.
- A participant received an OJT job at a heating and cooling contractor. The participant stated that he did not remember discussing the labor market with the sponsor's staff. The individual was laid off 1 month after completing OJT, and he could not find work in that field. When we contacted him, he had a seasonal job with a county park department which he obtained on his own.
- A participant having extensive aircraft maintenance experience in the military needed only a high school diploma or equivalent to get a job in the aircraft industry. However, because the sponsor's subcontractor failed to identify this barrier, it did not provide the participant with the training he needed. Instead, the subcontractor placed him in a PSE job as a groundskeeper.
- A participant had leg problems which hindered his ability to walk long distances and lift heavy items. However, his employability plan did not identify this problem. The individual received an OJT job as a truck driver, but on his first trip he learned that he was to unload the truck. This he could not do. He quit the job after 1 day, and he was still unemployed when we talked to him.
- An employability plan noted only that the participant had a physical handicap, but it did not describe how the handicap could affect her employment. The individual was confined to a wheelchair, which hampered her ability to drive. The sponsor's subcontractor placed her in a CETA job requiring a lengthy commute. She found commuting to be difficult and quit after about 3 months.
- A participant wanted to get into police work. However, the prime sponsor gave him a work experience job as a janitor, which he quit because it did not help him achieve his goal. His employability plan did not identify his employment and training needs.
- A participant had a CETA job as an ambulance driver. While his employability plan did not note any employment or training needs, he needed training as an emergency medical technician to remain in this field. The sponsor did not provide this training to him even after he specifically

requested it. After the sponsor terminated him at the participation time limit, he was unemployed until he could obtain the needed training. When we contacted him, he had completed the necessary training on his own and was employed at a hospital.

Poor planning of program activities  
and services hurts placement  
in unsubsidized jobs

After sponsors have assessed participants' specific employment and training needs, ETA's regulations require that they specify the program activities and services each participant will receive from the full range of available services. However, sponsors had problems planning activities and services to meet participant needs and often failed to consider available services in making these plans. As a result, some participants did not obtain unsubsidized jobs because they had not overcome their employment barriers.

ETA's regulations require each employability plan to show the specific activities and services the sponsor will develop and provide to meet the participant's employment and training needs. Further, the act and ETA's regulations require sponsors to consider all available CETA and community services when analyzing participants' needs and planning their activities and services.

But compliance with this requirement varied significantly among the sponsors we visited. One sponsor described activities and services on every employability plan we sampled, and two sponsors omitted this information for more than half the participants we sampled. Overall, about 35 percent of the participants in our sample did not have planned activities and services described on an employability plan.

Failing to plan activities that meet a participant's needs can result in those needs not being met. To illustrate:

- One participant needed transportation to work. The sponsor did not identify this need on his plan and failed to seek a remedy. The participant was placed in a CETA job, but nothing was done about his transportation difficulties. As a result, he quit after 4 days. When we talked to him, he was still unemployed.
- A participant at a different sponsor did seasonal work in a cannery and needed training and additional experience in typing and bookkeeping so she could obtain employment in her chosen field. However, the sponsor planned no skills training for the individual and sent her to a job-search training program. This did not help her, and she eventually went back to the cannery.

Several sponsors did not ensure that available CETA activities and services were considered for each participant when planning activities and services. For example, at one sponsor, individuals applied through a subcontractor for PSE jobs. Except for eligibility, this subcontractor made no assessment before referring applicants to prospective employers. If an employer hired an applicant, the individual went to the sponsor's office to have his eligibility verified and an employability plan prepared. At that time the sponsor's staff did not consider such programs as OJT or work experience.

Another sponsor had no orientation and assessment staff. According to a senior prime sponsor official, the sponsor provided only activities and services that participants applied for and did not consider all available services because of the lack of staff. He also stated that, because of this situation, participants can make decisions which may be economically advantageous in the short term but not best for them in the long term.

A third sponsor had 12 intake centers for enrolling CETA participants, each of which also operated a service delivery program. Although the sponsor had 61 service delivery programs, the 12 intake centers referred about 67 percent of their applicants to their own programs. According to the sponsor, the 12 intake centers tended to fill their own programs first, even if the services they offered were not the most appropriate for the individual. For example, one participant came to an intake center seeking skill training. Without preparing an employability plan or considering any other program, the center placed this individual in its own 3-week job-search course. During the course, the center provided the participant with only one job interview, which was unsuccessful, and then terminated her. Unemployed, she said she was dissatisfied with CETA because (1) the intake center did not tell her what training was available, (2) the center pushed the job-search training on her, and (3) she did not get the training she needed.

The problems sponsors had in providing training to title II-D PSE participants further illustrate their failure to fully consider available services when planning activities that participants should receive. Concerns about this lack of training prompted the Congress in 1978 to establish new legislation requiring sponsors to increase training for PSE participants. We found, however, that many sponsors did not plan training for most of their PSE participants. Only 34 percent of our sampled PSE participants had training activities in addition to their PSE jobs included in their employability plan. Similarly, national ETA reports show that only 33 percent of all PSE participants received training in fiscal year 1980. In addition, many sponsors did not meet the minimum spending requirements for PSE training. The Congress required sponsors to spend 15 percent of their fiscal year 1980 PSE funds on training.

However, as figure 3.3 shows, only three sampled sponsors met this minimum. Information available for all sponsors in two ETA regions showed similar results. Such problems as employers not wanting to give participants time off for training or participants' refusing to take training contributed to this condition. However, in our opinion, the lack of training sponsors provided illustrates a more fundamental weakness of failing to use or view CETA as a comprehensive program--a program that can provide a wide range of services and activities to meet participants' needs.

#### Few transition plans prepared

Developing transition plans is important to assure that an employability development system achieves its purpose. But inadequate transition planning was perhaps the most serious weakness in the employability development systems we reviewed.

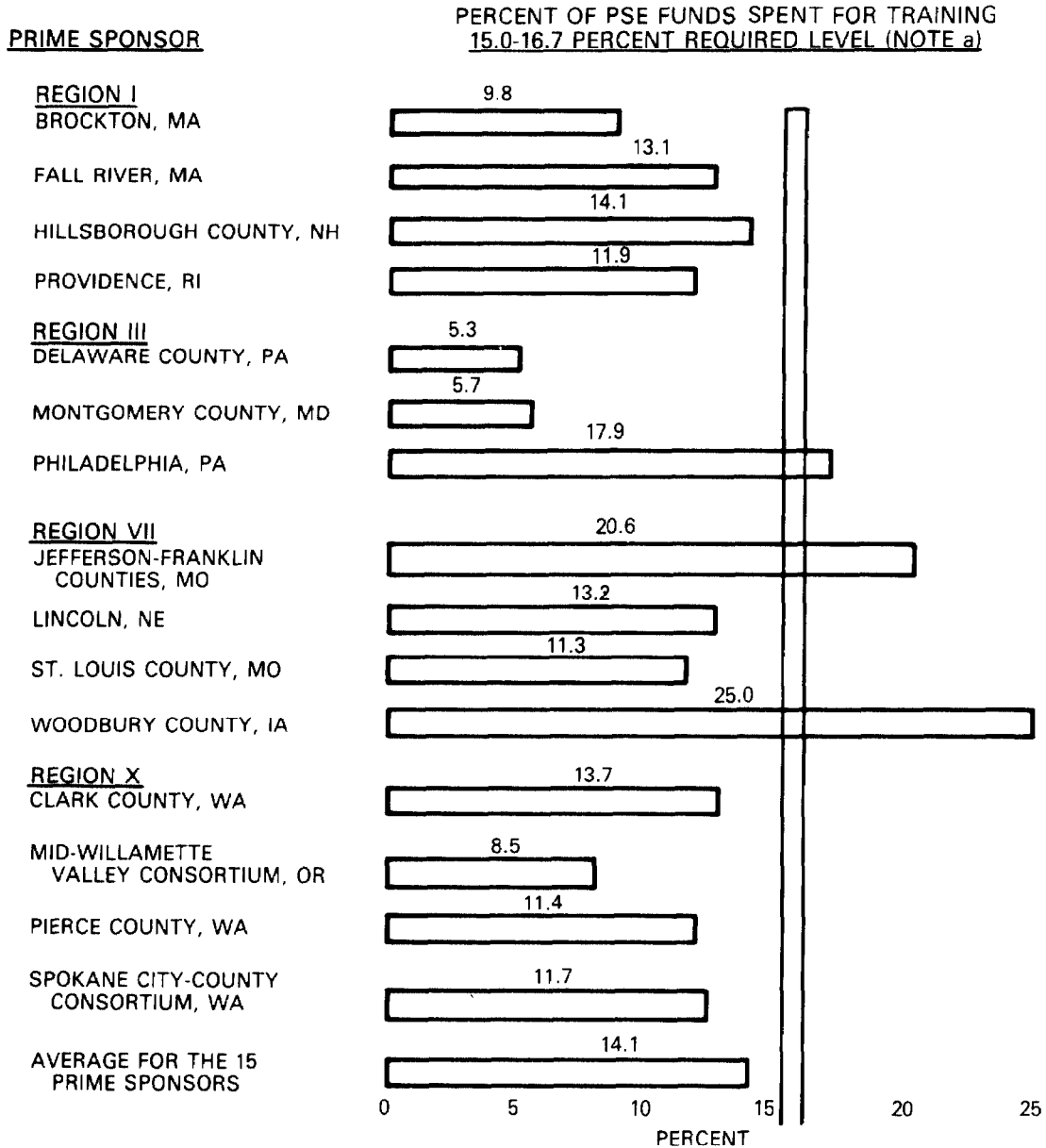
Sponsors prepared few transition plans, provided little training, and gave little assistance to participants in finding unsubsidized jobs. Many participants went through CETA title II programs without learning how to search for a job; as a result, they had difficulty finding unsubsidized employment. For example, one participant received 12 weeks of training in welding, but received no assistance in seeking employment. When we talked to the individual, he said he was unemployed and had no idea how to search for a welding job.

A participant at another sponsor had almost completed a secretarial training program when we talked to her. At that time she did not know how she would get a job when her training ended. She planned to go back on welfare.

In neither of these examples did the sponsor include a transition plan in the participant's employability plan. ETA's regulations require sponsors to include in each employability plan an individualized transition plan for moving the participant from program activities to unsubsidized employment. However, as figure 3.4 shows, an average of about 1 percent of the participants in our sample (excluding in-school youths) had an employability plan that included a good transition plan.

In our opinion, transition plans should describe how the participant will move from program activities into an unsubsidized job. For example, one good transition plan stated, "To obtain GED [General Equivalency Diploma], to continue OJT, and to complete AA [Associate of Arts] in Natural Resources and to apply promotionally for Ranger I." Another sponsor's good transition plan stated, "To participate in PRC [Pre-release Center] job clinic, to attend all life skills services, to contact various employers engaged in the repair and maintenance of automobiles, to attempt to locate employment." On the average about 7 percent of the participants we

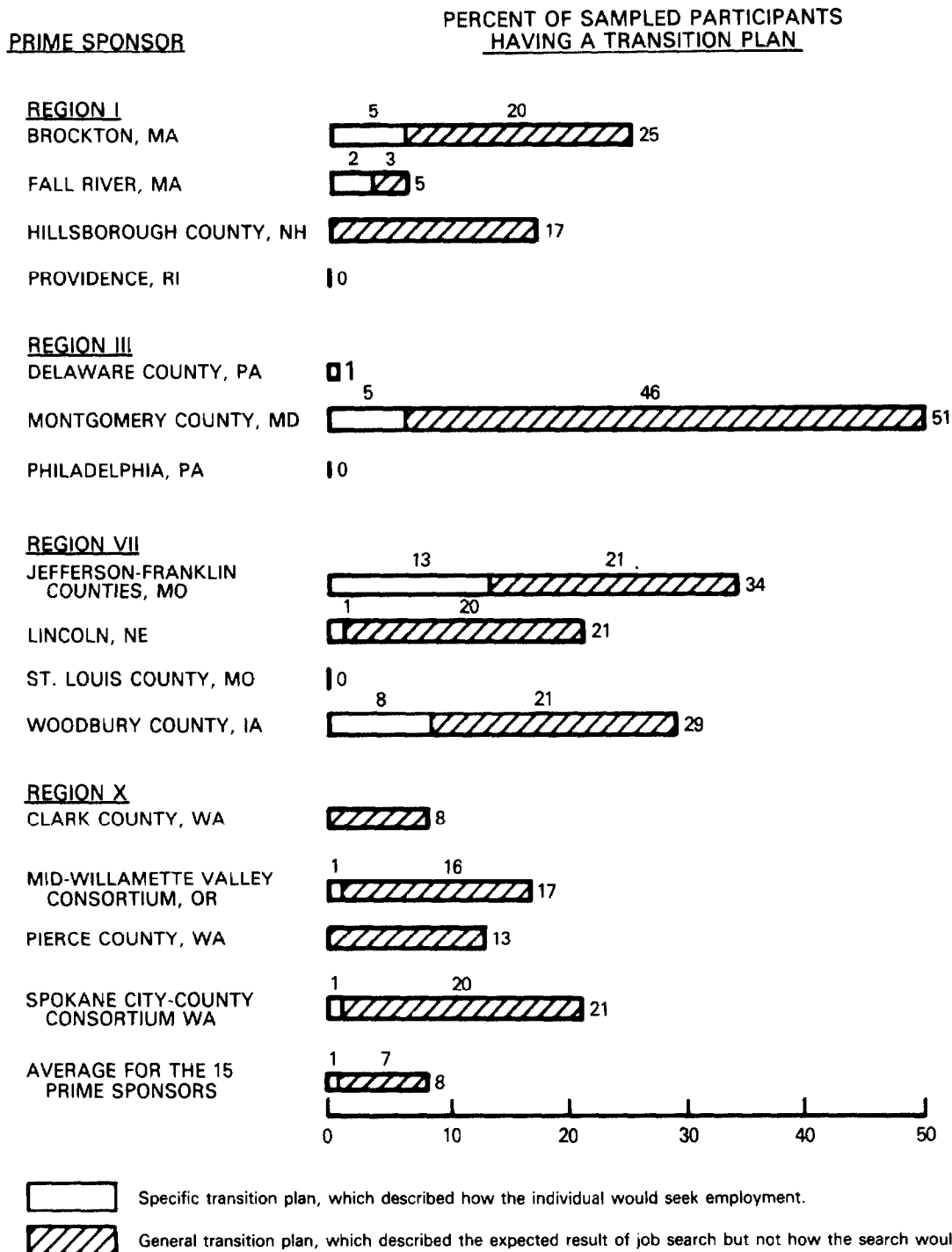
**Figure 3.3**  
**Spending to Provide Training to**  
**Title II-D PSE Participants**  
**Fiscal Year 1980**



a/ The percentage in this table was computed without including PSE funds transferred to the Administrative Cost Pool. Under Labor's instructions, the level to achieve in that event ranges between 15.0 and 16.7 percent depending on the amount the prime sponsor contributed to the Administrative Cost Pool.



**Figure 3.4**  
**Extent to Which 15 Prime Sponsors**  
**Prepared Transition Plans**



sampled had general transition plans, which frequently consisted only of such statements as "job referrals," "hope for placement at training facility," and "placement within the clerical field." We believe transition plans would be more effective if they specifically described how the individual will move from program activities to unsubsidized employment.

According to ETA and sponsor officials, the transition plan may, of necessity, be general when sponsors first prepare it, but should become more specific as termination approaches. However, we did not find that such improvement in transition plans occurred for the participants in our sample.

In the previous examples (see p. 25), the participants received no training in how to search for a job or help in finding a job. This is not unusual. Only 20 percent of the participants we sampled had employability plans which included transition training or placement help.

Our sample results also indicate that transition plans and activities increase a person's chances of obtaining unsubsidized employment. Terminated participants having at least a general transition plan had a placement rate that was 12 percentage points higher than those having no written transition plans. And terminated participants having transition activities included in their employability plans had a placement rate that was 16 percentage points higher than those with no such activities planned.

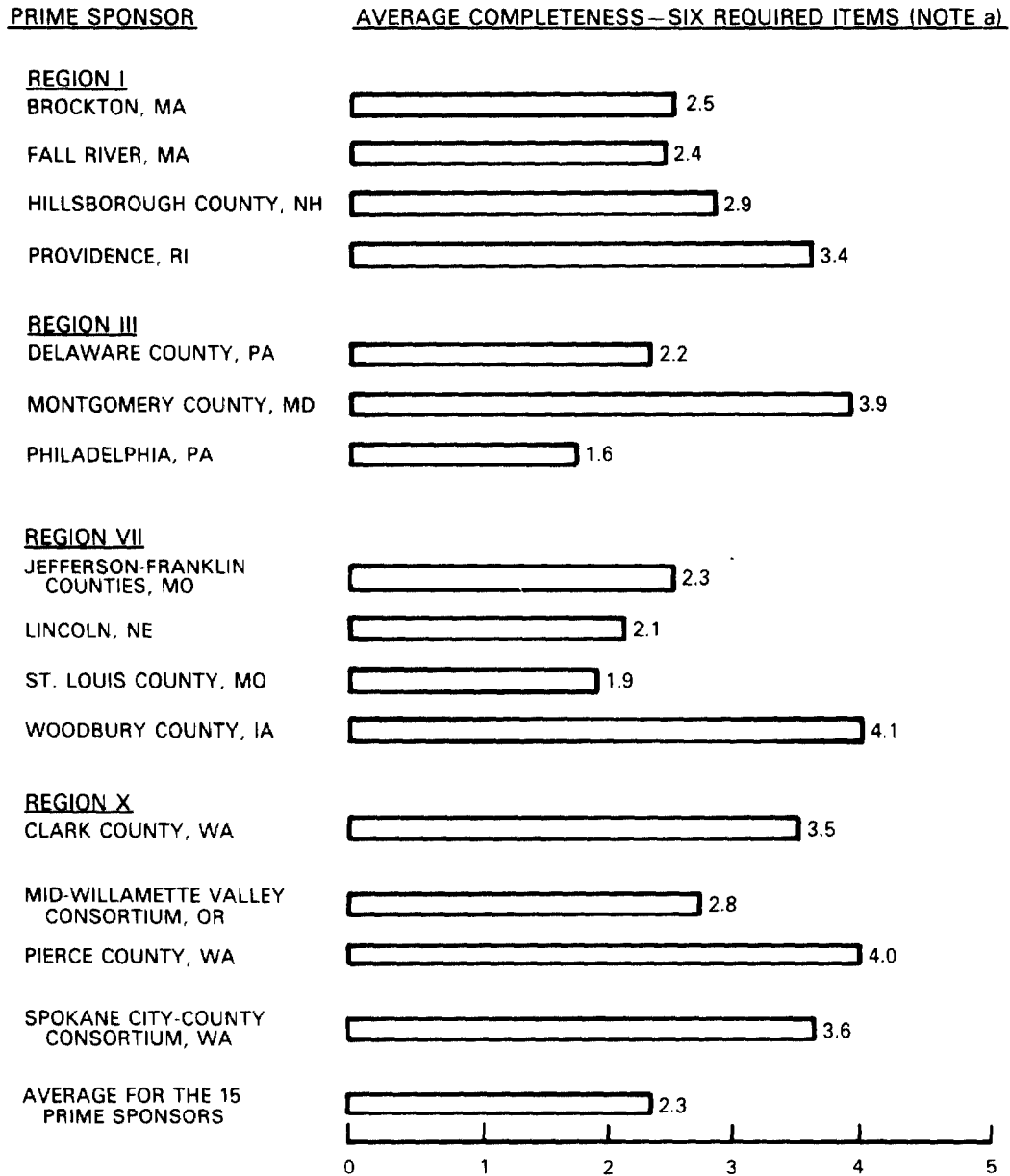
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Sponsors had problems preparing employability plans that met ETA's regulations. Figure 3.5 shows that, overall, the average plan included fewer than three of the six important items. These six items are

- the participant's outcome goal;
- the assessment information, such as skills or previous work history;
- the participant's employment barriers;
- the participant's specific employment and training needs;
- the specific services and activities the sponsor will develop and provide to the participant; and
- the transition plan.

Sponsors need to make significant improvement in their employability plans to comply with ETA's regulations. But compliance is not the only reason for preparing good employability plans.

**Figure 3.5**  
**The Quality of Employability Plans Prepared**  
**by the 15 Prime Sponsors We Visited**



a/ These six items were: program goal, assessment information, employment barriers, specific employment and training needs, specific services and activities to be developed and provided to the participant, and a transition plan.

Our sample results show that terminated participants whose employability plans contained five or six of the necessary items had a placement rate that was 18 percentage points higher than terminees who either had no plan or had a plan containing only one or none of the six items.

WHEN COMPLETED, EMPLOYABILITY  
PLANS OFTEN ARE NOT USED

Even when they prepared employability plans, many sponsors failed to use them properly. Too often, the sponsors filed the plans to prove they complied with the regulations and did not use them as a tool to help the employability development system achieve its goals. In addition, sponsors rarely revised their plans. As a result, the plans often contained an inaccurate list of the activities and services the participants received.

About 36 percent of the employability plans we reviewed had an inaccurate record of CETA services and activities. In some cases the plans omitted relatively minor services, such as transportation assistance or tools. In other cases the plans omitted major activities, such as PSE employment or OJT. Sponsors did not usually update plans when they provided participants with additional services. The plans of only 12 percent of the participants we sampled contained revisions.

As we indicated earlier, many more employability plans needed revision, either to correct discrepancies between the activities and services described in the plan and those received by the participant or to revise and update the transition plan. The few revisions made indicate that sponsors frequently do not review employability plans during the participants' involvement in CETA. In our opinion, sponsors should review the employability plan before changing the activities and services they provide participants; if any changes are necessary, sponsors should record those changes on the plan. In this way, sponsors would ensure that they fully consider all assessment information and previous program changes.

We believe sponsors could more fully use employability plans to improve performance. In our opinion, when sponsors use the plans as an ongoing tool, they should keep them updated and accurate. The terminated participants in our sample with employability plans describing all the services and activities they received had a placement rate 18 percentage points higher than those without a plan or having a plan that did not accurately describe their services and activities.

MANY PRIME SPONSORS FAILED  
TO PERIODICALLY REVIEW  
PARTICIPANT PROGRESS

The last element of an employability development system is to contact participants to assure their CETA experience is progressing as planned. ETA's regulations require sponsors to periodically assess participant progress, review the employability plan, and revise the plan accordingly. In examining whether sponsors complied with this requirement, we found that they often contacted only about two-thirds of the participants to assess their progress. As shown in the previous section, we also found that sponsors rarely reviewed and revised employability plans during participants' CETA experience.

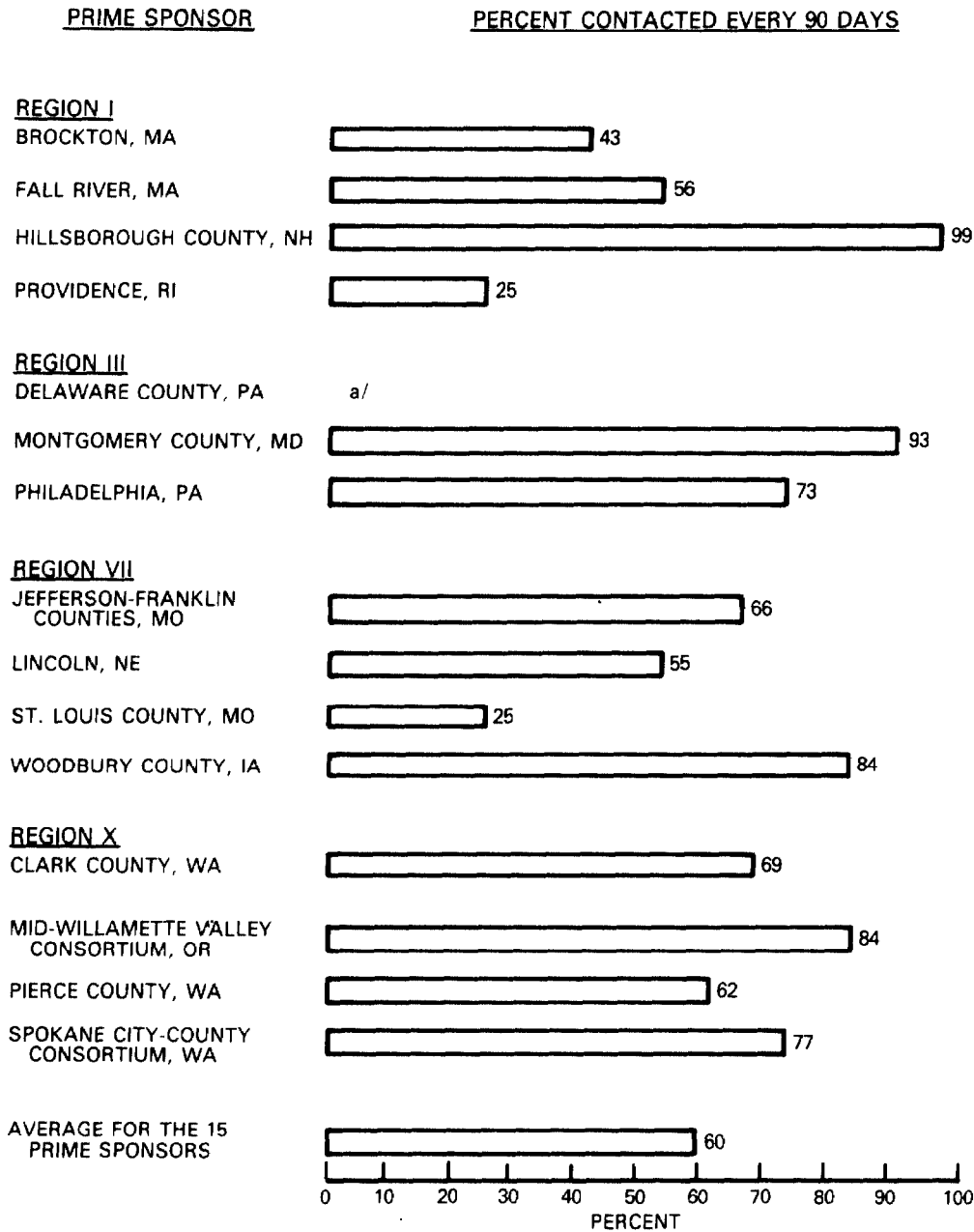
ETA's regulations do not specify the frequency of participant contacts for any program except work experience programs, in which sponsors (or their representatives) must review and document participant progress every 60 days. Based on our discussions with ETA staff members and sponsor officials, we believe that a documented progress review every 90 days would be appropriate for individuals in title II programs other than work experience. For example, 12 of the 15 sponsors we visited either required or recommended that contacts occur at least every 90 days.

However, while most sponsors required or recommended contacting participants every 90 days, they had problems achieving that level. Documentation showing such contacts existed for only 60 percent of the participants in our sample. (See fig. 3.6.) Based on our discussions with participants and review of their files, we found that sponsors usually documented these contacts.

The following examples demonstrate what can happen when sponsors do not make frequent contacts.

- One participant had been a PSE janitor for more than 8 years when we contacted him. The individual did not know he was enrolled in CETA, and had not been contacted by sponsor staff. He had no idea how he would find another job.
- Another sponsor's records showed that a participant was actively enrolled in a job placement program. Until we contacted her, no one had contacted her or provided any CETA-funded service for 5 months. We found she had obtained her own unsubsidized job and had been working at it for a month.
- Another sponsor terminated a participant from his PSE job after 7 months for excessive absenteeism. No evidence existed that the sponsor ever contacted this individual, even though the employability plan noted that he was mildly retarded and had an alcohol problem.

**Figure 3.6**  
**Percent of Documented Progress Review**  
**Contacts With Sampled Participants**



a/ This prime sponsor does not initiate contacts with participants. However, subcontractors were apparently making some contacts with them. We did not generally review files at the subcontractor locations. The small number of cases where we did make such reviews are included in the "average for the 15 prime sponsors."

The results of our sample indicate that frequent contact has a positive effect on participants. First, participants who told us that sponsors contacted them at least every 90 days during their CETA participation (60 days for work experience) had a placement rate 17 percentage points higher than the rate among those that prime sponsors did not contact this frequently. Participants who were contacted every 90 days also had higher rates of

--having all their activities and services listed on their employability plan (23 percentage points higher),

--receiving activities and services related to their employment goal (18 percentage points higher), and

--knowing how to search for a job (39 percentage points higher).

#### OTHER STUDIES FIND SIMILAR RESULTS

In a separate study ETA contracted for, the researchers found many problems when they examined the implementation of employability plans and related requirements of the 1978 CETA amendments. <sup>1/</sup> This study included only PSE participants, and its findings were based primarily on interviews conducted in June and July 1979, only 2 months after ETA published its regulations. The study found that 40 percent of the 28 prime sponsors visited considered the employability plan to be a paper exercise. The study also noted that some sponsors planned to contact participants only about once a year to review their progress and that 15 percent of the sponsors did not plan to contact participants at all.

In a followup study after 18 months of experience under the 1978 CETA amendments, the researchers' preliminary report contained the following:

"The usefulness of employability development plans in improving the assessment function was attested to by more than 60 percent of the sponsors interviewed. This is a more positive reaction than that found in our previous study made shortly after the new CETA went into effect; at that time about one-half considered EDPs worthwhile. In the view of these respondents, the EDPs result in programs that are better tailored to the needs of individuals. According to one field observer:

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<sup>1/</sup>Mirengoff, et al. (April 1980), pp. 135-136.

'The \* \* \* contribution of the EDP seems to be greater attention paid to the assessment process, with intake counselor and participant agreeing on a reasonable and appropriate program. The EDP enhances counselor sensitivity to the participant's needs and goals.'

"Those who do not see the EDPs as improving the assessment process complain about the added paperwork, demands for additional staff and the slowing of intake. They view the EDP as an unnecessary burden that is routinely performed simply to meet the formal requirements. As one field observer noted: 'They have improved assessment somewhat, but their impact on planning and operation has been nil \* \* \* the EDP starts out OK, but it is skewed to take advantage of whatever openings the prime sponsor has at the time \* \* \*.'" 1/

### CONCLUSIONS

Many sponsors responded to the requirements of the 1978 CETA amendments by preparing employability plans which they frequently did not use. Just preparing plans does little to improve the effectiveness of employability development systems and the placement of title II participants. The employability plan and related procedures by themselves do not directly improve participants' employability. However, when prepared and used correctly the plans can serve as a tool which enables the sponsor to use activities and services in a manner that maximizes their effectiveness. Many plans often lacked so much information that they were of little value. The usefulness of these plans was further diminished because sponsors often did not use them when choosing activities and services for participants and when reviewing participant progress.

Conversely, when sponsors correctly prepared and used the required assessment and employability planning procedures, more participants obtained unsubsidized jobs. Therefore, considering that ETA requires these procedures and that they can improve performance, the question can be asked, why have sponsors failed to fully implement them in their employability development systems? The causes of this condition are discussed in the next chapter.

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1/William Mirengoff, et al., "The CETA Experience: 1978-1980," Bureau of Social Science Research, Inc., preliminary report (April 1981), p. 70.



## CHAPTER 4

### MORE EMPHASIS SHOULD BE GIVEN TO

#### IMPROVING EMPLOYABILITY DEVELOPMENT SYSTEMS

Both ETA and prime sponsors gave little emphasis to implementing requirements of the 1978 amendments that were aimed at improving sponsors' employability development systems. As a result, sponsors often

- devoted little effort to employability planning,
- provided little training or technical assistance to their staff or subcontractors on employability plans, and
- did little monitoring or review of employability plans to assure they were implemented properly.

Similarly, ETA failed to assure that sponsors complied with the requirements of the act. ETA did not adequately

- monitor employability development systems,
- provide sponsors with training and technical assistance in employability development systems, and
- train its own staff to properly monitor and assist the sponsors with the implementation of the requirements.

However, in fiscal year 1981, both ETA and sponsors took actions which should improve employability development systems. ETA announced plans for improved technical assistance and training, and a few sponsors changed their employability planning procedures. While this is a good start, we believe that little substantial improvement will occur unless ETA and sponsors give higher priority to employability development systems.

#### SPONSORS PLACED LITTLE EMPHASIS ON PREPARING EMPLOYABILITY PLANS

Many sponsors gave a low priority to the task of preparing employability plans. Instead, they generally emphasized other requirements that carried greater financial penalties for noncompliance. As a result, some sponsors did not (1) spend very much time in preparing employability plans, (2) stress employability plans in their technical assistance and training efforts, and (3) identify weaknesses in their plans through their monitoring efforts. In our opinion, these conditions contributed to poor employability development systems.

After the Congress passed the 1978 amendments, many sponsors concentrated their early efforts on enrollment levels, eligibility verification, and other areas not directly associated with employability development. For example, one sponsor director told us that the sponsor delayed refining its employability plans until June 1980 because it was concentrating on the eligibility verification system. Officials at another sponsor stated that they had emphasized getting the "bugs" out of their intake process. Consequently, they gave employability planning a low priority. According to several sponsor and regional ETA officials, sponsors often gave employability planning a low priority because neglecting this area carried no penalties. Failing to meet enrollment levels or enrolling an ineligible person can bring significant financial penalties, such as a reduction in grant funds. However, not meeting a participant's needs or preparing a poor employability plan brings no financial penalty.

Sponsors did not provide enough  
time for preparing plans

The low priority many sponsors gave their employability plans affected the time they devoted to preparing the plans. Preparing plans that meet the requirements of the law and regulations takes time. One official estimated that 3 to 4 hours can be required to complete some plans. Several other officials pointed out that preparing plans is time consuming because the planning concept is foreign to many participants. The officials stated that considerable time and effort may be necessary to define career objectives and program goals for a participant. At one sponsor, officials stated that they had only 30 minutes available to complete the intake forms and employability plan for each participant. They added that, because of the time needed to complete the intake forms, they had less than 15 minutes available to complete the plan. These and other comments reflect the lack of priority that sponsors generally gave employability plans.

Sponsors did not  
provide enough training

Officials at six sponsors we visited cited inadequate training as a cause for their poor employability plans. Two sponsor managers assigned implementation of the employability plan requirements to their staff without any training or explanation of their purpose. The managers merely gave the staff a form to complete. One sponsor official stated that the staff received no explanation of the employability plan's purpose, and therefore the plan became just one more form to fill out when enrolling a participant. Another sponsor official stated that the employability plan had never become an active part of a counselor's work. Instead, counselors completed the form at enrollment and filed it. The official said that the staff reacted that way because sponsor

management told the staff to complete the form without explaining why. At these and other sponsors, staff members told us that they viewed the employability plan as required paperwork that got in the way of meeting participants' needs; therefore, they made as few comments on the form as possible.

In our opinion, the attitude of sponsor management at some locations hampered the training of their staff. During our visit, some sponsor officials still misunderstood the purpose of the plans. For example, sponsor officials told us that

--sometimes CETA can succeed, but only with counseling--not by filling out someone's idealistic document;

--many congressional requirements are just busy work, and officials treat them as such; and

--the 1978 CETA amendments created a lot of "form" requirements which are totally unrealistic. These requirements say that completing the paperwork will increase the participant's chances of obtaining unsubsidized employment.

One sponsor official said that his limited technical knowledge and a lack of time had prevented him from developing a training course on employability plans. At another location a sponsor official said that her lack of training contributed to her negative attitude toward employability plans.

#### Sponsors did not adequately monitor employability plans

Often sponsor managers did not critically evaluate the employability plans that their staff or subcontractors prepared, and few internal monitoring units reviewed employability development procedures in any depth.

Many sponsor officials told us that they usually did not review the quality of employability plans when evaluating the work of their staffs or subcontractors. For example, officials at one sponsor stated that they did not have the time or personnel free from higher priority work to devote to such reviews. Further, they had no reason to believe that any problems existed in their employability development system--so why expend the effort?

Similarly, most sponsors' independent monitoring units did not identify the problems that existed in employability plans. The 1978 CETA amendments required each sponsor to establish an IMU to monitor compliance with the act and ETA's regulations. IMUs are to visit sites and review program data to ensure sponsor

compliance. However, 8 of the 14 IMUs we reviewed had not examined the quality of employability plans as part of their monitoring duties. In many cases the IMU checked only to see that all participants had employability plans and did not evaluate the quality of those plans. For example, one IMU official stated that he looked at employability plans from a "blocks filled" standpoint and had not evaluated their quality or completeness. The reports that another IMU prepared show that the IMU merely discussed the employability planning process with staff. The IMU did not examine employability plans or verify the staff's comments.

A few IMUs made fairly good assessments of employability planning, the sponsors' periodic reviews, and other procedures when these areas were emphasized in their IMU review process. For example, one IMU reviewed 383 participant files to evaluate the quality of the sponsor's employability planning procedures. Another IMU used a checklist containing 18 questions on assessment and employability planning as part of its review. The reports that this IMU prepared reflected the detailed nature of its reviews.

#### A few sponsors improved their employability development systems

In late fiscal year 1980, a few sponsors we visited made changes to strengthen their employability development systems. The following examples illustrate some of the improvements we observed.

--In response to our comments about its systems, St. Louis County created a 15-member client services unit to (1) review and revise employability plans, (2) review work-experience participants' progress every 60 days and the progress of all other title II participants every 90 days, (3) refine and update transition plans, and (4) make placement and followup contacts with participants.

--Mid-Willamette Valley officials used our preliminary position paper (see app. II) and other information to redesign their employability development system. They created a new employability plan form and provided training to all their counselor staff. Appendix IV shows their original employability plan, and appendix V shows the form they were implementing in August 1980. In our opinion, Mid-Willamette Valley's new form more closely matched the intent of CETA and Labor's regulations than any other employability plan we saw.

Other sponsors sought to improve their employability development systems by instituting new procedures and instructions to increase the emphasis on transition planning or by asking ETA for

more training in employability development systems. However, less than half of the sponsors we visited had taken steps to improve their employability development systems.

ETA GAVE EMPLOYABILITY  
DEVELOPMENT A LOW PRIORITY

The little emphasis that sponsors gave employability plans resulted partly from the low priority ETA gave to improvements in employability development systems. ETA's policy directives, technical assistance, training, and monitoring were generally oriented to such areas as enrollment levels and eligibility verification, not to employability development systems. As a result, ETA rarely identified and corrected the weaknesses that existed in sponsors' systems.

The 1978 CETA amendments require Labor to continuously evaluate the ability of sponsors to meet participants' needs and deliver services to them. The amendments also require Labor to provide appropriate training and technical assistance to sponsors. ETA regional offices are responsible for implementing the act's requirements for the sponsors in their regions. The principal regional staff member interfacing with a sponsor is the Federal representative. According to ETA officials, essentially all plans, guidelines, and policies of ETA's national office funnel down to the Federal representatives for implementation.

However, ETA's national office gave employability planning procedures a low priority. Instead, after the Congress passed the 1978 CETA amendments, ETA emphasized enrollment levels, eligibility, IMUs, PSE wage levels, and other requirements not directly related to improving the employability of CETA participants. An ETA report 1/ stated in part:

"Many prime sponsors have experienced difficulty in developing and utilizing EDPs [employability plans]. The new EDP requirement was assigned a low priority for implementation by both ETA and prime sponsors, probably because it was less sensitive than other requirements, such as the establishment of an IMU and PSE training."

The national office's emphasis on matters other than employability development influenced regional office actions. Several officials from one region stated that, because the national office emphasized enrollment levels, expenditures, eligibility, IMUs,

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1/U.S. Department of Labor, "MATS: Blueprint for Action," Report (1981), p. 57.

and quarterly reviews, the regions similarly emphasized the same issues when dealing with sponsors. The officials added that Federal representatives have heavy workloads and cannot fully accomplish all they are responsible for. Therefore, they concentrate on the areas which are important to ETA management.

In turn, ETA's priorities affected the actions of prime sponsor management. According to several ETA officials from two regional offices,

"Sponsors will usually respond where national priority and emphasis is focused and it has not been on participant developmental concerns. Staff and resource allocations inevitably follow the overall program emphasis and this is on front-end enrollment numbers and administrative concerns in supporting the system."

One ETA program director told us he expected that we would find problems with prime sponsor employability development systems because ETA was not emphasizing this area. Instead, they were emphasizing PSE wage level limitations, eligibility verification, funding for PSE training, new reporting requirements, and other aspects of the 1978 CETA amendments.

ETA's monitoring gives little attention to employability development systems

The low priority ETA gave to employability development systems resulted in its staff paying relatively little attention to the systems in their monitoring efforts. As a result, their monitoring activities were generally inadequate to identify system weaknesses.

According to regional officials, ETA's primary means for identifying such system problems as poor employability planning has been its annual assessment. But in most cases this once-a-year review was insufficient to assure that each sponsor's employability development system operated properly. The annual assessment usually lasted from 1 to 5 days and involved about four to six regional staff members. The regional staff followed an annual assessment guide that the national office had prepared; however, this guide gave little attention to employability development systems. According to ETA officials from two regional offices,

"The overall emphasis placed on employability development concerns nationally can also be deduced

from the relative weight assigned to these areas in the recent annual CETA assessment effort. Less than 10 percent of the total assessment document related to this area. Of this 10 percent, the primary focus was on actual enrollment number compared to plan and on the EDP format utilized by the prime sponsor. Only a few questions (and points) out of several hundred had any substantive relationship to the quality of employability planning, plan reviews, or transition services, and none of these substantive areas were considered of critical importance in the assessment summaries."

In addition to the small part of the assessment devoted to examining employability development systems, the methods that ETA staff frequently used to examine the area were inadequate to identify many existing weaknesses. The staff generally reviewed too few files and often limited its review to only a small part of the sponsor's program. For example, at one sponsor, assessment documents showed that the ETA team measured compliance with the employability planning and periodic assessment requirements by reviewing only 13 files. At a second sponsor, the team reviewed only 15 cases. At a third sponsor, the team evaluated only one title II-B subcontractor's employability plans, even though all seven of the sponsor's title II-B subcontractors developed their own employability development systems independently of the others. In addition, none of the annual assessment documents we reviewed showed that ETA staff contacted participants during their review. Because of the differing participant needs and the many organizations and people involved in a sponsor's employability development system, we believe ETA's reviews are inadequate to assure that ETA identifies the major weaknesses that may exist in sponsors' employability development systems. In our opinion, in reviewing employability development systems, ETA staff should review many more files, review the major programs of the sponsor and its subcontractors, and contact at least some participants to assure their files are accurate and their needs are being met.

In our opinion, ETA's inadequate monitoring is the primary reason ETA has not identified the weaknesses in sponsor employability development systems that are discussed in chapter 3. ETA's annual assessments often overlooked serious defects in employability plans. For example, at one sponsor, ETA's assessment team found that the employability plans accurately listed the participants' activities and services; in contrast, we found that more than half of these plans contained errors. In another ETA region, an assessment team reported that a sponsor's employability plans included a transition plan. However, we found that about half the employability plans at that sponsor did not contain a transition plan. In a third ETA region, an assessment team found nothing wrong with a sponsor's employability plans. However, we found

that most of these plans did not fully describe employment barriers, the sponsor did not give participants a copy of their plans, and few plans contained transition plans.

Occasionally, ETA staff reviewed sponsor programs at times other than the annual assessment, but employability development systems were rarely the subject of such reviews. ETA officials recognized the importance of frequent monitoring visits to sponsors throughout the year to overcome some of the shortfalls of annual assessments. According to several regional ETA staff, however, the workload of Federal representatives allowed them little time for such visits and what little time they had was devoted to higher priority areas. Two Federal representatives, who together were responsible for three prime sponsors, told us that their responsibilities, coupled with their administrative duties, did not leave them enough time to ensure that these sponsors operated all their activities effectively and efficiently. They said that they could only react to the problems brought to their attention.

ETA's technical assistance  
and training in employability  
development systems were inadequate

Individuals from all levels of the CETA system--from sponsor staff and management to regional ETA officials--expressed dissatisfaction with the training and technical assistance provided on employability development systems. Many sponsors complained about the vagueness and inconsistency of the little technical assistance they did receive. In addition, they complained about the lack of content and poor timing of the training they received. Several regional ETA officials said that they did not receive the training and technical assistance they needed to provide technical assistance to and adequately monitor sponsors. Our preliminary position paper (see app. II) was the first information many sponsor and ETA officials had received that put the elements of the employability development system together and explained their purpose. Subsequently, in fiscal year 1981 ETA announced a new technical assistance and training program, which may eventually improve sponsors' employability development systems.

Technical assistance

ETA's technical assistance program has not met prime sponsors' needs in the area of employability development systems. In examining its technical assistance and training program, ETA found that it was "not fulfilling its responsibility for providing the quality



or quantity of technical assistance needed throughout the system." 1/ ETA's report said that Federal representatives should help sponsors implement ETA's policies and procedures. However, the report added that technical assistance was inadequate because their technical skills did not keep pace with the changes in CETA. According to the report, ETA did little to improve the proficiency of its staff. While Federal representatives were supposed to function as ETA's primary monitors and technical assistance providers, they were so overburdened with paperwork and lacked so much technical knowledge that they could not do a good job.

When ETA gave guidance to prime sponsors, it was not in the area of employability development. According to officials from two of ETA's regional offices,

"During fiscal 1979 and 1980 there have been literally hundreds of national directives, CETA regulatory matters, program policy, program assessment procedures, technical guides, etc., covering PSE buildups, youth programs, audit resolutions, contracts, fiscal, information systems, monitoring, and related program management concerns, but no one single document of any kind has been issued relating to the entire employability planning area. There is no unit in the CETA national office assigned this responsibility, and no task groups currently developing resources to address these concerns."

In fiscal years 1979 and 1980, ETA issued 867 memorandums to its regional offices and sponsors. In examining these memorandums, we found that none of them provided guidance relating to employability plans or any other aspects of the employability development system.

Officials at most of the sponsors we visited were concerned about the technical assistance they received. Some said that the available technical assistance was often inaccurate, late, vague, or inconsistent. For example, officials at one sponsor stated that they received only a suggested employability plan form when they sought assistance for improving their employability planning procedures. However, during the next annual assessment, ETA criticized them for using an inadequate form--the very form that the regional office had recommended to them. These

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1/U.S. Department of Labor, "Review Of The Employment And Training Administration's Technical Assistance And Training System" (1980), pp. 5 and 6.

sponsor officials told us that, after this experience, they did not have a favorable opinion of ETA's technical assistance.

We believe the response to our preliminary position paper further illustrates the need for specific technical assistance in employability development systems. We originally prepared the position paper to draw together the various requirements relating to employability development systems and to obtain the views of ETA and sponsor staff on what constitutes a complete employability development system. But many people used our document in their training courses or as a source of technical assistance for improving their own systems. For example, two sponsors followed the preliminary position paper in revising their employability planning process. Another two asked permission to use the paper in training their staff or subcontractor staff. Several sponsor officials stated that our paper provided them with some of the best guidance and assistance in employability plans that they had received.

ETA responded to our preliminary position paper in much the same way. Two regional offices we visited incorporated the paper into their employability plan training course. In addition, one of ETA's major training consultants incorporated the paper into its employability plan training course.

### Training

ETA's training program has been inadequate in the employability development area. ETA's report on technical assistance and training <sup>1/</sup> stated that ETA was not providing enough training to assure that the national office, regional office, sponsor, and subcontractor staff possessed the skills, the knowledge, and the competency they needed to operate the CETA system.

Many sponsor officials said that the training ETA offered to them did not meet their needs. They described the textbook nature of some courses, the vague presentations on specific requirements of the law and regulations, the elementary nature and simplicity of some courses, the poor timing of some training courses, and their inability to get the training they wanted. Officials from one sponsor stated that ETA often hires consultants to conduct training courses who have not experienced the practical aspects of CETA. Regional ETA staff stated that Federal representatives lack the time to be course instructors or to attend training courses themselves. In addition, no benefits accrue to Federal representatives for being involved in training. When they participate, their work piles up until they return.

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<sup>1/</sup>U.S. Department of Labor (1980), pp. 9 and 10.

The training that ETA provided to Federal representatives often inadequately covered the specific requirements of the law and regulations. This often hindered their ability to monitor and assist sponsors. According to one ETA official, because of inadequate training, each staff member has his or her own perception of evaluating how sponsors comply with the regulations. Another ETA staff member told us that the staff often does not understand what it is looking for while monitoring; as a result, each one interprets the requirements differently. Similarly, sponsor officials complained that the ETA staff who monitored their program did not adequately know how to implement CETA's requirements. For example, one sponsor official said that, during an annual assessment, a Federal representative told him that the sponsor's employability plan form was wrong, but could not tell him what was wrong with the form or how it could be fixed.

In a few cases, ETA's training in employability development systems has brought about some improvement in sponsors' systems. For example, one sponsor official stated that, after he received training, he planned to spend a half day with his staff just discussing the philosophy of employability planning. An official at another sponsor stated that, after receiving training, she developed a course in employability planning for the rest of the staff.

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In fiscal year 1981, ETA took several actions that should improve the technical assistance, training, and monitoring given employability development systems. As we noted earlier, ETA's report 1/ criticized the technical assistance and training programs. This and other reports stimulated action by ETA. In early fiscal year 1981 ETA issued a new action plan. 2/ The plan described how a new Office of Management Assistance placed management assistance staff in ETA's regional offices. This action put specialists closer to sponsors and eased the burden on Federal representatives. Federal representatives are no longer responsible for providing management assistance. Instead, their role is now to monitor program performance. The action plan also recognized that ETA did not have the capability to provide most of the technical assistance that sponsors needed. It described plans for ETA to prepare a technical assistance guide and stressed that ETA should use other sponsors and local organizations to provide needed technical assistance because they have the greatest expertise.

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1/U.S. Department of Labor (1980), pp. 5 to 11.

2/U.S. Department of Labor (1981), Executive Summary, pp. 2 to 8, and 11; Report, pp. i and 21; Appendices, p. IV and 9.

ETA would then serve as a broker, coordinating and arranging for appropriate assistance.

In addition, the action plan outlined a new training program. In fiscal years 1981 and 1982, ETA plans to develop about 30 national core training courses, with 21 of the courses to be developed in fiscal year 1981. Included is an employability development course. As of August 1981, an ETA official said that most of the 21 courses had been completed or would be completed by the end of fiscal year 1981. He stated that about 6 courses, including the employability course, would not be completed until about December 1981. This training program stressed more local involvement, with more courses to be provided at the sponsors' facilities rather than at ETA's regional offices.

In fiscal year 1981 ETA began a Federal representative training program, which should eventually address some of its monitoring problems. In November 1980, Federal representative training began on the first of five modules--Grants Management: Administrative Skills. Training on the second module, Systems and Management Analysis Skills, began in May 1981. ETA plans to begin Grants Management--Legal Skills training in November 1981, Coordination and Linkage Skills training in February 1982, and Monitoring and Assessment Skills training in May 1982.

#### CONCLUSIONS

ETA and sponsors both are responsible for inadequate employability development systems. Both failed to give the employability development requirements of the 1978 amendments a high enough priority to ensure that sponsors implemented the requirements for developing effective employability development systems. The low emphasis contributed to

- insufficient time devoted to carrying out employability planning tasks,
- inadequate training and technical assistance to teach ETA and sponsor personnel the purpose of the new requirements and how to implement them, and
- inadequate monitoring to ensure the requirements were effectively carried out.

ETA's recent efforts to improve training, technical assistance, and monitoring are steps in the right direction. However, ETA must demonstrate through its actions that developing good employability development systems is important and is a high priority if the efforts are to produce needed improvements in most prime sponsors' systems.

## RECOMMENDATIONS

We recommend that the Secretary of Labor make sure that each sponsor has an effective employability development system. Specifically, the Secretary should:

1. Stress effective employability development systems as a high priority area.
2. Direct the Assistant Secretary for Employment and Training to see that every sponsor's staff, including management and IMU personnel, is adequately trained in employability development systems, through either the planned course on employability plans or other training, and that this training include
  - the purpose of employability plans and their relationship to the basic elements of employability development systems,
  - the legal requirements applicable to employability plans and development systems,
  - the advantages of having good employability plans,
  - how to use employability plans as an ongoing planning tool, and
  - how to prepare employability plans.
3. Direct the Assistant Secretary to improve technical assistance by making sure that
  - the planned technical assistance guide on employability plans includes (1) information on the five areas mentioned in the recommendation dealing with the planned training course, (2) model employability plans and examples of completed plans, and (3) guidance for sponsor management and IMU personnel on how to monitor employability development systems, with emphasis on the importance of contacting participants as part of the monitoring process; and
  - ETA's regional staff is qualified to help sponsors develop effective employability development systems.
4. Direct the Assistant Secretary to improve monitoring by seeing that
  - both ETA staff and IMU personnel give more attention to monitoring employability development systems;

--the planned monitoring training for Federal representatives covers employability development systems and provides detailed guidance on how to monitor these systems and employability plans; and

--IMU personnel are adequately trained to monitor employability development systems, including employability plans.

LABOR'S COMMENTS AND  
OUR EVALUATION

Labor's comments on a draft of this report are included as appendix VII.

Labor concurred with our recommendation to stress effective employability development systems as a high priority area. Labor stated that it shares our view on the importance of effective employability development systems. To emphasize this fact, ETA is preparing a field memorandum to its regional offices and CETA prime sponsors stressing that sound employability development systems are a high priority and defining action steps to insure that these systems receive proper emphasis in prime sponsor programming and in regional office review of prime sponsor operations. In addition, Labor stated that it selected employability development planning as an area where training and technical assistance was needed. As pointed out in this report, one of the national core training courses is to cover employability development.

Labor also agreed with our recommendations pertaining to the contents of its training programs. Labor stated that the Department has entered into a contract for the national core training course on employability development. To the extent that our suggestions for content are not already included in the course, Labor said it intends to work with the contractor to revise the training package. Labor noted that the course is geared to intake workers, but stated that management and IMU staff may benefit from the training, to the extent they can be spared from other essential tasks.

Labor agreed with our recommendations pertaining to the content of the planned technical assistance guide and stated that it has already entered into a contract for this guide, which it expects will be completed in December 1981. Labor also said it will work with the contractor to incorporate any of our suggestions which are not highlighted. With regard to our recommendation for ensuring that ETA's regional staff is qualified to help sponsors develop effective systems, Labor pointed out that its contractor will be training the regional staff on the employability development course, and the regional staff will be training the prime sponsors.

Labor concurred with our recommendations to improve monitoring and stated that it intends to continue to monitor employability development systems. Labor also believes the training and technical assistance guide on employability development systems will serve to improve prime sponsor staff monitoring abilities. The Department added that the gains of this training should help offset reductions in prime sponsor staff resulting from the lower levels of funding for CETA. In addition, Labor said it will ensure that guidance on monitoring employability development systems is made a part of Federal representatives' training.

We believe Labor has responded positively to our recommendations. We realize that some delays or difficulties may arise in implementing them because of the recent budget reductions and resulting changes in program administration. However, continued emphasis to improving prime sponsors' employability development systems should help resolve the problems identified in this report.

#### PRIME SPONSORS' COMMENTS AND OUR EVALUATION

All 15 prime sponsors whose activities we examined were given the opportunity to review and comment on a draft of this report. We received written replies from 7 of the 15 in time for consideration during final preparation of this report. (See app. VIII.) Generally, the prime sponsors either concurred with our findings and conclusions or offered no comments. Three sponsors reported actions subsequent to our fieldwork which they believe have helped improve their employability development systems.

One sponsor stated that the overall theme of our report implies that all prime sponsors have weak employability development systems and are not meeting the training needs of their participants. Our message is not that every aspect of each prime sponsor's system is weak, but that improvements can be made in many areas at different locations, such as those shown in figures 3.1, 3.4, 3.5, and 3.6. While some prime sponsors' performance is better than others, we believe our data show trends that indicate needed improvements in employability development systems.

REVIEW METHODOLOGY

Because many past problems in moving participants into unsubsidized employment stemmed from weaknesses in prime sponsors' employability development systems, we sought to determine what effect the 1978 CETA amendments had on these systems. We reviewed the implementation of aspects of the amendments that could directly or indirectly affect employability development systems or the movement of title II participants into unsubsidized jobs. These aspects included the requirements relating to developing employability plans, establishing independent monitoring units, coupling PSE jobs with training, reducing wage levels paid to PSE participants, limiting participants' time in title II activities, and targeting title II programs to the economically disadvantaged.

To aid in our review, we developed a "Preliminary Position Paper" on employability development systems. (See app. II.) We prepared this document based on our review of the 1978 CETA amendments and ETA's implementing regulations and on input from ETA officials in region X and Washington, D.C. The document was designed to summarize the portions of the law and regulations that relate to the elements each sponsor should have as part of its system for giving participants the help they need to improve their employability and move into unsubsidized jobs. We used the position paper as criteria against which to review each sponsor's employability development system. During our fieldwork, we obtained further input on the position paper from officials at the 15 sponsors and the 4 ETA regional offices.

Between February 1980 and February 1981, we reviewed the implementation of the 1978 amendments at 15 sponsors. We judgmentally selected these sponsors based on criteria that provided for (1) a geographic spread of locations throughout the Nation, (2) different types of sponsors (for example, city, county, and consortium), (3) different sized sponsors, and (4) varying past performance in moving title II participants into unsubsidized jobs--low, medium, and high. As the following table shows, the 15 sponsors, located in 10 States and 4 of ETA's 10 regional offices, spent almost \$84 million during fiscal year 1980 on title II programs.



15 Prime Sponsors Reviewed

<u>Labor region</u>	<u>State</u>	<u>Prime sponsor</u>	Title II expenditures for fiscal year 1980 (note a)
I Boston	Massachusetts	Brockton Manpower Consortium	\$ 2,978,000
		Fall River Consortium	3,155,000
	New Hampshire Rhode Island	Hillsborough County	1,938,000
		City of Providence	3,694,000
III Philadel- phia	Maryland	Montgomery County	2,343,000
	Pennsylvania	Delaware County	8,576,000
		City of Philadelphia	36,394,000
VII Kansas City	Iowa	Woodbury County	955,000
		Jefferson/Franklin Counties	2,684,000
	Missouri	St. Louis County	6,698,000
		Nebraska	City of Lincoln
X Seattle	Oregon	Mid-Willamette Valley Consortium	3,709,000
	Washington	Clark County	1,904,000
		Pierce County	3,370,000
		Spokane City-County	<u>4,823,000</u>
		Employment and Training Consortium	
Total			<u>\$83,994,000</u>

a/Excludes charges made to the administrative cost pool.

At each sponsor we took a random sample of participants involved in title II programs sometime between October 1, 1979, and March 31, 1980. The sample was intended primarily to (1) document how well sponsors were carrying out new title II requirements (such as those relating to employability plans, time limits, and coupling training with PSE jobs) and (2) determine whether problems existed in moving the participants into unsubsidized jobs. We originally sampled 70 participants at each location. However, at Jefferson/Franklin Counties we sampled 40 additional participants and at Woodbury County we sampled 45 additional people because the original samples were taken from incomplete lists of title II participants. Thus, the samples from all 15 prime sponsors totaled 1,135 participants. In reviewing the files, we found that about 30 percent (338) of the participants were listed as "active" in title II programs and the other 70 percent (797) as "terminated."

For each sampled participant we obtained information from the sponsors' files. This information included personal background data, such as age and education; type of programs in which enrolled; length of participation in title II and CETA; information on factors included in or excluded from the participant's employability plan; and, if terminated, whether the participant had moved from program activities into an unsubsidized job.

We interviewed 478 of the sampled participants to determine their actual employment status and the problems they had or were having that would affect the success of their title II activities and/or their movement into unsubsidized employment. At six sponsors (Jefferson/Franklin Counties, Philadelphia, Pierce County, Providence, St. Louis County, and Spokane City-County) we tried to contact the 70 participants originally sampled. However, time constraints prevented us from doing this at the other locations, where we limited our contacts to 15 participants selected at random from the original sample. The 478 participants we interviewed constitute 61 percent of the 786 participants we tried to contact.

We used a computer to compile the sample results for each sponsor and for all 15 sponsors combined. In compiling the combined results, we weighted the results for each prime sponsor by its relative size. To determine size, we used the number of title II participants each sponsor served between October 1, 1979, and March 31, 1980. We used these weighted results in our report because we believe they best represent the combined results for all 15 sponsors. However, since the combined results give more weight to large sponsors, particularly Philadelphia, we also analyzed combined results on an unweighted basis. This analysis was done to ensure that our findings were not inappropriately skewed by the large sponsors and the resulting higher weights.

We found that the use of weighted results shows a somewhat more adverse condition than the unweighted results, but the unweighted results show the same basic trends and, therefore, do not change our overall findings or conclusions. For example, using the weighted results, 26 percent of the participants we contacted did not have their employment and training needs met. (See p. 10.) The unweighted results show 23 percent. Similarly, the weighted results show that terminated participants whose employability plans contained five or six of the necessary items had a placement rate that was 18 percentage points higher than the terminated participants who either had no plan or had a plan containing only one or none of the six items. (See p. 30.) The unweighted placement rate was 10 percentage points higher. In addition, when we cited placement rates, we excluded in-school youths from our calculations because moving into unsubsidized employment is usually not their desired objective.

The sample results pertain only to the 15 sponsors we reviewed. Because we reviewed relatively few sponsors and took a judgmental

sample, statistically valid projections to all sponsors nationwide cannot be made from our sample. On the other hand, we have no reason to believe that the 15 sponsors we reviewed are atypical or that the sample results would be materially different if a nationwide sample were taken. In fact, reports and studies by us and other organizations show the same kinds of problems we identified in this review. Therefore, we believe the range and variability of our findings are likely to exist at other prime sponsors.

At the 15 locations, we and sponsor officials discussed their title II programs and the effect of the 1978 CETA amendments on their transition performance. In addition, we discussed some preliminary findings and obtained their reasons for any significant problems that surfaced from our sample, discussions with officials, or reviews of their reports and performance statistics.

We also discussed our findings with officials at the four ETA regional offices and ETA headquarters. These discussions focused on identifying ETA-level causes that contributed to the problems we identified at the sponsors.

To add national perspective to our review, we analyzed national statistics for title II and reviewed various reports on title II programs that ETA, we, and others have prepared. (See app. VI for a bibliography.)

PRELIMINARY POSITION PAPER 1/MANAGEMENT SYSTEMS FOR EMPLOYABILITY DEVELOPMENT

The primary purpose of title II is to provide employment and training programs which improve participants' employability and enable them to secure and retain unsubsidized jobs and increase their earned income.

The Comprehensive Employment and Training Act amendments of 1978 significantly changed CETA legislation. Many changes in the act and in Labor's implementing regulations were aimed at improving the employability of title II participants and overall program effectiveness. For the first time, the Congress placed limits on the length of time participants can remain in CETA. These changes, especially the time limits, enhance the need for prime sponsors to have a management system which plans and implements activities that meet the participants' employability development needs and helps them obtain unsubsidized jobs within a specified time period.

The 1978 CETA amendments and Labor's implementing regulations include several requirements which establish the framework for this management system. The basic elements of this framework include

- an assessment to determine if applicants are eligible, and if they can be provided the services and activities they need to obtain unsubsidized employment and increase their earned income;
- an employability development plan (EDP) which assures that each participant's employability development is thoroughly and accurately planned;
- a program which provides for the delivery of the activities and services identified in each participant's EDP through the use of all available CETA and community resources; and

---

1/We prepared this preliminary position paper to draw together the various requirements relating to employability development systems and to facilitate gathering the views of ETA and sponsor staff on what constitutes a complete employability development system. We received many comments on the paper's statements. However, we decided not to finalize the paper, because we believe ETA, not us, should provide the formal guidance on the basic framework of the employability development system and the detailed criteria each sponsor's system should meet.

--a progress review which assures, through periodic participant contacts, that a participant's EDP remains accurate and that the participant's employment and training needs are met, if possible, within the program time limits.

In the following paragraphs, we list several specific criteria which we believe each prime sponsor's management system should use to conform with the law, regulations, or good management practices. Prime sponsors may delegate these activities to a program agent or subcontractor. Therefore, wherever the term "prime sponsor" is used, it includes program agents, subcontractors, or other representatives of the prime sponsor. We have grouped these criteria statements under the four element categories outlined above.

#### Assessment

1. Each prime sponsor should assess applicants to assure that
  - a. it enrolls only eligible applicants, 1/
  - b. it serves in major employment and training activities only those persons who need additional employment and training services to achieve their employment goal, and
  - c. it serves in major employment and training activities only those persons to whom CETA can provide the services or activities needed to obtain unsubsidized employment and to increase earned income.

#### Employability development plans

1. A prime sponsor should complete an EDP for each title II participant.
2. A copy of the EDP should be in each participant's permanent file.
3. The participant should be involved in preparing his EDP.
4. The EDP should show that the participant was involved in preparing the plan and agreed with what it says, by either his or her signature or some other means.
5. The participant should have received a copy of the EDP.

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1/Eligibility is required as part of the enrollment process; however, we did not review participant eligibility as part of this review.

6. The prime sponsor should complete an EDP before a participant reports to work on a CETA job or attends CETA training.
7. After considering all the information in a participant's EDP, the reader should know:
  - a. The participant's major skills relating to his or her employment goal.
  - b. The participant's interests and career objectives.
  - c. The planned result of the individual's CETA involvement (the employment goal).
  - d. The participant's readiness for an unsubsidized job consistent with his or her employment goal.
  - e. The barriers that limit or prevent the participant from achieving his or her employment goal. Identifying these barriers should go beyond just a "box checking" routine. The factors should be personalized. For example, just checking a box labeled "handicapped" would be insufficient; the EDP should also explain the handicap and state how it limits or prevents attaining the employment goal.
  - f. The specific employment and training needs of the participant.
  - g. The specific activities in which the individual will participate and the specific services the participant will receive.
  - h. How this particular individual will move from program activities into an unsubsidized job consistent with his or her employment goal (not applicable to in-school youths). At enrollment, a prime sponsor may have only a general plan or philosophy for how this participant will obtain unsubsidized employment. However, this plan should become more specific as time passes.
8. The employment goal for all participants, except in-school youths, must be to obtain an unsubsidized job. For in-school youths, the program activities must contribute toward their future employability.
9. The employment goal (except for in-school youths) should be in an occupational field for which there is a reasonable expectation of employment.

10. A participant's EDP should address the employment barriers and training and employment needs. This should be accomplished through appropriate links to available CETA and non-CETA (community) activities and services.
11. The transition plan should cover a participant's entire experience in CETA, not just his or her first employment or training activity.
12. A participant's EDP should usually include plans for receiving job-search assistance, job development and placement services, and/or other activities and services which would help him or her obtain unsubsidized employment.
13. All dates in an EDP should be within applicable time limits.
14. All EDP information should be accurate.
15. Participants should be familiar with the contents of the EDP.

Generally they should know

- the activities in which they will participate,
- the activities for which they are responsible,
- the time frames for completing the activities,
- when their time for participating in CETA will expire, and
- how they will obtain an unsubsidized job.

#### Service delivery

1. The activities and services that a participant has received or is receiving should agree with his or her EDP.
2. A participant's current employment and training activities should meet at least one of his or her employment and training needs.
3. Prime sponsors must be able to refer participants to the full range of available CETA and non-CETA services.
4. CETA worksites should provide a good work atmosphere. The sites should have good supervision, sufficient work, relevant work, and other conditions which encourage participants to acquire good work habits.

Participant progress reviews

1. All participants should know which CETA counselors or staff members will assist them through program activities and how to contact them.
2. Prime sponsor staff should periodically contact all title II participants.
3. The prime sponsor should review each participant's progress at least every 90 days.
4. For work-experience participants, the prime sponsor should make this review at least every 60 days.
5. The prime sponsor should document this review.
6. The documentation should include information on the participant's progress, problems, and continuing need for CETA training and employment.
7. During this review, the prime sponsor should evaluate the participant's progress in relation to that expected in the EDP and against program time limits.
8. During this review, the prime sponsor and the participant should discuss any problems that the participant is having which affect his or her employment or training.
9. During this review, the prime sponsor should reach a decision on whether the participant should (a) continue his or her activities as planned, (b) add or delete any activity, service, or program, or (c) obtain unsubsidized employment.
10. As a result of this review, the prime sponsor should revise the EDP as appropriate. Note that soon after enrollment, only the general plan or philosophy covering the planned transition may be known. However, as time goes by, the transition plan should become more specific.
11. Appropriate CETA officials should have up-to-date information on the length of time each individual has participated in CETA programs and has remaining until reaching a time limit.
12. No participant should exceed a required time limit.
13. At least 2 weeks before reaching a mandatory termination time limit, the prime sponsor should send each participant a written notice of his or her pending termination.



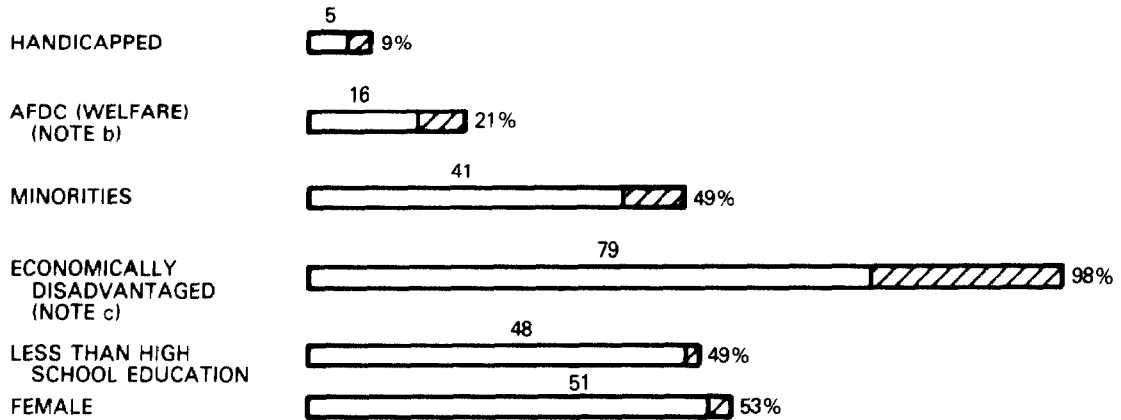
14. The prime sponsor should place a dated copy of this termination notice in the participant's permanent file.

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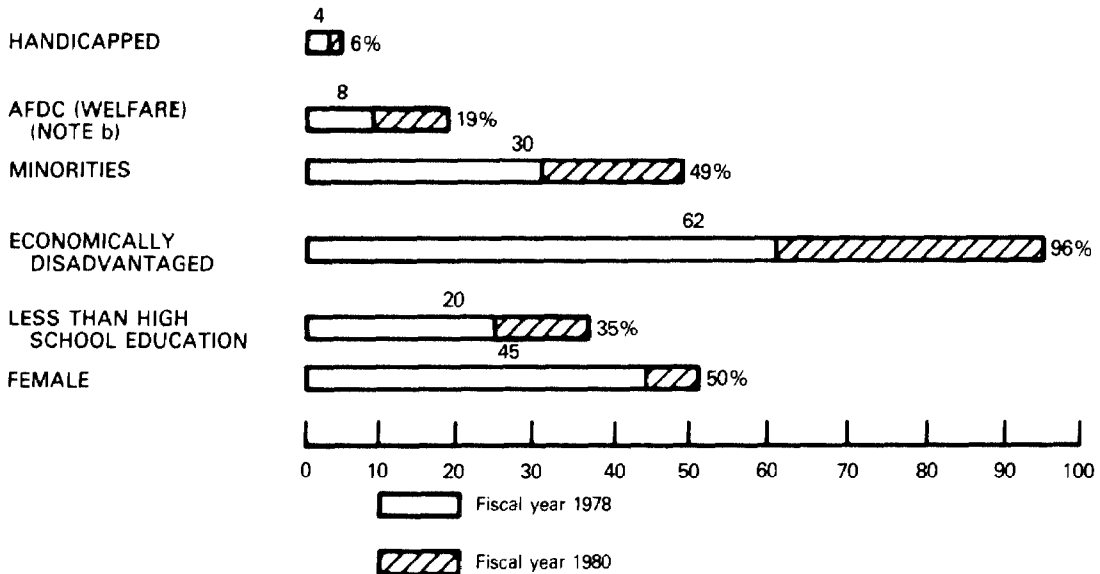
In conclusion, we believe that prime sponsors who meet most of these criteria statements have management systems which (1) meet the requirements of the law and regulation and (2) satisfy the intent of the CETA legislation for maximizing the benefits that individuals receive from CETA employment and training experiences.

National Changes in Participant Characteristics  
For Titles II-B and II-D  
For Fiscal Years 1978 and 1980

TITLE II-B  
(NOTE a)



TITLE II-D



- a/ The title II-B data are preliminary and exclude two sponsors—New York City and Nassau County.
- b/ Aid to Families with Dependent Children.
- c/ Before 1978, "economically disadvantaged" was defined by the applicant's being a member of a family whose annual income in relation to family size and location did not exceed the poverty level as defined by the Office of Management and Budget. Today the determination is based on the poverty level or 70 percent of the lower living standard income level of the Bureau of Labor Statistics, whichever is higher.

Initial Mid-Willamette  
Valley Employability Plan

Mid-Willamette Valley Manpower Consortium  
Education and Training  
Employability Development Plan

Enrollee Name \_\_\_\_\_ SS# \_\_\_\_\_

Assessment of Present Situation:

Barriers to Employment:

Training Timetable:

Beginning Date	Ending Date	Changes

GAO Note: This is Mid-Willamette Valley's original form which does not meet Labor's requirements. See appendix V for the new form.

Revised Mid-Willamette Valley  
Employability Plan

MID-WILLAMETTE VALLEY CONSORTIUM

EMPLOYABILITY DEVELOPMENT PLAN

1. Participant Name: \_\_\_\_\_ 2. Social Security # \_\_\_\_\_

3. CETA Expiration Date: \_\_\_\_\_

4.  Occupational Assessment and/or Vocational Evaluation  *Indicate those which relate to Occupational Goal (#8 below) with asterisk	Interests/Aptitudes/Skills	Education/Certificates
		Other Manpower Training Programs
5.  Identification of Employment or Advancement Barriers and their Impact on Occupational Goal		
6.  Supportive Service Needs and Providers		
7. Self-Sufficiency Wage: \$ _____		
8. Career/Occupational Goal:		9. Job Code (SOC):
10. Demand Occupation: _____ Yes _____ No If no, justify:		

GAO Note: Mid-Willamette was completing this form during our August 1980 visit.

Participant Name: \_\_\_\_\_ Social Security # \_\_\_\_\_

11. Program Services Relative to Employment and Training Needs	12. Training Objectives	13. Performance Expectations

TRANSITION PLAN

14. CETA Program Services	Date to Enter	Time Limitations
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____

15. Unsubsidized Employment Assistance Plan	Date to Enter	Time Limitations
1. Job Seekers' Workshop	_____	_____
2. Job Search Activity	_____	_____
3. Other _____	_____	_____

<p>16. Unsubsidized Job Placement Activities</p> <p>1. Placement Objective: _____</p> <p>2. Job Readiness Indicators: _____</p> <p>_____</p> <p>3. Where Will Placement Occur: _____Private Sector _____Public Sector</p> <p>4. How Will Placement Occur: _____</p> <p>_____</p>
--

Participant Name: \_\_\_\_\_ Social Security # \_\_\_\_\_

<p>17. Periodic Review Dates for EDP:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%; text-align: center; border-bottom: 1px solid black;">Scheduled Review Date</th> <th style="width: 33%; text-align: center; border-bottom: 1px solid black;">Actual Review Date</th> <th style="width: 33%; text-align: center; border-bottom: 1px solid black;">Comments</th> </tr> </thead> <tbody> <tr><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td></tr> <tr><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td></tr> <tr><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td></tr> <tr><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td></tr> <tr><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td></tr> </tbody> </table>			Scheduled Review Date	Actual Review Date	Comments															
Scheduled Review Date	Actual Review Date	Comments																		
<p>18. I have participated in the development of this Employability Development Plan (EDP) and understand:</p> <ol style="list-style-type: none"> <li>1. The programs and activities in which I will participate;</li> <li>2. The training activities and performance for which I am responsible;</li> <li>3. The time limitations under which I must operate;</li> <li>4. When my time allowance in CETA will expire, and;</li> <li>5. What placement activities will occur in assisting me to obtain an unsubsidized job.</li> </ol> <p>I understand that this is not a binding contract and may be modified by mutual consent. I have received a copy of this plan.</p> <table style="width: 100%; margin-top: 20px;"> <tr> <td style="width: 50%; text-align: center; border-top: 1px solid black;">                 _____                  (Participant Signature)             </td> <td style="width: 50%; text-align: center; border-top: 1px solid black;">                 _____                  (Consortium Signature)             </td> </tr> <tr> <td style="width: 50%; text-align: center; border-top: 1px solid black;">                 _____                  (Date)             </td> <td style="width: 50%; text-align: center; border-top: 1px solid black;">                 _____                  (Date)             </td> </tr> </table>			_____ (Participant Signature)	_____ (Consortium Signature)	_____ (Date)	_____ (Date)														
_____ (Participant Signature)	_____ (Consortium Signature)																			
_____ (Date)	_____ (Date)																			
<p>19. Consortium Counselor/Case Manager/Job Developer Transfer Information</p> <p>EDP Prepared By: _____ Date: _____</p> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 33%; text-align: center; border-bottom: 1px solid black;">UNIT</th> <th style="width: 33%; text-align: center; border-bottom: 1px solid black;">COUNSELOR/JOB DEVELOPER</th> <th style="width: 33%; text-align: center; border-bottom: 1px solid black;">DATE RECEIVED</th> </tr> </thead> <tbody> <tr><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td></tr> <tr><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td></tr> <tr><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td></tr> <tr><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td><td style="border-bottom: 1px solid black;"> </td></tr> </tbody> </table>			UNIT	COUNSELOR/JOB DEVELOPER	DATE RECEIVED															
UNIT	COUNSELOR/JOB DEVELOPER	DATE RECEIVED																		

MID-WILLAMETTE VALLEY CONSORTIUM  
 EMPLOYABILITY DEVELOPMENT PLAN – MODIFICATION FORM

Participant Name: \_\_\_\_\_ Social Security # \_\_\_\_\_

The EDP for the above participant has been altered/modified as follows:			
DATE	MODIFICATION	EDP #	REASON
I have participated in this modification and have received a copy.			
_____ (Date)	_____ (Participant Signature)	_____ (Consortium Signature)	
_____ (Date)	_____ (Participant Signature)	_____ (Consortium Signature)	
_____ (Date)	_____ (Participant Signature)	_____ (Consortium Signature)	

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**U.S. Department of Labor**

Assistant Secretary for  
Employment and Training  
Washington, D C 20210



NOV 26 1981

Mr. Gregory J. Ahart  
Director  
Human Resources Division  
U.S. General Accounting Office  
Washington, D.C. 20548

Dear Mr. Ahart:

This is in reply to the draft GAO report entitled, "Labor Should Make Sure CETA Programs Have Effective Employability Development Systems." The Department's response is enclosed.

The Department appreciates the opportunity to comment on this report.

Sincerely,

  
ALBERT ANGRISANI  
Assistant Secretary of Labor

Enclosure

U. S. Department of Labor's Response To The Draft General Accounting Office Report Entitled -- "Labor Should Make Sure CETA Programs Have Effective Employability Development Systems"

Recommendation: The Secretary of Labor should make sure that each sponsor has an effective employability development system. Specifically, the Secretary should:

- Stress effective employability development systems as a high priority.

Response: The Department concurs.

The Department certainly shares GAO's view on the importance of effective employability development systems. To emphasize this fact, ETA is preparing an issuance to its regional offices and CETA prime sponsors. This field memorandum stresses that sound employability development systems are a high priority and defines action steps to insure that these systems receive proper emphasis in prime sponsor programming and in regional office review of sponsor operations.

In addition, the Department selected employability development planning as an area where training and technical assistance was needed. As the report indicated, one of the national core training courses is to cover employability development. ETA is also developing a technical assistance guide on employability development plans (EDPS).

Recommendation: Direct the Assistant Secretary for Employment and Training to see that every sponsor's staff, including management and independent monitoring unit personnel, is adequately trained in employability development systems, either through the planned course on employability plans or other training and that this training include:

- the purpose of employability plans and their relationship to the basic elements of employability development systems,

- the legal requirements applicable to employability plans and employability development systems,

- the advantages of having good employability plans,

- how to use employability plans as an ongoing planning tool, and

- how to prepare good employability plans.

Response: The Department concurs.

The Department agrees with GAO's suggestions pertaining to the content of the training package. The Department has already entered into a contract for the national core training course on employability development. The course is expected to be tested in November and a train the trainers session delivered in December. Much of the report's suggested content is already incorporated in a draft training package. To the extent that some of the suggestions for content are not included, the Department intends to work with the contractor to revise the training package in an effort to incorporate as much of GAO's suggestions as is possible.

The Department notes that the course is geared for intake workers. Management and independent monitoring unit (IMU) staff may benefit from the training, to the extent that they can be spared from other essential tasks.

Recommendation: Direct the Assistant Secretary to improve technical assistance by making sure that

- the planned technical assistance guide on employability plans includes (1) information on the five areas mentioned in the recommendation dealing with the planned training course; (2) model employability plans and examples of completed plans; and (3) guidance for sponsor management and independent monitoring unit personnel on how to monitor employability development systems, with emphasis on the importance of contacting participants as part of the monitoring process; and
- Labor's regional staff is qualified to assist sponsors in developing effective employability development systems.

Response: The Department concurs.

Since it agrees with GAO's suggestions pertaining to the content of the technical assistance guide (TAG), the Department has already entered into a contract for this guide, which, like the training package, is in the late developmental stages and expected to be completed in December 1981. As with the training, much of the suggestions for content is going to be covered. We will work with the contractor to incorporate any of GAO's suggestions which are not highlighted.

With regard to the recommendation for ensuring that regional staff are qualified to assist sponsors on developing effective employability development systems, the Department would point out that the contractor will be training the regional staff on the core training course, and the regional staff will be training the prime sponsors.

Recommendation: Direct the Assistant Secretary to improve monitoring by ensuring that

- both Labor staff and independent monitoring unit personnel give more attention to monitoring employability development systems,
- the planned monitoring training for Federal representatives covers employability development systems and provides detailed guidance on how to monitor these systems and employability plans, and
- independent monitoring unit personnel are adequately trained to monitor employability development systems, including employability plans.

Response: The Department concurs.

The Department believes that the training and TAG on employability development systems will serve to improve prime sponsor staff monitoring abilities, particularly since these efforts address monitoring of that system. The gains of this training should help to offset reductions in prime sponsor staff.

The Department certainly intends to continue to monitor employability development systems. The emphasis on this area was increased in 1980 by a revision in the annual assessment. Prior to 1980, the Department looked at employability development as part of the overall general management system review. In 1980 and 1981, employability development was reviewed separately for each Title of CETA. Emphasis on this subject in the assessment process will continue in 1982.

The Department will also ensure that guidance on monitoring employability development systems is made a part of the Federal Representative training module on Monitoring and Assessment Skills training.



*Woodbury County*  
 Employment Training Center

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 808 Fifth Street  
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Dennis G. LaBrune  
 Director

November 4, 1981

Phone 712/279-6134

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 Kenneth J. Rodeen  
 Wayne L. Thompson  
 Mark C. McLarnan

Mr. Gregory J. Ahart, Director  
 United States General Accounting Office  
 Washington, D.C. 20548

Dear Mr. Ahart:

Upon review of the draft copy of the report "Labor Should Make Sure CETA Programs Have Effective Employability Development System," the Woodbury County Prime Sponsor is providing the following comments of which are those developed by Janet K. Pressey and fully endorsed by the Director of the Woodbury County Prime Sponsor.

Beginning with the Proposed Cover Statement, reiterated in the Digest, and carried through the main text of the document as an overall theme, is the implication that all Prime Sponsors have weak Employability Development Systems, and are not meeting the training needs of their participants. The report is presented in a negative perspective excluding the positive and productive aspects of the system, of which there are in some, if not all, of the Prime Sponsors' systems.

The Woodbury County Prime Sponsor does not feel an accurate representation has been offered depicting the quality of training and services available through the Employment and Training Center by the generalized statements and opinions presented in the report, which refers to all the selected Prime Sponsors as a single unit, rather than as separate entities.

"GAO's sample showed that 26% of the participants it contacted did not have their employment and training needs met" is stated on page ii. How has the GAO defined "not having training needs met?" Was this a direct question asked of the contacted participants or an opinion developed by GAO? The problems listed as back up on page ii, iii, 12, and 13 are needs that are addressed by the Woodbury County Prime Sponsor.

All participants are assessed to determine the amount of supportive services needed on an individual basis. If a participant does not need a particular supportive service it is not provided merely because it is available.

All training provided under Title II is entry-level. Those individuals who already have marketable skills are normally included in the direct placement component of the program.

The Prime Sponsor has made special arrangements for those participants who are handicapped. There is one generalist on staff who is assigned all referrals from the Vocational Rehabilitation programs. If a participant has a handicap and is not a Voc. Rehab. referral, a written statement from their doctor is required outlining the limitations of their handicap. In the event a client who is handicapped is not ready for training they are referred to the appropriate agency in the community.

*CETA...not just a job but an opportunity.*

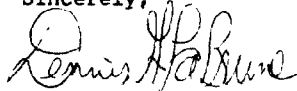
The Prime Sponsor does not sponsor training in occupational areas which will not offer employment opportunities upon the completion of training. It would be possible that a goal of a participant recorded on the intake form would differ from the activity they eventually participate in when enrolled on the program. However, the participant works in conjunction with the generalist to develop the EDP on which specific goals and activities are listed. The generalist has seen a participant, on the average 3 to 4 times prior to when an EDP is developed. The participant is required to sign the EDP stating they agree with the steps outlined therein. If the client does not agree with the EDP, he should not sign the document. It is a policy of this Prime Sponsor to enroll a participant only in an area of training in which they have expressed an interest. All participants are also given a copy of their EDP, so if there is a discrepancy they can request the EDP be amended.

Problems with the organizational arrangement and policies of three Prime Sponsors are presented on pages 32-33. The Woodbury County Prime Sponsor has one central intake center. When an applicant is determined eligible they are then referred to a generalist. Once an individual has been assigned to a generalist they remain with that individual for the duration of their participation in the program, regardless of the activity in which they are enrolled. This system allows the generalist and the participant to get to know one another and provides an opportunity for the development of a counseling atmosphere. We feel in this way the generalist can learn and begin to understand the problems and barriers the participant is experiencing and discuss the various options available to the individual, both those that are feasible and those that are not feasible.

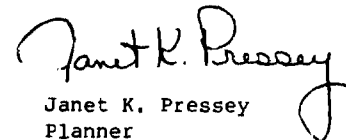
The organizational set-up within each Prime Sponsor for the management of the program has a large probability of being unique for each Prime Sponsor. Although every Prime is required to have participant EDP's, this constitutes only a part of the Employability Development System. The influence of the organizational structure would have a definite input toward the outcome of a participant. Although it would be impossible for all Primes to be the same due to the variances in size, there are positive aspects within the system of Primes, which are producing results desirable by GAO standards. The basic principles behind these aspects could be applied to any system and/or management techniques.

Some examples of positive areas of the system which the GAO teams observed were included in the report, but they were few and far between while negative remarks and problems were readily included. We suggest the addition of more positive examples; instances where the system or portion of the system is meeting GAO expectations. This would still present the opinions developed by GAO, but would also indicate that the opinions are not merely theoretical ideals, but interpretations which have proved to be viable under actual working conditions within a Prime Sponsor's program.

Sincerely,



Dennis G. LaBrune  
Director



Janet K. Pressey  
Planner

DGL/bw





## CETA ADMINISTRATION

VINCENT A. CIANCI, JR.  
MAYOR

RONALD J. PERILLO, ESQ.  
ADMINISTRATOR

November 3, 1981

Mr. Gregory J. Hart, Director  
Human Resources Division  
U. S. General Accounting Office  
Washington, DC 20548

Dear Mr. Hart:

This letter is in response to your October 6, 1981 letter which transmitted a draft of a GAO report on CETA employability development systems.

Instead of commenting on the findings listed in the report--which we found to be fair, informed, and balanced in perspective--Providence CETA will address the specific criteria noted in pages 75 through 80 of Appendix II as well as other pertinent points of interest noted in other parts of the report. Appendix II lists several criteria which the GAO believes ". . . each prime sponsor's management system should use to conform with the law, regulations, of good management practices."

Providence CETA (PCETA) will respond to the four element categories outlined as follows:

I. Assessment

1. PCETA prepares EDP's only for certified, eligible CETA applicants.
2. PCETA serves only eligible applicants in its major employment and training activities who have barriers to employment and need employment and training services to achieve employment goals.

II. Employability Development Plans

In terms of EDP's, PCETA has attached its revised initial EDP form (see Attachment 1 to this letter) which has been in use since August 12, 1981. The following point-by-point comments deal with PCETA's EDP in relation to the listed criteria:

1. An EDP is completed for each Title II participant.
2. A copy of the EDP remains in each participant's permanent file.
3. The EDP is prepared in conjunction with the participant.
4. The participant signs the EDP certifying he/she understands it and agrees with it.
5. The participants receive a copy of the EDP.
6. An EDP is completed upon referral of an applicant and thus prior to enrollment in an activity.
7.
  - a. Section III deals with the participant's training and skills background.
  - b. Sections V and VI deal with interest areas and occupational objectives.
  - c. Section VI deals with employment goals.
  - d. Section VI questions #2, #3, and #4 deal with job readiness questions.

- e. Section IV pertains wholly to barriers to employment. Section VI (K) identifies a list of specific barriers which speak for themselves as to how they would limit attainment of the employment goal.
  - f. Section V covers the specific training and employment needs of the applicant.
  - g. Section V identifies the activity (i.e., OJT Services to Participants, Classroom Training, etc.) the enrollee will be referred to. This section of the EDP also identifies the training module (i.e., occupational field of training) the applicant is being referred to. This is noted in the interview section of Section V. Because the initial EDP contains assessment information and data on the enrollee prior to enrollment, it is a general plan which becomes more specific as the transition plan is developed (see below comments on Transition Plan).

Although specific activities and services are discussed prior to a CETA training/employment referral is made, the Transition Plan is developed:

    - i. at subrecipient orientation sessions for all non-OJT enrollees, and
    - ii. by PCETA Job Developers for all OJT enrollees within the first few initial weeks of job placement.
  - h. Section VI #5 provides a general statement regarding movement from the CETA system to unsubsidized employment; however, the Transition Plan as well as EDP Progress Reviews provide specifics.
8. The purpose of training (i.e., to obtain a marketable skill in order to obtain unsubsidized employment) is stated in the initial EDP.
  9. Training programs are developed for those areas in which it has been determined there will be a reasonable expectation of employment.
  10. Section IV covers barriers to employment and referrals made in connection with these barriers.
  11. The Transition Plan is developed after the applicant's referral to an employment/training activity.
  12. See Transition Plan.
  13. EDP Transition Plan dates will be congruent with actual enrollment dates.
  14. In terms of the accuracy of EDP information, the EDP system's reliance on
    - a. applicant input and signature at the point of initial EDP preparation is, at least, a guarantor of mutual agreement between the Prime Sponsor and applicant of the applicant's needs, goals, and CETA's general plan to help the participant meet his/her goals.
    - b. The Transition Plan provides the participant with a specific plan (mutually agreed upon by the subrecipient and participant) as to the steps to be taken to assure eventual job placement.
    - c. The Quarterly Progress Reviews (designed to make the 90 day suggested GAO period coincide with the federal fiscal quarters) will be used to review congruence between the participant's progress and the EDP (including the Transition Plan) and to initiate a modification of the EDP where warranted.

Compliance with the various elements of the EDP system (from general to specific plans over time with reviews for progress and/or modification) will assure accurate EDP's.

15. The preceding as well as subsequent comments have and will show how all enrollees will know:
- the activities in which they participate (noted in initial EDP and Transition Plan)
  - activities for which they are responsible (noted specifically in Transition Plan)
  - time frames for completing activities and expiration of CETA time (noted in Transition Plan and initial EDP)
  - how they will obtain unsubsidized jobs (noted in Transition Plan).

### III. Service Delivery

Because the initial EDP is developed to identify applicant needs for training/employment and services in relation to the full range of activities and services offered or available, referrals to training and services are based on the initial EDP. Quarterly Progress Reviews of EDP's are designed to assure congruence between the EDP and the participant's status in the CETA system. In addition, Prime Sponsor or IMU and/or Operations staff will monitor work/training sites and EDP update systems to assure a proper environment for assuring EDP compliance and accuracy.

### IV. Participant Progress Reviews

In addressing the issue of Progress Reviews, the Prime Sponsor will initiate a two-pronged approach based on its methods of service delivery:

1. CETA Operations staff will prepare Transition Plans and perform progress reviews quarterly for all OJT participants,
2. CETA subrecipients (especially Classroom Training vendors) will be required to prepare Transition Plans and quarterly EDP progress reviews (per approval of format by Prime Sponsor).

To assure compliance with the EDP system's parameters as well as providing the subrecipient with flexibility in developing Transition Plans tailored to the participant's training situation and individual needs, the Prime Sponsor has incorporated language in its subrecipient agreement delineating subrecipient responsibilities for Transition Plans and progress reviews. See Attachment II of this letter for details. It is felt that this language and resulting Transition Plans and Progress Reviews will meet all the elements required in the GAO draft report.

Given our FY'82 plan to concentrate Titles IIB and VII efforts on OJT and Classroom Training (Occupational Skills), it is felt that a division of EDP Reviews and update responsibilities between In-House and subrecipient staff will permit PCETA to meet all system requirements.

In terms of several other points raised in the report, a few comments are warranted:

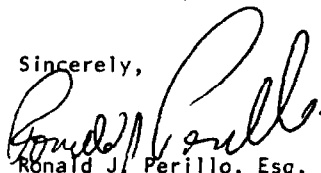
1. EDP training was stressed throughout the report. ETA had scheduled EDP training for PCETA staff during the first quarter of FY'82 but has deferred it until further notice given a federal freeze on travel which precluded ETA staff travel.

PCETA will send its IMU Manager and Intake Officer to four-day EDP training courses offered by the New England Institute for Human Resource Planning and Management in November of 1981. In addition, the Institute will offer the same four-day course for service delivery staff in mid-December. For that session, PCETA will send its Employability Specialists, Job Developers, and Program Monitor as well as subrecipient staff.

2. IMU staff will be included in all EDP training offerings to assure adequate training.
3. In terms of staff training, we found Appendix II of your draft report to be an adequate overview and will assure its dissemination to staff.

In closing, I am noting PCETA's return of the draft report as an attachment to this letter.

Sincerely,



Ronald J. Perillo, Esq.  
CETA Administrator

RJP:jjt  
TF

Attachments

### Southern New Hampshire Services, Inc.

Mailing Address: P.O. Box 5040 • Manchester, N.H.03108 • Telephone (603) 668-8010  
Route #114, Goffstown, New Hampshire

**Executive Director**

Gale F. Hennessy

**Assistant Director**

Ronald A. Philbrick

November 10, 1981

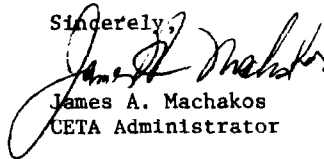
Mr. Gregory J. Ahart, Director  
Human Services Division  
U.S. General Accounting Office  
Washington, D.C. 20548

Dear Mr. Ahart,

I am returning the G.A.O. proposed report "Labor Should Make Sure CETA Programs Have Effective Employability Development Systems". The Hillsborough County prime sponsor will not be making any comments at this time.

Thank you for the opportunity to review this draft document.

Sincerely,



James A. Machakos  
CETA Administrator

**Outreach Offices**

Manchester Office:  
816 Elm Street  
(603) 668-3623

Nashua Office:  
118 Main Street  
(603) 889-3440

Somersworth Office:  
396 High Street  
(603) 692-5810

Portsmouth Office:  
10 Vaughn Mall  
(603) 431-5976

Exeter Office:  
76 Lincoln Street  
(603) 772-3689

Derry Office:  
40 West Broadway  
(603) 432-3079

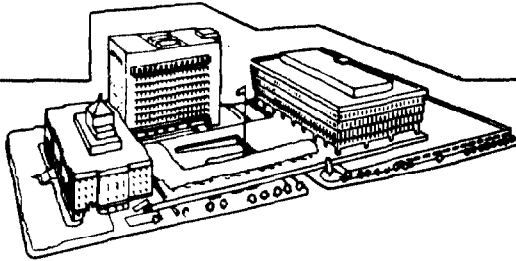
Greenville Office:  
Greenville Falls  
(603) 878-3364

JAM/lt  
Enclosures

**Component Programs:**

Community Action  
Operation HELP  
Elderly Housing  
Emergency Fuel Assistance  
RSVP  
Crisis Intervention Program

CETA: Employment & Training Programs for Adults and Youth  
Head Start  
Food Co-op Warehouse  
Weatherization  
Women, Infants & Children Feeding Program



## ST. LOUIS COUNTY, MISSOURI

GENE McNARY, COUNTY EXECUTIVE

Department of Human Resources

Donald E. Clark, Director

November 6, 1981

Mr. Gregory J. Ahart, Director  
Human Resources Division  
United States General Accounting Office  
Washington, D.C. 20548

RE: Draft of a Proposed Report:  
Labor Should Make Sure CETA  
Programs Have Effective Em-  
ployability Development  
Systems.

Dear Mr. Ahart:

We have received and reviewed the draft report mentioned above. I am returning the draft as requested in your correspondence. We have retained no copies.

We have found the reports to be clear and coherent as well as accurate, given the time when the investigation occurred. You should be aware that a number of changes have occurred within our organization following your visit. As you mentioned, our staff assumed the client services function at the start of FY'81. In addition, that same unit assumed the Orientation and Assessment function in October of 1981. We have also established a Self-Directed Job Placement component. We feel that these actions will give us better control and improve the participant referral and placement.

Much has changed since your visit. However, little technical assistance has been provided by the Employment and Training Administration in relation to EDP development.

We appreciate receiving the draft copy and look forward to reviewing the final report.

Sincerely,

Wayne G. Flesch, Program Director  
Office of Employment and Training

WGF:mm  
Enclosure

OFFICE OF MANPOWER PROGRAMS  
JEFFERSON AND FRANKLIN COUNTIES, INC.  
P.O. BOX 362  
HILLSBORO, MISSOURI 63050  
314-789-3502

October 28, 1981

Mr. Gregory J. Ahart, Director  
United States General Accounting Office  
Washington, D.C. 20548

Dear Mr. Ahart:

As requested in your letter of October 6, we are returning the draft of a proposed report titled "Labor Should Make Sure CETA Programs Have Effective Employability Development Systems."

The chart on page 23, "Percent of sampled participants who had an employability plan", reports 76%. Our notes from the GAO exit interview of October 3, 1980, indicate that of 110 files reviewed, 91 contained EDP's or 83%.

If you have any questions, please contact Bonnie Brown.

Sincerely,



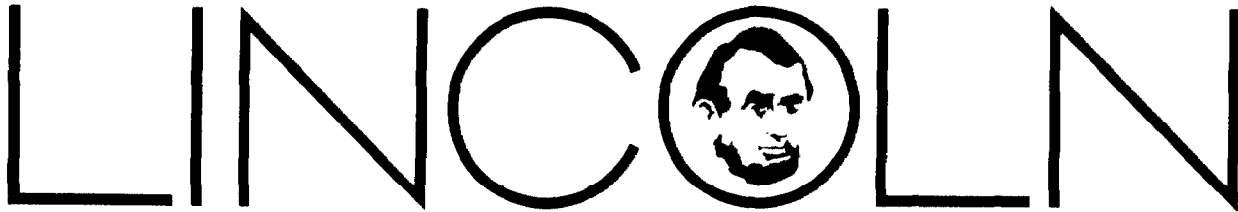
Ronald Ravenscraft  
Executive Director

BB/kb  
Enclosure

GAO note: Cited page number refers to the draft report. The 76 percent used in this report is based on weighting the results of two samples taken at this prime sponsor. The 83 percent discussed at the October 3, 1980, exit interview was a simple average.

City of Lincoln Comprehensive Employment and Training Act  
129 North 10th Street - Old Federal Building - (402) 474-1328

Helen G. Boosalis, Mayor



Dale White, Program Manager

October 20, 1981

Gregory J. Ahart  
Director  
United States General Accounting  
Office  
Washington, D.C. 20548

Dear Mr. Ahart:

Enclosed is the copy of your proposed report titled "Labor Should Make Sure CETA Programs Have Effective Employability Development Systems".

I have reviewed the draft and have no comments.

Sincerely,

A handwritten signature in black ink that reads "Dale White". The signature is written in a cursive style.

Dale White  
Program Manager

DW:lf

Enclosure





**CITY OF BROCKTON  
MASSACHUSETTS  
COMPREHENSIVE EMPLOYMENT AND TRAINING ACT**

**DAVID E. CROSBY**  
MAYOR  
**ARMANDO TORRES**  
CETA DIRECTOR

362 Belmont St.  
Brockton, MA 02401

TOWNS SERVICED	
ABINGTON	EASTON
AVON	HANSON
BRIDGEWATER	STOUGHTON
BROCKTON	WEST BRIDGEWATER
EAST BRIDGEWATER	WHITMAN

November 19, 1981

Mr. Gregory J. Ahart, Director  
Human Resources Division  
U.S. General Accounting Office  
Washington, D.C. 20548

Dear Mr. Ahart:

Please find the Brockton Prime Sponsor's comments on your proposed report entitled "Labor Should Make Sure CETA Programs Have Effective Employability Development Plans".

After reviewing your proposed report, our current Employability Development Plan form (and others in the Region I area), interviewing and receiving recommendations from program supervisors, I would conclude that the Brockton Prime Sponsor can improve its present management system in FY82 and intends to do so.

The Brockton Prime Sponsor reacted to your position paper when it was sent to us in July of 1980. At that time the Brockton Prime Sponsor did issue an updated employability plan (see attachment). In November of 1980, a staff member attended a training seminar (see copy of training agenda) and gave, because of time constraints (PSE phase-out), minimum training to in-house program supervisors. I agree with your contention that prime sponsors were not provided with adequate training and technical assistance prior to November, 1980. And in addition was not advised to emphasize the role of the independent monitoring unit personnel in order to identify (lack of technical assistance) EDP system weaknesses.

*1881 - "Brockton Centennial" - 1981*

In summary, the Brockton Prime Sponsor has subcontracted with Career Services, Inc. who will provide Orientation and Assessment services to CETA eligible applicants and will prepare recommendations for specific Brockton CETA program activities. Assessment services as stated in the contract will be available to participants for modifying EDP's and determining appropriateness of program transfers. However, within the program information section of our FY82 contract with Career Services, Inc. they do state that applicants will receive:

1. Information on all available employment and training programs and community resources.
2. Supportive assistance to gather occupationally-relevant information integral to the vocational decision-making process, and the formulation of an Employability Development Plan.
3. Objective information needed to formulate recommendations of appropriate employment and training and servicing activities that assist the applicants towards unsubsidized employment and occupational self-sufficiency.

Within this contract, I believe that the EDP could be substituted for recommendation forms and would, in my judgement, meet the requirements of CETA regulation 677.2; satisfy the intent of maximizing the benefits that individuals receive from our employment and training activities; and insure and increase the Brockton Prime Sponsor improvement of moving Title II participants from program activities into unsubsidized employment.

In addition the Brockton Prime Sponsor will consolidate its training and services located at five separate sites in Brockton into one, the Perkins School, 19 Charles Street, Brockton, MA. This consolidation is expected to significantly improve managerial control and overall program quality resulting in more timely resolution of operational problems and better trainee retention and outcomes. This move is slated for late November.

I hope that my written comments are helpful and would appreciate receiving feed-back generated from your proposed report.

Sincerely,

  
Armando Torres  
Director

cc: E. Gonsalves, Prime Sponsor Interagency Coordinator

(205009)



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