

MINUTES OF THE House COMMITTEE ON Labor and Industry

The meeting was called to order by Representative Arthur Douville at _____
Chairperson

9:00 a.m. ~~p.m.~~ on January 30, 1985 in room 526-S of the Capitol.

All members were present except:

Committee staff present:
All present.

Conferees appearing before the committee:
Mr. Steve Goodman, Dept. of Human Resources

Chairman Douville called Mr. Steve Goodman to the speakers stand to explain to the committee the differences between CETA and JTPA. See attachments one through four. There was a question and answer period.

Chairman Douville then called Representative Robert Miller to the speakers stand. Representative Miller reported that he had attended an NCSL study in Nashville, TN. The study was called "Investing In People." They talked about not only retraining dislocated, disadvantaged employees by also retraining hi-tech people. He said they also reported that in the 1980's and 1990's jobs are going to be geared around tax accounting and fast foods.

Representative Dorothy Nichols reported to the committee that there would be a joint meeting with the Education Committee on February 13, the guest being Mr. Rod Riffel. This is in regard to JTPA. Representative Nichols handed out to the committee attachments 5 through 8.

Labors & Industry

1-30-85

Richard Lusk	Topeka	KAIB
Kelvin Stone	Topeka	JTPA
Armand Coyotongo	Topeka	JTPA

DIFFERENCES BETWEEN CETA & JTPA - *Federal General Revenue money*

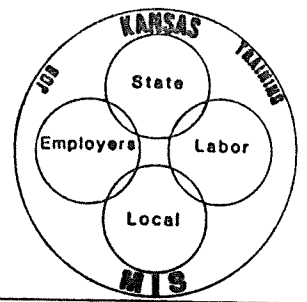
	<u>CETA</u>	<u>JTPA</u>
Funding Level	\$20,420,516	\$18,443,667 <i>1-3085 ATT.#1</i>
Eligibility	ECON. DISADV. - OMB Poverty - Lower Living Level	ECON. DISADV. - OMB Poverty - Lower Living Level
Enrollment Levels	10,682 (12 months)	10,215 (14 months) <i>primarily SALARIES</i>
Program Limits	20% Administration	15% Administration 15% Services 70% Training <i>No youth inc.</i> 40% Youth
Responsibilities/ Roles	<p>A) Federal</p> <ul style="list-style-type: none"> -establish implement- ing regulations -approve/monitor all programs -establish National/ Regional policy <p>B) State</p> <ul style="list-style-type: none"> -operate balance of state CETA programs -establish state train- ing council <p>C) Local</p> <ul style="list-style-type: none"> -units of government provided CETA services -prepared local plans 	<p>A) Federal</p> <ul style="list-style-type: none"> -establish perfor- mance standards -allocate funds -monitor states <p>B) State</p> <ul style="list-style-type: none"> -policy oversight & coordination -establish state training council -designate SDAs -certify PICS -approve local plans -mediate local disputes -administrate state funds/pro- grams -suballocate funds to SDAs -audit SDAs -establish coordi- nation criteria -appoints LEOs <i>-Local Elected OFFICIAL'S</i> <p>C) Local</p> <ul style="list-style-type: none"> -LEOs establish PICS -establish PICS -select grant re- cipient -select grant ad- ministrator -approve final plan & budgets -operate local program -coordinate with other related programs

*Attch. 1
1/30/85*

1-30-85
Att.#2

JTPA STATUS REPORT

OCTOBER 1, 1983 THRU DECEMBER 31, 1984



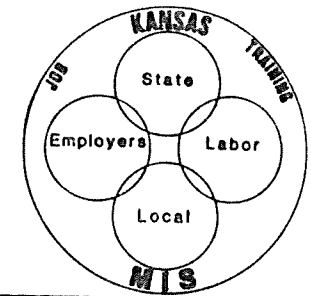
PAGE 1 OF 2

	<u>Title IIA Adult</u>	<u>Title IIA Youth</u>	<u>Title IIB Youth</u>	<u>Title III Dislocated</u>	<u>Total</u>
<u>SDA I</u>					
Served	452	231	627	14	1324
Completed	267	155	627	6	1055
Placed	227	123	37	5	392
 <u>SDA II</u>					
Served	751	424	969	91	2235
Completed	453	280	969	69	1771
Placed	368	224	65	68	725
 <u>SDA III</u>					
Served	728	257	703	173	1861
Completed	460	136	703	161	1460
Placed	235	60	5	109	409
 <u>Total</u>					
<u>SDA IV</u>					
Served	1303	362	997	192	2854
Completed	831	244	997	105	2177
Placed	669	163	21	80	933
 <u>SDA V</u>					
Served	688	471	726	56	1941
Completed	425	291	726	43	1485
Placed	374	220	51	35	680
 <u>Statewide</u>					
Served	3922	1745	4022	526	10215
Completed	2436	1106	4022	384	7948
Placed	1873	790	179	297	3139

Att.#2 1/30/85

JTPA STATUS REPORT
 OCTOBER 1, 1983 THRU DECEMBER 31, 1984

PAGE 2 OF 2



<u>SPECIAL PROJECTS</u>	<u>Title IIA Adult</u>	<u>Title IIA Youth</u>	<u>Title IIB Youth</u>	<u>Title III Dislocated</u>
<u>KSWAT</u>				
Served				308
Completed				292
Placed				204
<u>SRS</u>				
Served				33
Completed				5
Placed				4
<u>Montgomery</u>				
Served				138
Completed				138
Placed				138
<u>Hutchinson</u>				
Served				71
Completed				9
Placed				5
<u>McNally</u>				
Served				29
Completed				18
Placed				15

JTPA CLIENT FOLLOW-UP STATUS SHEET

+ FOLLOW-UP WEEK _____

SOC SEC NO- 999-99-9999

+MOD- 00

NAME- DOE JOHN S.

RECORD OF PARTICIPATION

PROGRAM ACTIVITY +ENTRY +EXIT +DURATION +COMPLETER +ACAD.

1-30-85
Att. #3

WELFARE DATA

+TIME OF ENTRY 13 WKS AFTER TERM. +REDUCTION

AFDC
GEN ASST.
REFUGEE

WORK HISTORY/ 13 WEEKS POST-TERMINATION

LABOR FORCE STATUS- 1 EMPLOYED FULL-TIME

EMPLOYER-		START DATE-	END DATE-
+ ADDRESS-			
PHONE-	EARNINGS	HOURLY WAGE	HRS/WKS
DOT CODE-		+OCCUPATION	

EMPLOYER-		START DATE-	END DATE-
ADDRESS-			
PHONE-	EARNINGS	HOURLY WAGE	HRS/WKS
DOT CODE-		+OCCUPATION	

EMPLOYER-		START DATE-	END DATE-
ADDRESS-			
PHONE-	EARNINGS	HOURLY WAGE	HRS/WKS
DOT CODE-		+OCCUPATION	

SDA OFFICE DATA

+ SDA-1	REPRESENTATIVE	1102	DICK SNOOK
ADDRESS- 1101 E 15th	HAYS	KS	67601
			+PROCESS DATE-
			REMARK- NO ERRORS
			+ = COMPUTER

REPRESENTATIVE DATE.....

SUPERVISORY STAFF..... DATE.....

Attch. 3
1/30/85

PLANT CLOSING STATUS

1-3-1985

Name of Firm and Location	Date RC'D	Date of Closing/ Number Affected	Occupations	Date of Local/ Staff Contact	K-PACT Status	Comments/ Recommendations
Gordon Peabody Piatt Company Ark City, Kansas	11/17/84	01/15/85 (150-175)	Machinist	11/21/84 Carol Burch Polly Schubert/Morey	Proposal in Review	Proposal submitted to State JTPA.
Cramer Industries Hesston, Kansas	11/20/84	12/31/84 (30-35)	Furniture Assemblers	11/20/84 Cora Johnson Bob Rios Jane Burbridge	Relocation Assistance Offered	Company offered all employees a job in their Kansas City, KS, plant.
Detroit Mobile Homes Newton, Kansas	11/20/84	12/31/84 (100)	Construction/ Assembly of Mobile Homes	11/20/84 Cora Johnson, J.S.	None at this time	Some employees have transferred to Hutch- inson, KS, number unknown.
LaChar Steel Co. Newton, Kansas	11/26/84	10/31/84 (12)	Assemblers/ Spot Welders	11/26/84 Cora Johnson, J.S.	Prior to K-PACT	Laid-off workers registered at local Job Service. Status unknown.
Travenol Industries Hays, Kansas	11/20/84	02/15/85 03/01/85 04/01/85 (668)	Production Workers, Medical Supplies/ I.V. Packets	Ted Sammons, J.S. Company Rep's Dan Rice Janet Palmer	Meeting 1/3/85, to establish local Taskforce	Corporate officials coordinating lay-off process. State JTPA staff requested an employee meeting to coordinate workers' needs.
Ruskin Manufacturing Great Bend, Kansas	12/13/84	01/31/85 (85)	Heating/Air Condi- tioning Louvers and Vents	Keith Marcum, J.S. Company Rep. Tom Barnes	None at this time	Company closed, Paola and Great Bend plants to consolidate in Parsons, Kansas.
Food Barn Store Leavenworth, Kansas	12/19/84	12/28/84 (50)	Grocery/ Stock Clerks	Job Service	None at this time	Combination of Full- time and Part-time employees.
Name of Firm and Location	Date RC'D	Date of Closing/ Number Affected	Occupations	Date of Local/ Staff Contact	K-PACT Status	Comments/ Recommendations
Wheeler's Hardware/ Farm Implement Co. Leavenworth, Kansas	12/18/84	12/31/84 (25)	Unknown	Job Service	None at this time	Lost their lease at the Montgomery Ward Building
Sheplers Store Overland Park, KS	12/31/84	03/01/85 (75)	Sales Clerks Stock Workers Management Personnel	12/31/84 Susan Gerlt, J.C.	None at this time	No other informa- tion available

1-30-85
AH#4

PLANT CLOSING STATUS
1/9/85

Name of Firm and Location	Date RCID	Date of Closing/ Number Affected	Occupations	Date of Local/ Staff Contact	K-PACT Status	Comments/ Recommendations
Garcia's Restaurant Great Bend, Kansas	1/04/85	12/31/84 (2)	Restaurant Workers	12/07/84 Keith O. Marcum, J.S.	None at this time	Request further information from J.S.
SDM Inc. Rush Center, Kansas	1/04/85	Closed # Unknown	Unknown	12-07-84 Keith O. Marcum, J.S.	None at this time	Registered with J.S.
Your Store Larned, Kansas	1/04/85	12/31/84 # Unknown	Owner/ Sales	Keith O. Marcum, J.S.	None at this time	Registered with J.S.
Kirron Enterprises Great Bend, Kansas	01/07/85	12/31/84 (27)	Unknown	Keith O. Marcum, J.S. Ron Heggmeier Kirby Clarke	None at this time	Several businesses within Kirron, a Const.Co., office products, and extrac- tion of rail ties for resale
Marlette Homes, Inc. Great Bend, Kansas	1/04/85	12/31/84 (90)	Mobile Home Construction and Assembly	Keith O. Marcum, J.S.	None at this time	Registered with J.S.
Dowell Company Chanute, Kansas	01/08/84	12/28/84 (24)	Oil Well Fracing	Merna Burton, J.S. Schlumberger(French)	None at this time	U.I. J.S. registered 10 Workers
P&B Meat Packing Co. Hays, Kansas	01/03/85	01/09/85 (21)	Meat Cutters/ Laborers	Ted Sammons, J.S.	None at this time	U.I. J.S. registered
Natl. Reserve Life Topeka, Kansas	01/08/85	03/ /85 (60)	Clerical/ Secretarial	Marjorie Byington, SRS Ross Labourn, Co. Rep.	None at this time	Employer will pay job club cost for the laid off worker.
Cake Box Bakery Topeka, Kansas	01/09/85	09/05/85 (30)	Bakers/ Delivery	Laid off worker Charles North	None at this time	Workers registered with U.I., J.S. JTPA -- Company went bankrupt
Topeka, Kansas	01/07/85	12/15/84 (150)	Machinist/ Welders/ Assemblers	Judy Livley, U.I. Office, Topeka	None at this time	Closed 12/15/84 Scheduled to re- open 3/1/85. How- ever, information from laid off management personnel is that they will not open as scheduled. Information reaffirmed by Clifford Wall, Pres- ident Local 71, Inter- national Association of Machinist, Kansas City, Missouri

STATE SENATOR FRANCIS GORDON, DISTRICT 1
NATIONAL CONFERENCE OF STATE LEGISLATORS MEETING
Nashville, Tennessee - June 29-30

2 (d)

1-30-85
A# 5

"Investing in People"

The conference examined ways and heard various reports from several states concerning the investment in the human resource programs which has been complicated by the high unemployment rates and the growing number of school dropouts.

Coordination of basic state institutional policies - - education, welfare, job training, unemployment compensation, etc. were the main topics discussed.

Peggy Siegel, NCSL Education Program manager, stressed that we should be prepared for the 1990's. For example with a youngster starting to school today, he will graduate in the year 2000. Peggy questioned, "What are you going to do for the child, are you going to train him along the way?" The top job opportunities for the 1990's appear to be a fast food operator or a tax preparer since most, 90% of the other training programs are covered pretty well in our present education programs.

Education is the only thing you can give someone that the government cannot take away. However, there will never be enough money to fully fund education. For every \$50 million increased in education, many feel that another \$50 million should be raised for pensions.

The JTPA (Job Training Partnership Act) is now 9 months old and is off to an excellent beginning as the timetable has been met with present enrollments being on target and 100,000 participants have already been served with 2/3 being on the job along with the job training.

Some states have taken much more participation with the legislature and the JTPA than has Kansas. Since Kansas is administering the program through the Governor and his appointed committee, along with the Department of Human Resources, it does not get the attention and participation that it receives in states such as Indiana where extensive study and development has occurred. However, the funding is also limited so that only a limited number of participants can take advantage of the program as it exists today.

To get a better perspective of the JTPA, three rules of thumb may be considered, namely, keep informed, know your resource base, and maintain a study of the outcome of program participants.

Judith Hackett, Director of Development, Council of State Governments, Lexington, Kentucky and formerly with the CETA Program at Kansas University stated that we should use a two tier policy: 1. for the people who can afford the training program and 2. for those who cannot afford the program and not being able to take advantage of the JTPA.

Atch. 5
11/30/85

Linda Jester, from the Indiana Office of Occupational Development, stated that Indiana has had a great interest in the dislocated worker program and is coordinating them with the job training program. Indiana has also determined that accountability is extremely important as an administrator of the program. Their recommendations include, give us the responsibility, give us the flexibility and give us the accountability and then let the state provide the development plan.

Vocational Education for the economically disadvantaged was discussed at length with some very important suggestions.

Connecticut, for example has a special vocational education program that is state supported - - separate from the vo-tech schools. Tennessee has a very fine school program but does not have as good a vocational plan for the high school level.

Some states are having problems with getting the education perfected in the secondary level. In the lower level, teachers are teaching the students the basics that can be used in life, but in the secondary level, the teachers are not following these guidelines and consequently those students are only receiving the subject matter.

New Hampshire has created a new Board of Education following a sunset and with the new board is creating a branch specializing in vocational education. It was noted that the plan is working quite well.

While coordinating these programs together, we should note that the CETA Program did have money problems in administration, the JTPA also is a problem in some states for administration and the program guidelines. The greatest concern is the number of people being passed over by the vocational education of the economically disadvantaged. This concern brings up the question as to how to get states more active in providing the information and to get the recruiting of more individuals. Arizona had suggested, but it was not accepted, that vocational education could also be called career education.

Vocational education has a real part to play in the future of this country and in the field of education. Arizona has developed a fine program for vocational education by combining secondary and post secondary planning together.

Dr. Gene Bottoms, Executive Director of the American Vocational Association, feels we need to adopt a plan called mainstreaming which would provide programs to be presented without creating so many new problems.

In his presentation he pointed out that most states have vocational education working very well and most states also have skills programs working well, therefore, their programs can be altered and expanded to provide the needed overall program.

Dr. Daniel Saks, from Vanderbilt University stated that while investing in people, we should consider the distressed workers by dividing them into two groups. 1. the disadvantaged workers and 2. the dislocated workers. This makes planning and administration much easier to develop and much better for the participants.

Dr. Saks also noted that under the high youth unemployment that the states should break them down by considering: 1. youth entering the labor market as the youth get older, the unemployment rate drops. 2. the 5 to 10% adult male workers that have too low earnings to bring their families out of the poverty level and effecting welfare programs and 3. the problems of dislocated workers as to whether the weather or climate can be an issue for an industry.

Ron Galbeith, of the Hospital Corporation of America, recommends that the states consider human capital, as to what it will produce. Ron also recommends that we monitor K through 12 grades for the development of basic skills. As a point of illustration he cited today we are providing jobs that were needed 2 years ago but we need to gear up for the jobs of tomorrow which will be selling a large supply of merchandise manufactured in some other country.

After reviewing the programs and future vocational education programs, I feel the coordination of the Kansas Board of Education and greatly increasing involvement of the Community Colleges in Kansas would benefit the programs as well as providing more needed participation of Kansas disadvantaged and/or dislocated workers in maintaining a stable income.

1-30-85
Att. #6

**LEGISLATIVE PARTICIPATION
ON THE STATE JOB TRAINING COORDINATING COUNCIL**

Diane Massell
National Conference of State Legislatures
Job Training Program
June 12, 1984

Between January and March of this year, the National Conference of State Legislatures' Job Training Program conducted a 50-state telephone survey on legislative participation in the Job Training Partnership Act. A portion of the survey examined the role of legislators on the State Job Training Coordinating Council, JTPA's important advisory body. The results are published herein. The paper also draws on a number of other national reports to complete the picture of legislative involvement on the Council.

(This paper presents the views of the author and does not reflect the policies or positions of the National Conference of State Legislatures.)

Attch. 6
1/30/85

The 1983 Job Training Partnership Act has presented the states with a unique opportunity to tailor federal employment and training programs to their own employment and training needs. State government has major responsibility for planning and reviewing the programs set up under the Act, and for coordinating them with related federal, state and local services.

The current direction of federal employment and training policy results in part from past lessons well-learned. Under the Comprehensive Employment and Training Act, JTPA's immediate predecessor, the federal government transferred program dollars directly to local service providers, called prime sponsors. The federal-local pipeline in large measure by-passed state government, which resulted in duplicated services and in poor coordination with other state programs. Most states, for instance, did not know how much CETA or other non-education federal money was received by public schools, community colleges or adult programs. /1 As a consequence, state monies often created new programs which duplicated these efforts and even resulted in competition between programs for participants. Report upon report, from both private agencies and public sources like the Government Accounting Office, extensively documented these duplication and coordination problems.
2/

One of the primary goals, then, of the new law is to fashion a coordinated effort among the three levels of government. While the federal Act and the U.S. Department of Labor establishes overall policy objectives for JTPA, and the local level provides services, the states have responsibility for managing the programs and for meshing them with related services. The Act provides the states with the financial authority to leverage coordination and to tailor programs to state needs. The U.S. Department of Labor did not issue the detailed rules and guidelines as it had done under CETA, leaving much more discretion to the states. In short, this legislation recognizes the critical role that states play in providing efficient, effective employment and training programs.

One of the vehicles the JTPA uses to obtain these goals is an advisory and review body called the State Job Training Coordinating Council (SJTCC).

WHAT IS THE STATE JOB TRAINING COORDINATING COUNCIL?

To qualify for federal funding under the Act, each governor must appoint a SJTCC to plan and monitor job training programs, and to coordinate them with other government services. While these advisory councils can trace their heritage to the State Employment and Training Councils set up under CETA, the 1983 law changed their membership composition and size, and expanded their responsibili-

ties.

Membership

SJTCC membership is designed to generate both inter-agency and public-private cooperation. According to the general guidelines set forth under the law, a non-governmental Council member must act as chairperson. One-third of the membership on the Council must come from business and industry; one-fifth from local government; one-fifth from labor and community-based organizations, among others; and one-fifth from "representatives of the State legislature and State agencies and organizations." There has been some controversy over the interpretation of the State membership clause, even within the Department of Labor. Some people interpret the clause literally: State legislature "and" State agencies and organizations means that both must be included. Others say, however, that only one or the other needs to be represented on the Council. Arguments over the proper interpretation of this clause have erupted in a few states, and legislators have had to push to be included on the Council.

A recent independent sector analysis of JTPA by MDC, Incorporated, Grinker, Walker and Associates, and the Syracuse Research Corporation noted a number of important membership changes from CETA. In its sample of 35 states, the study found that the average size of the SJTCC was 40, about double that of the CETA councils. There are more local elected officials on the new Councils. (Under CETA, employment and training administrators had dominated local representation on the Council.) In fact, the study discovered that the new councils generally retained few of the members from the CETA councils. Part of the reason for the changes was an initial desire to raise the prestige of the councils. Private sector representatives, for example, were of a more senior level than had been the case under CETA. Interestingly, the state staff interviewed in the report said that the prestige of the new councils was an important catalyst for launching their policy recommendations to the governor and others. /3

Responsibilities

The responsibilities of the SJTCC as enumerated in the law can be roughly divided into two categories:

I. Advisory

Section 122 (8)(b) authorizes the Council to recommend to the governor a "coordination and special services plan" (CSSP). This 2-year planning document establishes goals and objectives for both job training and placement programs. It sets up coordination criteria, oversight and client support activities, performance goals, and priorities for state incentive grants. The statute allows the state to authorize a variety of technical assistance and special program activities to further the goals set forth in the

governor's plan.

The SJTCC advises the state on the use of the 22 per cent discretionary monies in Title II-A, Adult and Youth training. The state has the latitude to set expenditure priorities within the following categories:

- a) state program administration and auditing--5 per cent;
- b) performance incentive grants to service delivery areas (SDA)--6 per cent;
- c) education and coordination grants--8 per cent;
- d) older workers--3 per cent.

The SJTCC recommends a plan for dividing the state into service delivery areas. Most of the SDA districts have been drawn at this writing, and number from one to fifty per state. (See Appendix A for a map of SDAs.) Should labor market conditions change, or should a SDA fall below established performance standards, these lines may be redrawn after two years.

Finally, the Council is responsible for recommending to the state legislature, among others, ways to improve job training and placement programs, and related state services.

II. Evaluation and Review

The act says that the state Council shall "provide management guidance and review for all programs in the state" [Section 122 (8)(b)(2)]. The Council is authorized to review and certify local plans, as well as plans submitted by the state employment services agency. It also assesses how well coordination is progressing between employment and training, vocational education, rehabilitation services, public assistance, economic development and other programs.

Since many local service providers are just getting their programs underway, the review and evaluation tasks of the SJTCC are in flux. The methods they use will likely vary from state to state, much in the same way that SJTCC's are taking different approaches toward reviewing local SDA plans. For example, some SJTCCs (or, in some cases, state agencies) only require local SDA's to submit a plan agreeing to follow JTPA requirements. Others require the SDA's to describe precisely how they will meet JTPA priorities, and their timetable for doing so. /4

Given the high priority that JTPA places on measurable outcomes, these review and evaluation functions are important and potentially quite powerful. For example, if an SDA fails to meet the performance criteria by the second year, section 106 (h) (z) allows the state to reorganize the delivery of services. This could include the reorganization of the SDA after two years, restructuring the local private industry council, barring various service providers, or carrying out other changes as the state "deems necessary" to improve performance.

(See Appendix B for portions of the statute which are relevant to the SJTCC.)

HOW ARE LEGISLATORS PARTICIPATING IN THE SJTCC?

Although, as mentioned above, there has been debate over the State membership clause, 46 states actually have from one to six legislators on their Council. In a few instances, legislative representation was a hard-fought political battle with the governor, a battle which some did not win until after the nine-month transition period between CETA and JTPA. Four states--Kentucky, North Dakota, North Carolina and South Dakota--still do not have legislative members on the SJTCC. In Kentucky and North Dakota, legislators were prohibited from membership because of a separation of powers issue. In Kentucky, however, legislators do sit in on Council meetings on an informal basis, and the legislature is planning to charge one of its committees with JTPA oversight responsibilities. In 5 states (California, Louisiana, Massachusetts, New York and Missouri), the legislature confirms and/or chooses the appointments of its members to the Council.

To secure their relationship to the SJTCC, several states introduced legislation which either reiterates aspects of the federal statute, or adds new requirements. Although some of these bills were not enacted, they represent the range of concerns and issues that legislatures are raising about the Council. These bills fall roughly into six categories:

- 1) authorizing creation of SJTCC (FL, NY); and authorizing staff for the SJTCC (HI);
- 2) requiring the SJTCC to submit all its reports to the legislature for review (MD, SC, WA);
- 3) requiring the SJTCC to submit special reports to the legislature on Title III for dislocated workers (IA), and special consultation with the legislature on the effectiveness of workforce preparation programs (NY);
- 4) capping the number of members that can be appointed to the Council (MD, TX, WA);
- 5) specifying legislative participation on the SJTCC (NY, SC); and
- 6) requiring the legislature to review the state plan (CT).

While the federal law does not require the SJTCC to submit copies of its proposed plans to the legislature, in fact 24 state legislatures do receive these documents. These plans are distributed differently in each state. According to NCSL survey respondents, copies of the plans are submitted to:

- 1) legislative committees (Arkansas, Hawaii, Idaho, Illinois, Kansas, Kentucky, Maine, Maryland, Michigan, Nebraska, New York, Oklahoma, South Carolina, Tennessee, Texas, Washington, Wisconsin, Wyoming)
- 2) the senate president and the speaker of the house

- (Alabama, Florida, New Jersey and Rhode Island);
- 3) each member of the legislature (Mississippi and Tennessee);
- 4) legislative staff (California).

The above categories are not necessarily exclusive. For example, it is likely that staff receive the plans directly from the SJTCC and then distribute them to legislative committees, the leadership, and/or each member of the legislature. In other states, the leadership sends their copies on to appropriate committees. Respondents mentioned 8 different kinds of committees that receive the Council plans: ways and means, appropriations, education, labor, human resources, federal relations, commerce and economic development.

The NCSL survey did not explicitly measure degree of legislative involvement on the SJTCC. However, through conversations we learned that there is a broad range of legislative activity on the Council--from weak to very strong. Where the degree of involvement was low, respondents most often thought that conflicts between the legislative timetable and the SJTCC schedule was the primary culprit. In a few instances, respondents indicated that rifts between the governor and the legislature had led to the appointment of members with no immediate interest in job training issues.

However, in other states, legislators have been very active on their state Councils. One prime example is Maryland, where the senate president and the speaker of the house sit on the Council, along with several legislators who participate extensively in the special task forces set up by the Council, and who work on employment and training issues in the state house. Communication between the Council and the legislative body is also strong.

DOES THE POLICY MAKING ROLE OF THE SJTCC COINCIDE WITH LEGISLATIVE CONCERNS?

The SJTCCs have made important contributions towards the development of JTPA employment and training policy in the states. The staff interviewed in the independent sector study cited earlier "reported almost uniformly" that the Councils have participated extensively in the designation of service delivery areas, in the review of the state's overall policy goals and objectives, and in the review of initial training plans submitted by the SDAs. 5/ Experts who are closely monitoring the implementation of JTPA agree that the Councils have already played a vital role in setting state policy.

Is the work of the Council, however, something that legislators should participate in and monitor? To get more detail on the issues dealt with by the Councils at this point in JTPA's implementation, and to see whether their concerns coincide with legislative ones, NCSL asked in its survey: "What were the main points of dispute in the adoption of the SJTCC plan in your state?"

Thirty-two states identified a wide array of problems and issues in this regard:

1) Reach/Scope of Services:

- providing adequate support services
- transporting clients to training centers
- serving AFDC clients
- setting performance standards
- solving the "creaming" problem (ie., serving the more job-ready applicants in order to meet the specified performance goals)

2) Organization/Management:

- designating an agency to administer JTPA programs
- working with local private industry councils
- allocating the 8 per cent education monies
- defining small businesses

3) Budget/Accountability:

- allocating funds to service delivery areas
- determining uses for the discretionary funds
- shortage of funds
- ensuring independent data collection
- determining whether to carry over funds into the next program year

4) Jurisdiction:

- defining service delivery area boundaries
- deciding conflicts between urban and rural delivery areas
- deciding whether state or local governments should have control over discretionary funds

JTPA varies substantially from CETA in these four areas. Different financial and governance structures have their own set of policy issues, problems and options. JTPA gives states much greater management authority over the program. This is the only federal program, for example, that exempts states from following federal Office of Management and Budget program audit guidelines. However, it also provides less money for administrative purposes. Overall, JTPA has less funding--specifically, 56 per cent less than CETA in 1981. Three-quarters of the sample SDAs in the independent sector study reported that they had only enough resources to serve 3.9 per cent of the eligible Title II-A population. 6/ Consequently, state and local officials must make some different, and often difficult, policy choices about who to serve and how to serve the various needs of clients and employers.

State legislatures have acted to address many of the same governance, program and fiscal accountability, and coordination of services issues. During the 1983-84 sessions, legislatures initiated new state programs to meet hard-to-serve clients, youth, dislocated workers and other special populations. Maryland, for example, enacted a \$2 million training bill to provide support services for clients receiving classroom training. Other states

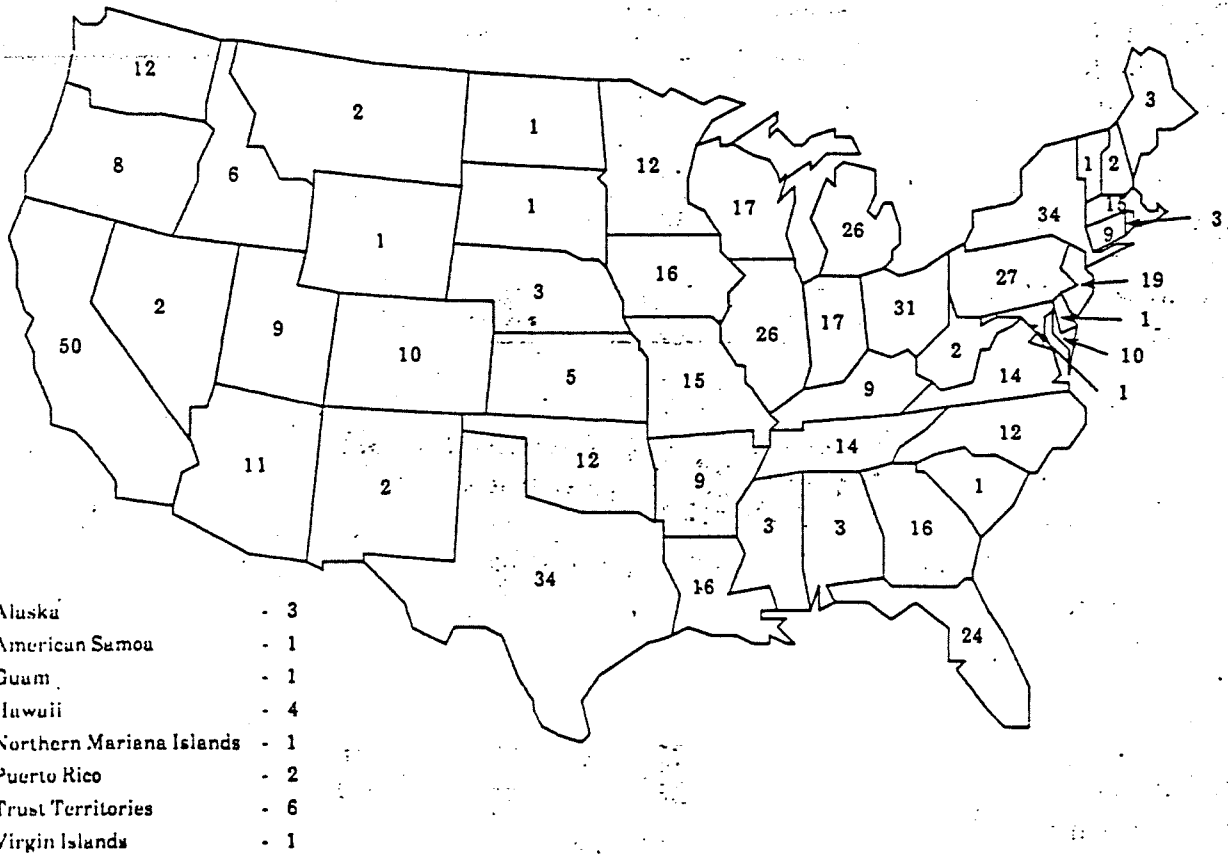
introduced legislation to provide matching funds for JTPA, or to direct existing JTPA programs to meet certain goals and state needs. In Michigan, the legislature enacted a provision for state participation under JTPA. The state established criteria for participation by economically disadvantaged and unemployed individuals, and for the selection of service providers. Alabama, Florida, Hawaii, and Mississippi addressed administrative concerns by reorganizing state agencies or by designating a specific state agency to administer JTPA. California and Maryland passed legislation that uses the SJTCC to help develop and coordinate their new state training programs.

There is a broad overlap, then, between the activities of legislatures and the work of the state Councils. That is why legislative participation on the Councils can be a vital policy tool. In addition to making sure that information reaches the statehouse in an unbiased fashion, direct and ongoing participation provides legislators with a rare opportunity--an opportunity to incorporate their concerns into the policy process before remedial state legislation becomes necessary. And, should that step be necessary, the SJTCC may prove a useful tool to complement legislative planning and oversight activity, and to ensure that new state programs are coordinated with JTPA. Finally, because the various partners in the employment and training delivery system and related service agencies sit on the Council, it has great potential for building political coalitions and developing concerted efforts. Full use of the SJTCC may help meet the goal of an adequate and efficient employment and training system in the states.

FOOTNOTES

1. "Background Analysis on Opportunities for Cooperation Under the Job Training Partnership Act," prepared by the Southern Growth Policies Board and printed in the National Governors' Association newsletter, *Implementing the Job Training Partnership Act*, January 1983, p. 6.
2. "Federally Assisted Employment and Training: A Myriad of Programs Should Be Simplified," Government Accounting Office, 1979, p. i-iii.
3. "An Independent Sector Assessment of the Job Training Partnership Act, Phase One, The Initial Transition," Grinker, Walker and Associates, MDC, Inc., and Syracuse Research Corporation, as reported in the *Employment and Training Reporter*, April 4, 1984, page 784.
4. "A Report on JTPA Planning Conversations," memorandum from the National Governors' Association to JTPA Liaisons, April 2, 1984.
5. "An Independent Sector Assessment of the Job Training Partnership Act, Phase One, The Initial Transition," Grinker, Walker and Associates, MDC, Inc., and Syracuse Research Corporation, March, 1984, page 33.
6. "A Report on the Status of State-level Administration of the Job Training Partnership Act," National Governors' Association, March, 1984, p. 21.

Number of SDAs Per State



As of January 1, 1984

Source: National Alliance of Business

- (1) making available to service delivery areas, with or without reimbursement and upon request, appropriate information and technical assistance to assist in developing and implementing plans and programs;
 - (2) carrying out special model training and employment programs and related services (including programs receiving financial assistance from private sources);
 - (3) providing programs and related services for offenders and other individuals whom the Governor determines require special assistance;
 - (4) providing financial assistance for special programs and services designed to meet the needs of rural areas outside major labor market areas;
 - (5) providing training opportunities in the conservation and efficient use of energy, and the development of solar energy sources as defined in section 3 of the Solar Energy Research, Development and Demonstration Act of 1974;
 - (6) industry-wide training;
 - (7) activities under title III of this Act;
 - (8) developing and providing to service delivery areas information on a State and local area basis regarding economic, industrial, and labor market conditions;
 - (9) providing preservice and inservice training for planning, management, and delivery staffs of administrative entities and private industry councils, as well as contractors for State supported programs; and
 - (10) providing statewide programs which provide for joint funding of activities under this Act with services and activities under other Federal, State, or local employment-related programs.
- (d) A Governor's coordination and special services plan shall be approved by the Secretary unless the Secretary determines that the plan does not comply with specific provisions of this Act.

STATE JOB TRAINING COORDINATING COUNCIL

SEC. 122. (a) (1) Any State which desires to receive financial assistance under this Act shall establish a State job training coordinating council (hereinafter in this section referred to as the "State council"). Funding for the council shall be provided pursuant to section 202(b)(4).

(2) The State council shall be appointed by the Governor, who shall designate one nongovernmental member thereof to be chairperson. In making appointments to the State council, the Governor shall ensure that the membership of the State council reasonably represents the population of the State.

(3) The State council shall be composed as follows:

(A) One-third of the membership of the State council shall be representatives of business and industry (including agriculture, where appropriate) in the State, including individuals who are representatives of business and industry on private industry councils in the State.

(B) Not less than 20 percent of the membership of the State council shall be representatives of the State legislature and State agencies and organizations, such as the State educational agency,

the State vocational education board, the State advisory council on vocational education, the State board of education (when not otherwise represented), State public assistance agencies, the State employment security agency, the State rehabilitation agency, the State occupational information coordinating committee, State postsecondary institutions, the State economic development agency, State veterans' affairs agencies or equivalent, and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization within the State.

(C) Not less than 20 percent of the membership of the State council shall be representatives of the units or consortia of units of general local government in such State (including those which are administrative entities or grantees under this Act) which shall be nominated by the chief elected officials of the units or consortia of units of general local government; and

(D) Not less than 20 percent of the membership of the State council shall be representatives of the eligible population and of the general public, representatives of organized labor, representatives of community-based organizations, and representatives of local educational agencies (nominated by local educational agencies).

(4) The State council shall meet at such times and in such places as it deems necessary. The meetings shall be publicly announced, and, to the extent appropriate, open and accessible to the general public.

(5) The State council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions under this Act.

(6) In order to assure objective management and oversight, the State council shall not operate programs or provide services directly to eligible participants, but shall exist solely to plan, coordinate, and monitor the provision of such programs and services.

(7) The plans and decisions of the State council shall be subject to approval by the Governor.

(8) For purposes of section 105 of the Vocational Education Act of 1963, the State council shall be considered to be the same as either the State Manpower Services Council referred to in that section or the State Employment and Training Council authorized under the Comprehensive Employment and Training Act.

(b) The State council shall—

(1) recommend a Governor's coordination and special services plan;

(2) recommend to the Governor substate service delivery areas, plan resource allocations not subject to section 202(a), provide management guidance and review for all programs in the State, develop appropriate linkages with other programs, coordinate activities with private industry councils, and develop the Governor's coordination and special services plan and recommend variations in performance standards;

(3) advise the Governor and local entities on job training plans and certify the consistency of such plans with criteria under the Governor's coordination and special services plan for coordination of activities under this Act with other Federal, State, and

local employment-related programs, including programs operated in designated enterprise zones;

(4) review the operation of programs conducted in each service delivery area, and the availability, responsiveness, and adequacy of State services, and make recommendations to the Governor, appropriate chief elected officials, and private industry councils, service providers, the State legislature, and the general public with respect to ways to improve the effectiveness of such programs or services;

(5) review and comment on the State plan developed for the State employment service agency;

(6) make an annual report to the Governor which shall be a public document, and issue such other studies, reports, or documents as it deems advisable to assist service delivery areas in carrying out the purposes of this Act;

(7) (A) identify, in coordination with the appropriate State agencies, the employment and training and vocational education needs throughout the State, and assess the extent to which employment and training, vocational education, rehabilitation services, public assistance, economic development, and other Federal, State, and local programs and services represent a consistent, integrated, and coordinated approach to meeting such needs; and

(B) comment at least once annually on the reports required pursuant to section 105(d)(3) of the Vocational Education Act of 1963; and

(8) review plans of all State agencies providing employment, training, and related services, and provide comments and recommendations to the Governor, the State legislature, the State agencies, and the appropriate Federal agencies on the relevancy and effectiveness of employment and training and related service delivery systems in the State.

(c) In addition to the functions described in subsection (b), the Governor may, to the extent permitted by applicable law, transfer functions which are related to functions under this Act to the council established under this section from any State coordinating committee for the work incentive program under title IV of the Social Security Act or any advisory council established under the Wagner-Peyser Act.

STATE EDUCATION COORDINATION AND GRANTS

SEC. 123. (a) The sums available for this section pursuant to section 202(b)(1) shall be used by the Governor to provide financial assistance to any State education agency responsible for education and training—

(1) to provide services for eligible participants through cooperative agreements between such State education agency or agencies, administrative entities in service delivery areas in the State, and (where appropriate) local educational agencies; and

(2) to facilitate coordination of education and training services for eligible participants through such cooperative agreements.

(b) The cooperative agreements described in subsection (a) shall provide for the contribution by the State agency or agencies, and the

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Issue Brief #1

Education and Job Training Issue Brief Series

LEGISLATIVE RESPONSIBILITIES AND STATE LIABILITIES: THE FEDERAL
JOB TRAINING PARTNERSHIP ACT

by

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(The author wishes to acknowledge the comments and contributions of Bill Harrison, Burt Carlson, Ruth Ferdrau, and Robin Diamond in the completion of this issue brief).

Attch. 7
1/30/85

RESPONSIBILITIES AND LIABILITIES: THE FEDERAL
JOB TRAINING PARTNERSHIP ACT

The new federal Job Training Partnership Act (JTPA) gives to the states a major new role in implementing federal employment and training policy. However, its implementation raises some important questions for state legislatures:

- o How can a legislature insure a state's proper spending of these federal dollars?
- o To what extent can a legislature's actions protect their state from liability for the federal dollars?
- o What kind of political liability will a legislature incur from its electorate for involvement in setting a state's JTPA priorities?

JTPA is a very different kind of job training policy than its forerunners, and unfortunately, the Act does not provide specific answers to these questions.

This issue brief reviews the Job Training Partnership Act, discusses key issues of legislative liability, and suggests possible approaches for legislative involvement.

WHAT IS THE JOB TRAINING PARTNERSHIP ACT?

The Job Training Partnership Act establishes a national program to prepare unskilled youth and adults for employment. It does this by funding state and local programs, which authorizes training opportunities for the economically disadvantaged and those who have serious barriers to employment. The act contains special provisions for summer youth

employment and training programs, dislocated and older workers, Native Americans, migrant and seasonal farm workers, and veterans. It also contains amendments to the Wagner-Peyser Act and the Social Security Act to implement these goals.

Two principles distinguish JTPA from previous federal programs for employment and training. (1) JTPA provides no funds for public service employment. The emphasis of JTPA is strictly on training with cost limitations for administrative and participant support costs. (2) Services are delivered on the local level through agreements between the public and private sectors. Participation by the private sector in planning and delivering job training services is a key JTPA element.

For the first time, under JTPA, Congress specifically provides state legislatures with an opportunity to play a significant role in planning and overseeing policy for the increasingly important field of job training.

FUNDING RESPONSIBILITY UNDER JTPA

The Congress has appropriated 1.9 billion dollars for JTPA in FY 1984. Of the core training monies (Title II A) coming into a state, 22 percent are set-aside for programs earmarked for older workers, education and program coordination grants (which require a state match), and performance-incentive grants. Only 5 percent of these state set-aside monies can be used by the governor for administrative costs. Seventy-eight percent of the core training funds must go directly to the local level on a formula basis. Seventy percent of these funds must be spent on training. the remaining 30 percent is to be divided between administrative and support services. Furthermore, of these core dollars, 40 % must be targeted for youth. The state is also responsible for the Title III funds for

employment and training assistance for dislocated workers. A portion of these funds also require a state match.

The federal legislation is not clear on who will be responsible for these funds. The law does not consider state constitutional differences and authority over the appropriation of federal dollars in its discussion of fiscal liabilities. The Department of Labor's regulations (S 626.4) recognize the governor as recipient of JTPA funds. Should a governor be found to have incurred disallowed costs under JTPA, however, the legislature may be required to appropriate the needed monies.

Most states are implementing the program by following their state's procedures for the oversight of federal funds and by other policies established by the state's constitution. The degree of legislative involvement, then, varies according to the state. ^{1/} Legislators concerned about this issue may wish to schedule some budget hearings or use other mechanisms for oversight.

(1. For a more detailed discussion of this issue see A Legislator's Guide to Oversight of Federal Funds, Winnefred M. Austerman, ed. (Denver: National Conference of State Legislatures), June 1980).

ADMINISTRATION OF THE LAW

The administration of JTPA is the responsibility of the governor who chooses a state administrative entity to administer the law. Under a proposal from the State Job Training Coordinating Council, the governor's planning and advisory group established under JTPA, a state is divided into

a series of service delivery areas (SDAs). There are currently 596 SDAs nationally. Under the law, SDAs may be designated no more frequently than every two years.

Within an SDA a private industry council (PIC) is formed by the chief elected official and certified by the governor. The law mandates the PIC membership according to a formula that includes specific requirements for segments of the private and public sector. Private sector members would include owners of businesses or chief executive officers. Representatives of the public sector can be drawn from such organizations as rehabilitation agencies, organized labor, community-based organizations, economic development agencies, and the public employment service.

The function of the PIC is:

To provide policy guidance for, and exercise oversight with respect to, activities under the job training plan for its service delivery area in partnership with the unit or units of general local government within its service delivery area. (Sec. 103. (a)).

Great variability among SDAs can be expected in the relationship between the PIC and the local elected official(s) in the administration of the dollars for training purposes on the local level.

While the law does nothing to prohibit the Secretary of Labor from holding the recipient of SDA grants liable for their use, the Department of Labor regulations are quite explicit as to the governor's responsibility:

The Secretary shall hold the Governor responsible for all funds under the grant. The Governor shall hold subrecipients, including SDA grant-recipients, responsible for JTPA funds received through the grant. (Sec 629.44 (d) (1)).

Once again, state policies and practices may require the legislature to

appropriate funds to cover a governor's liability if disallowed costs are established. Legislatures should also be aware that involvement in setting policies that affect SDA and PIC operations may also incur liability on their part.

At the same time, legislatures may be called upon to air differences between the state administrative entities and local program operators. This may be necessary simply because the federal government holds governor's responsible for the use of funds allowing local officials no access to the federal government for appeal.

WHAT IS THE MANDATED RESPONSIBILITY OF THE STATE LEGISLATURE?

The legislative role is more permissive than mandatory. Regulations prepared by the Department of Labor give no recognition to the role of state legislatures in the operation of the act. This suggests that state legislative participation is viewed as flexible and subject to interpretation by the various states.

Since the law and regulations place no restrictions on a state legislature's role, a variety of arrangements are emerging. All but six states now have legislators sitting on the State Job Training Coordinating Council (SJTCC). A bill introduced in the South Carolina Senate required legislative approval of SJTCC membership, including the right of the Senate to appoint their own legislative members. This requirement was dropped in conference committee, but only after the Governor appointed additional legislative members. In New York, the law establishing the job training coordinating council reads that six members of the legislature are to serve on the council, "of whom two shall be recommended by the Speaker of the Assembly, one by the Minority Leader of the Assembly, two by the temporary

President of the Senate and one by the Minority Leader of the Senate."

The Washington legislature reviews the State Job Training Council Coordination Plan in both houses of the legislature, a process neither required nor prohibited by the federal law. The California legislature mandated organizational membership on the local PICs and established the Family Economic Security Act which coordinates the state's federal job training dollars with the state's welfare policy.

In Missouri, the legislature placed a cap, more restrictive than the Federal limitation, on the level of dollars that can be used for the administration of JTPA. In Kansas, under the authority given to state legislatures by the Wagner-Peyser Act, the legislature reorganized the functions of the state employment security agency giving some of the responsibilities to the state's department of development. In sum, state legislative response to JTPA has been diverse and far-ranging.

These actions raise an important question: to what extent does state legislative activity under JTPA take on potential liability for the legislature and the state? Unfortunately, the JTPA does not provide a clear answer to this question. Therefore, any direction a legislature gives as to how JTPA will be implemented should consider what these actions may mean, especially when the legislative decision-making affects how the dollars will be allocated on the local level.

This lack of clarity, however, can also be viewed as an advantage: a chance for the legislature to view JTPA resources as a catalyst for developing a stable state employment and training policy that will not be subject to the changes in federal intent and funding. In that sense, JTPA is a very flexible law. In fact, its policies associate with over thirty other federal human resources program resources.

The real impact of JTPA may not be so much in the level of its resources, but in the way new policies are created or old ones are modified to coordinate the various intents of that body of policy or laws. This can be seen in the Minnesota Emergency Employment Act which will be administered by the JTPA structure or the California Economic Security Act or the changes in Florida's Public Assistance Act which coordinates states welfare and training policies.

ESTABLISHING A STATE FISCAL CONTROL SYSTEM TO ACCOUNT FOR JTPA FUNDS

The Job Training Partnership Act is based on an approach to federal assistance that gives states a maximum of discretion in deciding how to apply federal funds to the state's needs for job training. With this independence comes a lack of direction in accounting for those dollars, but not a freedom from responsibility for those monies. JTPA funds are not an open form of revenue sharing. The law is quite specific about prohibiting the use of these monies to supplant other activities (Sec. 141). Several areas of concern emerge:

OMB circulars do not apply but Comptroller General audit standards do.

Traditional federal assistance has required states to use Office of Management and Budget (OMB) accounting standards. This is not the case under JTPA. States are exempted from these standards. However, the legislation specifies that audits shall be conducted in accord with the Standards for Audit of Governmental Organization, Programs, Activities, and Functions issued by the Comptroller General of the United States. (Sec 164 (a)(3)). Thus, the JTPA monies will be subject to audits in three areas: financial and compliance, economy and efficiency, as well as program

results. In addition, the Department of Labor's Inspector General will investigate financial liability. Will the standards of the Department of Labor's Inspector General be consistent with those of the Comptroller General? It has not been decided. Since the OMB circulars set accounting standards in line with those of the Comptroller General and are no longer mandated, legislatures will need to make certain some sort of consistency is maintained between JTPA accounting systems and the standards of the Comptroller General.

This can be done in several ways. Each state has had a pre-program audit by the DOL Inspector General resulting in a report on the state's financial accounting system. Legislators may wish to follow the pattern being set by the Idaho and Georgia legislatures in examining what the report of the Inspector General on their state has to say about the fiscal accounting system their governor has established and request state administrative clarification of any weak or incomplete points cited in the review. A legislature may wish to ask such advice from the State auditor or controller about whether or not the OMB circulars should be adopted even though they are legally not required.

Audit Procedures Subject to Change. The law specifies that the state shall prepare or have prepared an independent financial and compliance audit of each recipient of funds under Title II, core training dollars, and Title III, dislocated worker monies, of the act at least once every two years. A state may also decide to participate in a single or unified state audit of federal funds. In brief, a state has several options and it will need to be judicious and consistent in its choice making sure the accounting system adopted under JTPA will meet the state's audit decisions.

Classification of costs categories unclear. Unlike previous forms of federal employment and training policy, JTPA places strict limitations on levels of spending for administration and participant support. Misinterpretation of the Department of Labor's guidelines in this area could lead to the greatest abuse of funds. Legislators should be aware of attempts by state and local administrators to charge administrative and support service costs against training categories. Legislatures may wish to receive assurance that their state's program administrators are clear on this issue or invoke some other form of oversight to see that consistent state guidelines in this area are being adopted.

Dollars have political ramifications as well. The limitation of funds relative to earlier federal policies for support services will create great demand for these dollars made available under JTPA. Moreover, the complexities of job training policy suggest that pressure will be made to direct funds from social service uses to economic development use. 2/

2 For a more detailed discussion of these issues see Janet W. Johnson, "The Allowances and Stipend Issue in Federally Financed Training Programs," (Washington, D.C.: National Commission on Employment Policy, July, 1982), Also, Joseph Fischer, "Using the Job Training Partnership Act to Further Local Economic Development, (Washington, D.C.: National Alliance of Business, March, 1983).

Matching costs--new dollars versus in-kind contributions. Two areas of the JTPA require state matching dollars: Title II's education coordination .r

grants, and Title III's dislocated worker monies. What can be used as a state match in both categories is a liberal one. When in-kind services are used, proper accounting standards must prevail to assure costs of these contributions will not be disallowed in future federal audits.

Youth and other populations. The legislation requires that certain populations receive certain percentages of the state's allocation (Sec. 202, 203). Proper accounting procedures will require that checks are in place to assure that this happens. One legislative oversight mechanism would be to request information from the state administrative entity on how these costs will be accounted for.

SDA allocation procedures. Section 629.43 of the JTPA regulations charge the governor with responsibility for the oversight of all SDA grant recipient activities and state supported programs. By implication, the legislature could finally be responsible for unallowed costs incurred by SDAs. Legislatures are required to review local plans. The review mechanism adopted will vary from state to state. The legislative committee responsible for JTPA oversight will want to see that the mechanisms for review of the locals plans put into effect. In Arizona the legislature has gone one step further and required that they receive additional information on PIC membership and local awardees of JTPA dollars.

WHAT KINDS OF INFORMATION WILL BE NEEDED TO JUDGE THE SUCCESS
OF JTPA IMPLEMENTATION?

More than its predecessor CETA, JTPA is geared to measuring the outcome of participants in the program. In Section 106, the law establishes performance standards which require an increase in employment and earnings

and a reduction in welfare dependency among participants in training programs sponsored by JTPA. The use of specific performance standards is considered one of the major innovations of the law. Furthermore, six percent of the funds made available to a state are tied to the performance standards. These monies can be used as incentive grants available to SDA's that exceed their performance standards, or funding to provide technical assistance to SDA's that cannot meet these standards. While the responsibility for proposing specific standards is up to the Department of Labor, governors may adjust these standards to meet the specific needs of their state.

How much, then, should a state legislature become involved in the establishment of program performance standards? This question has no specific answer. It will vary according to the concerns of each state legislature on JTPA's operation in their state. Several questions are central:

Does the administrative use of performance standards influence local planning? Legislatures may wish to review local plans to see how each SDA will assess performance standards according to its needs. Ideally, the local plan should show some test of the strategy for matching JTPA and other resources to meet its job training needs.

What kind of emphasis will be placed in the measures? As with any formula, certain manipulation of the "weights" or value assigned to factors to influence the outcome. For example, will short-term training be "weighted" higher than longer-term training, to make the program appear more cost effective? Or, for dealing with reduced welfare roles, will welfare recipients who enter employment receive a higher "weight" than other groups--a wise decision for meeting the goals of JTPA, but not

necessarily the most politically expeditious. Liability is tied to proper use of funds. However, the Comptroller General will be auditing JTPA for program results, as well in terms of efficiency and effectiveness factors. A legislature may wish to conduct oversight hearings on this issue to examine how effectively performance standards are being adopted.

How adequate is the data being collected? Proper program assessment will require integration of program performance and financial management data. Traditionally, this information has been collected by a variety of sources: state departments of education, state occupational information coordination committees, state employment services, and other organizations units in a state. Data integration is usually a difficult issue to coordinate. Each agency, for example, may prefer to define the same term differently. Assuming that its information needs are being met, it will be up to each legislature to decide how involved to get on this issue.

WHO WILL BE AFFECTED BY THE PROGRAM?

Since the need for job training is so pervasive, many individuals are eligible to participate in JTPA programs. One state plan mentions no fewer than twelve potential target groups: unemployment insurance claimants, veterans, migrant and seasonal farmworkers, welfare recipients, handicapped, minorities, women, youth, dislocated workers, displaced homemakers, older workers, and public offenders. Many of these groups have organized lobbies on the state and local level which are currently monitoring the implementation of JTPA programs. Within the broad eligibility limits of the law, and state constitutional practices and procedures, states are given the latitude to determine eligibility for JTPA. This suggests that JTPA dollars will be more political than the

largely targeted CETA dollars. Legislators could be subject to intensive lobbying from the potential target populations.

States cannot target JTPA dollars. Some states, however, have tried to influence the direction of these funds. California is the most notable. By implementing the Family Economic Security Act, welfare recipients may be more inclined to receive JTPA monies. In South Carolina, a bill was introduced to allow unemployment insurance recipients to be eligible for dislocated worker training monies under Title III of JTPA. Each of these changes has proponents and opponents and the legislator who decides to deal with the issue of eligibility will need to be aware of the state's political climate before proposing changes. Furthermore, legislators should expect to receive inquiries from their constituents concerning participating in JTPA's programs. In theory, the choice of the recipient of training grants should be related to the population targeted to be served. The history of local training funds suggests, however, that the dollar can be politically charged.

A wise use of performance standards with clear statements on their intent should mediate some of the potential political pressures in the implementation of JTPA. The legislature may thus be able to avoid some of the liability decisions in this area can carry. However, a legislature will still be approached by a variety of groups who have not been targeted to receive JTPA funding.

WHAT WILL BE THE ROLE OF THE LEGISLATURE VIS-A-VIS THE GOVERNOR
IN THE ESTABLISHMENT OF A STATE POLICY FOR JTPA?

By leaving to the state and local government most of the decisions involving the implementation of the Job Training Partnership Act, the

Congress also left them with the problem of deciding how the policy will be shaped and administered. In some states, with low unemployment rates, the legislature has not seen job training as a major problem and thus has left most of the decision making up to the state's administration. In other states, where the legislature has seen job training as a major issue for their constituents the opposite has happened. For other reasons, such as being of a different political party than the governor, a great deal of legislative activity has occurred. The level of legislative involvement is aided or hampered more by policies and practices based in state constitutional procedures than by the federal law. For example, while the JTPA may regard the governor as the recipient of the federal funds, the state's constitution may require the funds to first be appropriated by the legislature. In other instances, the JTPA may require certain organizations be represented on the local private industry councils, but state law may prohibit such membership in cases where the state and the federal law conflict. This is especially true when state law prohibits PIC members from receiving contracted funds for establishing training programs. In other states, the state constitution has prohibited state legislators from participating in the state job training coordinating council.

State law will in some instance differ from or impede the implementation of JTPA. This factor is bound to create some tension between legislative and administrative branches of state government. Since, the administrative procedures in JTPA are not clear, what the legislature and the governor will need to decide what are their appropriate roles so that liability issues can be decided if the need should arise to do so. Texas and Iowa, for example, have built legislative oversight into their implementing legislation. Still other mechanisms, used by the Idaho

legislature, see that the state's administrative regulations for JTPA are consistent with the states Rules and Procedures Act for standardizing state policies.

WHAT APPROACH CAN A LEGISLATURE ADOPT?

The Job Training Partnership Act allows for varying degrees of legislative involvement. Dependent on a state's constitution or established procedures and policies for dealing with Federal programs, enabling legislation may not be needed. The same approach can apply to the contribution of state dollars to JTPA programs.

Some state legislatures may wish to get involved by by taking a more cautious approach. In Kentucky, where the governor did not appoint a legislator to the State Job Training Coordinating Council, the legislature has decided to establish a interim committee to monitor the implementation of JTPA. In New Hampshire, a state where counties sued the state over service delivery area designations, the House has proposed a select committee appointed by the Speaker to start a continuing study of the JTPA. The House bill making this proposal notes "Such select committee be comprised of members of several different standing committees of the house since implementation of the act and realization of its goals involves many difficult areas of expertise."

While some legislatures are utilizing their Labor and Employee Relations, Industry, or Joint House-Senate Government Operations Committees to oversee JTPA issues, other states are still undecided. One of the more

common questions is "Do we refer JTPA to an education committee or a labor-oriented committee?" This decision depends on what policy perspective a state prefers to place in job training.

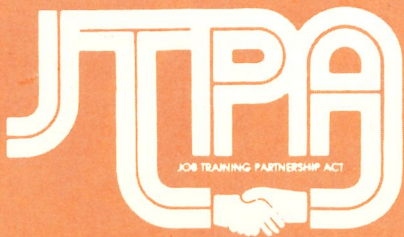
Other states have not emphasized involvement in JTPA. Their concern is with associated policies. These programs complement the federal law. Moreover, they do not impose any liability under JTPA for the legislature. Minnesota, for example, adopted the Minnesota Emergency Employment Development Act for a two-year employment program to provide for jobs in the public and non-profit sectors. The program will be administered along JTPA service delivery areas. Michigan adopted a Youth Corps Act to provide summer employment and work training for youth ages 18-21. Numerous states have established customized job training programs. For many states JTPA is a catalyst for activity beyond limited federal resources.

California as mentioned earlier, has used JTPA as a means to develop a state comprehensive employment and training policy. This approach, of course, can consume a great deal of legislative effort. Thus, the question of how involved to become is an open question. It will depend on a variety of needs and the political climate in a state.

For further information of how to get involved, contact Job Training Program, National Conference of State Legislatures, 444 N. Capitol St., N.W., Washington, D.C. 20001, (202-737-7004).

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The most striking feature of JTPA is its dependence upon the private sector for determining the type of training to be offered, in setting goals for who and how many will be trained and deciding how the money will be spent to meet these goals. The word "Partnership" in JTPA refers to this close involvement.

DECISION MAKERS

As its name implies a primary feature of JTPA is the forging of a public/private partnership.

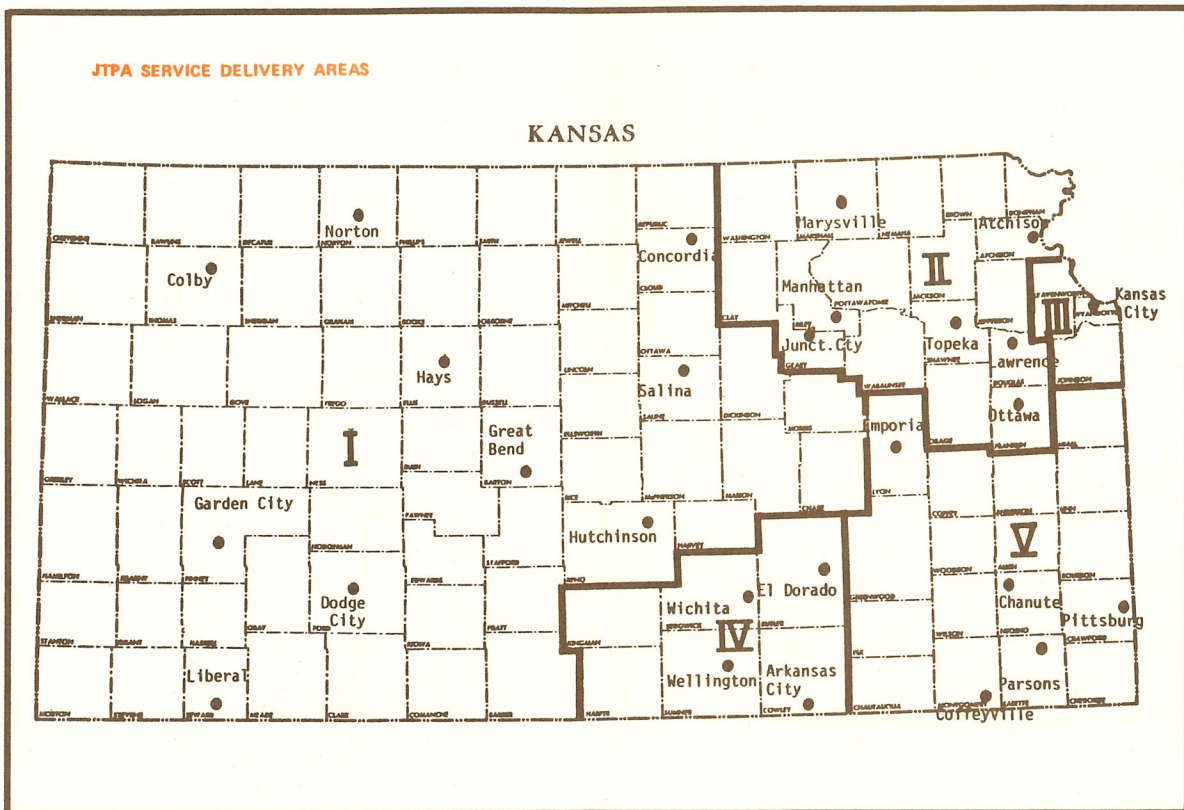
JTPA enlists business leaders, representatives of labor, education, rehabilitation, and non-profit community groups to find the best way to use public funds for the greatest local benefit.

The Act also mandates a system of checks and balances to ensure the program goals are met.

The Governor is the administrator under JTPA. He appointed an advisory group, the Kansas Council on Employment and Training (KCET). With the ad-

vice of the KCET and using JTPA guidelines, the state was divided into five Service Delivery Areas (SDAs). The Governor appointed a board of Local Elected Officials (LEOs) for each SDA. The LEOs named members for the Private Industry Council (PIC) for their respective SDAs.

The local units—the PICs and LEOs—decide who is going to deliver the services, who and how many are served and in what manner. This is laid out in a plan of service drawn up by the PIC. The plan is signed by the LEO, certified by KCET and approved by the Governor. The state, through the Kansas Department of Human Resources Employment & Training Division monitors the programs and measures "success."



HELPING OTHERS; HELPING OURSELVES

Participation in the Job Training Partnership Act is as American as private enterprise.

The benefits to the business leader may be as hard-hitting as the profit/loss sheet or as subtle as tapping into the volunteer spirit.

Business participation can be a response to surveys to help assess the future job market and the direction of economic development. Employers also become involved by training people on the job or by allowing the flexibility for workers to upgrade their skills in a classroom once or twice a week.

The benefits include better trained workers whose skills are in demand and, of course, the indirect benefits from having fewer people on the welfare rolls.

JTPA programs offer the flexibility of customized training, so new or expanding businesses will have a local supply of skilled workers.

Even more direct benefits are realized by those employers who train workers on the job. They can take advantage of the incentives available—from reimbursement for part of the trainee's salary to tax credits for hiring or training targeted groups.

FUNDING

Under JTPA, the U.S. Department of Labor allocates funds to the Governor in the form of a block grant.

Most of the JTPA funds allocated to Kansas are under title II-A, adult and youth programs, or under title II-B, summer youth programs.

The State distributes these funds to the SDAs by formula. Under title II-B, all the

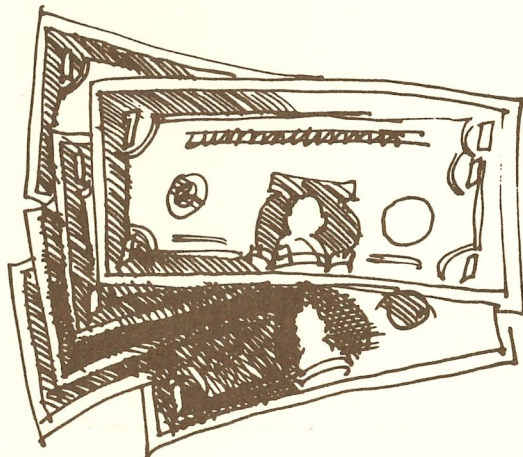
funds are passed on to the SDAs. Under II-A, 78 percent of the allocation goes to the SDAs.

Of the remaining 22 percent of JTPA funds which is designated for state programs, the majority of the funds are being sub-allocated to the SDAs. Three percent (of the state II-A allocation) is reserved for programs for older workers. Eight percent is for special educational programs, most of which is made available to the SDAs as education grants. Six percent will, during the transition year, be used for training and technical assistance to the SDAs. Five percent of the money is for state administrative services, such as audits, staffing the KCET, systems design and maintenance and staff for the monitoring function.

Of that 78 percent going to the SDAs, the PICs must make sure that 70 percent is spent on training. The other 30 percent is used for administrative costs and support services to the clients.

Specific amounts, such as how much money will be spent to train and place a person, is determined by the PIC.

The state also receives funds under JTPA title III for programs for dislocated workers. Most of these funds are being sub-allocated to the SDAs, and a portion is being reserved by the state to respond to special needs.



ELIGIBILITY



JTPA primarily serves the disadvantaged.

Disadvantaged may be defined as a person or family meeting the poverty income levels. Often these persons receive welfare support or food stamps. However, up to 10 percent of the clients served by JTPA need not qualify as economically disadvantaged but must face serious barriers to employment. This group might include persons with limited English language proficiency or are displaced homemakers, school drop-outs, teenage parents, handicapped persons, older workers, veterans or offenders.

At least 40 percent of the training funds under title II-A must be used to train or place eligible youth—AFDC recipients or school drop-outs.

Kansas also receives funds under Title III, which aids dislocated workers. These persons need not be economically disadvantaged. They must be part of a substantial group of individuals who have been laid-off, terminated or whose skills have become obsolete.

TRAINING OPTIONS

Job training programs in Kansas fall into three major categories—on-the-job-training, classroom training and work experiences.

The client earns while he or she learns during on-the-job-training (OJT). OJT can be used to support industrial or economic development, to upgrade and re-train a person who needs to advance above a dead-end job or it can be used in combination with institutional or internship assignments for career development.

Classroom training may be occupational or educational. Education training may include remedial or continued education for youth.

Other classroom training may provide supplemental skills many take for granted. Individuals may be taught the importance of being on time, how to prepare for the job hunt, how to dress or act on the job.

Work experience is used mostly for youth and is seen as one way to enhance employability through the development of good work habits and basic work skills.



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