Approved February 8, 1983
Date

MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY AND TOURISM.

The meeting was called to order by Sen. Bill Morris at
Chairperson

1:30 ~~a.m.~~/p.m. on February 1, 1983 in room 529-S of the Capitol.

All members were present ~~except~~.

Committee staff present:

Mark Burghart, Research Department
Bruce Kinzie, Revisor
Louise Cunningham, Secretary

Conferees appearing before the committee:

Larry E. Wolgast, Assistant Secretary, Department of Human Resources

A motion was made by Sen. Arasmith and seconded by Sen. Daniels to approve the Minutes of January 24th and January 25th. Motion carried.

Larry Wolgast gave a presentation to the Committee on the new Job Training Partnership Act (JTPA) which replaces CETA. There are significant changes and CETA will be phased out later this year. He said they had meetings last week at six different locations in the state to explain the progress and the attendance was excellent. This program is part of the new federalism which will transfer management from federal to state government. Each state will now develop their own program. Local units of government and the private sector will be involved. Schools will also be involved to provide services. It would be easier to judge whether the programs were working by checking on increased earnings, job retention and a decrease in welfare benefits. 70% of the money would go for training. Under CETA up to 70% had gone ror daycare and transportation costs and very little had gone for training.

Mr. Wolgast distributed to members a Pocket Guide to the Job Training Partnership Act of 1982 (Attachment 1) and a JTPA Presentation Guide (Attachment 2). Mr. Wolgast said the local councils would decide what services they are going to provide. The state overviews it and the local plans will have to fit in with the state plans. The state will provide guidelines and will be responsible for labor market information and data processing.

Mr. Wolgast had a money tree chart which showed the distribution of funds under JTPA and was asked to supply copies of the chart to members of the Committee.

Local plans would have to be approved by the Governor but they can appeal to the DHR and the feds could come in for reconsideration. Mr. Wolgast said he hoped there would be no confrontation.

90% of the funds would go to disadvantaged and 10% to non-disadvantaged such as school dropouts, dope addicts, etc.

A Budget Memo. No. 83-10 by the Research Department on State Implementation of the Federal Job Training Partnership Act was distributed to members of the Committee. (Attachment 3).

Mr. Wolgast was asked if those under the training program would receive funds as they did under CETA. He said this program would be more restrictive than CETA and the funds would go mainly for training.

Mr. Wolgast was asked how this differed from CETA where many were trained and there were no meaningful jobs available for them. Mr. Wolgast said the local communities would have more information as to what was needed and where. The state could determine priorities.

Meeting was adjourned.

SENATE LABOR, INDUSTRY & TOURISM COMMITTEE

Date 2-1-83 Place 529-S Time 1:30

GUEST LIST

NAME	ADDRESS	ORGANIZATION
JOHN COLLINS	129-S, S.O.B., TOPEKA	DEPT. OF ADMIN. DIV. PERSONNEL SER.
Connie Smith	Topeka	Budget
Larry Wolgast	"	Dept. Human Resources
Terry Moore	"	" " "
Rob Hodges	"	KACI

(1)

National
Alliance of
Business

A Pocket Guide to the Job Training Partnership Act of 1982

Atch. 1

INTRODUCTION

The Job Training Partnership Act of 1982 marshalls federal, state, and local resources to help prepare economically disadvantaged and long-term unemployed people to become productive labor force members. For the first time, the private sector has equal responsibility with government in shaping federally funded job training programs. Through their chief elected officials and private industry councils (PICs), localities have considerable flexibility to decide how funds will be administered and how programs will be managed.

Business' status as equal partner is reflected in the PIC's joint policymaking responsibilities with the chief local elected official. Through the Job Training Partnership Act, the private sector has unprecedented latitude to shape local job training programs.

The Job Training Partnership Act has five sections:

Title I sets up the state/local delivery system and addresses general program and administrative issues, delineating the public/private partnership.

Title II authorizes funding and sets requirements for local training services for disadvantaged youth and adults. It outlines population groups eligible for Title II assistance and the variety and limitations on Title II programs and services. Title IIA funds are for adult and year-round youth programs, with IIB money for summer youth activities.

Title III establishes a program for dislocated workers.

Title IV establishes funding and requirements for federally administered programs.

Title V amends the Wagner-Peyser and Social Security Acts and other laws to foster coordination with the job training system.

STATE AND LOCAL DELIVERY SYSTEMS

Funding to the states begins in October 1983 for programs to train economically disadvantaged youth and adults.

Service Delivery Areas (SDAs) are the districts within a state through which direct job training services are delivered. SDAs may include more than one general purpose local government, but may not split local political jurisdictions. Each SDA has a private industry council (PIC). States must pass through 78 percent of their allocations to SDAs.

The **Private Industry Council** shares overall policy and oversight responsibility for local programs with chief local elected officials. The PIC represents local business leaders, who must make up a majority of its members. Whenever possible, half of that business majority should represent small businesses. Other PIC members represent education, organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and the local employment service.

A **State Job Training Coordinating Council** shares decision-making authority for many state functions with the governor, in an advisory capacity. The council, appointed by the governor, must have a non-governmental chairperson and must draw one-third of its membership from business and industry (including business representatives from local councils); at least one-fifth from state legislatures and state agencies; and at least one-fifth from other relevant interests. The state council plans, coordinates, and monitors state employment and training programs and services. It may not operate programs or provide direct services.

LOCAL PUBLIC/PRIVATE PARTNERSHIP

The Job Training Partnership Act sets up a **new and unique public/private partnership.** PICs and local chief elected officials have balanced roles in program planning and management, with agreement between the public and private leaders required on most major policy issues. PICs and local elected officials can choose who receives funds directly from the state, who administers the funds, and who operates programs. PICs can exercise program oversight independently.

A **two-year planning cycle** is mandated by law to encourage long-range planning and continuity of programs. Plans must be agreed upon by both the PIC and the chief local elected official. In labor markets with more than one SDA, plans for job development and placement activities must be coordinated.

Most **PIC structure and management decisions** are reserved to the PIC. Thus, a PIC elects its own chair, decides whether or not to incorporate, and determines its own procedures for removing PIC members.

ACTIVITIES AND USE OF FUNDS

The Job Training Partnership Act forces radical changes from past legislation regarding the design and content of training programs.

Client eligibility criteria specify that 90 percent of all Title II participants be economically disadvantaged. At least 40 percent of Title IIA funds must be spent on year-round youth programs, with AFDC recipients and school dropouts being served on an equitable basis. Up to 10 percent of participants in all regular youth and adult programs (Title IIA) may qualify regardless of income if they face other employment barriers (e.g., displaced homemakers, handicapped people, older workers, etc.).

Seventy percent of IIA funds must be spent on training; the remaining 30 percent is divided between a maximum of 15 percent for administrative costs and 15 percent for wages, allowances, and support services. Significantly, the law mandates no specific types of programs. **Local option** is the determinant in this critical area.

One hundred percent of a state's **IIB summer youth funds** must be passed through from states to local SDAs, with none of the 70/30 requirements which are applicable to IIA funds. The local plan can address youth from ages 14 through 21.

The use of funds for **Employment Generating Services** is unlimited as a percent of total funds, but EGS activities must contribute to increasing employment opportunities for eligible participants.

PERFORMANCE STANDARDS

Rather than measuring compliance to process, **performance standards** are used to assess program effectiveness. Federally developed performance standards emphasize return on investment, quality (not just quantity) of training and placements, and reduction of welfare dependency.

Exemplary performance, as measured by the performance standards, is rewarded, and poor performance is penalized. Specifically, the governor may use up to 6 percent of IIA funds as **incentive grants** to reward superior performance in an SDA, and must initiate a variety of strong corrective actions in response to poor performance.

AUDITING, MONITORING, AND REPORTING

States must establish **fiscal controls and accounting procedures,** with independent audits of each fund recipient conducted at least biennially under federal guidelines. **Misspent funds** must be repaid. While state and local agencies have program monitoring responsibility, the Department of Labor monitors certain aspects regarding use of federal funds. DOL also sets recordkeeping and management information system standards.

EMPLOYMENT SERVICE

The legislation **amends the Wagner-Peyser Act** (which governs the U.S. Employment Service) to forge a stronger link between the Employment Service's labor exchange function and local job training programs for disadvantaged people. In particular, there are **joint planning requirements** for the local ES office, PICs, and local elected officials. The law also revises ES funding formulas.

STATE ROLES

The governor is responsible for **coordinating state and local job training programs** with all other related activities administered through state agencies, with assistance from the state job training council. The 22 percent Title IIA state set-aside is used for coordinating job training services with state education and training agencies (8 percent), providing training for older workers (3 percent), and other program efforts.

The law also authorizes a state **dislocated workers program** (Title III) to fund a wide variety of public and private activities to assist workers facing permanent job loss. A 50 percent non-federal match is required.

FEDERAL ROLES

Federally administered job training activities include programs for Native Americans, migrant and seasonal farm-workers, and veterans; Job Corps; multi-state programs; research and demonstration; and establishment of a comprehensive labor market information program and a computerized job bank. DOL must also continue funding for the National Commission on Employment Policy, which will advise the Secretary on performance standards.

Employers with **affirmative action obligations** under federal contracts can help satisfy those obligations through involvement in certain training programs. DOL's Office of Federal Contract Compliance Programs determines the degree to which a firm's participation in a specific training program satisfies its affirmative action goals.

FOR MORE INFORMATION

Detailed legislative and regulatory analysis and guidance can be found in NAB's **Guide to the Job Training Partnership Act**. For further information, contact the National Alliance of Business at its main office or at the Regional Service Office nearest you:

City	Phone
Boston	(617) 426-4315
New York	(212) 561-2107
Philadelphia	(215) 665-0254
Atlanta	(404) 522-9350
Chicago	(312) 346-1182
Dallas	(214) 522-2630
Kansas City	(816) 842-1848
Denver	(303) 428-0440
San Francisco	(415) 391-4061
Seattle	(206) 622-2531
Cleveland	(216) 566-9955

The National Alliance of Business is an independent, business-led non-profit corporation whose mission is to increase private sector training and job opportunities for economically disadvantaged and long-term unemployed people by building strong public/private partnerships of business, government, labor, education, and community-based organizations.

National Alliance of Business
1015 15th Street, N. W
Washington, D. C. 20005

202/457-0040

JTPA PRESENTATION OUTLINE

I. The Job Training Partnership Act (JTPA)

   A. Historical perspective

   B. Key principles/changes from CETA

II. Federal Role - Department of Labor

   A. Issue regulations

   B. Allocate funds to States

   C. Approve State plans

   D. Set performance standards

   E. Administer national programs

III. State Role - Governor - Department of Human Resources

   A. State Job Training Coordinating Council

   B. Develop State Plan

   C. State management and oversight of local programs

   D. Develop State policy

   E. Administer State funds and programs

IV. Local Area Program

   A. Private Industry Council (PIC)

   B. PIC and locally elected officials must agree on plan & administrator

   C. Who can administer the local area job training program?

V. JTPA Funding

   A. Funding formula (smaller share for Kansas)

   B. Current CETA funding levels

   C. Money tree

VI. Transition and Implementation

   A. Timetable

   B. Designation of Service Delivery Areas

   C. Implementation at local level

VII. Designation of Service Delivery Areas

   A. Major considerations

Atch. 2

Budget Memo No. 83-10
Legislative Research Department

SUBJECT: State Implementation of the Federal Job Training Partnership Act (JTPA)

States will assume most of the responsibility for federal job training programs when the Job Training Partnership Act (P.L. 97-300) replaces the Comprehensive Employment and Training Act (CETA) on October 1, 1983. Federal funds will be awarded to the state much like a "block grant" and the state will decide how to structure and implement its programs. The goal of the Act is to provide training in job skills to the low-income unemployed, but other groups also will be eligible for assistance. The law enhances the role of state government (particularly the Governor) and of private industry in developing job training programs; it imposes performance standards; it limits client support services; and it authorizes a new program of retraining displaced workers. Unlike CETA, the new Act does not include a public service employment program for the jobless.

The purposes of the Act are to aid youths and unskilled workers, and to provide job training to individuals who face serious problems in finding work. States will receive formula grants to finance training and service programs for the disadvantaged, and will be eligible to apply for federal grants which must be matched from nonfederal sources to finance dislocated workers' programs.

The state will have to take a number of actions in calendar year 1983 in order to ensure a smooth transition from CETA to JTPA on October 1, 1983, including the appointment of a new State Job Training Coordinating Council in January, designation of new service delivery areas by March 10, preparation of a State Plan by July 10, and approval of job training plans by September 25. The authority of the state Legislature is addressed by Section 126 of the Act which states that "Nothing in this Act shall be interpreted to preclude the enactment of state legislation providing for the implementation, consistent with the provisions of this Act, of the programs assisted under this Act."

Currently, the state is divided into four service areas in which four prime sponsors implement CETA programs: the city of Kansas City, Kansas and Wyandotte County consortium; the city of Topeka and Shawnee County consortium; the city of Wichita; and the Balance of State (administered by the Department of Human Resources). Federal funds are allocated to the CETA prime sponsors as follows: Balance of State 62 percent; Kansas City - Wyandotte 15 percent; Topeka - Shawnee County 10 percent; and Wichita 13 percent. In addition, the Governor's Special Grant Unit initiates statewide and local CETA-funded projects of a discretionary nature.

During FY 1983, approximately $20,755,087 will be spent in Kansas by the different CETA agencies. This amount represents new federal appropriations plus carryover from the previous contract year. Although funding for FY 1984 has not been appropriated by Congress, the amount available to Kansas will be less than this year because of a change in the formula for distribution contained in the new legislation and because no carryover will be available. FY 1983 expenditures for the CETA agencies are estimated as follows:

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Balance of State	$12,716,612
Kansas City/Wyandotte	2,765,476
Wichita	2,593,808
Topeka/Shawnee	1,460,211
Governor's Special Grant	1,218,980
TOTAL	$20,755,087

Structure of Programs

The Act gives the state special responsibilities for coordinating job training programs at state and local levels with all other employment and training-related activities, including education, administered through state agencies.

Service Delivery Areas (SDAs)

The new federal Act substitutes the concept of "service delivery area" for the CETA "prime sponsor" concept. The Governor designates service delivery areas within the state. Requests filed by local governments or groups of governments of 200,000 or more in population must be approved. The Governor may approve requests of local governments or groups of governments under 200,000 population.

State's Responsibilities

The Governor must prepare an annual statement of goals and objectives for job training and placement programs in the state, as well as a Governor's Coordination and Special Services Plan for two program years which describes the proposed use of state resources and the service delivery areas. The State Plan must provide the criteria to be used for coordinating job training activities within the state and must include an explanation of the special services activities if they are to be provided. Special services activities are formulated by the Governor.

The Governor must appoint a State Job Training Coordinating Council (State Council) with representatives of business and industry (one-third); the state Legislature and other state agencies (not less than 10 percent); units or consortia of units of government (not less than 20 percent); and the general public, organized labor, community-based organizations and local education agencies (not less than 20 percent). The State Council recommends a Governor's Coordination and Special Services Plan; recommends the designation of service delivery areas; plans, coordinates and monitors job training programs and services; and reviews other activities relative to job training.

The Governor is responsible for a statewide comprehensive labor market and occupational supply and demand information system. In addition, the Governor may transfer functions of previous state councils established under the Work Incentive Program (WIN) and the Wanger-Peyser Act (State Employment Service) to the new State Job Training Coordinating Council.

Transition Schedule

CETA is authorized until September 30, 1983, and the first year of JTPA will run from October 1, 1983 to June 30, 1984. Thereafter, the program year will correspond to the state fiscal year. All time limits in the new Act are waived for the first year that pertain to the planning and review process, except that the job training plans must be submitted to the Governor by August 31, 1983. Legislative review of the plans is required. Supplement 1 shows the transition actions for the state prepared by the Department of Human Resources.

Private Industry Councils (PICs)

A Private Industry Council must be established in each service delivery area. The PICs have responsibility for developing job training plans, designating administrative entities to carry out programs, and overseeing the program operation. The majority of the PIC membership must be from the private business sector, but other members must include representatives of educational agencies, organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and the public employment service.

Job Training Plan

A two-year operating plan for job training must be submitted for each service delivery area, to be reviewed by each house of the Legislature, local educational and other private agencies in the service delivery area, and labor organizations. The Governor must approve the final plan, unless the service delivery area is the entire state, in which case the Secretary of Labor has final approval authority.

Training for the Disadvantaged

Starting October 1, 1983, the state will receive a funding allocation from the Department of Labor for activities authorized under Title II, Part A for a basic training program for disadvantaged adults and youth. Separate allocations will be made for a summer youth program under Title II, Part B and for a dislocated worker program under Title III.

Client Eligibility

Disadvantaged adults and youth are the primary targets of the Act, but up to 10 percent of the participants do not have to be economically disadvantaged. Groups which may be served include displaced homemakers, persons 55 years or older, school dropouts, persons with limited English language proficiency, teenage parents, handicapped persons, veterans, criminal and juvenile offenders, alcoholics, and drug addicts.

Federal Allotment

One-third of the Title II, Part A funding will be distributed according to each of the following criteria: relative unemployment compared with other states, unemployment in excess of 4.5 percent, and number of poverty level disadvantaged. The Act provides that no state shall receive less than 0.25 percent of the national allocation nor less than 90 percent of its previous year's share.

Of the state's allocation, 78 percent is to be used for aid to service delivery areas and 22 percent may be used for state administered activities, with the following activities allowed: 8 percent for state educational programs; 3 percent for training programs for older individuals; 6 percent for Governor's special grants to provide incentive awards or technical assistance to service delivery areas; and 5 percent for administration, auditing and other activities of a management nature.

Employment and Training Assistance for Dislocated Workers

The new Act authorizes a separate program for helping workers in all states who have lost their jobs and are unlikely to get them back. Three-fourths of the funds will be distributed to the states according to a formula assessing total unemployment, the number of unemployed over 4.5 percent, and the number of persons unemployed for 15 weeks or longer. One-fourth of the funds will be distributed on the basis of state applications and are reserved for critical situations or use in designated enterprise zones. States will be required to match federal funds with an equal amount from nonfederal sources, although states with high unemployment may provide a reduced share.

Summer Youth and Employment Training Program

The summer program for economically disadvantaged youth age 16 to 21 is authorized by Part B of Title II, with funds distributed among states using the same formula as the Part A adult and youth training program. Summer youth funds may be used for supportive services and wages, but 100 percent of the funds must be allocated to service delivery areas.

Amendments to the Wagner-Peyser Act and the Social Security Act

The new job training legislation also amends the Wagner-Peyser Act which authorizes the State Employment Service. A new funding formula for state grants is mandated which may result in less funding for Kansas since the new allocation system is intended to target federal money to areas of high unemployment. Ten percent of the state grant is reserved for the Governor's discretionary use and the other 90 percent of the state's allocation is to be used for job services currently provided by the State Employment Service.

The new Act also amends the portion of the Social Security Act which authorizes the WIN program for AFDC recipients who are able to work. The amendments require the Governor to coordinate the state WIN programs with job training in service delivery areas and when appropriate, for WIN registrants to be referred for job training and employment services provided by JTPA. The Kansas WIN project is currently a joint project of the Department of Human Resources and the Department of Social and Rehabilitation Services.

Legislative Role

This budget memo provides an overview of the new Job Training Partnership Act. The Legislature may wish to consider what role it wishes to play in implementing the new programs in Kansas. The only restriction in the federal Act on legislative involvement is the prohibition against enacting legislation that is contrary to the new law.

At least two levels of involvement are required by the federal Act. First, legislators must serve on the State Job Training Coordinating Council. Second, the Act directs each house of the Legislature to review the job training plans for each service delivery area in the state prior to their approval by the Governor. The legislative review of the initial nine-month plans must be completed prior to August 31, 1983, and review of the subsequent two-year plans must be completed not later than 120 days prior to July 1, 1984.

In addition, federal funds for the new program are subject to legislative appropriation during the 1983 Session. Up to $80,000 for each Private Industry Council and the Department of Human Resources will be available in FY 1983. The FY 1984 federal allotment for Kansas will depend upon the appropriations authorized by the 98th Congress. When the Department of Human Resources prepared its revised FY 1983 and FY 1984 budgets, the new federal legislation had not been passed, so the agency did not include requests for JTPA funding or programs. CETA funding was requested both years, but funding will expire on September 30, 1983, three months into state FY 1984.