

SUMMARY OF GAO TESTIMONY BEFORE THE HOUSE SUBCOMMITTEE  
ON EMPLOYMENT OPPORTUNITIES REGARDING GAO'S WORK  
RELATING TO THE JOB TRAINING PARTNERSHIP ACT

The Job Training Partnership Act, the nation's primary federally funded employment and training program, gives GAO broad oversight responsibilities for reviewing programs authorized by the act. To date, GAO has issued two reports on JTPA. One provides baseline data on how title IIA was implemented at the state and local levels. For the most part, it appeared that the implementation of JTPA had proceeded smoothly and the act's provisions had been followed. The other report presents information about a May 1984 reduction-in-force and reorganization within the Department of Labor's Employment and Training Administration. The report also presents concerns of the job training community about Labor's ability to implement JTPA.

GAO also has two studies of JTPA underway. The first compares participant characteristics to those under the Comprehensive Employment and Training Act and analyzes the support assistance provided to participants. The second studies the implementation of the title III dislocated workers program.

Information developed to date shows that (1) most service delivery areas were providing some type of support assistance (such as child care and transportation) to participants and doing so within the act's spending limits, (2) few delivery areas requested waivers to the act's limitations on support assistance, (3) JTPA serves a higher percentage of high school graduates and students and a lower percentage of dropouts and unemployed than did CETA, and (4) in 10 states visited thus far, 92 percent of their title III funds had been obligated.



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STATEMENT OF  
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BEFORE THE  
SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES  
OF THE HOUSE COMMITTEE ON  
EDUCATION AND LABOR  
ON  
GAO'S WORK RELATING TO THE  
JOB TRAINING PARTNERSHIP ACT

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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to assist in your oversight of the Job Training Partnership Act (JTPA). My testimony focuses on our work involving (1) the initial implementation of the JTPA title IIA program for disadvantaged youth and adults, (2) the participant support limitations under JTPA and the participants being served, and (3) the implementation of the dislocated workers program under title III. I will also provide some information on our planned future efforts.

INITIAL IMPLEMENTATION OF JTPA

On March 4, 1985, we issued a report to the Congress on the initial implementation of title IIA entitled Job Training Partnership Act: Initial Implementation of Program for Disadvantaged Youth and Adults (GAO/HRD-85-4). This report, based on data collected in early 1984, provides descriptive baseline data on the JTPA program and how it was being organized and implemented by the states nationwide and by selected service delivery areas at the local level. For the most part, it appeared that the implementation of JTPA had proceeded smoothly and the act's provisions had been followed. We noted, however, several areas that may warrant future attention.

First, a frequently mentioned concern in the employment and training community was that certain features of JTPA, such as its emphasis on performance and the limitation on funds for participant support assistance, may influence service delivery areas to select, from among eligible applicants, those persons needing only limited employment and training assistance to

succeed in employment rather than those needing more extensive assistance. We did not collect data during this effort that would allow us to determine whether this practice existed. However, we noted that some service delivery areas visited used assessment methods and selection procedures that could be used to select those persons most likely to succeed while others used procedures that focused on those most in need of training. For example, one delivery area used basic skills assessment results to select participants in greatest need of remedial education. Another area used assessment results to select participants needing only limited employment and training assistance.

Second, although the act does not require it, no means of comparing program effectiveness among the various states has been established. States are not required to use a uniform method of setting performance standards for service delivery areas. As a result, the delivery areas' performance may not be comparable across state boundaries. Also a Department of Labor nationwide longitudinal survey of former JTPA participants is not designed to allow comparisons of effectiveness among the states. Thus, valid comparable data may not be available to evaluate the relative effectiveness of various program approaches.

Lastly, we noted that, although JTPA emphasizes the development of an integrated system that coordinates the services of employment, training, education, and other human service agencies, a substantial number of state JTPA agencies

had not entered any new coordination agreements or arrangements with many such agencies. We recognize that our information was gathered early in the program and that such arrangements may evolve over time. If they do not, however, the integrated delivery system envisioned by the act may not be achieved.

REDUCTION-IN-FORCE AT THE EMPLOYMENT  
AND TRAINING ADMINISTRATION

We also issued a report to Senator Kennedy on April 22, 1985, entitled Concerns Within the Job Training Community Over Labor's Ability to Implement the Job Training Partnership Act (GAO/HRD-85-61). This report presents information about the Employment and Training Administration's May 1984 reduction-in-force and reorganization and problems that members of the job training community anticipate, including low morale, lost program expertise, and reduced efficiency. In this regard, they pointed out that the remaining staff may not have had the expertise needed to provide technical assistance. Another concern expressed was that while the states have been given primary responsibility for operating JTPA, they have not been provided adequate guidance in carrying out this responsibility. At the same time, they are now subject to close scrutiny through audits and evaluations by Labor's Office of Inspector General, the Employment and Training Administration, and our Office.

PARTICIPANT CHARACTERISTICS  
AND ASSISTANCE PROVIDED

We were asked by the Subcommittee's former Chairman (Mr. Hawkins) and former Ranking Minority Member (Mr. Jeffords) to

develop information on (1) the kind and extent of assistance (other than training) being provided to JTPA participants and (2) the differences in participant characteristics between those served by the Comprehensive Employment and Training Act (CETA) and JTPA.

We have completed our fieldwork and data analysis and are now drafting a report. In summary, we found that JTPA was serving a higher percentage of high school graduates and in-school youth and a lower percentage of dropouts and unemployed than under CETA. Furthermore, few service delivery areas requested waivers on the assistance limitations set out in the act; most areas were providing some type of support assistance to participants (such as transportation and child care) and doing so within the act's limitations.

#### Participant characteristics

We compared the characteristics of enrollees in CETA titles IIB and C and JTPA title IIA. We were able to compare 148 of the 191 service delivery areas that had kept the same geographical boundaries and thus were not so likely to have had a change in the eligible population.

We noted some differences in the characteristics of CETA and JTPA participants. The largest differences were in the educational status of participants, the percentage of youths served, and the percentage of unemployed. Between FY80 and FY82, the percentage of high school graduates in CETA increased from 53 to 60 percent and continued to increase to 62 percent under JTPA. Between FY80 and 82, the percentage of in-school

youth in CETA decreased from 18 to 12 percent but then increased to 15 percent under JTPA. The percentage of school dropouts in CETA between FY80 and 82 decreased slightly from 30 to 29 percent but then dropped significantly to 23 percent under JTPA.

The percentage of youths served under CETA had decreased from 46 to 39 percent between FY80 and FY82, but stabilized at 40 percent under JTPA. The percentage of unemployed in CETA had increased from 74 percent in FY80 to 80 percent in FY82, but dropped to 72 percent under JTPA, near the same level served under CETA in FY80.

On other characteristics, either CETA and JTPA enrollees were the same or any differences were small (a change of 2 percent or less). The chart attached to this statement provides additional details on our comparisons.

#### Few waivers requested

Title IIA of the act sets a limit of 15 percent on service delivery areas' total expenditures for administrative costs and a combined limit of 30 percent for their administrative costs and participant support assistance. A delivery area, however, may exceed the overall limitation if the private industry council requests a waiver for support assistance based on conditions set forth in the act. Only 39 of the 544 service delivery areas responding to our questionnaire requested waivers during the 9-month transition period (October 1, 1983, to June 30, 1984), and only 32 requested waivers for program year 1984 (July 1, 1984, to June 30, 1985). States approved all but two

waiver requests during each program period. These waivers were not approved because the states determined that the justification for the requests did not meet the criteria set forth in the act.

#### Type and extent of support assistance

Over 90 percent of the 544 questionnaire respondents were providing some type of assistance to JTPA participants in the form of cash payments and/or support services during the 9-month transition period. The services most commonly provided were transportation (85 percent), child care (77 percent), handicapped services (57 percent), and health care (53 percent).

Over 80 percent of the service delivery area respondents were providing cash assistance to participants. The size of payments varied greatly among delivery areas and ranged from \$1 to \$300 per week; the median weekly payment was \$30.

During the transition period, service delivery areas spent, on an average, about 7 percent of their title IIA funds for participant support assistance. They planned to increase this amount to 8 percent during the current program year. However, actual or planned expenditures for support assistance varied substantially among delivery areas. For example, during the transition period, 35 areas did not spend any of their title IIA funds on such assistance, whereas 75 spent at least 15 percent. In comparison, during program year 1984, 42 areas did not plan to spend any title IIA funds for participant support assistance, whereas 113 planned on spending at least 15 percent.



Some service delivery areas have sought additional means for providing participant support assistance. During both the transition period and program year 1984, 60 percent of the responding service delivery areas had at least one agreement with such agencies as the welfare department, rehabilitation agency, or community-based organizations to provide support assistance. In addition, 25 areas reported receiving additional funds from such agencies as the state departments of social services, public welfare, employment and training, health, and education; city and county governments; and private industry. Fifty service delivery areas expected to receive such additional funds during program year 1984.

Opinions of local JTPA officials  
on support assistance limitations

In response to our questionnaire, about 450 service delivery area administrators and 80 private industry council representatives gave us their opinions on the impact of the participant support limitations.

Service delivery area administrators and private industry council representatives generally believed that the limitations on participant support assistance have caused some program changes and have affected the type of individual being served under JTPA. About half of these officials indicated that as a result of the limitations, JTPA participants are likely to be less economically disadvantaged than CETA participants. More than 70 percent of these officials believed that as a result of the limitations, participants were likely to be more highly

motivated than CETA participants. More than half also believed that the limitations have caused them to make greater use of resources from other agencies to provide support services to program participants.

Concerning the impact of the limitations on the service delivery areas' training programs, about half of the delivery area administrators and private industry council representatives generally agreed that, as a result of the limitations, training programs are shorter than they should be. In addition, about 58 percent of the administrators indicated that because of the limitations, they could not offer certain training programs. However, only 39 percent of the private industry council representatives believed the limitations affected their ability to offer certain training programs. About half of the officials responding to our questionnaire said that the overall impact of the limitations has been negative, while about a quarter of them said the limitations have had a positive impact.

#### DISLOCATED WORKER PROGRAM

We are also reviewing the title III dislocated workers program. Under the act, states have wide latitude in implementing local projects, and little information is available on how the program is working. We are collecting data on all title III projects in order to provide the Congress with information on (1) project administration, (2) service mix, and (3) participant selection, characteristics, and outcomes.

As you know, current budget proposals from the administration would significantly reduce funding for title III. In

justifying this reduction, the administration stated that sufficient unused carryover funds were available in the program from prior years. However, preliminary work in 10 states showed that about 92 percent of the title III funds received through program year 1984 had been obligated as of March 31, 1985. These states received a total of \$127 million, or 30 percent of the \$427 million in title III funds available to all states for fiscal year 1983, transition year 1984, and program year 1984.

#### OTHER JTPA STUDIES

Mr. Chairman, I would also like to mention several other efforts that we have underway or that are about to begin regarding JTPA--youth competencies, state-administered programs, program participants compared to nonparticipants, and coordination of JTPA with other employment-related services.

In the area of performance standards, we have undertaken a review of youth employment competency systems which can be used in evaluating youth training programs. Our objectives are to determine (1) the role of the states in establishing youth employment competency systems, (2) the extent to which service delivery areas are developing such systems, (3) the type of competencies being established and their effect on program performance standards, and (4) the availability of data necessary to set such standards.

We also plan to look at the states' use of the 22-percent title IIA funds set aside for (1) assistance to state education agencies, (2) incentive grants and technical assistance to the service delivery areas, (3) training and placement of older

workers, and (4) state administrative activities. During this work, we also will obtain information on the type of technical assistance states have received, the source of such assistance, and whether additional assistance is needed.

A third assignment will look at the characteristics of those being served under JTPA. As mentioned, a concern voiced often in the job training community is that JTPA may be serving those needing only limited assistance. This assignment will assess who is being served and who is not being served from the eligible population.

A fourth area in which we are planning work is coordination activities under JTPA. Our initial work indicated that coordination may not be occurring to the extent envisioned by the legislation. During this assignment we will look at state and local efforts to coordinate employment and training, education, and related human services activities and identify ways to improve coordination among programs that will result in tangible cost savings.

Mr. Chairman, this concludes my prepared statement. We would be pleased to respond to any questions.

COMPARISON OF SELECTED ENROLLEE  
CHARACTERISTICS IN 148 SERVICE DELIVERY AREAS  
UNDER CETA AND JTPA

| <u>Characteristic</u>              | <u>Mean percent of enrollees</u> |                      |                      |
|------------------------------------|----------------------------------|----------------------|----------------------|
|                                    | <u>CETA<br/>FY80</u>             | <u>CETA<br/>FY82</u> | <u>JTPA<br/>TY84</u> |
| <u>Educational status</u>          |                                  |                      |                      |
| H.S. graduate                      | 53 *                             | 60 *                 | 62                   |
| Student                            | 18 *                             | 12 *                 | 15                   |
| Dropout                            | 30                               | 29 *                 | 23                   |
| <u>Age (16-21)</u>                 |                                  |                      |                      |
| Youth                              | 46 *                             | 39                   | 40                   |
| <u>Employment</u>                  |                                  |                      |                      |
| Unemployed                         | 74 *                             | 80 *                 | 72                   |
| <u>Welfare recipient</u>           |                                  |                      |                      |
| Any public assistance              | 29                               | 31                   | 33                   |
| AFDC                               | 23                               | 22                   | 23                   |
| <u>Other</u>                       |                                  |                      |                      |
| Female                             | 53 *                             | 51                   | 51                   |
| Nonwhite                           | 49                               | 50 *                 | 48                   |
| Single parent                      | 20                               | 22                   | 22                   |
| Handicapped                        | 10                               | 10                   | 9                    |
| Unemployment compensation claimant | 6 *                              | 7 *                  | 9                    |

\*Indicates a statistically significant change between the two time periods, i.e., less than a 5-percent probability that the difference is due to chance.