

Approved 2-21-90  
Date

MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY AND SMALL BUSINESS

The meeting was called to order by SENATOR ALICIA SALISBURY at  
Chairperson

1:30 ~~am~~ p.m. on February 14, 1990 in room 527- s of the Capitol.

All members were present except:

Senators Senator Feleciano

Committee staff present:

Jerry Ann Donaldson, Legislative Research Department  
Gordon Self, Revisor of Statutes Office  
Phil Lowe, Committee Secretary

Conferees appearing before the committee:

Steve Ingram, Human Resource Development Institute AFL-CIO  
Kathleen Roper, Private Industry Council Planner/Coordinator  
for Service Delivery Area V.

The meeting was called to order by the Chairman, Senator Salisbury,  
at 1:30 p.m.

Steve Ingram, Human Resource Department Institute AFL-CIO, distributed a handout and, speaking on behalf of the AFL-CIO, explained some of the problems they were experiencing with the administration of the Job Training Partnership Act. Mr. Ingram said his organization is the Employment and Training Department of the AFL-CIO and he has had lots of experience working with organized workers and non-organized workers and that he was speaking for the rights of all workers as to the services promised them through the laws established by Congress and the President of the United States. Mr. Ingram said that 30 states have established Labor Coordination Programs with their respective State AFL-CIO, and such a program in Kansas could help alleviate a lot of the confusion that takes place at the Department of Human Resources when it comes to serving displaced workers. See Attachment I for complete text of Mr. Ingram's testimony.

Kathleen Roper, Private Industry Council Planner/Coordinator for Service Delivery Area V, showed slides and gave an overview of the role the Private Industry Council plays in the state of Kansas. She also said JTPA has federal, state, local and specific guidelines for operation of programs. The funds flow from the Federal Department of Labor, to the states, to local Service Delivery Areas. Kansas has designated the Department of Human Resources as the Administrative Agency. The Department of Labor determined that a major improvement in the Job Training Partnership Act would be to include private industry employers in decision making and make it possible for private industry to provide on-the-job training with the provision that participants be retained upon completion of training. Senator Salisbury requested information about PIC Activity to determine labor market needs and training contracts in SDA V. Ms. Roper responded that SDA V no longer contracts with businesses and training institutions in the area but grants money on an individual client basis. Jobs for which there is little or no employment opportunity, such as cosmetology, receive no training money. A copy of Ms. Roper's testimony is attached. (Attachment II).

The meeting was adjourned at 2:30 p.m. by the Chairman, Senator Salisbury.

The next meeting of the committee is scheduled for 1:30 p.m. Thursday, February 15, 1990.



February 14, 1990

TESTIMONY TO  
KANSAS SENATE  
LABOR AND INDUSTRY COMMITTEE

SUBJECT

JTPA AND LABOR INVOLVEMENT IN KANSAS

Delivered by

Steve Ingram  
Human Resource Development Institute AFL-CIO  
Washington, D.C.

February, 1990

Attachment I  
2-14-90

Madam Chairwoman, members of this committee, let me first say it is a pleasure for me to be here and the AFL-CIO appreciates the opportunity to speak to you about this important subject.

I should say that I work for the Human Resource Development Institute AFL-CIO. My organization is the Employment and Training Department of the AFL-CIO. We have been in operation for over 21 years working with Federal and State Governments, Business, Labor Organizations and communities. We have had lots of experience working with organized workers and non-organized workers.

Next, let me say that I am speaking on behalf of the Kansas State AFL-CIO. I am also speaking for the rights of all workers as to the services promised them through the laws established by Congress and the President of the United States. And, again I am speaking as a 20 year taxpaying permanent resident of this state. I live in Lawrence, Kansas.

Our purpose for speaking to you today is to give you information that you might never hear or know if we did not tell you. We have some very serious concerns about JTPA in Kansas. Also, as you hear further testimony next week, perhaps you can ask questions that will help you understand more thoroughly as to the implementation of JTPA in Kansas.

Today, I want to present to you facts and concerns about this states responsibilities as determined by the requirements and suggestions of the U.S. Department of Labor and the U.S. Congress.

The Job Training Partnership Act (JTPA) was passed in 1982. Since the beginning there have been certain Labor Standards or practices written into the law to protect workers and to illustrate the importance of cooperating with Labor Organizations.

On February 4, 1989, the Worker Adjustment and Retraining Notification Act (WARN) went into effect. This Act set up certain requirements for the 60 day notification of a plant closing or major layoff. The employer, under certain conditions, are required to notify the union or each employee, the local community, and the State Dislocated Workers Units (DWU). The DWU has certain responsibilities outlined in EDWAA. Much has been learned over the years about the importance of notifying employees as early as possible and establishing some kind of Rapid Response Services to help them make a transition.

On July 1, 1989, the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA) went into effect. This Act replaced Title III in JTPA in providing services to dislocated workers.

Congress intended that there be important links between WARN and EDWAA. WARN was designed to give workers notice so that they could access training under EDWAA as well as joint company-union programs. In each of these Acts, provisions are written in to guide states as to the protection of workers rights.

What I am about to say is not intended to embarrass any certain persons. I believe that most everyone intends to do the right thing and tries to do their best in carrying out their job responsibilities. I believe that the Kansas Department of Human Resources is trying to do that.

However, for whatever reasons, even though these Acts mention Labor's involvement in JTPA--This is not happening in Kansas!

I have attached excerpts from the law and regulations which show some of the responsibilities and requirements for cooperating with Labor.

The Department of Human Resources has established a position which has numerous responsibilities, one of which is labor liaison. This position was established after a long absence of this responsibility in the Department. Also, the responsibility of that person is extremely limited.

1. The Kansas AFL-CIO, in 1987, applied for a grant to establish a Labor Coordination Program. They were turned down.

On November 21, 1989, the Kansas AFL-CIO again submitted a proposal for a grant to establish a Labor Coordination Program. Several weeks later in December they received a response indicating that the state was having problems understanding the requirements of U.S. Dept. of Labor in the spending categories of EDWAA. I am aware that the state received an answer several weeks ago and there has still been no communication with the AFL-CIO.

2. In late December, a meat packing plant in Arkansas City made notification public that they were going to close and lay-off approximately 700 employees. A majority of these employees are represented by the United Food & Commercial Workers. Although this lay-off is close upon us, and the state has had meetings with the employer, but the state has not contacted the union yet.

3. On January 9-11, 1990, the Dept. of Human Resources sponsored a Labor-Management Conference. I attended and thought that the presentations made by business, labor and the U.S. Dept. of Labor were well received. The theme of the conference was, How To Enact Labor-Management Cooperation and much conversation centered on establishing Labor-Management committees during plant closings. Bill Batt, from U.S. Dept. of Labor, nationally known, suggested investigating possibilities of establishing a Labor-Management Committee in Arkansas City. The person responsible for the DWU deferred to the Secretary of DHR, and he deferred to the Governor's office. That is the last that we heard.

4. On December 22, 1989, the state received a notification of a mass-layoff from the G. M. Fairfax Plant in Kansas City, Kansas. They are planning to layoff over 700 workers, (United Auto Worker members) on February 26, 1990. These workers have 10 years or less of seniority and will have only a few weeks of benefits. It is highly unlikely that they will be able to return to the automobile industry. I visited with the union representatives last week on February 8 and the state had not contacted them.

The UAW-GM Human Resources Center, (union and employer program) has had limited discussion with the state on this particular lay-off. The UAW-GM CARE Project is not sure of funding and has been told that it will take funding from a new grant to serve these persons. Nevertheless, the state needs to contact the local UAW office and should respond with their Rapid Response efforts. Missouri's Rapid Response Team is willing to respond when ever Kansas contacts them. I understand that the local Employment Security Office plans to talk to the employees about U.I. benefits.

A Labor Coordination Program with the AFL-CIO could help alleviate a lot of the confusion that takes place at the Dept. of Human Resources when it comes to serving displaced workers.

There are 30 states that have established Labor Coordination Programs with their respective State AFL-CIO. Missouri has two Labor Coordinators; Oklahoma, Iowa and Arkansas have Labor Coordinators. Michigan AFL-CIO has 17 offices state wide, and Colorado and Mississippi (Right-To-Work-States) contract with the State AFL-CIO to operate their entire Rapid Response efforts.

Thank you for this opportunity to speak. We have many more concerns and stand at your disposal to answer any questions you may have now or in the future.

February 14, 1990

TESTIMONY BEFORE SENATE LABOR AND INDUSTRY COMMITTEE  
Wednesday, February 14, 1990  
by Kathleen Roper  
Private Industry Council Planner/Coordinator  
for Service Delivery Area V

Good afternoon and thank you, Senator Salisbury, for asking me to testify before your committee. My name is Kathleen Roper and I am the Planner/Coordinator for the Private Industry Council (PIC) of Service Delivery Area V (SDA V). As the Planner, part of my duties include representing the PIC in the writing of the Job Training Partnership Act two-year plan for SDA V. As the Coordinator, I am charged with being the liaison between JTPA and other Federally funded programs such as the SRS new Job Opportunities and Basic Skills (JOBS) portion of the Family Support Act and Vocational Education's Carl Perkins funds.

To validate my testimony and my knowledge of the interaction of these programs, I will give you a brief resume. I served on the Kansas Council on Employment and Training with Senator Salisbury for three years representing vocational education before I resigned to take the position as Planner/ Coordinator of SDA V's PIC a year ago in October. Before that, I taught Post-Secondary Cooperative Information Processing and Computers for over 20 years at Southeast Kansas Area Vo-Tech in Columbus. During that time up to 75% of my adult students were CETA, then JTPA, participants and many of them were welfare mothers. I was also involved in the Social Rehabilitation Service's Work Incentive Now (WIN) program when it was first initiated. As a cooperative education coordinator, my two most important job were placing students at work experience training stations while they also received classroom training and (of course) assisting them in finding full-time employment upon completion of the program. My other claim to fame is being the grant writing queen of Southeast Kansas.

Now I would like to give you an overview of the role the Private Industry Council plays in the state of Kansas and how the PIC interacts with the above-mentioned programs. This overview was prepared for my PIC members when it was discovered that members who had been on the board for over a year, still didn't understand the importance of the Private Industry Council as a policy-making group for JTPA and as an advisory group to the JOBS and Carl Perkins programs. Therefore, there is a possibility that some of you may not have the overall picture.

- 1: JTPA has Federal, State, Local, and Specific guidelines for operation of programs. The funds flow from the Federal Department of Labor to the states to local service delivery areas. Kansas has designated the Department of Human Resources as the Administrative Agency. The State, however, is not required to match funds as it is in the case of the SRS JOBS program.

Attachment II  
2-14-90



FEDERAL



STATE



LOCAL



SPECIFIC



JTPA

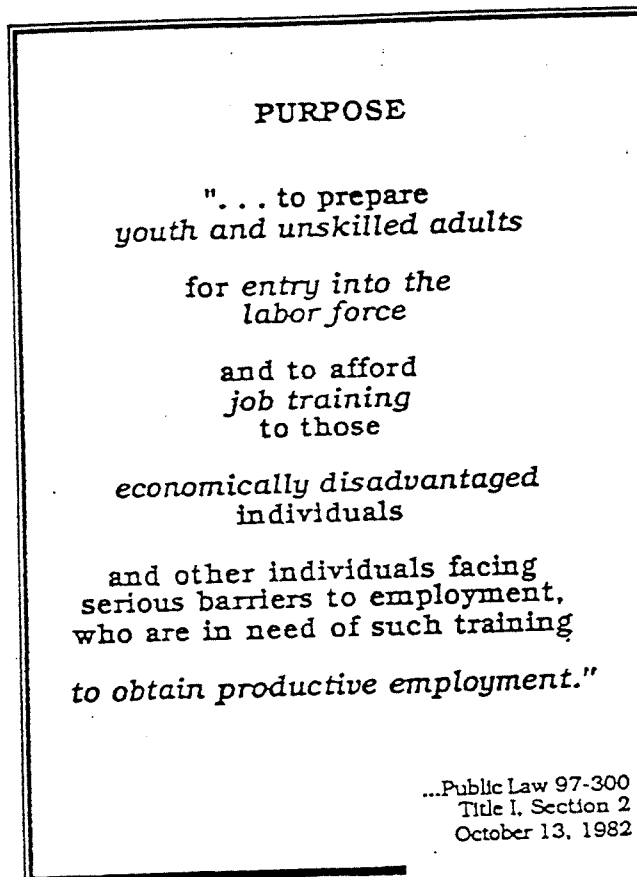
JOB

TRAINING

PARTNERSHIP

ACT

2. The emphasis on the Job Training Partnership Act should be the PARTNERSHIP and the new important partnership is with private industry. JTPA replaced CETA. A major problem with CETA was that too many on-the-job training funds were used by public agencies with no requirement for job retention. In some areas, counties used CETA participants as a 6-month pool of unskilled laborers who were replaced at the end of 6 months by a similar group of people.
- 3: It is important to understand the PURPOSE of JTPA



The major purpose of the JTPA TITLE IIA funds is not to provide employers job-ready, skilled adults who are temporarily unemployed. That is one of the purposes of Job Service. And there is a portion of JTPA funds, previously called Title III and currently called EDWAA, that provides retraining and upgrading for participants who have become unemployed to due being layed off or due to plant closings.

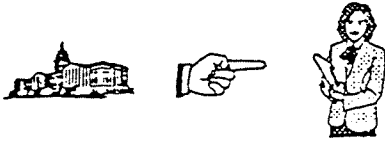
- 4: The major changes from CETA to JTPA include:
- \* Partnerships - The coordination with services of other agencies such as education, welfare, and community based organizations is being mandated at the Federal level.

## Key Premises:

- Partnerships



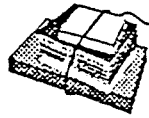
- Shift to State & Local



- Performance Driven



- Focus on Training



- \* Shift to State & Local - CETA was a Federally controlled program. JTPA has shifted control to the Chief Elected Official (the Governor) who in turn approves Local Elected Official Boards (LEO Boards) made up of Mayors of metropolitan areas or County Commissioners. These boards then accept nominations from Chambers of Commerce, labor organizations, education, and community based organizations to appoint Private Industry Council members. The PICs then choose an administrative entity or the PIC may actually deliver services.
- \* The Department of Labor determined that a major improvement in the Job Training Partnership Act would be to include private industry employers in decision making and make it possible for private industry to provide on-the-job training with the provision that participants be retained upon completion of training. Not-for-profit and public agencies could still be service providers, but competency-based job skills had to be documented during the 240 hour training time.

5: JTPA has an integrated approach for:

- \* Identifying Employers' and Potential Workers' Training Needs
  - \* Kansas Department of Human Resources provides several different publications for the Service Delivery Areas in Kansas. These include:
    - KANSAS OCCUPATIONAL OUTLOOK
    - KANSAS WAGE SURVEY (by year)

## JTPA

An Integrated Approach for:

- Identifying Employers' and Potential Workers' Training Needs
- Providing Skills Training
- Matching Workers to Jobs for which they were trained

- \* KDHR also provides the following in cooperation with Department of Education, Department of Economic Development and Department of SRS  
JOB OPENINGS AND TRAINING IN KANSAS  
SOUTHEAST KANSAS JOB OPENINGS AND TRAINING--SDA V
- \* There is a need for an organized, coordinated area-wide job survey in SDA V to include more small businesses

- \* Providing Skills Training  
SDA V has an excellent source of service providers in the Southeast Kansas. In the 17-counties there are:
  - 2 Universities with Technical Education programs
  - 2 Area Vo-Tech Schools (one with two campuses)
  - 6 Community Colleges
  - 10 Adult Basic Education Centers
  - 49 Unified School Districts
  - 7 Special Education Cooperatives
  - Southeast Kansas Education Service Center

The major problem as you can imagine is coordination of the training to be sure it matches the needs of business and industry and the workers. (Vocational programs are obligated to serve those people who need, want, or can profit from training.) JTPA is obligated to serve those most in need who can profit from training.

- \* Matching Workers to Jobs for which they were trained  
Part of this approach includes the requirement that private industry provide training on the job and then retain the participants in that position or in an upgraded position.

This includes appropriate vocational assessment.

## TITLES

- I. Purpose and Administrative Functions
- II. A. Adult & Youth Training Programs
  - B. Summer Youth Employment & Training
- III. Dislocated Workers (EDWAA)
- IV. Federally Administered Activities
- V. Wagner-Peyser (Employment Service) Amendments

6: Now to the description of the "TITLES" of the Job Training Partnership Act.

TITLE I. Includes funds for administering the Act

TITLE II. A. Adult & Youth Training Programs  
B. Summer Youth Employment & Training

TITLE III. Dislocated Workers (EDWAA)

TITLE IV. Federally Administered Activities  
(Currently Research & Development and Demonstration Grants are available)

TITLE V. Wagner-Peyser (Employment Service) Amendments

7: Distribution of Title II-A Funds

8-9:

78% goes to Service Delivery Areas by formula

This includes the traditional programs. (More later)

8% goes to Education for Coordination and Grants

The Request for Proposals (RFP's) come from the Kansas Department of Community Colleges and Vocational Education. However Private Industry Councils must first review the grants and make recommendations. Education and PIC must agree upon Grant recipients. SDA V has some exemplary programs--many of which have received national recognition--most notably the two School to Work Transition programs at Coffeyville's Field Kindley H.S. and Independence H.S. Last year, Coffeyville's program received the top award for Advisory Councils in the state of Kansas and also received national recognition. This year, Independence received second place in the state.

## Distribution of Title II-A Funds



- 78% Service Delivery Areas (SDAs)  
(by formula)
- 8% Education Coordination & Grants
- 3% Older Individuals Programs
- 6% Technical Assistance &  
Incentives (for SDAs)
- 5% State level Administration

3% goes to Older Workers' Programs in Kansas.

In SDA V the Area Agency on Aging and Greenthumb both serve Older Workers.

[Proposed changes in the new JTPA Amendments is to eliminate the separate 8% for education and 3% for Older Workers. Each SDA would provide the education grants and it is proposed that 5% of local "78% funds" be used for older workers.

6% goes for Technical Assistance & Incentives to SDAs

PERFORMANCE STANDARDS	
<b>FUND A</b> <small>Incentive Funds or                      Technical Assistance Funds</small>	
• Job Placement	
Adult	
Youth	
AFDC	
• Employment Retention	
• Increased Earnings	
• Reduction in Number of Welfare Recipients	
<b>FUND B</b> <small>Winner Take All</small>	
• AFDC Clients	31%
• Women	57%
• Minorities	9%

TARGETED GROUPS					
Characteristics	Total Population	JTPA Population	SDA V JTPA Population		
<b>SEX</b>					
Male	46%	40%	43%		
Female	54%	60%	57%		
<b>RACE</b>					
White	74%	50%	91%		
Minority	26%	50%	9%		
<b>PUBLIC ASSISTANCE</b>					
Recipient	10%	43%	33%		
<b>KANSAS SDA</b>					
AFDC %	I 21%	II 25%	III 34%	IV 44%	V 31%

These funds are used to encourage SDAs to meet the performance standards required by the Federal JTPA Act and those performance standards preferred by Kansas Council on Employment and Training (the Governor's Advisory Council)

Some of the misconceptions about the purpose of JTPA funds can be traced to the performance standards. During the nine-month transitional period in 1982, the first performance standards included two standards based on training time and amount of funds expended to provide training. In essence, it encouraged what is called "creaming." The best way to meet the standards was to find eligible participants who needed a minimal amount of training which could usually be done on-the-job. In other words, those skilled workers who had recently become unemployed. In fact, one early requirement for JTPA eligibility was that the person had to have been unemployed for seven days.

Since that first transitional year, the KCET has changed the emphasis on performance standards to encourage SDAs to serve those most in need and to better meet the purpose of the Act. First they put more emphasis on entered employment rates, follow-up employment rate, and average wage at placement among other items.

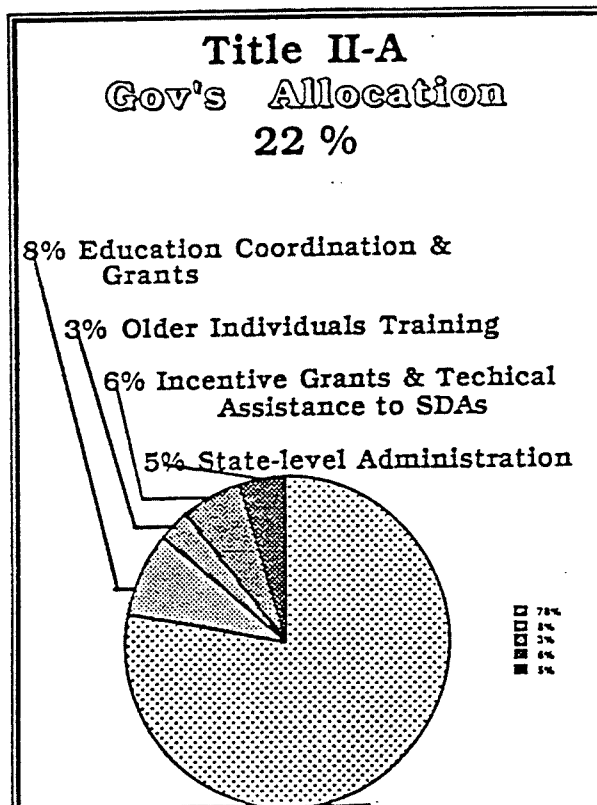
During the next three years, SDAs either received Incentive Funds or Technical Assistance Funds and each of the five SDAs received approximately 1/5 of the available funds--around \$60,000 each. With Incentive Funds, they could be innovative and spend it in any

reasonable manner such as to purchase equipment or for a special training project. With Technical Assistance Funds, KDHR could mandate the use of the funds to improve service to targeted groups (such as the year that none of the SDAs met the mandate to spend 40% of IIA funds on youth).

Two years ago, KCET noticed that SDAs were not meeting the mandate to serve the proportion of AFDC clients, minorities, or women in the JTPA eligible population. It was determined that half of the Incentive Funds would become competitive--you either met the standards set up or you didn't get any of the Part B Incentive Funds. Last year, SDA II was the only SDA to meet the Part B standards. SDA V only met the standards for minorities which wasn't too difficult since as you can see, Southeast Kansas only has 9% minorities compared to 50% for the United States. SDA V did not receive over \$30,000, nor did SDAs I, III, and IV. SDA II received over \$130,000 above their approximately \$30,000 for Part A Funds.

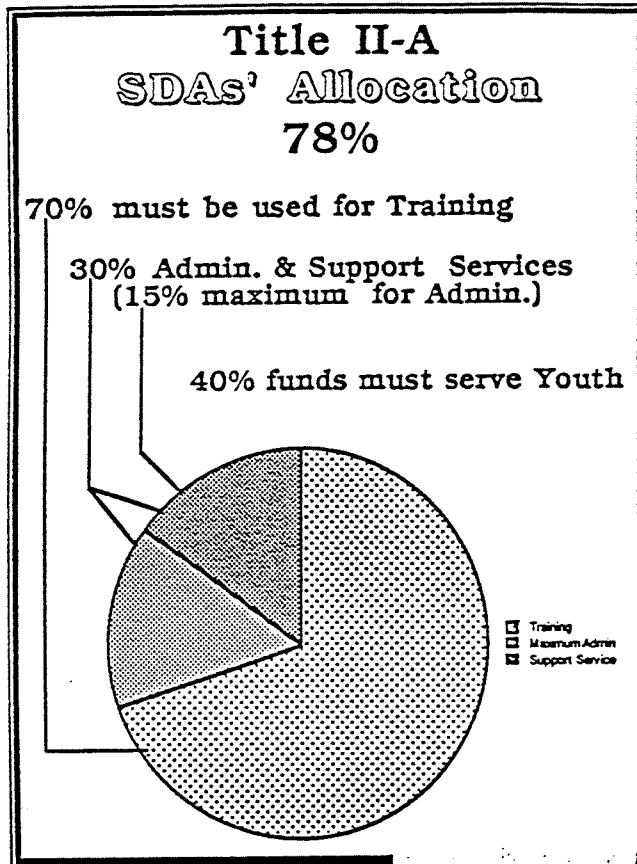
Guess what SDA V is doing with their Incentive Funds this year. If you think we are using it to serve women and AFDC clients, you are right. We are currently above the required standards in all three categories.

5% is for State level Administration





8:



9: Breakdown of the Title IIA 78% funds

70% must be used for Training which includes both classroom training and on-the-job training

30% may be used for Administration and Support Services  
 No more than 15% may be used for Administration  
 Support Services includes transportation and needs-based payments which usually are no more than \$20 or \$30 a week. (Welfare clients may only receive support payments for transportation in SDA V.) No more hourly payments of minimum wage for JTPA participants in classroom training as it was for CETA.

In addition, 40% of all funds must serve Youth.

10: The only matching requirements for JTPA funds is in the area of the 8% State Education Coordination & Grants and 80% of them must be matched. This means that local educational agencies must match grant funds. However, the match may be in-kind. Carl Perkins matching funds must be cash dollar for dollar match. The remaining 20% is for coordination at the state level.

This is a major difference in funding than the SRS JOBS program which requires state matching funds.

## Matching Requirements

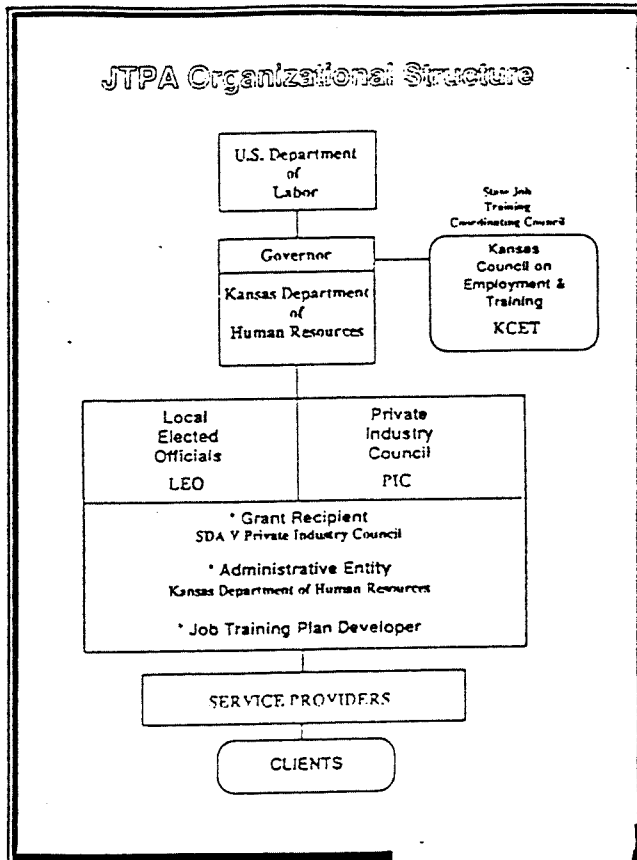
- **80% of the 8%**  
(Title II-A, Section 123,  
State Education  
Coordination & Grants)



**Equal match from state or  
local funds**

- 11: With this in-depth background into the history of JTPA, I will briefly give you an over-view of the State and Local Roles with JTPA.

**What is a  
State's  
Role  
with  
JTPA  
?**



12: Organizational Structure

The chart is self explanatory.

The funds flow from Department of Labor to the Governor who has designated KDHR as the Administrative Entity. The Kansas Council on Training is the Governor's Advisory Council.

Funds then flow to the local Grant Recipient (the SDA V Private Industry Council appointed by the Local Elected Officials) who chooses an Administrative Entity and a Job Training Plan Developer.

The PIC chose to use the Kansas Department of Human Resources as the Administrative Entity. Currently only SDA I and SDA V are using KDHR. SDA V attempted to pull away from the State at one time, but didn't. SDA I is currently considering it.

The Administrative Entity then chooses Service Providers who provide services to the clients.

13: The Governor's Role (with staff support from KDHR) is to:

- Receive the funds
- Designate SDAs (during the transition period)
- Determine funds for each SDA by formula
- The State is responsible for:
  - Oversight
  - Review (of SDA two-year plans)
  - Monitoring
  - Audits

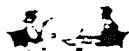
## GOVERNOR'S ROLE



- RECEIVES FUNDS
- DESIGNATES SDAs
- FUNDS SDA's BY FORMULA
- RESPONSIBLE FOR:
  - » Oversight
  - » Review
  - » Monitoring
  - » Audits

14: The Governor's Advisory Council in Kansas is the Kansas Council on Employment and Training

### KANSAS COUNCIL ON EMPLOYMENT AND TRAINING (K CET)



#### MEMBERSHIP

- 30 % - Business & Industry
- 30% - State & Local Government  
& Public Agencies
- 30% - Organized Labor &  
Community Based Organizations  
(CBO's)
- 10% - General Public

**KANSAS COUNCIL ON  
EMPLOYMENT AND TRAINING  
(KCET)**

**FUNCTIONS**

- Recommends: Plans & SDA's
- Advises: Job Training Plan
- Reviews: Operation; Plan for State Employment Agency
- Prepares Annual Report
- Identifies Coordination with Other Agencies
- Annual Comments on Reports Required by '83 Vocational Education Amendments

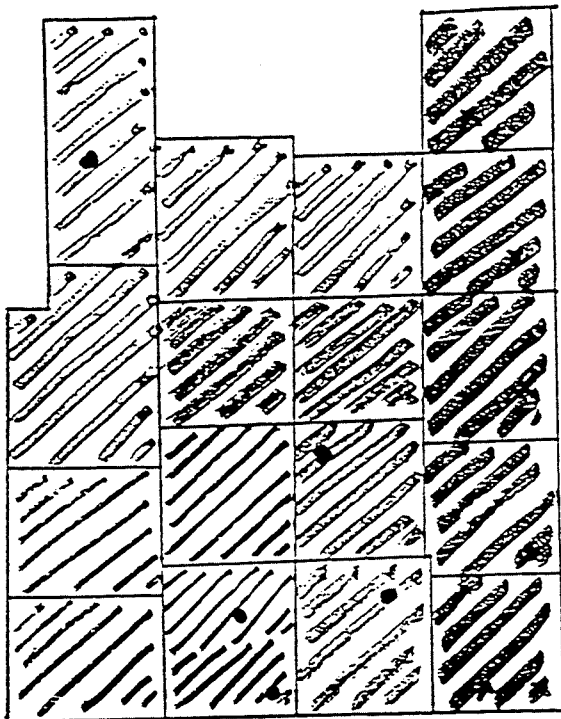
- 15: KCET's functions are [Depending upon the expertise and interest of the KCET members, the above functions actually involve members of the various KCET committees or the functions are carried out by KDHR staff.]

**JTPA requires  
COORDINATION  
with:**

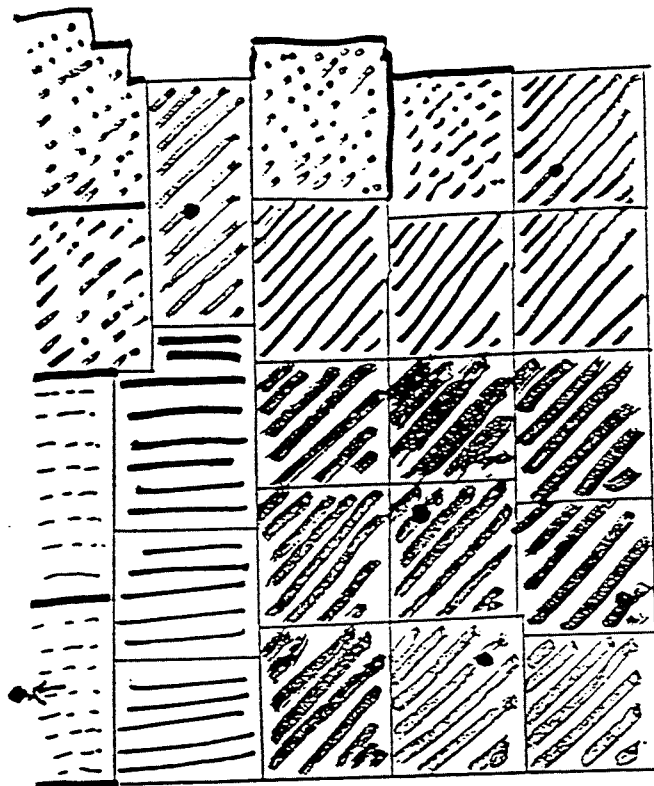
- State & Local Education & Training Agencies (including Voc. Ed. Agencies)
- Public Assistance (Welfare) Agencies
- Employment Service
- Rehabilitation Agencies
- Post-Secondary Institutions
- Economic Development Agencies
- Other Agencies Governor determines to have a direct interest in E&T and human resource utilization within the state

- 16: JTPA requires coordination with these agencies:

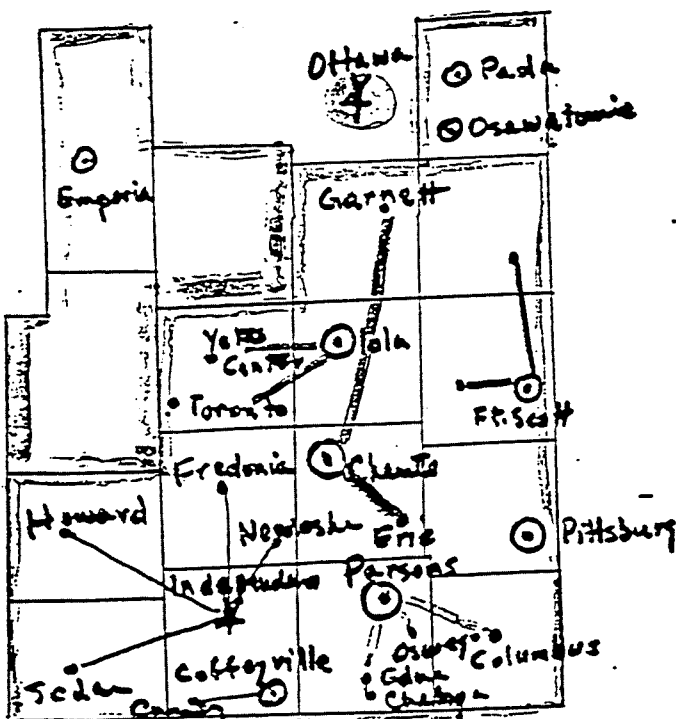
17: What about the local partnerships?



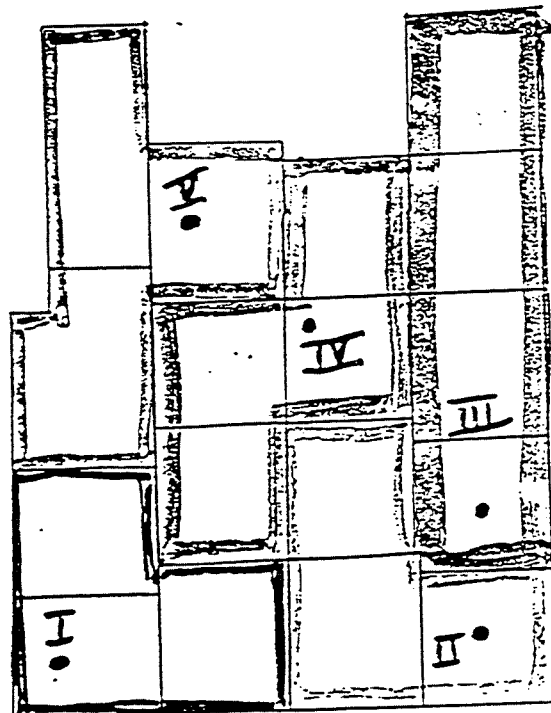
EET / JTPA



SRS



ABE



LEO/PIC REGIONS

**SERVICE DELIVERY AREAS**

**(SDAs)**

**just:**

**GEOGRAPHICAL BOUNDRIES!**



- Units of Government - 200,000+ Pop.
- Consortia w/200,000+ Aggregate Pop.
- Unit or Consortia serving substantial portion of Labor Market Area

18: Service Delivery Areas must have at least 200,000 population. In Kansas, only Kansas City and Wichita have the necessary population base to request SDA status. Kansas City area includes three counties--Wyandotte, Johnson, and Leavenworth and Wichita includes Sedgwick, Kingman, Harper, Sumner, Butler, and Cowley Counties. SDA V and SDA II each have 17 counties, leaving SDA I with the entire balance of the 105 counties in Kansas.

**PRIVATE INDUSTRY  
COUNCIL  
(PIC)**



**Membership**

- Private Sector - 51% minimum
- Educational Agencies,  
Organized Labor,  
Rehab. Agencies,  
CBO's,  
Economic Development Agencies,  
Public Employment Service
- Chairperson from Private Sector
- Terms of Office Staggered

19: The Private Industry Councils include membership appointed by the Local Elected Officials Board

## PIC VS KCET

KCET → Advisory



PIC → Policy



20: PIC vs KCET

The KCET advises the governor (represented by KDHR)

The PIC makes Policy (to be followed by KDHR is SDA V)

### PRIVATE INDUSTRY COUNCIL (PIC)

#### Functions:

- Policy Guidance, Oversight
- Determine Procedures
- Select Grant Recipient
- Select Administrative Entity
- Approve Job Training Plans

21. PIC Functions:

[As with the KCET, if members are not involved, staff can start taking over PIC functions.]



22. PIC Responsibilities:

[Audit exceptions and cost disallowances fall to the Local Elected Officials organizations--counties in SDA V.]

23. LEO Roles

**PIC**

**RESPONSIBILITIES**

**"Provide Policy Guidance"**

**"Exercise Oversight"**

**LEO Roles**

- ☛ Set Initial Size & Composition of PIC
- ☛ Solicit PIC Nominations
- ☛ Select Members & Replacements
- ☛ "May conduct oversight as they deem necessary"

24. PIC/LEO Joint Responsibilities

25: PIC Decisions NOT Subject to LEO Approval:

~~Isn't~~

**Isn't**

**JTPA**

**supposed to be a**

**local**

**Partnership?!**

**PIC Decisions**

**NOT**

**Subject to LEO**

**Approval:**

- Election of PIC chair
- PIC member removal procedures
- Incorporation
- Hiring of staff\*

SDA V's PIC and LEO meet concurrently.

**The PIC**

"...Shall,...

prepare and  
approve a budget  
for itself, and



may hire staff,



incorporate..."

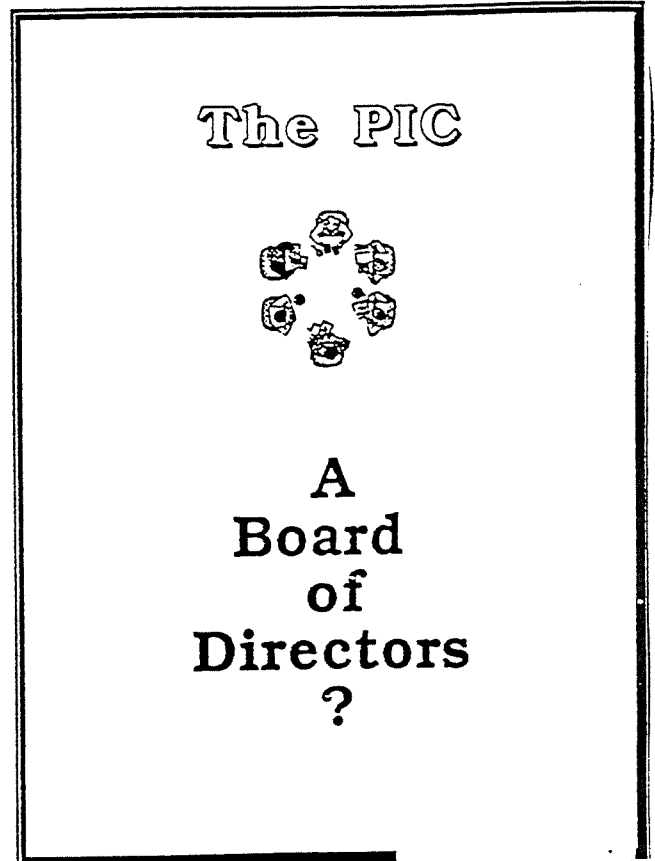
- 26: The PIC "Shall . . . prepare and approve a budget for itself, and may hire staff, and incorporate . . . "
- 27: The Grant Recipient and Administrative Entity may be selected from:

**The  
Grant Recipient  
&  
Administrative Entity  
may  
be selected from:**

- ☞ **The PIC**
- ☞ **Local Government**
- ☞ **Nonprofit  
Corporation**
- ☞ **Any other agreed  
upon entity(ies)**

28: The PIC may be viewed as a Board of Directors

As the only paid staff member, my position puts me in the role similar to the Executive Secretary of a Chamber of Commerce.



29: What else should you know?

30: Who are the clients?

JTPA eligible participants must be economically disadvantaged (poverty level or 70% of poverty)  
Handicapped youth may be counted as family of one so family income is not counted

Clients include these targeted groups:

AFDC clients--31.2% in SDA V  
Women--57% of JTPA population in SDA V  
Minorities--9% in SDA V

The Labor Market

Each SDA may have different priorities

Services offered

The PIC has special School-to-Work and Welfare-to-Work Transition Projects  
Special emphasis on Job Readiness and Preparation for GED for Adults and Pre-Employment/Work Maturity and dropout Prevention for Youth

What Planning and Program Design Really Is

Careful data collection and analysis is now allowing the PIC to make recommendations for meeting Performance Standards.

Goals vs. Performance Standards

Targeted Groups should be served because the goals of the PIC are in line with the goals of the Act--not just to receive incentive funds. We all need to become aware of the crisis in the American Labor Market.

**What else should you  
know?**

**LOTS!**

- *the Clients you serve*
- *your Labor Market*
- *Services you can offer*
- *what Planning really is*
- *what Program Design is*
- *Performance Standards*
- *Goals vs. Perf. Stds.*
- *What you can do if you  
need more help*

31: Client Characteristics

JTPA no longer uses Title IIA funds to provide employers with a 50% savings for six months of recently unemployed white males with job skills.

[Title III EDWAA funds have recently been greatly increased to provide dislocated workers with opportunities for retraining, relocation, and employment.]

Clients now must be those most in need who have major barriers to employment.

These barriers include clients who are:

- Substance abusers (Alcohol and drugs)
- Teen parents, Foster children
- Veterans (with other barriers)
- Dropouts or at-risk, Below the 7th grade level in reading
- Physically or mentally handicapped
- Welfare recipients

With this indepth overview of JTPA, KCET, and JTPA behind us, I would like to discuss how SDA V is trying to meet the PURPOSE of JTPA . . . Form 3

TARGETED GROUPS					
Characteristics	Total Population	JTPA Population	SDA V JTPA Population		
<b>SEX</b>					
Male	46%	40%	43%		
Female	54%	60%	57%		
<b>RACE</b>					
White	74%	50%	91%		
Minority	26%	50%	9%		
<b>PUBLIC ASSISTANCE</b>					
Recipient	10%	43%	33%		
<b>KANSAS SDA</b>					
AFDC %	I 21%	II 25%	III 34%	IV 44%	V 31%

- ### Client Characteristics
- Poor Communication Skills
  - Insecure
  - History of Failures
  - Poor Interpersonal Skills
  - "Unmotivated"
  - Short time perspective
  - Low Self Esteem
  - Pessimistic
  - Dependent on "the System"
  - Limited sense of Responsibility

Let's review our targeted clientele and consider what basic skills; vocational interests, abilities, and aptitudes; job specific skills; and work readiness skills they have.

One group of JTPA eligible participants meets at least four of the targeted groups so let's look at them first.

PERFORMANCE STANDARDS	
<b>FUND A</b> <small>Incentive Funds or Technical Assistance Funds</small>	
• Job Placement	
Adult	
Youth	
AFDC	
• Employment Retention	
• Increased Earnings	
• Reduction in Number of Welfare Recipients	
<b>FUND B</b> <small>Winner Take All</small>	
• AFDC Clients	31%
• Women	57%
• Minorities	9%

# SDA V CLIENTS

Youth 16-21

Adults 22-54

Older Workers - 55+

Men

Women - 57%

AFDC - 33%

Minorities - 9%

Dislocated Workers

Dropouts

Low Reading Level

Other Barriers

AFDC parents under the age of 20 fit into the following categories:

- 40% of funds must be spent on youth
- 57% of all participants must be female
- 31.2% of SDA V's participants must be AFDC clients
- One of the barrier groups include teen parents

How many young women fit this category, you might ask?

In Crawford County, there are over 650 AFDC families headed by a single female. Sixty-five of these are under the age of 20 (10%). The same holds true in Cherokee and Labette County 85 of 850 AFDC families served by the Parsons, KS, SRS office are single women under the age of 20.

What other categories might these young women fit?

Nationwide, 80% of young AFDC parents are dropouts. We don't yet have exact statistics, but many of them read below the 7th grade level. Two more barriers. WOW! [One rumor concerning the new JTPA Amendments is that a new performance standard may be that 50% of all youth to be served must be dropouts.]

Now, for a really tragic statistic. In 1980, 10-15% of all welfare clients were substance abusers--alcohol or drugs. In 1990, depending upon the area of the country, 50-90% of all welfare clients abuse either alcohol or drugs.

So, now we have a group of JTPA eligible participants. Would you hire these young women?

If you said, "No," I think I can understand your reasoning.

- "Our hiring policy requires a high school diploma or a GED."
- "We need someone who can read and do math at high school level."
- "We need someone with entry-level skills. You can't teach typing on the job."
- "We need someone with experience."
- "We are reluctant to hire young mothers who may have child care or transportation problems."
- "How can a young mother afford to give up her medical card if we can't afford health benefits for an entry-level job?"

The following answers to these problems will indicate how the PIC in SDA V is coordinating efforts with JTPA, SRS, and educational agencies to provide the best services for these hardest to serve JTPA eligible participants.

"Our hiring policy requires a high school diploma or a GED."

The new JOBS program allows area SRS offices to mandate that AFDC clients under the age of 20 enroll in either a high school or a GED preparation program for at least 20 hours a week. Since many of these young women dropped out of school in the 9th or 10th grade, a high school diploma would take years. Therefore, the PIC is coordinating with area Adult Basic Education programs to provide 20 hours of weekly instruction. Using either 8% grant funds or 6% grant funds, the PIC will pay the ABE centers \$25 for completing

enrollment forms and collecting documentation and for assessing each client's basic and vocational skills. There is no need to pay for the Pre-GED training because ABE centers cannot charge clients. JTPA will, however, use 6% or 78% funds to pay the \$30 testing fee and usually allows to retakes at \$6 per test. SRS may use JOBS grants to pay for transportation and day care for children of the AFDC clients.

OK! Now our young mother has a GED--time elapsed is from three to six months.

"We need someone who can read and do math at high school level."

If the AFDC parent has a high school diploma, you might think this means he or she has basic skills at above the 8.9 grade level. This is not necessarily so. At a community college in Southeast Kansas, sixty high school graduates of the incoming freshman class scored below the 4th grade reading level on a basic skills assessment. Eighty percent of these were recent high school graduates and none were GED completers.

So, if the basic skills assessment indicates a participant has a reading level below 7.0, remediation can be provided. One of the positive terminations--for youth only--is raising the participant's grade level to 9.0 in Reading, Math or English. To do this, JTPA will pay tuition for developmental classes in community colleges. Secondary schools and ABE centers can write JTPA grants to assist with salaries or basic skills supplies. JOBS clients must receive remediation if they score below 8.9 grade level in reading. Since the only positive termination for IIA adults (over age 22) is unsubsidized employment, the PIC has provided 8% and 6% funds to serve adults who need GED or basic skills training.

Now our young AFDC parent can read and do math at the high school level.

"We need someone with entry-level skills. You can't teach typing on the job."

JTPA will pay tuition for an eligible participant to attend vocational skill training. There are some problems to overcome in this area. Young women dream of becoming cosmetologists. The JOB OPENINGS AND TRAINING IN KANSAS report indicates that each year over 100 people are trained as cosmetologists. There are 18 openings. Using labor market information such as this, the PIC has determined that no tuition funds will be paid for cosmetology training. Vocational education's goals and objectives state that training will be available to anyone who needs, WANTS, or can profit from training. As long as the public WANTS to receive training as cosmetologists, there will be training in that area. However, JTPA puts emphasis on the CAN PROFIT FROM. There must be a labor market need for an occupation and the participant must be vocationally assessed to determine abilities and aptitudes as well as interests.



013 COSMETOLOGY

KANSAS OCCUPATIONAL INFORMATION SYSTEM  
S U P P L Y R E P O R T

Cluster Title: COSMETOLOGY  
 Statewide Trend: N Area Trend: 0  
 Report Year: 1986 Projected Year: 1990 Cluster Code:013

Discipline Title	Code	Public Second	Public AVTS	Public Commcl	Higher EDUC	Priv. Psec	Training Total
COSMETOLOGY	12.0403		101	133	41	953	1228
MANICURING	12.0499					46	46
TOTALS		0	101	133	41	999	1274
Training Total:							<u>1274</u>

D E M A N D R E P O R T

STATEWIDE  
 CLUSTER TITLE: Cosmetology  
 REPORT YEAR : 1982 PROJECTED YEAR: 1990 CLUSTER CODE 013

- DISCIPLINE - T I T L E	CODE	CURRNT EMPLOY	PROJ. EMPLOY	AVG GROWTH	AVG REPLAC	AVG OPEN
COSMETOLOGIST/HAIRSTYLIST	70082001	2900	3080	23	127	150
MANICURISTS	70082003	30	30	0	1	1
TOTALS		2930	3110	23	128	151
Openings Total						<u>151</u>

~~2-26~~  
2-26

065

WELDING

## KANSAS OCCUPATIONAL INFORMATION SYSTEM

## S U P P L Y   R E P O R T

Cluster Title: WELDING

Statewide Trend: P

Area Trend: P

Report Year: 1986

Projected Year: 1990

Cluster Code: 065

Discipline Title	Code	Public Second	Public AVTS	Public Commcl	Higher EDUC	Priv. Pséc	Training Total
WELDING, BRAZING, & SOLDER	48.0508	6	19				25
TOTALS		6	19	0	0	0	25

Training Total:

25

## D E M A N D   R E P O R T

STATEWIDE

CLUSTER TITLE: Welding

REPORT YEAR : 1982

PROJECTED YEAR: 1990

CLUSTER CODE 065

- DISCIPLINE - T I T L E	CODE	CURRNT EMPLOY	PROJ. EMPLOY	AVG GROWTH	AVG REPLAC	AVG OPEN
WELDERS AND FLAMECUTTERS	61022002	1500	2300	100	43	143
TOTALS		1500	2300	100	43	143

Openings Total:

143

2-27

029

## LICENSED PRACTICAL NURSE

KANSAS OCCUPATIONAL INFORMATION SYSTEM  
S U P P L Y R E P O R T

Cluster Title: LICENSED PRACTICAL NURSE  
 Statewide Trend: P Area Trend: B  
 Report Year: 1986 Projected Year: 1990 Cluster Code:029

Discipline Title	Code	Public Second	Public AVTS	Public Commcl	Higher EDUC	Priv. Psec	Training Total
PRACTICAL NURSING	17.0605			76			76
TOTALS		0	0	76	0	0	76
Training Total:							<u>76</u>

## D E M A N D R E P O R T

STATEWIDE

CLUSTER TITLE: Licensed Practical Nurses

REPORT YEAR : 1982

PROJECTED YEAR: 1990

CLUSTER CODE 029

- DISCIPLINE - T I T L E	CODE	CURRNT EMPLOY	PROJ. EMPLOY	AVG GROWTH	AVG REPLAC	AVG OPEN
LICENSED PRACTICAL NURSES	10121010	690	970	35	42	77
TOTALS		690	970	35	42	77

Openings Total: 77

JTPA will also pay for transportation for the young JTPA parent and SRS will provide day care for the children. PELL grants and student loans can also be obtained. However, food stamps and other SRS grants may be reduced to offset outside payments for things over and above tuition and supplies.

After nine months, our young friend now has a vocation.

"We need someone with experience."

JTPA participants who are funded through IIA funds (not EDWAA for Dislocated Workers) often have no work history. Remember, we just got them a GED and skills training! Therefore, this will be the first job for many of our clients. What we do is subsidize the employers who will agree to train them for job specific skills. JTPA now requires a job description which includes skills necessary for entry-level employment. The employer is obligated to provide actual training while the participant is being subsidized.

For youth, there is a work experience limited component for non-profit or public agencies. 100% of the wages are paid for 240 hours. Another program is job tryout which is for the private sector. This also provides 100% of the wages for 240 hours. There is one catch to it. Private industry must agree to keep the participant at the end of the 240 hours if the participant has done acceptable work. If they don't keep the person, they usually are not eligible for another JTPA contract.

The final and best known program is the program that reimburses the employer for up to 50% of the first six months on the job. The new twist here is that the pay must be equal to other entry-level workers in similar positions and no one can be laid off to allow an entry-level worker to be hired in his or her place.

"How can a young mother afford to give up her medical card if we can't afford health insurance for an entry-level position."

The new JOBS program allow AFDC clients to keep their medical cards and will pay child care for up to one year after going off welfare. After a year of training, many businesses provide health care.

The problems facing JTPA participants continue in Southeast Kansas. A look at the Kansas Wage Survey report shows SDA V has a majority of jobs where the median wage is \$5 to \$6 an hour. These wages include all workers surveyed--many who have years of experience. The range of wages predominately start at minimum wage!

What wage do you think our 19-year-old with a GED and nine months of skills training is going to receive? Maybe \$4.00 an hour because of the six-months of subsidized experience.

Welfare recipients receive approximately \$5.00 an hour by the time all services are provided. The new JOBS legislation will help for a year with the child care and a medical card. And, low-wage earners still can get food stamps and subsidized housing.

SDA V is doing some innovative things. For one, we have just increased maximum time to two years so that participants can be

trained for higher level jobs. We also are using 8% education and 6% incentive funds for assessment and basic skills training before the person is enrolled in the regular 78% funded programs to allow them to start vocational training or on-the-job training programs with higher levels of basic skills.

We are initiating Job Search classroom training after a participant completes job skills training if they are not immediately placed in unsubsidized training. The PIC has requested a new position of vocational assessment specialist from KDHR to provide these services and vocational assessment in screening activities.

We are currently initiating an area-wide in-school pre-employment/work maturity program tied to vocational assessment and work experience or job tryout programs to help non-college-bound students focus in on school-to-work transition.

We would really like to help more white males, but frankly, by the time we serve the young male dropouts, we have usually served our 43% male proportion of the population. And the truth of the matter is: A white male who has never been convicted of a crime, is not a substance abuser, or a dropout will have no trouble going to the Employment Service for help in finding a job.

If you haven't heard the term: Workforce 2000, find out about it. Workforce 2000 is more than a buzzword. By the year 2000, only 10% of all NEWLY CREATED jobs will be filled by white males. If we don't start now to train and retrain women and minorities, we will lose our competitive edge to foreign markets.

My presentation was complete at this point until this morning. The new March 1990 Reader's Digest has an article really lambasting JTPA. As usual, the author has emphasized the negatives and completely ignored the good that we are doing--especially here in Kansas! However, the summation of the article has some interesting points. I'll finish my report with the suggestions from the article.

- \* Stop using JTPA money for factory relocation. "The federal government has created a heavy subsidy for businesses to fire people in one place and hire them in another," says University of Chicago professor Gary Orfield.
- \* Not pay companies to train workers they would hire on their own. The Toyota manufacturing plant in Georgetown, KY has received \$7 million in JTPA subsidies and has the potential to receive \$4 million more in the next two years. "Eligibility for JTPA subsidies in no way helped any person qualify for a job at Toyota," says Sam Heltman, a Toyota vice president.
- \* Abolish or completely revamp summer youth programs. "The programs instill false sense of what work is," says Robert L. Woodson, Sr., president of the National center for Neighborhood Enterprise. "This makes it more difficult for kids when they try to get a real job."
- \* Enforce conflict-of-interest laws. The U.S. Comptroller General warned the Labor Department in 1985 that it must

improve federal and state fiscal oversight to meet the requirements of the federal Financial Integrity Act. Inexplicably, Labor has failed to increase its monitoring program.

- \* Weed out incompetent JTPA personnel. Says Assistant Regional Inspector General for Audit Helen Cook Laughlin: "Millions of dollars are being spent on trainers who are not qualified to train."

Thank you. Are there any questions?

*Response:* The additional information will be used in assessing whether a State should be permitted to operate a JOBS program on less than a statewide basis. Drawing down all available Federal matching may be an indication that the State is targeting resources to specific areas. However, drawing down all available Federal matching will not, in and of itself, result in waiver of the statewideness requirement. This factor will be considered in light of other information provided by the State in determining whether the requirement should be waived.

*Comment:* Other commenters felt that the lack of State resources should be included as a factor in the justification for less than statewide program operation.

*Response:* We believe that by providing additional funding under the JOBS program, Congress intended that States include a wider range of services than are currently available in order to provide the opportunity to achieve self-sufficiency to as many recipients as possible. Failure of a State to provide funding to operate an adequate JOBS program should not be a basis for waiving the statewideness requirement. Section 482(a)(1)(D)(i) of the Act bases feasibility of statewide operation on the number of prospective participants, local economic conditions, and other relevant factors, which in our view do not include availability of State resources. Congress explicitly included availability of State resources in other sections of the Act. Because it did not include similar language in describing the statewideness requirement, we conclude that this factor should not be considered in determining whether a JOBS program is statewide.

*Comment:* A number of commenters asked that the regulations contain specific criteria to be used in determining whether a request for waiver of the statewideness requirement should be approved.

*Response:* We do not believe that it would be appropriate to provide specific criteria. The reaction of commenters to the criteria described above is an indication of the general opposition to such specific language. Each State program will differ, and must be viewed in light of the unique demographic and economic factors in the State.

#### *Coordination and Consultation (§ 250.12 of the Final Regulations)*

Section 402(g) and section 483 of the Social Security Act contain a number of provisions designed to assure coordination of the JOBS program, including child care and supportive services pursuant to § 255.3(h) of the

regulations, with other education, training, and employment programs available in a State. The purpose of this coordination is to provide comprehensive, quality services to meet the multifaceted needs of welfare recipients in the most effective and efficient manner.

At the Federal level, the Department is working closely with the Departments of Labor, Education, and Interior, and expects State and local IV-A agencies to promote coordination among their counterpart agencies. The Department has had discussions with the Department of Agriculture on ways to insure coordination between JOBS and Food Stamp work programs and with the Department of Housing and Urban Development to develop linkages between JOBS and supportive services in public housing projects. The JOBS program should be coordinated with providers such as Job Training Partnership Act (JTPA) agencies, the Employment Service, vocational education, adult basic education, Head Start and preschool programs under chapter I of the Education, Consolidation and Improvement Act of 1981, school and nonprofit child care programs, public housing agencies, and other human development programs.

Congress intended that agencies identify existing resources to prevent duplication of services and to assure that other program services are available to JOBS participants. Such coordination is necessary to assure that costs for services for which welfare recipients have been eligible are not shifted to the JOBS program. The final regulations preclude such shifts in costs, as described in the maintenance of effort provisions in § 250.72.

Section 483 of the Act requires coordination with JTPA agencies, since one of JTPA's major goals is reducing welfare dependency. The JTPA requires that AFDC recipients be served in at least equal proportion to their incidence within the eligible population.

At the State level, the JOBS plan must be consistent with JTPA coordination criteria and must be reviewed by the State job training coordinating council (SJTCC) prior to submission to the Secretary. We strongly encourage the State IV-A agency to meet regularly with the SJTCC regarding the planning and implementation of the JOBS program to identify common JOBS-JTPA activities and services, and to develop an integrated strategy which ensures that eligible AFDC recipients receive training and employment services in an effective, non-duplicative manner.

At the local level, the welfare agency must consult with private industry

councils (PICs) on the development of arrangements and contracts under JOBS and to identify and obtain advice on the types of jobs that are available, or are likely to become available, in the area. These provisions reflect congressional concern that JOBS resources not be used inefficiently, i.e., provided to ineffective service providers or expended on training for jobs which are not available to participants.

The local relationship between the welfare agency and the PIC is crucial to assure that welfare recipients receive the JTPA services for which they are eligible. Thus, we strongly urge local welfare administrators to be represented on the PIC or, at a minimum, to become actively involved in PIC meetings, as appropriate.

Initial and ongoing coordination between the State IV-A agency and local State and educational systems will enable the State IV-A agency to access needed expertise in this new area of welfare agency involvement, to avoid duplication of services and to assure that welfare recipients receive the necessary educational services for which they are eligible. Welfare agencies should meet regularly with their State or local educational counterparts to ensure that educational providers are involved in the planning and delivery of the JOBS program at all levels.

Section 250.21 of the final regulations requires State IV-A agencies to describe in the JOBS plans efforts to coordinate with other agencies including but not limited to JTPA, basic and adult education programs, programs under the Carl D. Perkins Vocational Education Act and other vocational services, and other human development programs.

Furthermore, the final regulations at § 250.20 specifically provide that State IV-A agencies make the proposed JOBS plan available to members of federally-recognized Indian Tribes and Alaska Native organizations during the public comment period. This segment of the population is highlighted to assure that a Tribal entity eligible to operate a separate JOBS program, pursuant to § 250.91 of the regulations, has sufficient opportunity to coordinate with the State in the planning of JOBS.

Coordination is necessary whether the Tribe or organization operates an independent program or receives services from the State, but is particularly important if a Tribal entity does operate a separate program. While a Tribal grantee will have responsibility for JOBS, the State IV-A agency will maintain responsibility for the basic AFDC program and for child care

services, including transitional child care services. Given this interrelationship, §§ 250.12 and 250.93(b)(1) of the regulations require that the State IV-A agency and the Tribal applicant exchange all available information on adult Tribal AFDC recipients necessary to determine a Tribe's or organization's JOBS funding level. In addition, the requirements in § 250.94 concerning Tribal JOBS administration and in § 250.95 regarding child care elaborate on the need for the State and Tribal grantee to develop mutually agreed upon procedures and methodologies to assure that Tribal participants receive equitable treatment under the AFDC and JOBS programs.

*Comment:* Some commenters objected to the provision that JOBS provide training only for the types of jobs which are, or are likely to become, available in the area, because the local area may be economically depressed.

*Response:* Section 250.12(d)(2) implements section 485(e) of the Act which requires that the State IV-A agency (1) consult with PICs on the types of jobs available or likely to become available in the Service Delivery Area (SDA) and (2) ensure that the State program provides training in any area for jobs of a type which are, or are likely to become, available in the area.

We believe that the requirement of consultation with PICs is meant to give the State IV-A agency a broad picture of the labor market in the State. There are over 600 service delivery areas nationwide, many serving geographical areas that constitute one labor market. State and local IV-A agencies may have to coordinate with PICs in several different SDAs to serve its JOBS clientele. We do not believe that Congress meant to be so limiting as to bar training for a job that happens to be in an adjacent service delivery area. Rather, we interpret the "shall ensure" language of section 485(e) to require that at a minimum a State must provide training in an area for jobs that are or likely to become available in the area—not that it may not do more.

*Comment:* One State suggested that the requirement at § 250.12(d)(1) that State IV-A agencies consult with private industry councils on the development of arrangements and contracts promotes a conflict of interest since PICs with private, non-profit (rather than public) status might compete for contracts for which they had provided prior consultation.

*Response:* State rules on procurement must be observed. We do not believe that Congress intended to impede contracting with private industry

councils when it adopted the provision for consultation on the development of arrangements and contracts. To the extent that prior consultation would prohibit a private industry council from competing for a contract to provide services, the State IV-A agency should limit consultation with private industry councils to subjects that would not result in conflict of interest.

*Comment:* One State recommended consulting with the Employment Service agency for labor market information rather than with private industry councils.

*Response:* Consultation with the private industry councils on labor market information is required by section 485(e) of the Family Support Act of 1988. However, in § 250.12 of the regulations, we specifically provide for consultation and coordination with several other organizations, including the State Employment Service agency. Such consultation could include labor market information, but it does not substitute for the statutorily required PIC consultation.

#### *Contracting Authority (§ 250.13 of the Final Regulations)*

Section 485 of the Social Security Act grants the State IV-A agency broad contracting authority, which is reflected in § 250.13 of the final regulations. At the same time, however, the Act requires administration of the JOBS program by the single State IV-A agency.

*Comment:* Many commenters asked for clarification about which activities and services can be contracted out under JOBS.

*Response:* We have addressed the question of what activities and services can be contracted out in § 250.10 and in the accompanying preamble on what administration by the State IV-A agency means in terms of the JOBS program.

*Comment:* One commenter asked for flexibility in contracting and in determining the wide range of methods used to purchase services.

*Response:* As discussed in the preamble to § 250.10 on State IV-A agency administration, States have broad authority to contract for services. Some of the methods that may be used include but are not limited to fixed price, cost reimbursement, and performance-based contracts.

#### *Selection of Providers*

Section 250.13 incorporates the requirements of section 485 of the Act regarding the factors which must be taken into consideration in selecting service providers and the prohibition against contracts for services which are

otherwise available on a non-reimbursable basis. Regarding the issue of provider selection, the requirement for consultation with private industry councils is described in § 250.12 on coordination and consultation.

*Comment:* One State asked that the consulting role of the private industry councils be limited to providing labor market information and not include consulting on the development of contracts for JOBS.

*Response:* Section 485(c) of the Act requires that the State IV-A agency consult with private industry councils on the development of arrangements and contracts for the JOBS program. The only exception is discussed in the preamble to § 250.12 and involves the situation in which such consultation could result in a conflict of interest if the private industry council is also a competitor for contracts.

The statutory prohibition against contracts for services which would be otherwise available on a non-reimbursable basis reflects congressional concern that costs of services for which welfare recipients have been eligible not be shifted to the JOBS program. Since it is so closely connected to the provisions on maintenance of effort (section 482(a)(3) of the Act), we elaborate on its interpretation in § 250.72 of the regulations and preamble.

Before a State contracts for services under JOBS, we expect that it will carefully identify those services which have traditionally been available to welfare recipients at no cost, as well as community-based or volunteer programs that may provide competent services at minimal or no cost. The statutory language clearly intends that the State IV-A agency fully utilize all resources otherwise available to serve JOBS participants on a non-reimbursable basis. For instance, other programs have paid for many educational services provided to AFDC recipients, including those available under the Adult Education Act (20 U.S.C. 1201 *et seq.*), the Higher Education Act (20 U.S.C. 1001 *et seq.*) and the Carl D. Perkins Vocational Education Act (20 U.S.C. 2301 *et seq.*) Similarly, through JTPA, the State employment security agency, State employment and training programs and the Community Services Block Grant program, extensive employment and training services—such as job counseling, job development and placement, job skills training, and on-the-job training—have been offered to eligible low income individuals, many of whom are AFDC recipients.



(c) Section 628.5(c) of this chapter (appeals of a Governor's notice of intent to revoke approval of all or part of a plan) shall apply to a Governor's notice of intent to exercise by-pass authority under § 631.38 of this part.

(d) Section 628.6(d) of this chapter (appeals of the Secretary's disapproval of a plan when the SDA is the State) shall apply to plan disapproval when the substate area is the State, as set forth in § 631.50 (g) and (h) of this part.

(e) Decisions pertaining to designations of substate grantees under § 631.35 of this part are not appealable to the Secretary.

(Approved by the Office of Management and Budget under control number 1205-0202)

#### Subpart C—Needs-related payments.

##### § 631.20 Needs-related payments.

(a) Title III funds available to States and substate grantees may be used to provide needs-related payments to participants in accordance with the approved State or substate plan, as appropriate.

(b) In accordance with the approved substate plan, needs-related payments shall be provided to an eligible dislocated worker only in order to enable such worker to participate in training or education programs under this part. To be eligible for needs-related payments:

(1) An eligible worker who has ceased to qualify for unemployment compensation must have been enrolled in a training or education program by the end of the thirteenth week of the worker's initial unemployment compensation benefit period, or, if later, by the end of the eighth week after an employee is informed that a short-term layoff will in fact exceed 6 months.

(2) For purposes of paragraph (a)(1) of this section, the term "enrolled in a training or education program" means that the worker's application for training has been approved and the training institution has furnished written notice that the worker has been accepted in the approved training program beginning within 30 calendar days.

(3) An eligible worker who does not qualify for unemployment compensation must be participating in a training or education program (section 314(e)(1)).

(c) Needs-related payments shall not be provided to any participant for the period that such individual is employed more than 20 hours per week, enrolled in or receiving on-the-job training, out-of-area job search, or basic readjustment services in programs under the Act, nor to any participant receiving trade readjustment allowances, on-the-job training, out-of-area job search

allowances, or relocation allowances under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 *et seq.*) or part 617 of this chapter.

(d) The level of needs-related payments to an eligible dislocated worker in programs under this part shall not exceed the higher of:

(1) The applicable level of unemployment compensation; or

(2) The poverty level as published by the Secretary of Health and Human Services (section 314(e)(2)).

#### Subpart D—State Administration

##### § 631.30 Designation or creation and functions of a State dislocated worker unit or office and rapid response assistance.

(a) *Designation or creation of State dislocated worker unit or office.* The State shall designate or create an identifiable State dislocated worker unit or office with the capabilities and functions identified below. Such unit or office may be an existing organization or new organization formed for this purpose (section 311(b)(2)). The State dislocated worker unit or office shall:

(1) Make appropriate retraining and basic adjustment services available to eligible dislocated workers through substate grantees, and in statewide, regional or industrywide projects;

(2) Work with employers and labor organizations in promoting labor-management cooperation to achieve the goals of this part;

(3) Operate a monitoring, reporting, and management system to provide adequate information for effective program management, review, and evaluation;

(4) Provide technical assistance and advice to substate grantees;

(5) Exchange information and coordinate programs with the appropriate economic development agency, State education and training and social services programs;

(6) Coordinate with the unemployment insurance system, the Federal-State Employment Service system, the Trade Adjustment Assistance program and other programs under this chapter;

(7) Receive advance notice of plant closings and mass layoffs as provided at section 3(a)(2) of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102(a)(2)) and § 639.8(c) of this chapter;

(8) Notify the appropriate substate grantees as soon as possible (preferably within 48 hours) following receipt of employer notice of layoff or plant closing;

(9) Fully consult with labor organizations where substantial

numbers of their members are to be served; and

(10) Disseminate throughout the State information on the availability of services and activities under title III of the Act and this part.

(b) *Rapid response capability.* The dislocated worker unit shall have one or more rapid response specialists, and the capability to provide rapid response assistance, on-site, for dislocation events such as permanent closures and substantial layoffs throughout the State. Notwithstanding the definition of "substantial layoff" at § 631.2 of this part, the Governor may, under exceptional circumstances, establish a lower numerical threshold for the purposes of providing rapid response activities. For purposes of this paragraph "exceptional circumstances" include those situations in which layoffs or permanent closures would have a major impact upon the community(ies) in which they occur (section 314(b)).

(1) Such rapid response specialists should be knowledgeable about the resources available through programs under this part and all other appropriate resources available through public and private sources to assist dislocated workers. The expertise required by this part includes knowledge of the Federal, State, and local training and employment systems; labor-management relations and collective bargaining activities; private industry and labor market trends; programs and services available to veterans; and other fields necessary to carry out the rapid response requirements of the Act:

(2) The rapid response specialists should have:

(i) The ability to organize a broad-based response to a dislocation event, including the ability to coordinate services provided under this part with other State-administered programs available to assist dislocated workers, and the ability to involve the substate grantee and local service providers in the assistance effort;

(ii) The authority to provide limited amounts of immediate financial assistance for rapid response activities, including, where appropriate, financial assistance to labor-management committees formed under paragraph (c)(2) of this section;

(iii) Credibility among employers and in the employer community in order to effectively work with employers in difficult situations; and

(iv) Credibility among employee groups and in the labor community, including organized labor, in order to effectively work with employees in difficult situations.

(3) The dissemination of information on the State dislocated worker unit's services and activities should include efforts to ensure that major employers, organized labor, and groups of employees not represented by organized labor, are aware of the availability of rapid response assistance. The State dislocated worker unit should make equal effort in responding to dislocation events without regard to whether the affected workers are represented by a union.

(4) In a situation involving an impending permanent closure or substantial layoff, a State may provide funds, where other public or private resources are not expeditiously available, for a preliminary assessment of the advisability of conducting a comprehensive study exploring the feasibility of having a company or group, including the workers, purchase the plant and continue it in operation.

(5) Rapid response specialists may use funds available under this part:

(i) To establish on-site contact with employer and employee representatives within a short period of time (preferably 48 hours or less) after becoming aware of a current or projected permanent closure or substantial layoff in order to—

(A) Provide information on and facilitate access to available public programs and services; and

(B) Provide emergency assistance adapted to the particular permanent closure or substantial layoff; such emergency assistance may include financial assistance for appropriate rapid response activities, such as arranging for the provision of early intervention services and other appropriate forms of immediate assistance in response to the dislocation event;

(ii) To promote the formation of labor-management committees as provided for in paragraph (c) of this section, by providing—

(A) Immediate assistance in the establishment of the labor-management committee, including providing immediate financial assistance to cover the start-up costs of the committee;

(B) A list of individuals from which the chairperson of the committee may be selected;

(C) Technical advice as well as information on sources of assistance, and liaison with other public and private services and programs; and

(D) Assistance in the selection of worker representatives in the event no union is present;

(iii) To provide ongoing assistance to labor-management committees

described in paragraph (c) of this section by—

(A) Maintaining ongoing contact with such committees, either directly or through the committee chairperson;

(B) Attending meetings of such committees on an ex officio basis; and

(C) Ensuring ongoing liaison between the committee and locally available resources for addressing the dislocation, including the establishment of linkages with the substate grantee or with the service provider designated by the substate grantee to act in such capacity;

(iv) To collect information related to—

(A) Economic dislocation (including potential closings or layoffs); and

(B) All available resources within the State for displaced workers, which information shall be made available on a regular basis to the Governor and the SJTCC to assist in providing an adequate information base for effective program management, review, and evaluation;

(v) To provide or obtain appropriate financial and technical advice and liaison with economic development agencies and other organizations to assist in efforts to avert worker dislocations;

(vi) To disseminate information throughout the State on the availability of services and activities carried out by the dislocated worker unit or office; and

(vii) To assist the local community in developing its own coordinated response and in obtaining access to State economic development assistance.

(c) *Labor-management committees.* As provided for in sections 301(b)(1) and 314(b)(1)(B) of the Act, labor-management committees are a form of rapid response assistance which may be voluntarily established to respond to actual or prospective worker dislocation.

(1) Labor management committees ordinarily include (but are not limited to) the following—

(i) Shared and equal participation by workers and management, with members often selected in an informal fashion;

(ii) Shared financial participation between the company and the State, using funds provided under title III of the Act, in paying for the operating expenses of the committee; in some instances, labor union funds may help to pay committee expenses;

(iii) A chairperson, to oversee and guide the activities of the committee who—

(A) Shall be jointly selected by the labor and management members of the committee;

(B) Is not employed by or under contract with labor or management at the site; and

(C) Shall provide advice and leadership to the committee and prepare a report on its activities;

(iv) The ability to respond flexibly to the needs of affected workers by devising and implementing a strategy for assessing the employment and training needs of each dislocated worker and for obtaining the services and assistance necessary to meet those needs;

(v) A formal agreement, terminable at will by the workers or the company management, and terminable for cause by the Governor; and

(vi) Local job identification activities by the chairperson and members of the committee on behalf of the affected workers.

(2) Because they include employee representatives, labor-management committees typically provide a channel whereby the needs of eligible dislocated workers can be assessed, and programs of assistance developed and implemented, in an atmosphere supportive to each affected worker. As such, committees must be perceived to be representative and fair in order to be most effective.

(Approved by the Office of Management and Budget under control number 1205-0275)

#### § 631.31 Monitoring and oversight.

The Governor is responsible for monitoring and oversight of all State and substate grantee activities under this part. In such monitoring and oversight of substate grantees, the Governor shall ensure that expenditures and activities are in accordance with the substate plan or modification thereof.

(Approved by the Office of Management and Budget under control number 1205-0263, 1205-0270 and 1205-0271)

#### § 631.32 Allocation of funds by the Governor.

Of the funds allotted to the Governor by the Secretary under §§ 631.11 and 631.12 of this part:

(a) The Governor shall issue allocations to substate grantees, the sum of which shall be no less than 50 percent of the State's allotment (section 302(d)).

(b)(1) The Governor shall prescribe the formula to be used in issuing substate allocations to substate grantees.

(2) The formula prescribed pursuant to paragraph (b)(1) of this section shall utilize the most appropriate information available to the Governor. In prescribing the formula, the Governor shall include (but need not be limited to) the following information:

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**Monday  
December 18, 1989**

**REGISTER**

**FOR**

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**Part III**

**Department of Labor**

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**Employment and Training Administration**

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**Job Training Partnership Act Title: III  
National Reserve Grants; Notice of  
Availability of Funds and Application  
Procedures for Program Year 1988**

Labor Grant Officer accompanying the grant award.

The State assures that the information provided in the proposal is correct and the activities proposed conform to State program standards.

Certification regarding debarment, suspension, ineligibility and voluntary exclusion, lower tier covered transactions as required by the regulations implementing Executive Order 12549, "Debarment and Suspension" as set forth in 29 CFR 98.510, "Participants' responsibilities," shall be maintained for all subgrantees receiving funds under this project. (The required form may be found in appendix C.)

The State agrees to accept any grant funds awarded under this application, and provide administration and oversight of the grant.

Following receipt of the grant approval, the State will advise the Grant Officer of the projected date project operations will begin. If the date to be provided exceeds 30 days from receipt of the grant award, the State will provide additional information explaining the projected implementation date.

The State agrees to compile and maintain information on project implementation on a monthly, and performance and expenditures data on a quarterly, basis. The information will, at a minimum, be consistent with the activities and cost categories contained in the project proposal and will be available to the Department as requested.

(2) Project proposals not accompanied by these required assurances will not be accepted for review.

e. Review and coordination requirements.

(1) The Governor and substate area grantee. The Governor and substate area grantee may include comments regarding the proposed project with respect to the availability of State and substate formula funds, experience of the applicant in operating programs for dislocated workers, and any other area of concern pertinent to the funding of the project. These comments shall be forwarded by the Governor or authorized signatory at the time of submission.

(2) Private Industry Council (PIC)/ local elected official (LEO). All grant applications to provide services to dislocated workers shall provide evidence that the appropriate PICs and LEOs have been given the opportunity for review and comment.

(3) Labor organizations. All applications for dislocated worker projects where a substantial number (at least 20 percent) of affected workers are represented by a labor organization(s) must provide documentation of full consultation with the appropriate local labor organization(s) in the development of the project design. Thus, documentation is required for each union representing at least 20 percent of the affected workers.

2. An application for a Multistate Dislocated Worker Project including regionwide or industrywide projects must comply with the following requirements:

a. Eligible grant applicants. Applications may be submitted by, but are not limited to, State agencies, local public agencies such as community colleges or area vocational schools, private non-profit organizations, including community-based organizations, labor organizations, regional development councils, and industry-sponsored associations; and private-for-profit organizations.

All entities may not be appropriate applicants for all types of multistate projects. Applicant entities must be an appropriate agency given the nature and extent of the proposed project.

b. Eligible subgrantees who may operate such a dislocated worker project include but are not limited to State agencies; units of local government; local public agencies, such as community colleges or area vocational schools; private non-profit organizations, including community-based organizations, labor organizations, regional development councils, and industry-sponsored associations; and private-for-profit organizations.

c. Additional requirements.

(1) Applications must certify that recall within the next 12 months is highly unlikely for the majority of affected workers.

(2) Applicants for industrywide projects must demonstrate that the subject industry's employment is declining and there are poor prospects for reemployment based on any combination of the following data: Labor turnover, Employment Service vacancy data, labor market conditions in the States with industry facilities, and production trends, or that the Secretary has determined the industry to be depressed based on data available to the Federal Government.

d. Submission of applications.

(1) In the case of regionwide, industrywide, and multi-state projects, applications shall be submitted directly to the Grant Officer accompanied by the assurances listed below from the authorized signatory for the applicant.

(2) The application will not be accepted for consideration unless the applicant can demonstrate that there has been a series of mass layoffs affecting a minimum of 100 workers per site in at least 3 States with a minimum of 3 distinct separate subsites planned for the project.

e. Assurances.

(1) Applications for multistate, regionwide, and industrywide projects for dislocated workers shall be transmitted with a letter from the proposed grantee containing the following assurances:

If the proposed project is funded, any Title III funds awarded from funds reserved by the Secretary will be administered in accordance with the Act and JTPA regulations, the proposal and amendments approved by the Grant Officer, if any, and shall be consistent with the grant document signed by the Department of Labor Grant Officer.

The Grantee agrees to compile and maintain information on project implementation, performance and expenditures. The information will, at a minimum, be consistent with the activities and cost categories contained in the project proposal and will be available to the Department as requested.

Certification regarding debarment, suspension, ineligibility and voluntary exclusion, lower tier covered transactions, as required by the regulations implementing Executive Order 12549, "Debarment and Suspension," as set forth in 29 CFR 98.510, "Participants' responsibilities" shall be maintained for all subgrantees receiving funds under this project. (The required form may be found in appendix C.)

The grantee assures that the information provided in the proposal is correct and the activities proposed conform to the Act and Federal regulations for Title III activities.

Following receipt of the grant approval, the Grantee will advise the Grant Officer of the projected date project operations will begin. If the date to be provided exceeds 30 days from receipt of the grant award, the Grantee will provide additional information explaining the projected implementation date.

(2) Project proposals not accompanied by these required assurances will not be accepted for review.

f. Review and coordination requirements.

(1) Governors and substate grantees. Applications must include evidence that the Governor of each State and appropriate grantee of a substate area in which a project site is proposed have been informed of such an application and given an opportunity to comment on the proposed project as it would affect workers in that State or substate area.

Letters from the appropriate Governors and substate grantees are to be included to document that the opportunity was provided for review and comment of the application. Each Governor's letter shall indicate why the State has not funded the proposed subproject for that State. The substate grantee letter shall indicate why the substate grantee is unable to provide sufficient services to the proposed subproject in the substate area, as well as a description of the funding and