

GAO

Testimony

Before the Special Committee on Aging,
U.S. Senate

For Release on Delivery
Expected at 10:00 a.m. EDT
Thursday, April 6, 2006

SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

Labor Has Made Progress Implementing Older Americans Act Amendments of 2000, but Challenges Remain

Statement of Sigurd R. Nilsen
Director Education, Workforce, and Income Security Issues





Highlights of [GAO-06-549T](#), testimony before the Special Committee on Aging, U.S. Senate

SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

Labor Has Made Progress Implementing Older Americans Act Amendments of 2000, but Challenges Remain

Why GAO Did This Study

The aging of the baby boom generation and increased life expectancy pose serious challenges for our nation. Older adults often must re-enter the workforce in order to remain self-sufficient. The Senior Community Service Employment Program (SCSEP) is the only federal program that is specifically designed to assist low-income older adults by providing part-time community service jobs and training to prepare for employment. Since passage of the 2000 Older Americans Act Amendments (OAA), SCSEP has also increasingly focused on promoting economic self-sufficiency through placement in unsubsidized employment. In 2005, Congress appropriated about \$439 million to serve about 100,000 older workers. Administered by the Department of Labor (Labor), SCSEP is implemented through 69 grantees, including 13 national organizations and 56 state and territorial agencies.

The Chairman of the Senate Special Committee on Aging asked GAO to (1) determine what effect the OAA Amendments have had on the distribution of SCSEP funds to national and state grantees, (2) describe the progress Labor has made in implementing the enhanced performance accountability system, and (3) identify the challenges faced by national and state grantees in managing the SCSEP program.

www.gao.gov/cgi-bin/getrpt?GAO-06-549T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sigurd R. Nilsen, (202) 512-7215 or nilsens@gao.gov.

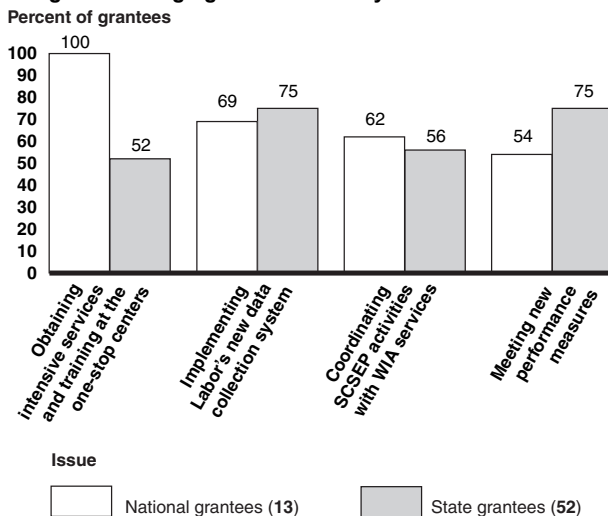
What GAO Found

The 2000 OAA Amendments have had little impact on the distribution of funds between national and state grantees, with national grantees continuing to receive approximately 78 percent of the funding and states about 22 percent. However, the distribution of funding among national grantees has changed substantially as a result of Labor's 2002 open competition for the national grants portion of SCSEP funding.

Labor has taken steps to establish an enhanced performance accountability system for SCSEP, but has yet to implement some features. For example, Labor introduced the new performance measures required by the OAA Amendments, but program year 2005—which ends on June 30, 2006—is the first year that grantees will be held accountable for meeting their goals. Labor has implemented an early version of a data collection system to track grantee performance, but the final Internet-based version is not yet available.

Changes to the SCSEP eligibility criteria and difficulties coordinating with the Workforce Investment Act (WIA) one-stop system have posed challenges to SCSEP grantees. Labor modified some eligibility criteria to target limited program funds to individuals it believes are most in need of SCSEP services. However, grantees expressed concern that these changes had made it more difficult for them to meet their enrollment goals. Finally, GAO found that despite provisions in the OAA Amendments to strengthen connections between SCSEP and WIA, problems persist in coordinating with WIA providers and obtaining intensive and training services for older workers at one-stop centers.

Challenges to Managing SCSEP Cited by Grantees



Source: GAO analysis of survey data.

Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss the Older Americans Act (OAA) Amendments of 2000 as they relate to the Senior Community Service Employment Program (SCSEP). GAO has conducted several studies related to older worker issues,¹ and my testimony today is based on work that you requested concerning how the OAA Amendments have affected SCSEP.

The U.S. economy is experiencing a dramatic demographic change with the aging of the baby boom generation (people born between 1946 and 1964), the oldest of whom are turning age 60 this year. Older Americans are expected to represent a growing share of the population and have a longer life expectancy than previous generations. Many older adults may choose to remain in the workforce or need to continue working for financial reasons. Furthermore, the number of older adults living in poverty is expected to increase significantly. By 2008, the U.S. Census Bureau estimates that 6.7 million persons aged 55 and older will be below the poverty level, a 22 percent increase over the number living in poverty in 2000. This number is expected to jump to 9 million by 2015.

SCSEP is the only federal employment and training program targeted to low-income older adults. Originally authorized in 1965 by Title V of OAA, SCSEP is administered by the Department of Labor (Labor) to promote part-time community service activities for unemployed, low-income individuals 55 years and older who have poor employment prospects. Under the OAA Amendments, the program has evolved from being primarily focused on community service to a program that increasingly emphasizes economic self-sufficiency through unsubsidized employment. The amendments also made other changes to SCSEP including revising the funding distribution formula and establishing a performance accountability system. Furthermore, in anticipation of the upcoming

¹For further information on older worker issues please see the following reports and testimonies: GAO, *Older Workers: Labor Can Help Employers and Employees Plan Better for the Future*, [GAO-06-80](#) (Washington, D.C.: Dec. 5, 2005); *Older Workers: Policies of Other Nations to Increase Labor Force Participation*, [GAO-03-307](#) (Washington, D.C.: Feb.13, 2003); *Older Workers: Employment Assistance Focuses on Subsidized Jobs and Job Search, but Revised Performance Measures Could Improve Access to Other Services*, [GAO-03-350](#) (Washington, D.C.: Jan. 24, 2003); and *Older Workers: Demographic Trends Pose Challenges for Employers and Workers*, [GAO-02-85](#) (Washington, D.C.: Nov.16, 2001).

reauthorization of Title V of OAA, the administration has proposed additional changes to SCSEP. In fiscal year 2005, Congress appropriated approximately \$439 million for SCSEP that Labor distributed to 69 grantees: 13 national grantees (consisting of 12 national nonprofit organizations and 1 federal agency) and 56 state and territorial agencies.² These funds support about 61,000 SCSEP positions, through which approximately 100,000 participants are served each year. The grantees typically place older workers in part-time community service positions, such as nurse's aides, teacher aides, librarians, clerical workers, and day care assistants, so that these older workers can gain on-the-job experience and prepare for unsubsidized employment.

My testimony today will address (1) changes in the distribution of SCSEP funds to national and state grantees as a result of the OAA Amendments, (2) the progress that Labor has made in implementing an enhanced performance accountability system, and (3) the challenges that national and state grantees face in managing SCSEP.

In summary, our work shows that the OAA Amendments have had little effect on the distribution of funds between national and state grantees, with the national grantees continuing to receive approximately 78 percent of the funding and state grantees about 22 percent. Since the amendments took effect in 2000, SCSEP appropriations have experienced only minor fluctuations, and correspondingly, the total number of positions authorized for participants has remained generally constant. However, the distribution of funding and positions among national grantees has changed substantially as a result of an open competition that Labor held in 2002. Further, although the amendments were passed in 2000, Labor has yet to fully establish a performance accountability system. For example, program year 2005—which ends on June 30, 2006—is the first year for which grantees will be held accountable for their performance, and the final Internet-based version of Labor's data collection system is not yet online. Labor modified several eligibility criteria to target SCSEP's limited funds to individuals it believes are most in need of program services. However, most national and state grantees in our survey expressed concern that these changes had made it more difficult for them to meet their enrollment goals. Finally, we found that despite provisions in the OAA Amendments to strengthen connections between SCSEP and the Workforce Investment Act (WIA), problems coordinating with WIA

²Labor reserved \$2 million for private employment projects.

providers and obtaining intensive and training services for older workers at one-stop centers persist.

We based our work, in part, on a survey of the 13 national organizations and 52 state grantees (including the District of Columbia and Puerto Rico). We received responses from all national and state grantees. We also interviewed Labor officials and representatives from four national organizations that received nearly two-thirds of the SCSEP funds allocated to national organizations in program year 2005:³ AARP, Experience Works, Mature Services, and Senior Service America. In addition, we visited five states—California, Florida, Idaho, Ohio, and Oregon—and interviewed officials responsible for administering SCSEP. We used several criteria in selecting site visit locations, including geographic dispersion within the United States, relative size of the state population, proportion of the state population that is both elderly and below the poverty level, proportion of the state population that is over the age of 55, and the amount of SCSEP funding allocated to each state during program year 2004 (July 1, 2004, to June 30, 2005). We performed our work between July 2005 and March 2006 in accordance with generally accepted government auditing standards.

Background

SCSEP, as authorized under the OAA Amendments, promotes part-time opportunities in community service for unemployed low-income persons who are at least 55 years old and have poor employment prospects. The program is also designed to foster economic self-sufficiency by assisting older workers in transitioning to unsubsidized employment. Administered by Labor for over 30 years, the program operates in every state, the District of Columbia, Puerto Rico, Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands. The program is administered through grants awarded to national organizations as well as state and territorial agencies. (See app. I for a listing of national grantees and funds and positions awarded in program year 2005.) In program year 2005, approximately \$439 million was appropriated to support about 61,000 SCSEP positions, through which approximately 100,000 participants are

³A program year begins on July 1 of a year and ends on June 30 of the following year. A program year is designated by the year in which it begins. Thus program year 2005 began on July 1, 2005, and ends on June 30, 2006.

served.⁴ (See app. II for a listing of funds and positions awarded by state in program year 2005).

SCSEP serves unemployed persons who are 55 years or older whose family incomes are no more than 125 percent of the federal poverty level. Participants are placed in part-time community service assignments in a local nonprofit organization or public-sector agency to gain on-the-job experience and prepare for unsubsidized employment. Program participants receive training and work experience in a wide variety of occupations, including nurse's aides, teacher aides, librarians, clerical workers, and day care assistants. Program participants are paid the highest federal, state, or local applicable minimum wage, or the prevailing rate of pay for persons employed in similar occupations by the same employer. The OAA Amendments require that at least 75 percent of SCSEP funds be used to subsidize participants' wages and fringe benefits and no more than 13.5 percent of the funds may be used for administrative expenses. The remaining funds may be used for other program costs such as assessments, training, job placement assistance, and supportive services.⁵

The OAA Amendments were designed to make a number of changes to SCSEP. The amendments contained provisions to

- establish unsubsidized employment as a program goal, while maintaining the community service aspect of the program;
- establish a performance accountability system that held grantees accountable for meeting specific performance measures, including placement and retention of participants in unsubsidized employment, community services provided, customer satisfaction, and number of persons served—particularly those with the greatest economic and social need or those with poor employment history or prospects, and those over age 60;
- improve coordination between SCSEP and WIA; and

⁴This figure does not include \$2 million dollars for reserved for private employment projects.

⁵Supportive services assist participants to successfully participate in SCSEP. Such services include payments for transportation; health care and medical services; incidentals such as work shoes, uniforms, and tools; child and adult care; and temporary shelter.

-
- strengthen administrative procedures by defining administrative and program costs and applying uniform cost principles.

In addition, the amendments revised the distribution formula by specifying that the first \$35 million in funding above the amount to maintain current level of program year 2000 activities be allocated 75 percent to state grantees and 25 percent to national grantees. Any additional funds above \$35 million will be allocated evenly between state and national grantees.

OAA Amendments Have Had Minimal Impact on Funding Distribution between National and State Grantees

The OAA Amendments have had little effect on the distribution of funds between national and state grantees, with the national grantees continuing to receive approximately 78 percent of the funding and state grantees about 22 percent. Since the amendments took effect in 2000, the SCSEP appropriation has experienced only minor fluctuations, and correspondingly, the total number of positions has remained largely constant. However, the distribution of funding and positions among national grantees has changed substantially. An open competition for national SCSEP positions held in 2002 increased the total number of national grantees from 10 to 13 (eliminating 1 incumbent grantee and introducing 4 new grantees) and reshuffled funding and positions among existing grantees. In program year 2005, national grantees operated in all states (including the District of Columbia and Puerto Rico) except Alaska, Delaware, and Hawaii. Approximately two-thirds of both national and state grantee positions are located in metropolitan areas. However, the percentage of positions in metropolitan areas varied widely among national grantees. For example, three national grantees administered more than 90 percent of their SCSEP positions in metropolitan counties, while two have about 40 percent of their positions in metropolitan counties.

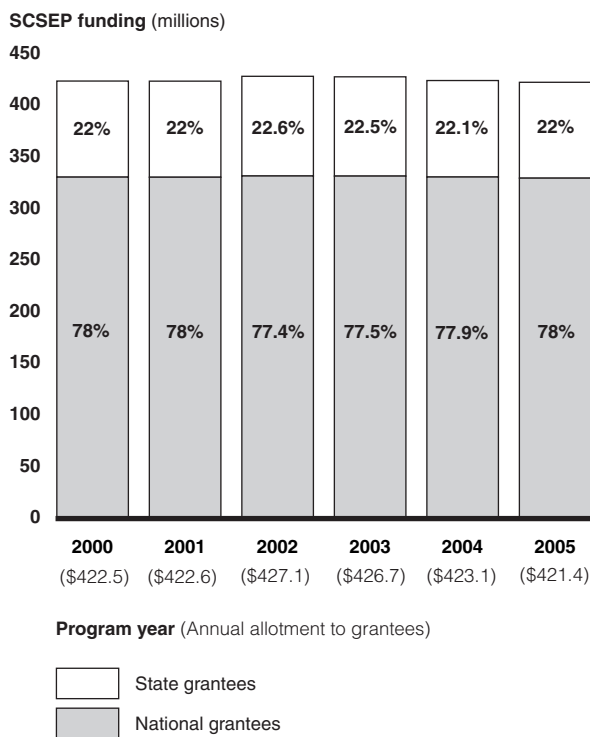
OAA Amendments Have Had Little Effect on the Distribution of SCSEP Funds

The revision of the funding formula outlined in the OAA Amendments has had little impact on the distribution of funds between national and state grantees. The formula takes effect only when SCSEP funding for national and state grantees rises above program year 2000 levels of approximately \$423 million.⁶ Because the SCSEP appropriation has remained relatively

⁶The formula for distributing SCSEP funding to national and state grantees applies to the balance after Labor reserves funds for private employment projects, the territories, and national grantees serving older Indians and Native Americans and Pacific Island and Asian Americans.

constant over the past 5 years, the distribution of funds between national and state grantees has also experienced little change. In each program year since 2000, approximately 78 percent of the SCSEP funding for grantees was allocated to national grantees and 22 percent was allocated to state grantees (see fig. 1).

Figure 1: Distribution of SCSEP Funding for Program Years 2000 to 2005



Source: GAO analysis of Labor data.

Note: The allotments are less than the annual appropriations because the formula for distributing SCSEP funding to national and state grantees excludes funds reserved for private employment projects, territorial grantees, and national grantees serving older Indians and Pacific Island and Asian Americans. For example, of the \$439 million appropriated in program year 2005, Labor reserved \$2 million for private employment projects, about \$3.3 million for territorial grantees, and about \$12 million for the two national grantees that serve minority communities. Thus, approximately \$421 million was allotted by formula to national and state grantees.

For program year 2005, SCSEP appropriations funded 61,047 positions—160 fewer than were funded in program year 2000. Slight funding increases from program years 2002 to 2004 provided for as much as \$4.6 million in additional annual funding for national and state grantees. Labor allotted approximately 75 percent of this amount to state grantees and 25 percent

to national grantees in accordance with the revised distribution formula. However, these funding increases did not markedly alter the overall distribution between national and state grantees.

2002 Competition Reshuffled Funds and Positions among National Grantees

Labor's 2002 open competition for the national grants portion of SCSEP funding increased the number of national grantees administering SCSEP and substantially reshuffled positions and funding among existing grantees. Labor decided to conduct the competition in order to ensure that the most qualified organizations were awarded grants, to open the grantee community to new organizations, and to provide better services to SCSEP participants. The competition—the first of its kind in SCSEP's history—yielded 68 applications. A three-member Labor review panel evaluated each application and scored it according to the applicant's plan for program design and services, coordination and oversight, and management structure and fiscal integrity. Based on these scores, Labor ranked each applicant, deemed that 13 applicants scored in a competitive range making them eligible to receive grant awards, and allotted positions by county to grantees on a winner-takes-all basis. Specifically, the highest ranked applicant received all the positions it requested, and each subsequent applicant received all positions not previously claimed by a higher-ranked applicant. All 13 competitive applicants were eventually awarded positions. The competition produced 4 new national grantees, increasing the total number from 10 to 13. One incumbent grantee, the National Urban League, was not awarded a grant to continue administering SCSEP. The competition also resulted in a significant reshuffling of funds and positions among incumbent grantees. Of the nine incumbent national grantees that were awarded continuing grants, two gained positions, and seven lost positions (see table 1).

Table 1: National Grantee Positions Before and After 2002 Competition

National Grantee	Program year 2002 positions (precompetition)	Program year 2003 positions (postcompetition)	Change
Incumbent grantees that gained positions			
AARP Foundation	7,097	10,487	+ 3,390
National Caucus and Center on Black Aged, Inc.	1,831	2,140	+ 309
Incumbent grantees that lost positions			
Experience Works, Inc.	14,915	12,051	- 2,864
National Council on the Aging, Inc.	5,334	3,069	- 2,265
National Urban League	2,163	(not selected)	- 2,163
Senior Service America, Inc.	9,015	7,017	- 1,998
USDA Forest Service	3,998	2,863	- 1,135
Asociacion Nacional Pro Personas Mayores	1,864	1,090	- 774
National Indian Council on Aging	867	862	- 5
National Asian Pacific Center on Aging	857	856	- 1
New grantees			
SER —Jobs for Progress National, Inc.	(new grantee)	3,681	+ 3,681
Easter Seals, Inc.	(new grantee)	2,267	+ 2,267
Mature Services, Inc.	(new grantee)	774	+ 774
National Able Network	(new grantee)	764	+ 764
TOTAL	47,941	47,921	- 20

Source: GAO analysis of data provided by Labor.

Labor determines the amount of funding to be allocated to grantees based on a “cost per authorized position” outlined in the OAA Amendments. As a result, following the 2002 competition, each of the 13 successful grantees received funding approximately equal to the number of positions it was awarded times \$7,153—the pre-determined cost per authorized position. Among incumbent grantees, two gained additional funding and seven lost funding. AARP Foundation gained more than \$24 million in additional funds, while Experience Works, Inc. lost \$20.5 million in funding. Altogether, the four new grantees received approximately \$54 million in SCSEP funding (see table 2).

Table 2: National Grantee Funding Before and After 2002 Competition

National grantee	Program year 2002 funding (precompetition)	Program year 2003 funding (postcompetition)	Change
Incumbent grantees that gained funding			
AARP Foundation	\$50,764,841	\$75,018,059	\$24,253,218
National Caucus and Center on Black Aged, Inc.	\$13,097,143	\$15,310,083	\$2,212,940
Incumbent grantees that lost funding			
Experience Works, Inc.	\$106,686,995	\$86,202,150	-\$20,484,845
National Council on the Aging, Inc.	\$38,154,102	\$21,952,313	-\$16,201,789
National Urban League	\$15,471,939	(not selected)	-\$15,471,939
Senior Service America, Inc.	\$64,484,295	\$50,190,834	-\$14,293,461
USDA Forest Service	\$28,597,694	\$20,483,709	-\$8,113,985
Asociacion Nacional Pro Personas Mayores	\$13,333,192	\$7,793,500	-\$5,539,692
National Indian Council on Aging	\$6,201,651	\$6,165,886	-\$35,765
National Asian Pacific Center on Aging	\$6,130,121	\$6,120,400	-\$9,721
New grantees			
SER – Jobs for Progress National, Inc.	(new grantee)	\$26,319,150	\$26,319,150
Easter Seals, Inc.	(new grantee)	\$16,219,388	\$16,219,388
Mature Services, Inc.	(new grantee)	\$5,536,422	\$5,536,422
National Able Network	(new grantee)	\$5,462,600	\$5,462,600
TOTAL	\$342,921,973	\$342,774,494	-\$147,479

Source: GAO analysis of data provided by Labor.

On March 2, 2006, Labor announced an open competition for program year 2006 national grantee funding. This announcement is consistent with Labor’s current proposal for the reauthorization of SCSEP, which recommends eliminating performance sanctions in favor of holding a competition for grants every 3 years. Using similar criteria to those used in the 2002 competition, Labor plans to award no more than 20 grants to national grantees, including at least 1 grant to an Indian and Native American organization and at least 1 grant to an Asian Pacific Islander organization. Labor is specifically seeking organizations that are able to foster partnerships with one-stop career centers and community colleges and that promote private employment through high-growth job opportunities. In order to increase program effectiveness and achieve economies of scale, Labor has consolidated the geographic areas over which grantees will administer SCSEP for the upcoming program year. When requesting positions, potential grantees must apply for at least 10 percent of a state’s allocation, or \$1.6 million, whichever is greater.

Furthermore, applicants that apply for more than one county in a state must request contiguous counties, and except in the cases of very large counties, they must apply for all the positions in a county.

Equal Share of National and State Positions Located in Metropolitan Areas

For program year 2005, slightly more than two-thirds of both national and state grantee positions are located in metropolitan areas. National grantees administer SCSEP in every state except Alaska, Delaware, and Hawaii, while state grantees operate SCSEP in all 50 states, the District of Columbia, and Puerto Rico.⁷ Individual national grantees operate in as many as 39 states (Experience Works, Inc.) and as few as 2 states (Mature Services, Inc.). The share of positions in metropolitan areas varies widely among national grantees. Three grantees administer more than 90 percent of their SCSEP positions in metropolitan counties, while two grantees have fewer than half of their positions in metropolitan counties (see table 3).

⁷0.75 percent of the total SCSEP appropriation is also used to fund positions in American Samoa, Guam, the Northern Marianas, and the U.S. Virgin Islands. Each territory operates its own SCSEP program—national grantees do not serve these areas.

Table 3: Summary of SCSEP Positions for Program Year 2005

Grantees	Number of SCSEP positions	Number of states served ^a	Percent of positions in metropolitan counties
TOTAL	60,590^b	52	71
State grantees	12,982	52	69
Nationals grantees	47,608	49	72
AARP Foundation	10,362	29	96
Asociacion Nacional Pro Personas Mayores	1,075	6	100
Easter Seals, Inc.	2,248	9	85
Experience Works, Inc.	12,029	39	41
Mature Services, Inc.	771	2	89
National Able Network	760	4	58
National Asian Pacific Center on Aging	836	8	100
National Caucus and Center on Black Aged, Inc.	2,129	11	82
National Council on the Aging, Inc.	3,020	12	80
National Indian Council on Aging	842	15	62
Senior Service America, Inc.	7,030	24	84
SER – Jobs for Progress National, Inc.	3,658	16	79
USDA Forest Service	2,848	38	39

Source: GAO analysis of Labor and USDA Economic Research Service data.

^a Includes all 50 states, the District of Columbia, and Puerto Rico.

^b Excludes the 457 positions allotted to the territories.

Labor Has Yet to Fully Implement an Enhanced Performance Accountability System

Labor has taken steps to establish an enhanced performance accountability system for SCSEP, but has yet to implement some features fully. While Labor has introduced the new performance measures that the OAA amendments required, program year 2005—which ends on June 30, 2006—is the first year for which grantees will be held accountable for their performance. Labor has also implemented an early version of a data collection system to capture performance information, but the final version is not yet available to grantees in its intended online format. In addition, Labor has recently undertaken a broad assessment of SCSEP on such issues as participant outcomes, program costs, and grantee challenges, but has not yet issued a report.

New Performance Measures Were Recently Implemented

Labor has implemented new performance measures, as required by the OAA Amendments, and will begin sanctioning grantees that demonstrate poor performance for the current program year —2005 —which ends on June 30, 2006. After Labor issued final regulations for SCSEP in April 2004, it instituted practice measures for program year 2004, as grantees transitioned to the new data collection and reporting requirements. Labor used the resulting performance data to help set baseline goals for grantees to meet during program year 2005.

For program year 2005, according to Labor, four SCSEP measures will contribute to a grantee's overall performance assessment:

- *Placement*: the number of participants attaining unsubsidized employment, either full-time or part-time, for at least 30 days of the first 90 days after exiting the program, divided by the number of authorized SCSEP positions.
- *Employment Retention*: the rate of retention in unsubsidized employment 6 months after placement.
- *Service Level*: the number of a grantee's participants divided by the number of the grantee's authorized positions.
- *Service to Most-in-Need*: the percentage of participants who are at least 60 years old and who have at least one of several additional barriers to employment, such as language barriers, poor employment history, or a physical or mental disability.

Labor officials told us they plan to assess grantees on their aggregate performance across these four SCSEP performance measures. A grantee satisfies its overall performance goal if it attains an average score across the four measures of at least 80 percent of the target goals. Thus, a grantee could meet its performance requirements by attaining less than 80 percent of some goals but more than 80 percent of the others. For example, Labor's data show that one state achieved 47 percent of its placement goal but performed well enough on the other measures to receive an average score well above the 80 percent threshold for satisfactory performance. According to Labor, grantees varied in their ability to meet goals for individual measures during the transitional period of program year 2004. (See app. III for a listing of the program year 2004 results compared to the performance goals for each grantee.) However, Labor officials said that most grantees managed to meet the 80 percent threshold for their overall performance goal. (See appendix IV for results

for each of the grantees.) They also stated that, based on Labor's assessment of data from the first 2 quarters of the current year, most grantees appear to be on track for meeting their performance goals for program year 2005.

Sanctions for poor performance are similar for state and national grantees and will begin after the first year of not meeting the 80 percent threshold for overall performance. If performance does not improve, sanctions will increase in severity after the second and third consecutive years. After the first year of poor performance, a grantee must submit a corrective action plan within 160 days of the end of the program year. In addition, Labor will provide the grantee with technical assistance to help correct the problem. A second consecutive year of failing to meet performance goals will generate a competition for 25 percent of the grantee's funds for the following program year. If a grantee continues to perform poorly for a third year, another competition will result for the remaining amount of the grantee's funding. Furthermore, in addition to meeting their own goals, national grantees must meet the performance goals of each state in which they administer the program. If they fail to meet the state's goals, Labor will require a corrective action plan after the first year of poor performance and may take other appropriate actions, including transferring responsibility for the project to other grantees. National or state grantees that fall short of one performance target but otherwise meet their aggregate goals will not be subject to sanction; Labor will instead provide them with technical assistance related to that performance issue.

In addition, Labor requires grantees to report on the customer satisfaction of participants, host agencies, and employers by surveying each group. While poor performance on this measure will result in technical assistance rather than sanctions, Labor officials told us that to date customer satisfaction has been very high. Grantees must also report the number of community service hours participants contribute, but Labor officials told us that they have struggled to create a measurable indicator for community service and do not plan to sanction performance in this area.

SCSEP grantees must also collect data to support several common measures as part of a governmentwide initiative to provide comparable performance information across federal programs with similar goals and

operations.⁸ For job training and employment programs serving adults, the three common measures include entered employment, retention, and average earnings. Thus, between the SCSEP measures and the common measures, grantees must collect and report on data for nine different performance measures. The SCSEP placement and retention measures overlap somewhat with the common measures for entered employment and retention, although the SCSEP measures, as defined by the OAA Amendments, are computed differently. (See table 4.) Specifically, the SCSEP placement measure is calculated relative to each grantee's number of authorized positions, while the common measure for entered employment is based on the number of participants who exit the program. Likewise, the SCSEP retention measure evaluates employment 6 months after placement, while the common measure for retention assesses a participant's employment in both the second and third quarters after exit.

Table 4: Comparison of SCSEP Placement and Retention Measures with Common Measures for Entered Employment and Retention

SCSEP performance measure	Common measure
<i>Placement</i> : the number of participants whose placement into unsubsidized employment became final during the quarter, divided by the total number of authorized community service positions.	<i>Entered employment</i> : the number of participants employed in the first quarter after exiting the program, divided by the total number of participants who exit the program during the quarter.
<i>Retention</i> : the number of participants placed into unsubsidized employment and who are still employed 6 months after the date of placement, divided by the number of participants placed into unsubsidized employment.	<i>Retention</i> : of those participants who are employed in the first quarter after exiting the program, the number employed in both the second and third quarters after exit, divided by the number of participants employed in the first quarter after the quarter of exit.

Source: GAO analysis data of provided by Labor.

Grantees are not subject to sanction for performance on the common measures, which the Office of Management and Budget will use to evaluate the overall effectiveness of SCSEP. However, the administration's legislative proposal for reauthorizing SCSEP supports using the common measures. Additional measures, such as community services provided, could be tracked as secondary outcomes.

⁸The Office of Management and Budget (OMB) introduced common performance measures as part of efforts to link program performance to the budget. Common measures apply to job training and employment programs administered by the U.S. Departments of Labor, Education, Health and Human Services, Housing and Urban Development, Interior, and Veterans Affairs.

New Data Collection System Is in Interim Stage

Labor has designed a data collection system to capture performance information, but has not yet implemented the Internet-based version. The agency is in the process of moving to an Internet-based system that incorporates the new performance data required under the OAA Amendments. In order to capture baseline performance data in program year 2004, Labor rolled out an early, non-Internet version of its data collection system in time to receive data from the first quarter of that program year. Although it collects the required performance data, this interim system is limited in its usefulness for helping to manage the program. For example, grantees are unable to access their quarterly progress reports directly and must wait for Labor to process and send the data to them. Likewise, grantees receive reports that notify them of errors in their data submissions, but the reports do not identify which records are problematic. Moreover, since the initial roll-out, Labor has incorporated several modifications to the system and required data reporting elements. Currently, grantees either use the early version of Labor's new system or continue to use their own databases while they wait for the new Internet-based data collection system to undergo testing and be rolled out. If procurement and technical processes go as planned, Labor hopes to fully implement the Internet-based data collection system by mid-May 2006.

Labor has provided grantees with guidance and technical assistance on implementing the new data collection system. In addition to issuing written guidance, Labor and its contractors have conducted demonstrations and offer ongoing direct assistance, including an Internet-based forum for grantee questions on implementing the new system.

Labor Has Initiated an Assessment of SCSEP

Labor recently undertook an assessment of SCSEP, which it has yet to complete. In 2004, Labor contracted with DAH Consulting, Inc., and Social Policy Research to conduct an assessment of SCSEP. According to Labor, in addition to assessing the ability of grantees to find useful community service assignments and increase placements in unsubsidized employment, the assessment was supposed to gather information on participant training, the level of coordination with the one-stop system, program costs, outcomes, and other challenges faced by grantees. However, this study was not intended to be a true impact evaluation, but rather a more general review of SCSEP program operations. As of March 2006, Labor officials had received a draft of the study but sent it back to DAH Consulting with requested changes. However, because Labor had not provided us with preliminary results from the review, as of the date of this testimony we are unable to describe what the assessment found, and

cannot provide an evaluation of the methodology used to generate the report.

SCSEP Eligibility and Coordination with WIA Are among the Major Challenges Grantees Face

Changes to SCSEP eligibility criteria and coordination difficulties with WIA and the one-stop system pose major challenges to SCSEP grantees in managing the program. Although the OAA Amendments did not contain provisions changing the eligibility criteria for SCSEP, Labor modified some eligibility criteria to target SCSEP's limited funds to individuals it believes are most in need of SCSEP's intensive services. For example, Labor modified the types of income it uses to determine an individual's eligibility for the program to include Social Security Disability Insurance (SSDI) and unemployment compensation, so that only those with the lowest incomes are targeted. In addition, Labor changed its previous policy of allowing low-income older adults who work part-time to enroll in SCSEP, and revised the time period for which income is calculated. Most national and state grantees told us that these changes decreased the pool of eligible individuals, and were concerned that enrollments would decline as a result. Furthermore, the majority of the 13 national and 52 state grantees surveyed also identified coordinating with WIA providers, obtaining intensive and training services at one-stop centers, implementing Labor's new data collection system, and meeting new performance measures as being major challenges to managing the SCSEP program.

Labor Changed Eligibility Criteria to More Closely Target Program

Labor estimated that SCSEP's funding is only sufficient to serve less than one percent of the eligible population and, as a result, changed the eligibility criteria for SCSEP participation to target the program to those older adults it believes are most in need of program services. Labor issued guidance in April 2004 and again in January 2005 to reflect and clarify policy changes to SCSEP eligibility criteria that were previously established in guidance issued in December 1995. Major eligibility policy changes include what is to be counted as income, employment status at time of application, and the time period to be used for the purposes of calculating income. (See table 5.)

Table 5: Changes to Eligibility Criteria

Changes to eligibility criteria	Older Worker Bulletin 95-5, issued June 1995	Training and Employment Guidance Letter 13-04, issued January 2005
Social security income	25 percent of social security income excluded from income calculations	No exclusion, all social security income counted in income calculations
Social security disability insurance (SSDI)	Excluded from income calculations	Included in income calculations (other disability benefits excluded)
Unemployment compensation	Excluded from income calculations	Included in income calculations
Veterans' payments	Excluded from income calculations	Included in income calculations
Interest/dividends	\$3,000 excluded from income calculations	Included in income calculations
Exclusion for enrollee recertification	\$500 of includable income was not counted for enrollee recertification	No such exclusion
Time period for income calculations	Option of using either previous 12 months or 6 months annualized	No option, calculations based on 6 months annualized
Employment status	Not mentioned. Labor allowed applicants to be either under-employed or unemployed	Applicants must be unemployed

Source: GAO analysis of Labor guidance.

While, the OAA Amendments do not define what constitutes income, Labor decided to use the U.S. Census Bureau's Current Population Survey (CPS) as the standard for determining income eligibility for SCSEP. In the preamble to its April 2004 regulations, Labor set forth its intent to use the income categories collected in the CPS as the SCSEP definition of income for determining program eligibility. After receiving feedback from grantees, Labor decided to exclude certain forms of income. For example, Labor excluded disability benefits—except SSDI— as well as supplementary security income, workers' compensation, public assistance, child support, and several other sources of income. Most national and state grantees we surveyed expressed concern with the revised income criteria. For example, one national grantee told us that including SSDI is especially onerous because individuals receiving SSDI are among the hardest to serve. A state grantee stated that SSDI should not be included in determining program eligibility because other disability benefits were not included in calculating income eligibility. Another state grantee noted that social security is the only source of income for many older adults and including it provides a misleading picture of an individual's actual income.

The administration's proposal for the upcoming reauthorization of Title V of OAA contains provisions for standardizing the income threshold. Labor believes that reauthorization provides an opportunity for Congress to align SCSEP income eligibility criteria with those used by Labor and other federal programs that are means-tested. Labor noted that more uniformity

with respect to the types of income used to determine program eligibility, such as Social Security benefits versus earned income, would increase public confidence that these programs were being administered in a consistent and equitable manner.

Most national and state grantees surveyed were also concerned with Labor's policy change requiring applicants to be unemployed at time of application. Labor officials stated that the Office of the Solicitor took a strict interpretation of the OAA Amendments and determined that applicants must be unemployed at the time of application to be eligible for SCSEP. Labor officials noted that this interpretation was consistent with the department's philosophy that SCSEP should be targeted to those most in need of the program's intensive services. Prior to the OAA Amendments, Labor permitted applicants who held part-time jobs and met other eligibility criteria to be eligible for SCSEP services. The OAA amendments retained the language contained in the statement of purpose from the authorizing legislation that the program was to provide services to unemployed low income adults 55 years and older. The amendments further defined eligible individuals as those individuals who are 55 years and older and have income not more than 125 percent of the poverty guidelines, but did not refer to employment status. Grantees told us that the requirement that applicants be unemployed prevented some low-income older workers from receiving SCSEP services. For example, a state grantee noted that older workers who may work only 4 hours per week have very low incomes but are not eligible for program services because they are not unemployed. Another state grantee noted that many older workers who are not eligible for social security benefits often work part-time, and thus would not be eligible under the employment test, but would otherwise still meet the income eligibility criteria.

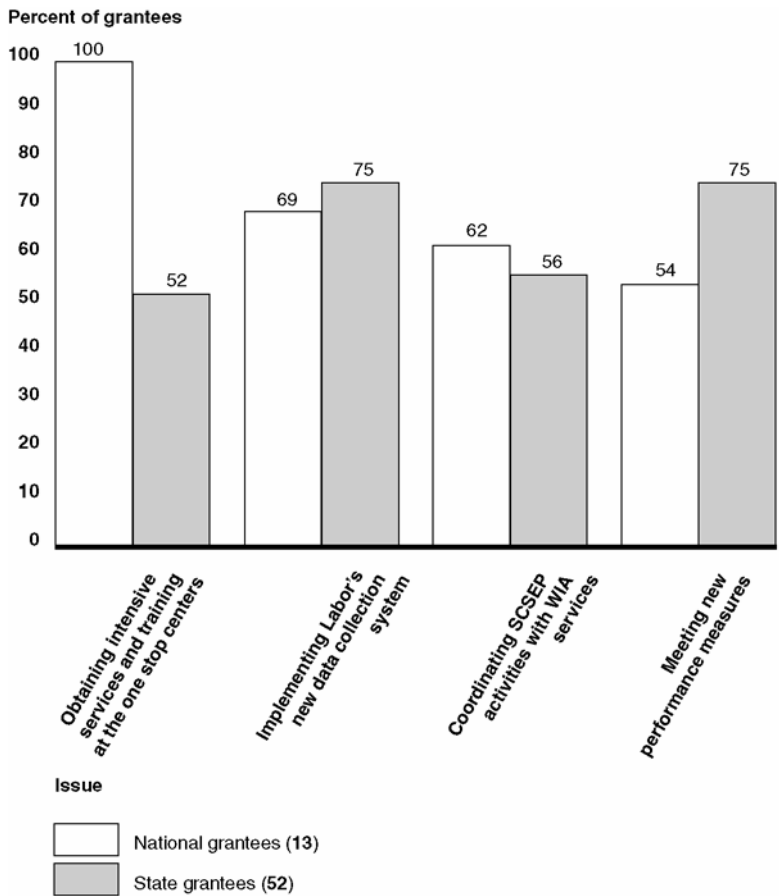
Many grantees were also concerned that Labor revised the period on which income is calculated. Prior to Labor's regulations issued in 2004, grantees had the option of calculating income using either the includable income for the 12 months preceding application or annualizing the includable income for the 6 months preceding application, that is doubling the 6-month income to calculate an annual income. Labor now requires grantees to annualize an applicant's income using the 6 months prior to application. Labor officials told us that changing the period on which income is calculated was intended to simplify the process and to reflect the most current income information. However, a national grantee and two state grantees noted in their survey responses that annualizing 6 months of income could distort income for those who only had earnings during that 6-month period. For example, a state grantee noted that many

older individuals in their state work during the planting and harvesting seasons but are unemployed for the remainder of the year. They noted that doubling the individual's 6-month income made many of these seasonal workers ineligible for SCSEP. Conversely, doubling 6-month earnings to calculate annual income can have the unintended consequence of including some individuals who would not otherwise be eligible for the program if a 12-month period was applied.

Other Challenges That Grantees Face

National and state grantees surveyed also identified other issues that presented major challenges to managing the SCSEP program. The majority of both national and state grantees identified several issues in the survey as being great or very great challenges, in particular coordinating SCSEP activities with WIA services, obtaining intensive services and training at one-stop centers, implementing Labor's new data collection system, and meeting performance measures (see fig. 2).

Figure 2: Issues Cited by Majority of National and State Grantees as Great or Very Great Challenges



Source: GAO analysis of survey data.

Although the OAA amendments sought to strengthen coordination between SCSEP and WIA, national and state grantees surveyed identified the coordination of SCSEP activities with WIA services and obtaining intensive services and training at one-stops as major challenges. For example, several national and state grantees responded that many WIA providers are hesitant to provide intensive services or training to SCSEP participants because WIA providers are concerned that enrolling older adults would negatively affect their performance measures. Older adults who receive intensive services or training from WIA providers are included in the computation of WIA performance measures. Another state grantee stated that while coordination with one-stops for core services is very good, access to training is very difficult. We heard a similar theme

among states we visited. For example, one state grantee we visited said that WIA is so performance-driven that few SCSEP participants are able to access intensive and training services under WIA.

The reported lack of coordination between SCSEP and WIA is especially relevant in light of the administration's proposal to increase the age of SCSEP eligibility from 55 to 65, with limited exceptions for those between the ages of 55 and 64. Labor believes that WIA, not SCSEP, should be the primary program for older adults age 55 to 64. However, we have previously reported that WIA has built in disincentives that discourage the providing of in-depth services, such as training, to older adults.⁹ We noted that the Bureau of Labor Statistics and the Census Bureau data suggest that older workers are 50 percent more likely to work part-time and less likely to become re-employed after being laid off than younger workers. These characteristics may negatively affect outcomes on certain WIA performance measures, and, as a result, create a barrier to enrolling older workers into WIA intensive services and training.

While most of the 13 national and 52 state grantees surveyed also reported challenges with Labor's new data collection system, they noted that the agency provided helpful assistance with system implementation. Several national and state grantees stated that implementation of the data system was both time and labor-intensive. In particular, one state grantee told us that Labor rolled out the data collection system prematurely, resulting in a loss of productivity at the grantee and subgrantee level. Despite these concerns, most grantees indicated that they received training or technical assistance for the system from Labor or its contractors. Moreover, while several national and state grantees provided positive comments about Labor's assistance, with respect to staff responsiveness, others were less than satisfied and indicated the need for more assistance.

All of the national grantees and most of the state grantees that cited meeting performance measures as a great or very great challenge in the survey indicated that the program eligibility changes had the greatest effect on the ability to meet the performance measure dealing with SCSEP

⁹GAO, *Older Workers: Employment Assistance Focuses on Subsidized Jobs and Job Search, but Revised Performance Measures Could Improve Access to Other Services*, [GAO-03-350](#) (Washington, D.C.: Jan. 24, 2003).

service level.¹⁰ A number of state grantees mentioned that the greater difficulty in recruiting SCSEP participants translated into difficulty meeting the service level performance measure. Another of the state grantees that we visited said that the service level measure would present the greatest challenge because the income guidelines were too restrictive. According to Labor data, 7 of the 13 national grantees and 21 of the 52 state grantees did not meet their service level goals for program year 2004. Labor officials noted that some of the grantees who were concerned with low enrollments may not perform sufficient outreach or marketing.

Concluding Observations

The aging of the baby boom generation presents serious challenges for the nation's workforce investment system. The expected increase in the number of low-income older adults means that, more and more, older Americans will have to continue working in order to have sufficient income. Older adults often have difficulty re-entering the labor force and may rely on federal employment and training programs to help them find employment, with SCSEP being the only federal employment and training program targeted exclusively to low-income older adults. While Labor has made progress implementing the OAA Amendments—particularly in terms of increasing the program's focus on unsubsidized employment—challenges remain. More specifically, while Labor has taken steps to establish an enhanced performance accountability system, as of March 2006 the system has still not been fully implemented. The delay in implementing this system means that program year 2005 is the first year that grantees will be held accountable for poor performance. In this respect, given the upcoming reauthorization of the OAA, only limited data will be available to assess SCSEP performance. In addition, while Labor's changes to the eligibility criteria seem to have resulted in SCSEP funds being more targeted to those it believes are most in need of program services, one aspect of how this targeting was operationalized may have produced mixed outcomes. In particular, the requirement for grantees to double an applicant's income from the most recent 6-month period could have the unintended result of excluding some individuals with very low incomes from the program while including others with much higher incomes, depending on when the work was performed. Those who are excluded from participation in SCSEP may turn to other employment and

¹⁰This measure is defined as the total number of participants served to a grantee's authorized number of positions adjusted for the difference in wages required paid in a state or area.

training programs such as WIA. However, given the problems older adults often experience in obtaining in-depth services such as training, it is unclear whether the existing workforce system is able to provide the type and level of services this population may need. Thus, while the OAA amendments were designed to enhance employment and training opportunities for older adults, we believe that Labor has not done enough to address unresolved issues concerning coordination between SCSEP and WIA, and helping older adults obtain intensive and training services at one-stop centers.

Mr. Chairman, this completes my prepared statement. I would be happy to respond to any questions you or other Members of the Committee may have at this time.

GAO Contact and Acknowledgments

For further information regarding this testimony, please contact me at (202) 512-7215. Jeremy Cox, Wayne Sylvia, Rebecca Woiwode, Drew Lindsey, and Stuart Kaufman were key contributors to this testimony.

Appendix I

Table 6: National Grantee Funds and Positions for Program Year 2005

National grantee	Funds (\$)	Positions
TOTAL	340,542,384	47,608
AARP Foundation	74,119,938	10,362
Asociacion Nacional Pro Personas Mayores	7,697,076	1,075
Easter Seals, Inc.	16,077,169	2,248
Experience Works, Inc.	86,033,517	12,029
Mature Services, Inc.	5,514,963	771
National Able Network	5,435,364	760
National Asian Pacific Center on Aging	5,978,047	836
National Caucus and Center on Black Aged, Inc.	15,228,375	2,129
National Council on the Aging, Inc.	21,602,605	3,020
National Indian Council on Aging	6,027,252	842
Senior Service America, Inc.	50,290,679	7,030
SER – Jobs for Progress National, Inc.	26,168,160	3,658
USDA Forest Service	20,369,239	2,848

Source: GAO analysis of data provided by Labor.

Appendix II

Table 7: Total Funds and Positions by State for Program Year 2005

State grantee	National		State		Total	
	Funds (\$)	Positions	Funds (\$)	Positions	Funds (\$)	Positions
TOTAL	340,542,384	47,608	92,860,928	12,982	433,403,312	60,590
Alabama	6,320,471	884	1,615,788	226	7,936,259	1,110
Alaska	0	0	1,864,917	261	1,864,917	261
Arizona	4,508,899	630	1,160,235	162	5,669,134	792
Arkansas	6,213,586	869	1,587,316	222	7,800,902	1,091
California	29,193,091	4,079	7,481,025	1,045	36,674,116	5,124
Colorado	3,448,825	482	882,633	123	4,331,458	605
Connecticut	3,748,103	524	953,812	133	4,701,915	657
Delaware	0	0	1,864,917	261	1,864,917	261
District of Columbia	1,959,560	274	505,378	71	2,464,938	345
Florida	20,122,897	2,813	5,146,318	718	25,269,215	3,531
Georgia	7,560,338	1,057	1,936,098	271	9,496,436	1,328
Hawaii	0	0	1,864,917	261	1,864,917	261
Idaho	1,936,240	271	464,305	65	2,400,545	336
Illinois	13,248,612	1,852	3,395,289	475	16,643,901	2,327
Indiana	8,928,466	1,248	2,284,880	319	11,213,346	1,567
Iowa	4,368,036	611	1,117,527	156	5,485,563	767
Kansas	3,510,095	491	889,751	124	4,399,846	615
Kentucky	6,462,984	904	1,658,495	232	8,121,479	1,136
Louisiana	5,691,272	795	1,473,427	206	7,164,699	1,001
Maine	2,102,073	294	540,969	76	2,643,042	370
Maryland	4,688,692	655	1,202,943	168	5,891,635	823
Massachusetts	7,416,501	1,037	1,900,508	266	9,317,009	1,303
Michigan	11,355,634	1,587	2,911,264	407	14,266,898	1,994
Minnesota	8,126,440	1,136	2,071,340	290	10,197,780	1,426
Mississippi	4,204,146	588	1,081,937	151	5,826,083	739
Missouri	8,201,648	1,147	2,156,756	302	10,358,404	1,449
Montana	2,263,238	317	548,087	77	2,811,325	394
Nebraska	2,606,361	365	669,093	94	3,275,454	459
Nevada	1,723,459	241	464,305	65	2,187,764	306
New Hampshire	1,642,685	230	464,305	65	2,106,990	295
New Jersey	9,641,033	1,348	2,462,830	344	12,103,863	1,692
New Mexico	1,992,155	279	491,143	69	2,483,298	348
New York	22,540,759	3,151	5,765,585	805	28,306,344	3,956

State grantee	National		State		Total	
	Funds (\$)	Positions	Funds (\$)	Positions	Funds (\$)	Positions
North Carolina	8,921,341	1,247	2,284,880	319	11,206,221	1,566
North Dakota	2,045,068	286	526,732	74	2,571,800	360
Ohio	14,871,277	2,079	3,808,133	532	18,679,410	2,611
Oklahoma	5,467,186	765	1,402,248	196	6,869,434	961
Oregon	5,016,473	701	1,281,241	179	6,297,714	880
Pennsylvania	18,297,675	2,558	4,669,412	653	22,967,087	3,211
Puerto Rico	4,688,692	655	1,195,825	167	5,884,517	822
Rhode Island	1,809,921	253	469,788	66	2,279,709	319
South Carolina	4,645,938	650	1,188,707	166	5,834,645	816
South Dakota	2,360,955	330	605,030	85	2,965,985	415
Tennessee	6,968,906	974	1,779,502	249	8,748,408	1,223
Texas	18,928,589	2,646	4,840,245	677	23,768,834	3,323
Utah	2,273,090	318	583,676	82	2,856,766	400
Vermont	1,866,926	261	484,024	68	2,350,950	329
Virginia	7,392,768	1,033	1,893,389	265	9,286,157	1,298
Washington	5,047,100	706	1,288,359	180	6,335,459	886
West Virginia	3,833,611	536	982,285	137	4,815,896	673
Wisconsin	8,737,884	1,221	2,235,285	312	10,972,938	1,533
Wyoming	1,642,685	230	464,305	65	2,106,990	295

Source: GAO analysis of data provided by Labor.

Appendix III: Summary of SCSEP Grantee Performance Data for Benchmark Year, Program Year 2004

The following baseline performance data for SCSEP grantees are from benchmark program year 2004 (July 1, 2004, to June 30, 2005). According to the Department of Labor, four SCSEP measures will contribute to a grantee's overall performance in program year 2005, the first year for which grantees will be held accountable for their performance.

The following measures are used:

- *Placement*: the number of participants attaining unsubsidized employment, either full- or part-time, for at least 30 days of the first 90 days after exiting the program, divided by the number of authorized SCSEP positions.
- *Employment Retention*: the rate of retention in unsubsidized employment 6 months after placement.
- *Service Level*: the number of a grantee's participants divided by the number of the grantee's authorized positions.
- *Service to Most-in-Need*: the percentage of participants who are at least 60 years old and who have at least one of several additional barriers to employment, such as language barriers, poor employment history, or a physical or mental disability.

These figures were provided by the Department of Labor and are included in this testimony for contextual purposes only. GAO has not verified the accuracy or reliability of these data.

Table 8: SCSEP National Grantee Performance, Program Year 2004

Grantee name	Placement rate		Retention rate		Service level		Service to most-in-need	
	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
AARP Foundation	35.0%	47.7%	50.0%	53.2%	150.0%	214.6%	50.0%	54.3%
Asociacion Nacional pro Personas Mayores	22.0	22.5	50.0	42.0	140.0	133.2	70.0	62.7
Easter Seals	27.0	17.0	50.0	69.8	147.0	145.3	80.0	72.4
Experience Works	29.0	21.6	50.0	64.4	142.0	153.3	65.0	66.5
Mature Services	30.0	24.2	50.0	74.5	150.0	145.9	80.0	70.3
National ABLE Network	30.0	20.2	50.0	44.8	140.0	162.0	80.0	57.5
National Asian Pacific Center on Aging	26.0	20.5	50.0	58.7	145.0	170.0	70.0	69.7
National Caucus and Center on Black Aged	24.0	17.8	50.0	59.8	145.0	142.7	70.0	72.7
National Council on the Aging, Inc.	26.0	30.7	55.0	68.5	140.0	154.7	78.0	65.5
National Indian Council on Aging	20.0	8.6	80.0	79.5	155.0	137.0	75.0	60.7
Senior Service America, Inc.	28.0	31.3	20.0	80.0	145.0	171.6	60.0	59.0
SER - Jobs for Progress National	20.0	17.1	40.0	69.7	140.0	132.9	70.0	70.0
USDA Forest Service	33.0	17.0	50.0	64.9	150.0	129.1	70.0	62.6

Source: Labor.

Table 9: SCSEP State Grantee Performance, Program Year 2004

Grantee name	Placement rate		Retention rate		Service level		Service to most-in-need	
	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Alabama	22.0%	23.8%	50.0%	64.0%	140.0%	156.8%	70.0%	67.4%
Alaska	25.0	36.0	50.0	82.5	140.0	205.3	40.0	49.7
Arizona	25.0	14.9	75.0	92.3	140.0	154.6	69.0	70.3
Arkansas	23.0	19.3	50.0	89.7	148.0	157.0	70.0	64.0
California	25.0	21.0	70.0	74.6	140.0	177.0	68.0	69.0
Colorado	23.0	27.4	50.0	66.7	155.0	175.0	80.0	64.1
Connecticut	34.0	36.7	50.0	66.7	150.0	189.8	75.0	61.3
Delaware	28.0	28.3	50.0	82.6	140.0	160.3	75.0	57.0
District of Columbia	23.0	29.6	50.0	100.0	147.0	147.9	75.0	79.0
Florida	30.0	31.5	50.0	86.5	140.0	194.1	60.0	71.4
Georgia	26.0	35.7	50.0	82.5	175.0	183.8	70.0	67.2
Hawaii	22.0	26.0	40.0	85.0	140.0	174.0	70.0	65.8
Idaho	30.0	30.8	50.0	83.3	140.0	144.6	50.0	58.5
Illinois	22.0	17.7	70.0	87.9	140.0	154.2	60.0	59.5
Indiana	25.0	19.3	50.0	68.3	140.0	142.7	50.0	61.6
Iowa	25.0	24.2	50.0	83.3	140.0	144.6	65.0	53.3
Kansas	21.0	11.2	22.0	90.9	150.0	137.6	70.0	72.1
Kentucky	25.0	15.0	50.0	88.9	140.0	127.5	70.0	66.0
Louisiana	25.0	13.0	50.0	100.0	155.0	143.5	80.0	66.0
Maine	20.0	21.0	50.0	44.4	120.0	135.5	70.0	64.3
Maryland	25.0	11.8	50.0	86.7	150.0	134.9	70.0	63.6
Massachusetts	22.0	18.7	50.0	81.3	140.0	137.9	75.0	69.3
Michigan	23.0	18.8	50.0	80.6	148.0	133.9	70.0	59.9
Minnesota	23.0	14.8	50.0	57.9	120.0	132.6	65.0	65.0
Mississippi	20.0	7.9	50.0	50.0	140.0	136.2	65.0	71.0
Missouri	20.0	5.9	49.0	45.5	140.0	130.0	55.0	69.8
Montana	23.0	28.6	40.0	84.6	145.0	151.9	70.0	63.2
Nebraska	22.0	17.0	55.0	66.7	145.0	134.0	60.0	67.5
Nevada	23.0	70.8	20.0	90.3	140.0	236.9	75.0	79.2
New Hampshire	20.0	12.3	50.0	57.1	150.0	93.8	70.0	47.5
New Jersey	32.0	7.5	50.0	86.7	160.0	137.6	75.0	81.1
New Mexico	25.0	8.7	50.0	50.0	155.0	100.0	70.0	63.8
New York	26.0	23.5	50.0	73.8	150.0	151.4	70.0	63.9
North Carolina	22.0	15.0	50.0	69.7	160.0	134.0	65.0	60.7

Grantee name	Placement rate		Retention rate		Service level		Service to most-in-need	
	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
North Dakota	23.0	1.4	45.0	0.0	142.0	104.1	75.0	75.3
Ohio	27.0	22.4	50.0	55.4	140.0	157.1	75.0	63.1
Oklahoma	25.0	21.3	50.0	81.8	145.0	149.7	80.0	72.9
Oregon	29.0	27.3	25.0	72.7	140.0	182.8	50.0	53.0
Pennsylvania	27.0	16.4	50.0	60.0	170.0	137.4	75.0	66.9
Puerto Rico	20.0	9.5	50.0	100.0	145.0	125.6	75.0	52.1
Rhode Island	35.0	30.0	50.0	50.0	155.0	162.0	75.0	75.3
South Carolina	25.0	7.2	40.0	25.0	140.0	118.0	70.0	67.5
South Dakota	25.0	24.7	50.0	60.0	145.0	148.2	80.0	64.3
Tennessee	23.0	18.0	50.0	78.9	142.0	143.6	70.0	70.5
Texas	35.0	31.4	40.0	58.3	165.0	155.2	80.0	56.6
Utah	35.0	45.1	40.0	92.3	145.0	159.8	80.0	55.0
Vermont	30.0	30.0	50.0	83.3	140.0	170.0	70.0	37.6
Virginia	33.0	22.6	50.0	75.0	150.0	146.2	70.0	69.7
Washington	20.0	46.5	50.0	82.1	125.0	200.8	80.0	56.9
West Virginia	25.0	13.8	50.0	37.5	140.0	113.8	75.0	66.9
Wisconsin	30.0	20.6	50.0	85.0	160.0	157.9	65.0	55.4
Wyoming	45.0	33.8	50.0	76.9	175.0	183.1	70.0	58.0

Source: Labor.

Appendix IV: Aggregate SCSEP Grantee Performance for Benchmark Year, Program Year 2004

These figures were provided by the Department of Labor and are included in this testimony for contextual purposes only. GAO has not verified the accuracy or reliability of these data.

Table 10: Aggregate National Grantee Performance for Program Year 2004

National grantee	Percent of aggregate goal achieved
Met or exceeded 80% threshold for satisfactory performance	
Senior Service America, Inc.	182.1%
AARP Foundation	123.6
SER - Jobs for Progress National	113.8
National Council on the Aging, Inc.	109.2
Mature Services	103.7
Experience Works	103.4
National Asian Pacific Center on Aging	103.3
National Caucus and Center on Black Aged	99.0
Easter Seals	98.0
Asociacion Nacional pro Personas Mayores	92.7
USDA Forest Service	89.2
National ABLE Network	86.1
Did not meet 80% threshold for satisfactory performance	
National Indian Council on Aging	77.9

Source: Labor.

Table 11: Aggregate State Grantee Performance for Program Year 2004

State grantee	Percent of aggregate goal achieved
Met or exceeded 80% threshold for satisfactory performance	
Nevada	258.5
Kansas	165.3
Washington	157.1
Oregon	155.4
Alaska	145.0
Hawaii	137.3
Utah	134.6
Florida	133.9
District of Columbia	133.6
Montana	132.7
Georgia	125.8
Idaho	122.4
Arkansas	115.2
Delaware	114.2
Connecticut	112.4
Iowa	112.2
Colorado	111.4
Alabama	111.1
Oklahoma	110.8
Vermont	110.5
Indiana	109.7
Massachusetts	109.6
Tennessee	109.5
New York	107.6
Louisiana	106.8
Kentucky	105.8
Wisconsin	105.6
Michigan	104.8
California	104.7
Wyoming	104.1
Illinois	103.9
Virginia	103.8
Puerto Rico	100.9

State grantee	Percent of aggregate goal achieved
Nebraska	100.9
Maryland	100.4
South Dakota	100.4
Texas	100.1
Maine	99.6
Arizona	98.8
New Jersey	97.7
Rhode Island	97.7
Minnesota	97.7
Ohio	97.5
North Carolina	96.1
Pennsylvania	87.7
Mississippi	86.5
Missouri	85.6
Did not meet 80% threshold for satisfactory performance	
New Hampshire	76.6
West Virginia	75.1
New Mexico	72.6
South Carolina	68.0
North Dakota	44.9

Source: Labor.

Related GAO Products

Older Workers: Labor Can Help Employers and Employees Plan Better for the Future. [GAO-06-80](#). Washington, D.C.: December 5, 2005.

Workforce Investment Act: Labor and States Have Taken Actions to Improve Data Quality, but Additional Steps Are Needed. [GAO-06-82](#). Washington, D.C.: November 14, 2005.

Redefining Retirement: Options for Older Americans. [GAO-05-620T](#). Washington, D.C.: April 27, 2005.

Older Workers: Policies of Other Nations to Increase Labor Force Participation. [GAO-03-307](#). Washington, D.C.: February 13, 2003.

Older Workers: Employment Assistance Focuses on Subsidized Jobs and Job Search, but Revised Performance Measures Could Improve Access to Other Services. [GAO-03-350](#). Washington, D.C.: January 24, 2003.

Older Workers: Demographic Trends Pose Challenges for Employers and Workers. [GAO-02-85](#). Washington, D.C.: November 16, 2001.

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "Subscribe to Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
TDD: (202) 512-2537
Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Gloria Jarmon, Managing Director, JarmonG@gao.gov (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, D.C. 20548

Public Affairs

Paul Anderson, Managing Director, AndersonP1@gao.gov (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, D.C. 20548