A Compilation of Selected Papers from The Employment and Training Administration's 2003 Biennial National Research Conference

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PREFACE

The United States Department of Labor's Employment and Training Administration held its second Biennial National Research Conference in June of 2003. Workforce development researchers and practitioners were drawn to this exciting event by the promise of learning about innovative research findings and engaging in active discussions with colleagues. The two-day event proved to be a rewarding experience through which the greater dialogue on important workforce investment issues was broadened and advanced.

The Employment and Training Administration has undertaken the task of publishing selected works from the conference to offer even greater exposure to these issues. This book will provide conference participants with an opportunity to review some of the presented literature and reflect on the proceedings, while giving those workforce investment specialists who were unable to attend a glimpse at what was offered.

From a large pool of submitted papers, we used a competitive process to choose those works that would best reflect the activities of the conference while shedding light on current policy debates and furthering our understanding of important ETA programs. It should be noted that some of the papers presented at the conference have been or will be published as separate ETA occasional papers as well.

In addition to several papers, we have included Assistant Secretary Emily Stover DeRocco's keynote speech from the event, an agenda that contains a list of all papers that were presented, and the Federal Register notice, which provides general information about the conference and its main objectives.

We would like to acknowledge Crystal Woodard, Peggie Edwards-Jeffries, Monica Thomas, Mia Bruce, and Carlos Pinto. Without the hard work and dedication of these people, the research conference and this publication would not have been possible.

We hope that you enjoy this publication and look forward to seeing you at the next Biennial National Research Conference.

Maria K. Flynn
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KEYNOTE SPEECH:

DEVLIERED BY ASSISTANT SECRETARY EMILY STOVER DEROCCO

Good afternoon, and welcome to the ETA Biennial National Research Conference. Am I glad to see you! My staff has prepared an exciting agenda. I hope you leave here with a lot of new ideas and strategies that you can utilize.

I have always had a great appreciation for research that is done well. Throughout my career, I've taken great pride in the work I do. I have tried to set a course, and lead people in the direction I think they, or the organization they work for, should go. I have tried to be decisive, and I know that making the right decision depends on having the right information. As Assistant Secretary for Employment and Training, it is my job to make sure our nation's workforce investment system is as effective and efficient as it can possibly be.

I must be able to decide how we are going to spend the $12 billion Congress invests in us each year. In order to do that, I need access to the information that tells me:

- What has worked in the past and why?
- Has the same thing worked everywhere?
- How has the program varied between urban and rural settings?
- What caused similar programs/initiatives to fail?
- What changes would make the program more effective?
- What are the results from the program that I can point to?

The list of questions I need answered is almost endless. I know because every time I go before a Committee of Congress, I get many of them. Unfortunately, the pool of research I can draw on to defend the decisions I have to make every day is somewhat limited.

Congress asks extremely tough questions about the resources they commit to our agency, and you know what? They should.

We have a limited number of resources and the competition for them is very tight. In effect, we are competing for appropriations against education and health programs. Members of the Appropriations committee must decide whether the money they invest in workforce programs will gain more benefit than the money they spend on education, or in fighting disease.

The only way I can ever know what is effective and efficient and defend it to the Congress, the media or the general public, is with good research.

Your work is critical for me and the Congress who funds these programs in order to:

- Assess program effectiveness
- Identify process improvements
- Reform and improve the way we do things.

That is why I am calling on you today to join me in thinking about the future direction for the Employment & Training Administration's research strategy.

Before I go any further, let me just acknowledge the fact that as professional researchers I know you are professionals and will do a tremendous job of conducting the research we request. However, in the past, I don't believe ETA has been as specific as we needed to be in articulating the types of research we need or want from the research community.

So, today I ask you to set aside any preconceived notions you may have about the types of research ETA has traditionally asked for. This is a new beginning. We commit you to be as specific with you as possible. We will also attempt to clearly define our expectations going into projects to make sure you know what we expect in the form of a final product.

Because this is a new beginning, I think everything should be on the table. We need to look at new ideas. We need to question accepted practices and we need to probe areas that have not been examined in order to find the most effective and efficient ways of doing business.

I am also committed to ensure that ETA's program officials are engaged in our agency's research process, both in terms of identifying areas to research as well as working to ensure research findings are built into program operations and future policy development. I am pleased that so many of our top Administrators and managers are serving as panel chairs during this Conference. I think that is representative of the type of connections between research and program operations that we are trying to build within our agency.

I realize we don't have much time this morning, but let me just pose some questions to you that will hopefully get your minds revving to help kick off this conference. I have identified five key areas that I would like all of you to think about:

1) Partnerships with Education:
   - What are the appropriate roles of public K-12 and higher education in an integrated Workforce Investment System?
   - How can the Department of Labor build better connections with such program as Adult Education and Vocational Education?

2) Services to Out-of-School Youth:
   - What are the most effective strategies for serving this population?
   - How do we ensure that school dropouts, court-involved youth and other at-risk youth have access to further education as well as gainful employment?

3) Lessons from Welfare Reform:
   - What has our experience with welfare reform taught us about helping low-income individuals succeed in today's economy?

- What are the most effective retention and advancement strategies?

4) Reassessing New Deal Programs:

- How can the Unemployment Insurance Program effectively adapt to an evolving U.S. economy? Areas of exploration include program administration, coverage, eligibility, benefit adequacy, benefit duration, recipiency, benefit financing, economic stabilization, special populations and changing work patterns.

- Is UI the right economic safety net?

5) Measuring Program Success:

- How do we know if our programs are truly successful in achieving their goals?

- What information do we need to accurately tell our story to our investors and our customers?

These are just some of the questions we are faced with on a regular basis as we work to develop a budget, make policy decisions, and manage our programs. I'm here to tell you that we need you and the studies you develop so that we can have data to lean on when these tough decisions need to be made.

Right now, we are working with Congress to reauthorize the Workforce Investment Act. This effort is made stronger by the lessons learned the hard way in the field and through research and evaluation.

Most of you probably know, the provisions of the WIA direct the Secretary of Labor to prepare a five year research plan for research, pilot and demonstration initiatives every two years. This plan reflects a strategic vision for stakeholders in employment and training research, a review of recent efforts, an identification of areas where future research may be needed, and a review of possible research methodologies. ETA published the first plan in June 2001 and is nearing publication of the second issue of the plan. A plenary session is planned for tomorrow morning on the recently completed five year plan.

It is in this environment of change in the macro-economy which has taken place in the areas of technological transformation, increasing globalization and changing demographics over the recent years, and the resulting effects of rising workforce insecurity, wherein the Employment and Training Administration decided to continue the research conference series.

Hopefully, you will find this conference both informative and engaging, whether you are a researcher, a state liaison, a federal employee, a student or a contractor. The goal of this conference is to provide all participants a forum for the presentation and discussion of the studies commissioned by ETA; to provide an opportunity for presenting external research studies that are relevant to the Employment and Training Administration; and to serve as a springboard for developing partnerships between ETA and outside organizations that conduct research of interest to ETA.

We intend to publish selected papers presented at the conference that broadly represent this years themes as an Occasional Paper, the hard part will be deciding which ones to select.

I again welcome you to the Biennial National Research Conference.

Since there are a few minutes before the breakout sessions begin, I would be happy to answer any questions you may have.

The Relationship Between the Workforce Investment Act and the Charitable Choice Initiative

April M. Bender, Ed.D.
Partnerships for Quality

Sponsored by the Charitable Choice Center of the State University of New York, University Center for Academic and Workforce Development.

This document can be secured through the Charitable Choice Center (315.265.409)

Section I
Introduction

Background

On January 29, 2001, in an effort to expand opportunities for faith-based and other community organizations and to strengthen their capacity to better meet the social needs in America's communities, President Bush issued Executive Order 13198 to establish the White House Office for Faith-Based and Community Initiatives, along with five cabinet centers created within the Departments of: (a) Education, (b) Health and Human Services (USDHHS), (c) Housing and Urban Development (USDHUD), (d) Justice, and (e) Labor (USDOL). Since the inception of the five cabinet centers, two other centers have been developed, in the Agency for International Development and the Department of Agriculture.

The purpose of each Center for Faith-Based and Community Initiatives (CFBCI) is to coordinate their department's efforts to eliminate regulatory, contracting, and other programmatic obstacles in an effort to facilitate the participation of faith-based organizations (FBOs) and other community-based organizations (CBOs) in providing social services. According to a review of the literature by the U.S. General Accounting Office (USGAO), the term FBOs is commonly defined as religious organizations or religiously affiliated not-for-profit entities that could be classified into two major categories for purposes of providing social services. Those categories are: sectarian or pervasively religious organizations such as churches, temples, synagogues, mosques, and congregations; and non-sectarian or separate, secular organizations created by a religious organization to provide social services, such as Jewish Family Services, Catholic Charities USA, Lutheran Social Services, and the Salvation Army (USGAO, 2002b).

According to the Executive Order, each of the centers will: (a) conduct a department-wide audit to identify all existing barriers to the participation of FBOs/CBOs as they relate to the delivery of social services with respect to rules, orders, procurement, internal policies and practices, and outreach activities; (b) coordinate a comprehensive effort to include FBOs/CBOs in programs and initiatives to the greatest extent possible and eliminate regulatory, contracting, and other programmatic obstacles so they can fully participate in the provision of social services; (d) develop innovative pilot and demonstration programs in Federal, state, and local initiatives which would include FBOs/CBOs; (e) ensure information is disseminated more effectively to FBOs/CBOs through communication and technical assistance; (f) conduct a comprehensive review of policies and practices affecting existing funding streams governed by charitable choice legislation (to be completed by the Centers for the USDHHS and USDOL); (g) create a hospitable environment for groups which have not traditionally collaborated with government; (h) implement special programs designed to showcase and pioneer innovative efforts; and (i) submit a report within 180 days, and annually thereafter, that will include identification and analysis of the barriers preventing full participation of FBOs/CBOs in the delivery of social services, strategies to eliminate them, and identification of technical assistance and other information available for the purpose of preparing grants, cooperative agreements, contracts, and procurement and performance indicators (Executive Order 13199, 3 C.F.R.).

Shortly after the Executive Order, on February 28, 2001, President Bush addressed Congress and shared his budget and vision for the coming year. Within the President's address, *A Blueprint for New Beginnings*, he called upon Americans to champion compassionate conservatism.

> Compassionate conservatism means providing vigorous and thorough support for those in need, while preserving the dignity of the individual and fostering personal responsibility. It means that caring must be accompanied by more than education and assistance. It must come with encouragement, and an expectation of success. It means that every compassionate effort must extend beyond the temporary amelioration of want toward independence and personal authority … With this budget, the President commits our Nation to mobilizing the armies of compassion - charities and churches, communities and corporations, ministers and mentors – to transform lives. These groups are proving that real change comes from the bottom up, not the top down. Moreover, these faith-based and community organizations will be permitted to compete for Federal funds as long as secular alternatives are also available. Faith-based organizations can maintain their religious characteristics, but the Federal Government cannot fund inherently religious activities" (White House, 2002a).

The *Blueprint for New Beginnings* called for the following: (a) creating a Compassion Capital Fund (CCF) to invest in charitable best practices; (b) allowing community groups, churches, and charities to conduct after-school programs; (c) making Federal funds available on a competitive basis for faith-based pre-release programs at Federal facilities; (d) allowing FBOs/CBOs to focus on improving the prospects of low-income children of prisoners to apply for grants; (e) ensuring that faith-based and other non-medical drug treatment programs have equal access to increased drug treatment funding; (f) establishing second chance homes for unwed teenage mothers; (g) promoting responsible fatherhood; (h) increasing the adoption tax credit to $7,500 and making it permanent; (i) expanding efforts to help low-income families pay rent and avoid homelessness; (j) expanding charitable choice to all applicable Federal laws that authorize the government to use non-governmental entities to provide services to beneficiaries of Federal dollars; and (k) encouraging the establishment of state offices of faith-based action (White House, 2002a).[1]

The first report required by the Executive Order, *Unlevel Playing Field: Barriers to Participation by Faith-Based and Community Organizations in Federal Social Service Programs*, was released on August 16, 2002. According to the report, the President's Charitable Choice Initiative (CCI) helps to: (a) clarify and codify the right of faith-based groups to participate by addressing the misperceptions and doubts about whether religious groups may deliver Federally-funded social services; (b) replace government suspicion of religious providers with a welcoming environment by giving a green light to expanded collaborations with government and making such partnerships plausible and possible; (c) ratify and give a legal foundation to current flexible practice by clarifying that the Constitution does not require 100% secularism, but neutrality and equal opportunity instead; (d) overcome anti-faith barriers in Federal programs by overturning restrictions on participation and activities not required by the

[1] See Table 7 for details on the CCF.

Constitution; (e) enrich the mix of service providers in many states; (f) enable formerly excluded groups to offer their effective services by freeing local officials to create new collaborations that involve faith-based charities previously wary of partnering with government; (g) better fulfill the service mission of current religiously affiliated providers by permitting established groups to get rid of the excessive government-imposed limits that have wrongly hobbled services and kept them from better integrating a moral dimension into their programs; and (h) build on successful principles in other areas of Federal funding which are based on principles of accountability, performance, pluralism, and religious liberty (White House, 2002b). The President's Executive Order and subsequent related activities clarified and expanded the potential of the charitable choice provision of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and became known as the aforementioned CCI.

As early as 1996, Section 104 of the PRWORA addressed the services provided by charitable, religious, or private organizations including state programs funded under Part A of Title IV of the Social Security Act and any other program established or modified under Title I or II of the Act. Section 104, known as the charitable choice provision of the PRWORA, allows states to contract with religious organizations, or to allow them to accept certificates, vouchers, or other forms of disbursement " … on the same basis as any other nongovernmental provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such programs" (Personal Responsibility and Work Opportunity Reconciliation Act, 1996). Programs must be implemented consistent with the Establishment Clause of the United States Constitution: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances" (First Amendment: Establishment Clause of the United States Constitution). Organizations cannot be discriminated against on the basis of their religious character.

The Act makes the following provisions: (a) religious organizations will retain their independence from Federal, state, and local governments, including such organizations' control over the definition, development, practice, and expression of its religious belief, and will not require a religious organization to alter its form of internal governance or remove religious art, icons, scripture, or other symbols; (b) if an individual has an objection to the religious character of the organization or institution, the state must provide an alternative provider that is accessible to the individual and of equal or greater value; (c) a religious organization's exemption under 702 of the Civil Rights Act of 1964 (42 U.S.C.2000e-1a) regarding employment practices will not be affected by its participation in, or receipt of, funds from programs authorized by this section; (d) religious organizations cannot discriminate against an individual in regard to providing assistance on the basis of religion, religious beliefs, or refusal to actively participate in a religious practice; (e) religious organizations are subject to the same regulations as other contractors and must use generally accepted auditing principles for the use of funds under these programs (if they maintain separate accounts, only the accounts with Federal funds will be subject to audit); (f) any party which seeks to enforce its rights under this section may assert a civil action for injunctive relief exclusively in an appropriate State Court against a FBO, which allegedly commits such violation; and (g) no funds provided directly to institutions or organizations to provide services and administer programs will be expended for sectarian worship, instruction, or proselytizations (Personal Responsibility and Work Opportunity Reconciliation Act, 1996, Section 104).[2]

While these provisions apply to the passage of Welfare-to-Work in 1997, Community Services Block Grant in 1998, and Substance Abuse and Mental Health Services Act Block Grant and Drug Treatment Funds in 2000, the funding stream most immediately influenced by the CCI appears to be Temporary Assistance for Needy Families (TANF) under the provision of the PRWORA and administered by the USDHHS. While some Federal, state, and local government agencies had long-standing relationships with FBOs/CBOs prior to the passage of the PRWORA, the language of Section 104 and the President's focus on, and support of, the initiative served to help expand some of the existing relationships and forge new ones. Faith- and community-based organizations themselves have an established commitment to, and history of, serving those in need with and without government funding. How do these provisions impact other pieces of legislation such as the Workforce Investment Act (WIA) of 1998?

The WIA is an effort by Congress to consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs in the United States "in an effort to provide universal access to services to the satisfaction of job seekers and businesses" (Workforce Investment Act of 1998). "The overriding principles behind the legislation were to create a locally driven, State-coordinated System that: (a) improves individual choices; (b) reflects local conditions; (c) results in increased employment, retention and earnings of participants; and (d) results in less welfare dependency and a higher quality workforce" (USDOL, 2002, June 14). The System, as depicted in Figure 1, is part of the community and it partners with many local agencies and organizations. By partnering with others, it is possible to provide more comprehensive services and to be more effective in achieving goals by leveraging the collective resources of the community.

The Act, implemented July 1, 2000, required local implementation by the Chief Elected Official of an area that appoints a local Workforce Investment Board (WIB) comprised primarily of local employers and mandated partners. The local WIB is responsible for achieving the performance standards through the One-Stop Career System (See Table 1). The state WIB, appointed by the state's governor, coordinates activities of local WIBs. This System, according to the Act, will eliminate fragmentation among training, education, and employment programs. Partners enter into Memorandums of Understanding (MOUs) with WIBs in order to participate in the One-Stop Career System. These agencies and others wishing to provide services within the System must meet specific criteria and become approved as eligible providers. Those involved in the One-Stop Career System agree to be part of a performance-driven System that is accountable to job seekers and business customers, the state and local WIBs, and the USDOL, the Federal agency responsible for administering the WIA (See Table 2).

> Collaboration implies a willingness on the part of organizations to change the way services are delivered by: Jointly developing and agreeing to a set of common goals and directions, sharing responsibility for obtaining those goals, and working together to achieve those goals, using the expertise of each collaborator (Bruner, 1991, p. 6).

[2] The Act refers to an individual receiving services as one who receives, applies for, or requests to apply for assistance.

The WIA is an attempt to change the way services are delivered on a local level by developing a set of common goals and creating partnerships with a variety of organizations in an effort to obtain these goals.

Services take place through a One-Stop Career Center and satellites that provide integrated services through a seamless One-Stop Career System. According to the Federal One-Stop Career Center System Request for Proposal (RFP), the One-Stop Career Center is the organizing vehicle for transforming the current fragmented array of employment and training programs into a coordinated information and service delivery system for individuals seeking first, new, or better jobs and for businesses seeking to build a world class workforce. The focus of such integration includes a system customized to the particular needs of the local labor market and connected to state and national systems (USDOL, Employment and Training Administration, 1996).

> . . . this system is characterized by its emphasis on serving its customers. It should meet the needs of all customers by providing a common core of information and services, which are standard and universal at any access point … The system should be easy to locate and use, be information-rich, and offer customers choice in where and how to get services. Finally, this system must be focused on constant improvement by gauging customer satisfaction with services and using the information to improve the system … This system should be flexible, comprised of entities that are learning organizations with staff capable of leading and evolving. This flexible system is also high-tech where technology is used to give and expand high quality services to customers in a variety of manners and media (USDOL, Employment and Training Administration, 1996, p. 1).

"A One-Stop Career Center is a place where local, State and Federal employment, education and training programs are brought together as a single network of public and private resources" (USDOL, 2002). This relationship is depicted in Figure 2. There are three levels of service provided through the One-Stop Career System: (a) core, (b) intensive, and (c) training. Elements of the services are included in Table 3.

In an effort to build upon the local partnerships and capacity created through the WIA, on April 17, 2002, the USDOL issued a Training and Employment Guidance Letter (No. 17-01) requesting: "…that states take actions to broaden the number of grassroots community-based organizations, including faith-based organizations, which partner with local WIBs and One-Stop Career Centers." On July 1, 2002, the USDOL became the first Federal agency to award grants targeted specifically toward states and intermediary organizations. As a result, $17.5 million was awarded to 12 states and 29 organizations in an effort to link faith-based and grassroots community organizations to the One-Stop Career System.

While it is too early to study the results of these initiatives by the USDOL, it is possible to identify the characteristics of relationships that exist between state and local WIBs with FBOs/CBOs. Research on the role of government funding of faith-based initiatives has been more extensive than specific research on the use of Federal funding under the PRWORA. Even less research has been conducted on the relationship between other pieces of legislation and faith- and community-based initiatives, such as the WIA. This is so primarily because researchers have focused their efforts on studying the pieces of legislation directly impacted by the provision. A very limited number of studies have included organizations funded through the WIA and in most cases only because they administer the Welfare-to-Work grant program (WtW) authorized through the Balanced Budget Act of 1997 as part of the TANF Block Grant, sometimes administered through the WIB. The WtW funding is administered by the USDOL, the same Federal agency that administers the WIA.

The spirit of the CCI would suggest the provisions of Section 104 be applied to other Federal funding sources. The USGAO found by the end of the year 2001 there was no "… national picture of the extent to which States have responded to charitable choice provisions" with respect to the funding provided through TANF and substance abuse treatment and prevention programs under amendments to the Public Health Services Act in 2000 (U.S. GAO, 2002, September).

After an exhaustive review of the literature, it is evident the role of the WIA and the CCI has not been studied on a national level. Two studies are relevant, one by the California State Employment Development Department that has yet to be published, and the second by the Urban Institute. The California study evaluates the California Community and Faith-Based Initiative, partially funded through the WIA: The findings have yet to be released (Campbell, 2003). The Urban Institute, under contract with the USDOL, conducted a study of five communities for the purpose of providing a basic understanding of the extent to which FBOs are providing employment-related services. The authors state the findings are exploratory, but they aid in providing insight into the possible scale of activity by FBOs in the One-Stop Career System. The focus of this study included three inquiries: (a) how much Federal employment and training funding is going to FBOs, (b) what type of employment-related services are provided by FBOs, and (c) how many employment-related services are provided by FBOs and to whom.

The value added to this study, in addition to interviewing staff of the WIBs, is the interviews conducted with congregations to determine the level of employment-related services they provide. While the study is limited by its focus on a small population, it does serve to provide information on the following: (a) the number of contracts with FBOs as a percentage of the WIB's budget, (b) the scope of funding provided to FBOs (c) the source of funding, (d) services provided by FBOs, and (e) the types of organizations. The findings indicate: (a) there are great variations between the levels of relationships between various WIBs and FBOs with respect to the amount of money contracted to the FBOs by the WIB; (b) approximately half of the congregations interviewed did not provide employment services, while approximately one-third provided informal or episodic services; (c) the nature of the facility may influence the type and level of services provided; (d) the nature of services consisted of a comprehensive mix of employment, education, training, and support services for the majority of FBOs; (e) approximately half the programs offered by the FBOs received public funding for employment related services, but less than half received Federal funding; and (f) the majority of Federal funding came from the USDHUD with other funding from the USDOL and the USHHS (Kramer, 2002, pp. 10, 21). The authors conclude there are three additional questions to be posed: (a) what is the level of interest of faith-based organizations in expanding their services or receiving public funding under public rules; (b) what is the capacity of congregations or other faith-based community organizations to expand their services; and (c) what types of services are faith-based organizations best suited to deliver and how does the effectiveness of current FBO services and service models compare to current Federally funded programs providing such services (Kramer, 2002)?

In addition to this study by the Urban Institute, other researchers such as Amy Sherman with the Hudson Institute, April Bender under contract with the State University of New York, and John Bartkowski and Helen Regis who have worked with various organizations, have authored several works focusing on faith and community collaborations within the context of TANF and to a lesser extent the WtW Block Grant Program (See the bibliography). Amy Sherman has completed what may be the most comprehensive research on the relationship to date between TANF and the CCI with respect to FBOs (See Sherman, 2002 and Sherman, 1998b*)*. Her study of the WIBs has been primarily limited to the WtW funding they administer, and not to the WIA.

In addition, various religious organizations and agencies such as the American Muslim Council and Interfaith Funders have conducted surveys of their constituents. The American Muslim Council focused on the perceptions of FBOs with respect to the role they should play in government. Seventy-five percent of the respondents were in favor, in principle, of the initiative to allow FBOs of all religions to compete to provide social services using public funds and 83 percent would favor using public funds to support the social service work of their organization provided the government agreed to not direct, advise, or restrict the character and mission of Muslim organizations (American Muslim Council, 2001, p. 4).

A survey conducted by Chaves, The National Congregations of Churches, found 23 percent of the key informants from congregations in the study were aware of the charitable choice provision in the legislation. In addition, 15 percent of congregations were so opposed to receiving public funds that they have policies forbidding working with the government in this capacity. The study suggests as many as 36 percent of the congregations are potentially willing to apply for government money to support human service programs (Chaves, 1999, pp. 6-7, 14).

Interfaith Funders conducted a study of organizations involved in faith-based community organizing (FBCO) in 2001. There are 133 local organizations and they include 4,000 member institutions, of which 87 percent are religious congregations and 13 percent are composed of unions, public schools, and other CBOs (Interfaith Funders, 2001, p. 2). The report addresses three types of collaborations beyond the local FBCO: network, cross-network, and local area collaborations. Approximately 50 percent of their respondents reported engaging in economic and social service projects such as: (a) housing initiatives, (b) worker training, (c) worker cooperatives, (d) job cooperatives, (e) credit unions, (f) micro loans, (g) gang prevention, (h) homework centers, (i) welfare-to-work transition services, (j) immigrant naturalization assistance, (k) land trust funds, and others (Interfaith Funders, 2001, p. 19). The perspective of FBOs regarding the relationships their organizations should and/or can have with the government is, according to Smith and Sosin (2001), based on a relationship of faith to organizational culture and is complex. Coffin states that while conservatives are promoting and liberals opposing the CCI, liberal religious congregations are more likely to be interested in receiving public funds to provide faith-based services to the poor; however, race appears to be more significant than theological orientation: "Larger African-American congregations are the most likely to act on their interest and actually develop new partnerships" (Coffin, 1999, p. 20).

There is a variety of non-empirical information from various WIBs and provider agencies identifying the value of faith and community organizations in their proposals for funding, published reports and documents and other work.[3] As an example, the State of Colorado, Department of Labor and Employment, has published their findings on promising practices from Texas, which has a long history of relationships between TANF and FBOs, California, New Jersey, and Colorado, although there are no criteria utilized to define what constitutes a promising practice (Policy Studies, Inc., 2002). Sherman worked with a task force in Florida to offer recommendations on strategies for building collaborations between Florida's faith communities and One-Stop Career Centers. In her report to the task force, she states: "In addition to resources, Florida's faith community can help the State's System meet the challenges of recruitment and retention" (Sherman, 2002, p.12). In addition, she states many faith-based nonprofits are providing job training, mentoring, literacy, drug rehabilitation, and transportation programs to the poor. Her report does not indicate if these services are currently provided through the One-Stop Career System and if these organizations are eligible providers of services.

This review of the literature does not expand upon the research conducted on the relationship between TANF and the CCI. It may be impossible to draw a correlation between the research conducted on this relationship and the one between the CCI and the WIA for several reasons. First, agencies working with TANF have a longer history of working with the charitable choice provision, while the WIA, a separate piece of legislation apart from the PRWORA, was not implemented until 2000, and the USDOL did not formally request states to broaden the number of grassroots community-based partnerships with the WIBs until 2002. While the intent of President's Bush's Executive Order 13198 appears to have implications for all Federal agencies and funding, Federal agencies have formally applied the charitable choice provision to their agencies in different ways, some earlier than others. Some Federal agencies have been working with FBOs/CBOs effectively prior to and since the passage of the PRWORA. Sixty percent of the FBOs surveyed by the USGAO in 2001 reported contracting with the government before the passage of the charitable choice legislation (U.S. GAO, 2001, p. 13). Research conducted on the established relationships between agencies administering TANF and FBOs/CBOs may not adequately reflect the same characteristics of relationships just beginning or in their infancy with other Federal legislation. For example, research from the Hudson Institute and the USGAO indicates the number of faith-based providers of social services utilizing TANF funding has grown: Without additional data, it is unknown if this increase is mirrored with respect to WIA funding (See Sherman, 2002, and USGAO, 2002).

Second, TANF and the WIA are two separate pieces of legislation, each with its own purpose, despite the fact they share many of the same goals for the population being served by TANF. Populations served by TANF and the WIA differ, as do some of the services offered, eligibility requirements, and perceptions regarding the purpose of the funding. In many states and counties, recipients of TANF are served by the WIB, but WIBs also serve a variety of other job seeker and employer customers. It is unknown whether these differences may make some FBOs/CBOs more or less likely to partner with government agencies administering TANF versus

[3] See Van Stine, 2001, and Falgout, 2003

the WIA. Thus, the existing relationships, issues, strategies, and outcomes may be very different between TANF and WIA agencies partnering with FBOs/CBOs.

The California State Employment Development Department is in the process of evaluating their Community and Faith-Based Initiative, and they are identifying the services provided; however, their report is not ready for dissemination. Sherman's work identifies 40 distinct services of FBOs funded through TANF and WtW (Sherman, 2002a). Bender's study, while focusing on the relationship between TANF and the CCI, analyzed the comprehensive services provided by FBOs/CBOs and the variety of funding streams utilized to achieve the outcomes required by the state and local agencies administering TANF programs. In her study, state level respondents identified 30 different services provided through 11 different funding streams including TANF and the Maintenance of Effort required: These funds also included money from the WIA. Local level respondents identified 40 different services funded through 14 different funding streams (Bender, 2003). There is also the need to analyze the difference between services funded through the legislation versus those offered without the assistance of government funding. Given the three categories of service for WIA job seekers, FBOs/CBOs may be able to provide additional support services that cannot be funded by the WIA. It would be helpful to know the difference between services offered by FBOs/CBOs through government contracts, specifically those funded through the WIA, versus the ones offered through other funding sources.[4]

Third, while there appears to be a lack of awareness by FBOs/CBOs of the potential to access federal funding, there also appears to be more of an awareness regarding services and funding traditionally linked with welfare reform and the CCI, as opposed to workforce development and the services provided through the WIBs. While research has documented the social services provided by FBOs/CBOs, little has been done to document the services provided by organizations typically associated with preparing someone for a job, helping them retain the job, building a career pathway, and providing services directly to employers. This awareness may have influenced the number and type of relationships established with TANF versus WIA administered agencies. For example, research indicates many FBOs offer services on an informal basis, never reaching the definition of what could be considered a relationship and/or something identified through an MOU and/or contract (Colorado Partnerships, 2002). It may be impossible or inappropriate to draw conclusions from the prevalence of FBOs/CBOs that provide welfare services and their level of funding to those providing workforce services through MOUs and/or contracts from agencies administering the WIA.

In their survey, the USGAO found FBOs' lack awareness of funding opportunities, have limited administrative and financial capacity, lack experience with government contracting, and hold beliefs about the separation of church and State, and that these issues constrain the ability of small FBOs to contract with the government (U.S. GAO, 2001). These findings are consistent with research conducted by the State University of New York, University Center for Academic and Workforce Development, of state and local TANF agencies. Approximately 71 percent of those involved in the study stated lack of awareness was the greatest barrier to the establishment

[4] Maintenance of Effort is the Federally mandated level of spending that states are required to continue to provide in order to qualify in return for the receipt of TANF.

of relationships between FBOs/CBOs and the government with respect to TANF (Bender, 2002b, p. 42).

Fourth, the oversight of TANF on a local level rests ultimately within the hands of government. The WIBs, although appointed through the county elected official, are primarily composed of employers, and they have the oversight role on a local and state level. It is unknown whether the level of authority resting with local employers may influence the prevalence and/or level of relationships government agencies have with FBOs/CBOs.

Fifth, the level of funding through TANF and the WIA available for, and contracted to, FBOs/CBO initiatives may differ, and the extent to which funding either predicts or influences the relationship is unknown. There may be more or less money available from one Federal funding stream to collaborate with other agencies. Other partnerships may not require more than sharing the same mission, population, and services, each of which is different for TANF and WIA funded agencies. It may not be accurate to suggest the research on the funding provided to FBOs/CBOs under PRWORA can shed light on the funding provided to the same organizations under the WIA.

A survey conducted by the USGAO found contracts with faith-based organizations accounted for 8 percent of the one billion dollars in Federal and state TANF funds spent by state governments on contracts with non-governmental entities in 2001, with contracting occurring at the state level in 24 states, at the local level in 5 states, and at both levels in 20 other states and the District of Columbia (USGAO, 2002a, p. 8). Sherman's study adds that ten additional states are developing government-faith collaborations (Sherman, 2002, p. 5). For example, Coffin believes devolution has been a catalyst for the CCI, possibly irrespective of whether initiatives are funded by TANF or the WIA (Coffin, 1999).

There is increasingly less Federal money and more emphasis on local flexibility, control and responsibility. Bender, in her study of the implementation of TANF and the WIA, found many One-Stop Career Systems did not have the funding to provide services to existing customers, let alone trying to expand to different populations and providers: "There isn't enough money in the system to serve the people we've got" (Bender, 2001, p. 184). This frustration would be echoed by informants and survey respondents in this study. Trying to spread funding too thinly across providers could threaten the capacity of providers and the System. It appears these factors may influence a more visible and/or renewed role for FBOs/CBOs across funding streams.

Finally, researchers have not fully identified and described the criteria necessary for a relationship between FBOs/CBOs with government to be considered successful, and whether these criteria differ from relationships with other organizations. Without these criteria, it is difficult to do more than study the characteristics of the relationship. The Colorado study identifies strategies that can be used to develop successful partnerships, but they do not identify the criteria necessary to describe the elements of a successful partnership. The work by the California Employment Development Department may provide additional information necessary to identify such criteria.

It may be necessary to create some of the same baseline data collected on the relationship between the CCI and TANF for the relationship between the CCI and the WIA in order to understand if the research specific to TANF can provide insight into the relationship between the WIA and the CCI. By studying TANF and the WIA funded agencies in isolation, it is difficult to conclude what role FBOs/CBOs have in developing and leveraging resources in their community to better serve their community. A more comprehensive environmental scan of the entire community across Federal funding streams may be necessary in order to fully understand the benefit of relationships between FBOs/CBOs and the government. The results from this study may help to create some of the baseline data needed to understand how the government is working with FBOs/CBOs across the nation.

Methodology

This national study identifies some of the characteristics of the relationships that exist between state and local WIBs with FBOs/CBOs. Each state and local WIB was surveyed in the winter of 2002 and extending into 2003, with interviews and a focus group taking place in the spring of that year (n=643). The following characteristics of these relationships are analyzed in this study: (a) prevalence of relationships between WIBs and FBO/CBOs, (b) types of FBOs/CBOs working with local WIBs, (c) types of services provided by FBOs/CBOs, (d) funding provided to FBOs/CBOs through the WIBs, (e) prevalence of Memorandums of Understanding with FBOs/CBOs, (f) how WIBs determine the services provided by FBO/CBOs, (g) prevalence of FBO/CBOs' co-location at One-Stop Career Centers and satellites, (h) effectiveness of FBOs/CBOs at meeting the WIA performance standards, and (i) the value WIBs place on working with faith- and community-based initiatives.[5]

Both quantitative and qualitative methods were utilized. The primary source of data collection was a survey sent to each state and local WIB. The survey questions consisted of: (a) open-ended questions requiring identification and explanation, (b) yes/no response, and (c) use of a ten point Likert scale. Respondents were asked to attach copies of their MOUs and any other information helping to explain the relationship existing between their One-Stop Career System and FBOs/CBOs. The survey was e-mailed and faxed, and a hard copy was mailed to each state and local WIB. Each state and local WIB was contacted by telephone a minimum of once to ensure they received a copy of the survey, and to request they complete and return the survey. Approximately five percent of respondents answered the survey over the telephone.

In addition to the survey, structured interviews were conducted with approximately 10 percent of respondents to help clarify existing information or secure missing information from their surveys. A focus group was facilitated to validate information from local WIB directors in an effort to clarify and validate information from the survey. Primary sources such as MOUs, procedures, press releases, and other documents shared by respondents were analyzed. An open-ended question on the survey and during the interviews provided the respondents and informants with the opportunity to provide other relevant information.

[5] This report focuses on data collected from the respondents that have relationships with FBOs/CBOs. Data collected from the respondents that do not work with FBOs/CBOs will be evaluated in the future.

Where relevant, data was analyzed with respect to the following five categories of focus: (a) responses from the total population of State and local WIBs, (b) state level WIB responses, (c) local WIB responses, (d) local WIB responses from metropolitan counties, and (e) local WIB responses from non-metropolitan counties. The total population consists of each state and local WIB including the 50 states, the District of Columbia, Guam, Puerto Rico, Marshall Islands, North Marianna, and America Samoa (n=643).[6] There was a 37 percent response rate (n=238) (See Table 4). Responses were received from 92 percent of the states with representation from each part of the nation (n=46/50) (See Figure 3). The response rate for state level WIBs was 40 percent (n=20/50). Approximately 50 percent of the state WIBs that received funding from the USDOL in an effort to link faith-based and grassroots community organizations to the One-Stop Career System responded to the survey (n=6/12) (See Table 5). The response rate for locals WIBs was 37 percent (n=218/593). The response rate for local WIBs from metropolitan counties was 38 percent (n=153/400). The response rate for local WIBs from non-metropolitan counties was 34 percent (n=65/193).

The following percentages represent the composition of the total population that responded: approximately 8 percent were from state WIBs (n=20); 92 percent were from local WIBs (n=218); approximately 64 percent of the local WIBs were from metropolitan counties (n=153); and approximately 27 percent of the local WIBs were from non-metropolitan counties (n=65).[7] Approximately 9 percent of the state level WIB responses were the only responses from the state (n=4). Approximately 57 percent of the states that responded had responses only from local WIBs. Approximately 35 percent of the states that responded had responses from both state and local WIBs (n=16). The breakdown of the number of responses by state and metropolitan and non-metropolitan counties can be found in Table 5.[8]

There are at least three limitations to this study. First, data collected from the survey took longer than expected, leaving limited time for interviews: Survey respondents were contacted a minimum of four times in an effort to secure a response (n=643). In an effort to shorten the survey instrument and decrease the response time to something appealing to respondents, some of the questions that would have yielded further clarity were omitted. For example, respondents were asked whether they had relationships with FBOs/CBOs, and to name the organizations for which they have relationships. The type and level of relationship, beyond the existence of a MOU or contract and type of services provided by each FBO/CBO, was not requested.

Second, only 53 percent of the respondents rated the effectiveness of FBOs/CBOs at meeting the WIA performance standards (n=85). Some of the reasons for not answering this question included: (a) unwillingness to rate or discomfort with rating these organizations; (b) some organizations are not required to meet standards as they are reimbursed for allowable costs;

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[6] Delaware, South Dakota, West Virginia, Wyoming, Guam, Puerto Rico, Marshall Islands, North Marianna, and America Samoa did not respond to the survey.

[7] There were three anonymous surveys that were not included in the analysis of the study given there was no way to contact the respondents to clarify their response.

[8] The 1999 standards from the U.S. Office of Management and Budget were used to define Metropolitan counties: one city with 50,000 or more inhabitants, or a Census Bureau-defined urbanized area (of at least 50,000 inhabitants and a total metropolitan population of at least 100,000 or 75,000 in New England) (U.S. Census, 2003).

(c) there was no way to analyze outcomes achieved by FBOs/CBOs separate from all providers of services; and (d) they had not worked with them long or closely enough to rate their effectiveness. These reasons are consistent with findings by the USGAO in their study related to TANF in 2001 (USGAO, 2002b, pp. 22-23).

Third, respondents were asked to list the FBOs/CBOs they work with, irrespective of whether they were a national organization or local initiative and faith or community-based organization. As Coffin describes in his research, "Vendors may voluntarily choose to report their religious or charitable choice status" therefore, not even the survey respondent may know the status of the organizations they are working with (1999, p. 10). While it was possible to identify national organizations, it was not always possible to identify the difference between FBOs and CBOs, those operating under a separate 501(c) (3) from their religious affiliation, and those with sectarian and/or non-sectarian purposes.

In order to reduce the limitations of this study, the survey would have been much longer and more demanding of respondents. The initial draft consisted of several charts and matrices to be completed in addition to open-ended questions. The draft would have required respondents an average of 30 to 45 minutes to complete. The instrument used was estimated to require 15 to 20 minutes to complete and return contingent upon the extent of the relationship. Given the purpose of the study was to provide a national perspective that would help provide policy makers with the first national blush of this information and to help frame future studies, the density of the data collected was intentionally less than it could have been, in an effort to take as broad a snapshot as possible and in a reasonable amount of time. As it was, the human resources dedicated to achieving a 37 percent response rate was immense and intense.

The results of this study can serve to illuminate the path other researchers will take in an effort to fully study the relationship between the WIA and the CCI on a national level. Information gleaned from respondents and informants should help the USDOL and elected representatives develop a context for future research.

Section II
Overview of Findings and Implications

Introduction

The relationship between the WIA and the CCI has not been identified and explored on a national level. There appear to be at least five separate perspectives from which to study this relationship: (a) WIBs, (b) FBOs, (c) CBOs, (d) government and (e) customers. As a subset of these groups, researchers could study the perspective of organizations that receive money from the WIB, those providing services without reimbursement and the WIBs providing money to these organizations, as well as those that do not provide money, but benefit from informal services provided by FBOs/CBOs. In addition, researchers can study these perspectives in isolation or in tandem with one another. For example, the Urban Institute's study conducted interviews with the local WIBs in addition to those FBOs/CBOs they contracted with and local FBOs that did not have contracts with the WIB (Kramer, 2002). These relationships may also be studied from a local, state, and/or national perspective.

This study focuses on the perspective of state and local WIBs in an effort to identify how the relationship between them and FBOs/CBO help achieve the performance standards of the WIA**.** The relationship between the WIA and the CCI, for the purpose of this study, is defined in the broadest sense and within the spirit of the charitable choice provision and Executive Order 13198 that would expand the provisions of Section 104 of the PRWORA to other Federal laws and funding. The relationships being studied may have no informal or formal connection to the funding released through the CCF nor formal CCIs of Federal and/or state and local governments (See Table 6). For the purpose of this study, a relationship between the WIA and the CCI is defined as any informal or formal arrangement between the WIB and FBOs and/or CBOs for the purpose of providing services to job seekers and/or employers in the community in an effort to meet the performance standards of the Act. The relationships described by respondents and informants did not always include formal MOUs or contracts.

The following characteristics of these relationships are analyzed in this study: (a) prevalence of relationships between WIBs and FBO/CBOs, (b) types of FBOs/CBOs working with local WIBs, (c) types of services provided by FBOs/CBOs, (d) funding provided to FBOs/CBOs through the WIBs, (e) prevalence of Memorandums of Understanding with FBOs/CBOs, (f) how WIBs determine the services provided by FBO/CBOs, (g) prevalence of FBO/CBOs' co-location at One-Stop Career Centers and satellites, (h) effectiveness of FBOs/CBOs at meeting the WIA performance standards, and (i) the value WIBs place on working with faith- and community-based initiatives.

Prevalence of Relationships Between Workforce Investment Boards and Faith- and Community-Based Organizations

The WIA requires the One-Stop Career System to create a variety of relationships with other agencies in an effort to provide a comprehensive, integrated, universal System that will meet the needs of job seeker and employer customers. The Act requires specific partners to be part of the WIB. In addition to required partners, the Act identifies additional partners. Table 7 includes a list of required and additional partners. According to Section 117 of the WIA, the local WIB composition must include representatives of CBOs, including organizations representing individuals with disabilities and veterans, for a local area in which these organizations are present (Workforce Investment Act of 1998). There is nothing in the Act specifying other types of CBOs that may be included or the role of FBOs. Interviews with informants revealed WIBs have been contracting with CBOs to provide services primarily to youth since the implementation of the Act. Some of the WIBs retaining staff from the Job Training Partnership Act, the Act replaced by the WIA, stated they have had contractual relationships with CBOs for several years prior to the implementation of the WIA. The full extent to which WIBs work with CBOs, and to a greater extent FBOs, is unknown, especially within the context of the CCI. This study attempts to identify and describe some of these relationships.

State and local WIBs were asked whether they work with FBOs/CBOs. There was a 100 percent response rate to this question. Of the total population surveyed, 67 percent stated they work with FBOs/CBOs (n=159). Of the state WIBs that responded, 80 percent stated they work with FBOs/CBOs (n=16). Of the local WIBs that responded, 66 percent stated they work with FBOs/CBOs (n=143). Of the local WIBs that responded from metropolitan counties, 71 percent stated they work with FBOs/CBOs (n=109). Of the local WIBs that responded from non-metropolitan counties, 52 percent stated they work with FBOs/CBOs (n=34).

Less than two percent of the respondents that work with FBOs/CBOs stated they had negative feelings and/or experiences with, or reservations about, working with these organizations. The majority of these responses fell into one of two categories. One category of response included comments from respondents who believe the services of the One-Stop Career System should be left to them, the experts, and not FBOs/CBOs. Another category of response included comments from respondents that have found these organizations do not have the capacity to receive Federal funding and implement programs: "[name of organization] has proven more challenging due to the need of the community-based organizations to develop increased capacity to implement programs and coordinated funding." Another respondents adds:

> … However, some that have not had much experience with contract services or dealing with government agencies have great difficulties with data entry, reporting, financial management, and contract administration in general. By contrast, more experienced CBOs generally do very well even administratively.

"Don't use the F word. We can work with CBOs, but we are scared to death of working with faith-based organizations." When this informant was asked why she felt this way she explained:

> We are afraid that they are going to take our money. Are they going to take our money? We don't know how to work with churches. It is the whole church and state thing, trying to keep them separate. What if something goes wrong and there is a conflict? The WIB gets the black eye. The church goes on with their mission. We struggle to regain our position in the community. We can't afford that.

These feelings were not prevalent among respondents; however, those that expressed these sentiments were worried about the perceived increasing role of FBOs in their local One-Stop Career System.

> "Money seems to be the driving issue for WIA – everyone thinks that WIA can fund their initiative. Because of the war efforts and the state of the economy, faith/community based organizations are experiencing a decrease in donations and fierce competition for government and private funds. With our federal mandated WIA funds, it is difficult to fund any of the agencies, but we are trying to work with any agency that is willing to partner with us in our One-Stops."

These respondents do raise an issue inherent in working with the One-Stop Career System. Most of the partners are responsible for achieving the performance standards; it appears very few are reimbursed for costs incurred without some performance measure tied to their funding. If the partner does not achieve their performance standards their contract could be terminated or they may not receive another contract. The WIB must then rely on other partners to achieve additional numbers or risk not meeting their performance standards. Under-performing WIBs may receive less funding, secure another operator for the One-Stop Career Center, change the staff of the WIB, or in some states be placed under corrective action if they do not achieve their performance standards. It appears the majority of respondents have positive relationships with a variety of FBOs/CBOs.

Types of Faith- and Community-Based Organizations Working With Local Workforce Investment Boards

In order to provide all of the services required of the WIA and to meet the diverse needs of customers within the One-Stop Career System, the WIB must access and integrate a variety of services across the community. This study attempts to identify which FBOs/CBOs WIBs are working with. Respondents were asked to provide the names of the FBOs/CBOs they work with in their local One-Stop Career System. The organizations range from those which are nationally affiliated to one-of-a-kind organizations found only in their local communities. Of the respondents that work with FBOs/CBOs, 65 percent responded to this question (n=104). Seventy-three percent of the local WIBs responded (n=104). Seventy-five percent of the metropolitan counties responded (n=82) and 65 percent of the non-metropolitan counties responded (n=22). The state WIB data was not included in the analysis given the question was targeted to local WIBs.

The nationally affiliated organizations with the most frequency of response, in descending order are: (a) Catholic Charities (n=22); (b) Community Action (n=16); and (c) Goodwill (n=15.) The local WIBs were approximately three times as likely to work with organizations with a local basis of operation, as they were organizations with a national association. The question did not require respondents to identify the organizations by FBOs/CBOs, nor into those providing sectarian, non-sectarian or both types of activities. It appears an increasing number of faith-based organizations are establishing separate entities under the 501(c) (3) status. Unless identified by their name, it would be difficult to associate their religious affiliation, if any, with their organization. Therefore, it is possible that community-based organizations could have a religious nature and/or affiliation unknown to the WIB. It may not be enough to distinguish between faith and community-based organizations by their name alone: Other criteria might need to be considered.

Sixty-seven percent of the respondents have relationships with 1022 FBOs/CBOs in their One-Stop Career System. A complete list of all organizations can be found in Table 8. The Table is organized to demonstrate the variety and number of organizations working with each local WIB by metropolitan and non-metropolitan areas. Workforce Investment Boards in metropolitan areas work with an average of approximately eleven FBOs/CBOs whereas those in non-metropolitan areas work with an average of approximately five of these organizations. The average number of relationships is only one variable. The types of services provided by FBOs/CBOs, the scope of those services, and the value they bring to the One-Stop Career System are other important elements.

Types of Services Provided by Faith- and Community-Based Organizations

Local WIBs have flexibility in determining the service constellation they will fund for each customer through the WIA. Given WIA funding is not intended to cover the entire cost of the System, it becomes necessary to rely on partners and other community-based organizations to provide the additional services necessary for the customer to be successful and for the WIB to meet their performance standards. It appears important for the WIB to find ways to strengthen their capacity through existing community resources according to respondents: “They fill the ‘gap’ in underserved needs that One-Stops cannot so that individuals can get to work more quickly, i.e., transportation, child care, clothing.”

State and local WIBs were asked to identify the types of services provided by FBOs/CBOs in conjunction with their One-Stop Career System. The survey included an open-ended question for respondents to list the services provided by CBOs/FBOs they work with. Respondents referenced services provided to a wide range of population groups as identified in Table 9. Of the number of respondents that stated they work with FBOs/CBOs, there was a 92 percent response rate to this question (n=147) with 88 percent of the state WIBs responding (n=14). Of the 93 percent of the local WIBs that responded (n=133), 95 of the metropolitan counties responded (n=104) and 85 percent of from non-metropolitan counties responded (n=29). Youth appear to be the largest group for which services are provided by FBOs/CBOs. Of the respondents that work with FBOs/CBOs, 43 percent of the respondents from metropolitan counties (n=45), and 52 percent from non-metropolitan counties (n=15), state these organizations provide youth services to their customers.

The services most frequently identified by respondents as being provided by FBOs/CBOs involve job training and placement. Fifty-three percent of the local WIBs that work with FBOs/CBOs receive job-training services from these organizations (n=71) and 40 percent receive job placement and employment services (n=53). The frequency of job training and job placement and employment services in metro- and non-metropolitan counties is similar. The complete list of services provided by FBOs/CBOs and their frequency is included in Table 10. Given many of the services reported by respondents may be arranged through the MOU or RFP process, it is possible FBOs/CBOs provide other services free of charge and/or outside the relationship with the WIB and therefore are not accounted for in this study. This listing should not be considered a comprehensive list of services provided by FBOs/CBOs, but a list of services provided through and/or in tandem with the One-Stop Career System to help the System achieve its goals.

In keeping with the intent of the Act, the majority of services provided by FBOs/CBOs fall within the purview of workforce services, whether: (a) job training, (b) readiness/lifestyle skills, including assessment, literacy and subsequent educational services, (c) placement; or (d) hiring. In addition, the majority of the FBOs/CBOs cited by the WIBs also provide social and human services. The types of these services vary between WIBs, and may include offerings as diverse as: (a) emergency housing, (b) refugee resettlement, and (c) immigrant acclimation.

Some respondents and informants alluded to an additional dimension of the services provided by FBOs/CBOs, but only one respondent identified it as being a “spiritual” component of what they bring to the relationship “ … because of the multiple services and the community support systems they provide, worker training, mentoring, personal growth, spiritual growth and in most cases, these organizations lead by example.” Respondents provided more insight into this and other dimensions of services provided by these organizations when they described the funding provided to them and the value these organizations bring to the One-Stop Career System.

Funding Provided to Faith- and Community-Based Organizations Through the Workforce Investment Board

The local WIBs rely on more than just funding from the WIA to sustain their System and capacity. The System relies heavily on the resources of local partners. Since the WIA provides for a comprehensive, integrated service delivery System that is responsible at the local level for meeting the needs of job seeker and business customers, it also requires a variety of local agencies to contribute their federal, state, and local dollars to the System. This survey explored the prevalence of funding for FBOs/CBOs from two Federal funding streams, the WIA and TANF. Under Federal legislation, TANF administrative agencies are not required to be members of the local WIB however, given the WIA requires a focus on those job seeker customers most in need, many recipients receive services funded by TANF and may be eligible for the same or additional services provided by local WIBs: “It provides agencies with the opportunity to identify and reach out to those ‘most in need’.” Some of the services provided through the WIA and TANF have different outcomes. There are differences between eligibility requirements, services that can be provided, and sometimes the duration of services.

There are two primary reasons for focusing on these funding streams. First, local WIBs report working with FBOs/CBOs, but it was unknown how many of them provide funding to these organizations. Many of the relationships described by respondents and informants are informal and do not consist of the exchange of funds for services. Some relationships consist of including FBOs/CBOs in their network and/or making referrals to the services they provide, but the outcomes they achieve through these informal relationships cannot always be included as part of the local WIB’s performance standards.

In order to credit the outcomes of the job seeker to the System, he or she must be registered in the System. A portion of those registered are required to achieve the performance standards. This is a two-edged sword as one informant explained:

> If you put them in the denominator [referring to the job seeker] you want to be able to put them in the numerator. You are taking a risk that they will indeed be successful and become part of the numerator. If they don't, they work against you in meeting your performance standards.

Core services, or self-help services, are offered to job seekers prior to registering them in the System. It appears the additional services provided by FBOs/CBOs prior to registration may be effective in helping individuals and their families achieve their personal, educational, and employment related goals: "The faith- and community-based organizations are often able to work on barriers which the WIA funds are not." They may not be reimbursed by the WIB for these services. Since these job seekers are not registered in the System, it is very difficult for the System to track their progress. To what extent do WIBs fund these and other services provided by FBOs/CBOs?

This survey became a vehicle by which to identify the number of WIBs that have formal relationships with FBOs/CBOs based on MOUs specifying their contribution to the performance standards required by the Act, and to a lesser extent the informal roles FBOs/CBOs have in providing services and achieving outcomes that may not be captured by the One-Stop Career System. If the local WIB provides funding to FBOs and/or CBOs, they would be in a position to identify, describe, and verify the more formal elements of the relationships.

Second, if the local WIBs utilize TANF funding as part of the network of resources that sustains their One-Stop Career System, it would be beneficial to recognize the connection between the WIA and TANF with respect to funding FBOs/CBOs. Given the majority of research conducted on the CCI has focused on TANF, it may be possible, now, with additional research, to draw correlations between the role of TANF and the CCI with the WIA and CCI in the future. It does appear some WIBs utilize TANF funding to meet the needs of those eligible: "Without their services [referring to FBOs/CBOs], we could not reach out to the homeless community, assist all of the low and moderate low income persons seeking employment, and provide welfare assistance to TANF participants." There does appear to be a connection between funding provided by TANF and the WIA with respect to the role of FBOs/CBOs in the System. Another respondent adds: "Those CBOs are instrumental in the recruitment, outreach, marketing, and delivery of WIA/TANF services to inner city youth and adults. They play a major role in our Workforce Development System."

Respondents were asked to identify whether they fund FBOs/CBOs through the WIA, TANF, or both sources of funding. Ninety-two percent of those working with FBOs/CBOs answered this question (n=147). Eighty-one percent of the state WIBs responded (n=13) and 94 percent of the local WIBs responded to this question (n=134). Of the local WIBs that responded, 95 percent of the metropolitan counties responded (n=103) and 91 percent of the non-metropolitan counties responded (n=31). Of the respondents that work with FBOs/CBOs, 64 percent fund them with the WIA (n=94), 48 percent with TANF (n=71), 43 percent with both the WIA and TANF (n=63), and 48 percent using other funding sources (n=71). Other funding sources included: (a) Welfare-to-Work, (b) volunteers, (c) Community Services Block Grant, (d) USDOL faith based grant, (e) USDOL Employment and Training Administration, (f) adult education funding from state education agencies, (g) Refugee Employment Training Program, (h) private donations, (i) governor's general fund, (j) USDOL, (k) National Education Grant, (l) Child Care and Development Fund (CCDF), (m) state outreach grant, (n) Wagner-Peyser, (o) governor's general fund, (p) Consolidated Act of 1988, (q) foundations, (r) Displaced Homemaker grant.[9] Less than one percent of the respondents stated they were obligated to fund FBOs/CBOs: "We statutorily [have] to spend certain levels of funds with faith- and community-based organizations that provide after school activities. Otherwise, we would probably not contract with some of the agencies that we do business with."

Fifty-four percent of the state WIBs use WIA funding to fund FBOs/CBOs (n=7); 54 percent use TANF (n=7); 46 percent use both WIA and TANF (n=6); and 61 percent use other sources of funding (n=8). Sixty-five percent of the local WIBs use WIA funding to fund FBOs/CBOs (n=87); 48 percent use TANF (n=64); 43 percent use both WIA and TANF (n=57); and 47 percent use other sources of funding (n=63). Sixty-one percent of the local WIBs located in metropolitan counties use WIA funding to fund FBOs/CBOs (n=63); 49 percent us TANF funding (n=50); 44 percent use both (n=45); and 52 percent use other funding (n=54). Seventy-seven percent of the local WIBs located in non-metropolitan counties use WIA funding to fund FBOs/CBOs (n=24); 45 percent use TANF (n=14); 39 percent use both (n=12); and 29 percent use other funding (n=9). If WIBs provide funding to other organizations, it appears there must be a MOU and/or contract with the organization that details the specifics of the relationship.

Prevalence of Memorandums of Understanding with Faith- and Community-Based Organizations

The WIA requires the WIB, with the agreement of the Chief Elected Official, to develop a MOU between the local WIB and the One-Stop Career Center partners regarding the operation of the One-Stop Career System. The MOU must contain the following: (a) the services to be provided through the System; (b) how the costs of the services and the operating costs of the System will be funded; (c) methods for referral of individuals between the One-Stop Career Center operator and the partners for appropriate services and activities; and (d) the duration of the memorandum and the procedures for amending the memorandum during the term of the memorandum (Workforce Investment Act of 1998). Memorandums of Understanding allow the One-Stop Career System to ensure that necessary operating costs and services will be provided by the partners. The partners in turn know what they can expect to receive. Relationships based in part or in their entirety on MOUs are more formal than those that may merely include a verbal agreement to make referrals or exchange information, for example. The existence of a MOU does not imply that a relationship is more positive or beneficial than informal relationships or those negotiated through a contract.

[9] None of the respondents indicated they use the MOE from the TANF to fund services provided by FBOs and CBOs, however, the category of TANF could be perceived by respondents to include MOE funds.

The formality of the relationships defined by a MOU may restrict and/or threaten relationships established prior to the implementation of the WIA. Bender's study of the implementation of the WIA and TANF in rural areas found several counties in the study resisted the MOU process:

> It appears the Workforce Investment Act would make this system less fluid and formal by requiring provider agencies to stipulate the elements of their relationship in a time-limited Memorandum of Understanding: County A was in the process of doing this, whereas County B was avidly preserving their existing relationships and success despite the implementation of the one size fits all Workforce Investment Act approach (Bender, 2001).

Some partners who had a history of positive relationships were now required to renegotiate those relationships with new criteria, often, according to informants of Bender's study, favoring the WIB with too much reliance on funding from partners. In the process of renegotiations sometimes old wounds surfaced and embers rekindled. Informants in the focus group conducted to provide clarity on this, among other issues, shared the MOU process is primarily utilized to ensure operating costs and procedures are clarified with the partners. Funding for the exchange of services is done primarily through the RFP process and the contracts that result.

According to informants, contracts are just as formal and binding as MOUs. The MOU is, however, the mechanism by which partners enter into a relationship with the WIBs. For this reason, it is beneficial to know how many WIBs have MOUs with FBOs/CBOs. For example, informants explained they could have both MOUs and contracts with partners and throughout the course of the fiscal year the MOU can be amended and new contracts awarded, changing the composition of the relationship. It may be necessary to study these issues from the perspective of FBOs/CBOs to determine the likelihood of them being in a position to enter into a MOU and the value they place on relationships based on a MOU, contract, or no formal mechanism for the provision of services. Data from this study did not reveal whether WIBs or FBOs/CBOs initiated the relationship.

Respondents were asked whether or not they had MOUs with FBOs/CBOs. Ninety-two percent of the respondents working with FBOs/CBOs answered this question (n=147). Eight-one percent of the state WIBs responded (n=13) and 94 percent of the local WIBs responded (n=134). Ninety-five percent of the metropolitan counties responded (n=103) and 91 percent of the non-metropolitan counties responded (n=31). Of the number of WIBs working with FBOs/CBOs, 37 percent of the WIBs have MOUs with these organizations (n=55). Of the number of WIBs working with FBOs/CBOs, 64 percent use funding from the WIA to fund services provided by these organizations (n=94). At least 33 percent of the WIBs that have relationships with FBOs/CBOs have some type of contractual agreement with them based on a competitive RFP process (n=49). In addition, at least 41 percent of the WIBs having MOUs with FBOs/CBOs also have engaged in the RFP process with these organizations (n=61). Approximately 52 percent of the WIBs providing WIA funding to FBOs/CBOs do not have MOUs with these agencies (n=48). Approximately 9 percent of the WIBs utilizing WIA funding do not have MOUs or contracts and have not used the RFP process with these organizations (n=9). Twenty-one percent of the respondents have MOUs with FBOs/CBOs but do not provide WIA funding to them (n=18).

Twenty-three percent of the state level WIBs have MOUs with FBOs/CBOs (n=3) and 54 percent of them utilize funding from the WIA to fund services provided by these organizations (n=7). Thirty-nine percent of the local WIBs have MOUs with FBOs/CBOs (n=52), while 65 percent of them use funding from the WIA to fund services provided by these organizations (n=87). In metropolitan counties, 41 percent of the local WIBs have MOUs with FBOs/CBOs (n=42) while 61 percent use funding from the WIA to fund services provided by these organizations (n=63). In non-metropolitan counties, 32 percent of the local WIBs have MOUs with FBOs/CBOs (n=10) while 77 percent use funding from the WIA to fund services provided by these organizations (n=24). It appears more WIBs in non-metropolitan counties use funding from the WIA to fund services provided by FBOs and CBO than metropolitan counties. The process of negotiating a MOU and/or contract is not the only mechanism by which WIBs determine the services provided by FBOs/CBOs.

How Workforce Investment Boards Determine the Services Provided by Faith- and Community-Based Organizations

State and local WIBs have the flexibility to identify the services needed on a local level in order to achieve the performance standards required (See Table 1). In addition to the services funded through the Act, additional services customers need in order to be successful in achieving all of their personal, educational, and employment related goals are leveraged by partners and provider organizations in the community: "Because we have many of these CBOs providing services through our One-Stops, we are able to leverage their resources and provide enhanced services we would not be able to afford through WIA funding alone." As demonstrated, some of these services are provided at no cost to the System while others are arranged through formal MOUs and contracts.

Respondents were asked how they determine what services will be provided by FBOs/CBOs. There was a 94 percent response rate from respondents that work with FBOs/CBOs (n=150). Approximately 81 percent of the state WIBs responded (n=13) and 95 percent of the local WIBs responded (n=137). Of the local WIBs that responded, 95 percent of the metropolitan counties responded (n=104) and 97 percent of the non-metropolitan counties responded (n=33). The most frequently cited means of determining services on a local level was through the RFP process. Of the number of WIBs working with FBOs/CBOs, 39 percent use the RFP process to determine services (n=59). It appears that 31 percent of state level WIBs determine services primarily based on RFPs (n=4). They also stated sometimes the FBOs/CBOs determine the services that are necessary and the needs of the customers and the One-Stop Career System as a whole are considered. State WIBs did not use contracts with any FBOs/CBOs. On a local level, 40 percent of the WIBs use the RFP process to determine services (n=55), 10 percent utilize contracts (n=13). Forty-three percent of the respondents from metropolitan counties stated they use the RFP process (n=45) and 8 percent use contracts (n=8). Approximately 30 percent of the respondents from non-metropolitan counties determine services through the RFP process (n=10) whereas 15 percent determine services through contractual arrangements (n=5). It would appear for every RFP, some type of contract or formal arrangement would be made between the WIB and the organization, although respondents did not provide evidence to suggest this. In addition, some respondents stated organizations determine the service they provide. It is unknown whether the organizations identify these services on their own or from a menu of services the WIBs provided in a RFP. One plausible answer would be that services are identified on the RFP for all providers and each provider identifies the service they want to provide through the RFP process with the contract specifying those services.

While the response rate to this question was high, 94 percent, the frequency of responses ranged over 47 categories: It is impossible to account for the variety of ways services are determined. It is apparent WIBs do not always use a MOU or RFP/contractual process to determine the services that will be provided by FBOs/CBOs. This information does help to explain information shared by informants regarding the function of MOUs. It is not necessary for FBOs/CBOs to have a MOU in order to provide services or to receive funding from the WIB: The RFP process is another means by which funds from the WIA can flow to FBOs/CBOs. At least 9 percent of the respondents that stated they have MOUs with FBOs/CBOs also stated that they use the RFP process to identify services. In some areas, WIBs do not make distinctions between FBO/CBOs and other agencies: "We do not distinguish between CBOs, FBOs, etc. in terms of who we seek to deliver services. We do our best to set quality thresholds and have groups meet those standards." These services may be provided at One Stop Career Centers, satellites, at the organization's location, and/or through other co-location arrangements.

Prevalence of Faith- and Community-Based Organizations' Co-Location at One-Stop Career Centers and Satellites

The WIA requires services be co-located at a centralized physical space called a One-Stop Career Center. In order to ensure customers have access to services and a variety of points at which at enter the System, satellite sites are created throughout the community as demonstrated in Figure 2. Local WIBs have the flexibility to determine where services will be located throughout the community and whether they will be co-located with other services. Respondents were asked to identify whether FBOs/CBOs were co-located with One-Stop Career Centers, satellites, or in both locations. Eight-five percent of the respondents working with FBOs/CBOs answered this question (n=136). Eighty-one percent of the state WIBs responded (n=13) and 86 percent of the local WIBs responded (n=123). Of the local WIBs that responded 86 percent of the metropolitan counties responded (n=94) and 85 percent of the non-metropolitan counties responded (n=29).

Of the WIBs working with FBOs/CBOs, 63 percent have these organizations co-located at the One-Stop Career Center (n=86), 52 percent are co-located at satellites (n=71), 51 percent are co-located at both the One-Stop Career Center and satellites (n=69) and 55 percent have other co-location arrangements (n=75). Forty-six percent of the state WIBs stated FBOs/CBOs are co-located at the One-Stop Career Center (n=6), 46 percent stated they are co-located at satellites (n=6), 46 percent stated they are co-located at both the One-Stop Career Centers and satellites (n=6), and 69 percent stated there are other co-location arrangements (n=9).

Sixty-six percent of the local respondents that work with FBOs/CBOs stated these organizations are co-located at their One-Stop Career Center (n=80), 53 percent are co-located at satellites (n=65), 51 percent are co-located at both One-Stop Career Centers and satellites (n=63), and fifty-four percent of the local WIBs stated that they have other co-location arrangements (n=66). Of the local WIBs located in metropolitan counties, 65 percent have FBOs/CBOs located at One-Stop Career Centers (n=61), 54 percent at satellites (n=51), 53 percent co-located at both One-Stop Career Centers and satellites (n=50), and 52 percent state there are other co-location arrangements (n=49). Of the local WIBs located in non-metropolitan counties, 66 percent are co-located at the One-Stop Career Center (n=19), 48 percent at satellites (n=14), 45 percent are co-located at both One-Stop Career Centers and satellites (n=13), and 59 percent state there are other co-location arrangements (n=17). One hundred percent of the respondents that have FBOs/CBOs co-located at the One-Stop Career Centers also have them co-located at satellites. Faith- and community-based organizations may serve as satellites in some communities and partners and/or providers may be co-located with these organizations.

Some respondents and informants explained that many of the FBOs/CBOs, while not co-located at a the One-Stop Career Center or satellite, do provide services on site:

> They are not co-located as agencies at our One-Stops; however, some of their services are provided at the One-Stop as part of their contract, e.g., English as a Second Language classes offered at the One-Stop are all provided by agencies listed above [referencing the FBOs/CBOs they work with].

Bender, in her research on the implementation of the WIA in rural areas, found many rural areas did not have the resources required to be financially contributing partners of the One-Stop Career Center and maintain their existing location(s) in the community: "Despite the apparent benefits of co-location, there may be other more effective ways of delivering services in rural areas and still preserving the tenets of the System … Due to low population density there may only be few people who need a service. If they are scattered across the county, it may only be possible to co-locate five or six of them in a central location" (Bender, 2001, p. 441). The central location for these individuals may or may not be the One-Stop Career Center.

Co-location implies a permanent presence in a physical location at least for the duration of the MOU; however, the limits of physical space and funding to develop the capacity necessary to house everyone the WIB may want and/or need to have co-located may not always be possible. Some organizations have established networks within their community and serve specific populations and therefore may have no desire or need to extend beyond the boundaries of their community on a permanent basis. The value of co-location of FBO/CBO with One-Stop Career Centers and satellites is unknown from the perspective of the WIB and these organizations. One of the greatest values respondents place on working with FBOs/CBOs is their grassroots presence. To remove them from their local environments may be to the detriment of the One-Stop Career System. It may be more effective for these organizations to become a part of the System through the satellites existing throughout the community or remain in their location and become networked with the One-Stop Career System.

Effectiveness of Faith- and Community-Based Organizations at Meeting the Workforce Investment Act Performance Standards

The WIA requires each WIB to be accountable for meeting performance standards. It is unlikely a WIB would choose to work or continue to work with an organization that was ineffective in helping them achieve these performance standards, however, little has been done to document the effectiveness of FBOs/CBOs within the context of the WIA. Fifty-seven percent of the respondents working with FBOs/CBOs did not answer this question. While many did not provide reasons for omitting their response, some shared they would prefer not to rate these organizations:

> Although I would rather not rate the effectiveness on a numeric scale, I will say that when the Workforce Centers and the faith- and community-based organizations truly support and rely on one another through a referral process and information sharing, targeted clients have more chance of success - this makes the performance measures more easily attained in the client's case. We have begun stressing the importance and built-in benefit of collaborating with the organizations as a means to support their efforts and provide the most benefit to our clients who may have needs outside the range of services that the Workforce Centers offer.

Others stated FBOs/CBOs were not required to meet the performance standards either because they are working with them informally and no WIA funding is provided to them, or because they are reimbursed for expenditures, not performance, therefore it would not be possible to rate their effectiveness. Some respondents stated they did not have a way to analyze the performance standards of individual organizations. Some stated they had not worked with them long enough or closely enough to rate their effectiveness: "One organization has just recently become a provider of WIA services, so we have no performance information to date."

Some respondents and informants stated the performance measures of the Act are not the only measure of success. One respondent comments:

> Some are highly effective, particularly working with youth, while others do not contribute positively to the areas of performance. This does not mean they are not good organizations, they simply have values and goals at times that differ from the grant.

Respondents were asked on a scale of one to ten, with one being low and ten being high, how effective FBOs/CBOs are at meeting the performance standards of the WIA. The ten point Likert scale used was patterned after the scale and the calculation for the American Customer Satisfaction Index used by the USDOL to gauge customer satisfaction from customers of the One-Stop Career System. The survey did not require respondents to submit performance outcomes and compare these outcomes to those from other organizations nor to those achieved collectively by the WIB.

There was a 53 percent response rate from local WIBs (n=85). Nineteen percent of the state WIBs responded (n=3) and 57 percent of the local WIBs responded (n-82). Fifty-eight percent of the metropolitan counties responded (n=63) and 56 percent of the non-metropolitan counties responded (n=19). State WIBs rated the effectiveness of FBOs/CBOs as 8.67 (n=3). Local WIBs rated the effectiveness of FBOs/CBOs as a 6.9 (n=82). Respondents from metropolitan counties rated their effectives as 6.63 (n=63) whereas respondents from non-metropolitan counties rated their effectiveness as 7.16 (n=19). The weighted average was 6.68. It appears the respondents that did share their perceptions find FBOs/CBOs to be more effective than not and a contributing factor to their success. The comments provided by respondents on the value they place on FBOs/CBOs helps qualify the effectiveness of these organizations. One state WIB respondent shared: "[name of state] met and exceeded all performance measures in Program Year 2001. This would not have been possible if these service providers were not effective at what they do in the Workforce Development System."

The Value Workforce Investment Boards Place on Working With Faith- and Community-Based Initiatives

One-Stop Career Systems are driven by performance standards. To that end, they are primarily interested in brokering services that are in the best interest of their customers. These services must be of the level and quality necessary for WIBs to achieve their performance standards. It is apparent respondents and informants place value on the relationships they have with FBOs/CBOs. Ninety-five percent of the respondents that work with FBOs/CBOs answered this question (n=151). One hundred percent of the state WIBs responded (n=16) and 94 percent of the local WIBs responded (n=135). Ninety-five percent of the local WIBs from metropolitan counties responded (n= 104) and 91 percent of the local WIBs from non-metropolitan areas responded (n=31).

It is not surprising the contribution most valued by respondents is the expanded services provided by FBOs/CBOs, however, it appears it is their modus operandi that makes these services of value to the WIBs. The value described by respondents and informants focuses less on the specific types of service provided and more on who these organizations are as people and their mission and commitment that provides the context in which they deliver services. A respondent explains the various dimensions of the value FBOs/CBOs bring to the WIB:

> These organizations often bring resources (both financial and human) to the workforce system that would otherwise not be available to individuals. The individual involvement with volunteers associated with faith or community based organizations as mentors, tutors, etc., is a significant benefit. While it is more of a quality measure than a quantity or performance measure, it is often reflected in retention and follow-up. These are areas where faith and community based organizations often excel because of their commitment to maintain a long-term relationship with individuals receiving their services.

Their modus operandi includes: (a) who they are, their beliefs, mission, commitment and overall culture of their organizations; (b) location in which the organization exists and provides services; (c) the type and quality of services provided; (d) the delivery strategies used to provide services;

and (e) the population they serve. The majority of respondents have found these to be positive attributes FBOs/CBOs contribute to the relationship.

These organizations operate from their mission to be of service to others, and to their community: "[They have] Both an excellent connection to targeted groups and a sincere desire to help serve the community." Respondents' descriptions of staff from FBOs/CBOs as being compassionate, committed, and sincere describe some of the less tangible characteristics that appear to make these organizations effective. As respondents describe: ". . . .Staff are often passionate about the organization's goals" and "The faith- and community-based organizations are of great value especially in the TANF program because they have developed a reputation of doing whatever needs to be done to make the customer successful." These characteristics may contribute to customers having a more positive perception of staff of FBOs/CBOs than of government employees: "We believe that faith-based and community-based organizations are good resource to access. They do not represent government and sometimes that allows individuals to feel less threatened … Neither type of organization is 'caught up' in a bureaucracy and can be more compassionate toward people being served."

Services provided by FBOs/CBOs are primarily delivered where they exist, in their local communities: "They have a strong connection with the neighborhoods they serve." Many respondents referred to this as a "grassroots" or "community" approach. This connection to the community appears to place staff and services directly with the people who most need them. Physical location, combined with caring, committed, and sincere staff make FBOs/CBOs accessible, knowledgeable of the needs of the community, and a safe place for customers: "They have a closer connection with the community, and residents see the church as a 'safe' haven." It appears they have demonstrated the ability to serve many of the customers of the WIA that live in the same community: "Faith-based and community-based organizations often have strong ties to their neighborhoods and employers in the neighborhoods. In some cases they focus on a particular population and have 'expertise' with [the] population." Location and the relationships established within the community also make outreach and recruitment for services easier.

Faith-based and CBOs provide services of value to the WIB and also serve as a conduit or referrals. These organizations recruit individuals from their communities to access services of the One-Stop Career Center and the Center makes referrals to FBOs/CBOs for services they do not provide or for services contracted to these organizations. In addition, at least 63 percent of the respondents working with FBOs/CBOs state these organizations provide services on-site at the One-Stop Career Centers and/or satellites (n=86). While respondents listed all of the services provided by these organizations (See Table 10), the ones they reference specifically as bringing value to the WIB include: (a) after school programs; (b) career advancement; (c) career planning; (d) child care; (e) clothing; (f) counseling; (g) drug and alcohol services; (h) education; (i) follow-up; (j) housing; (k) job placement; (l) job search; (m) literacy instruction; (n) mentoring; and (o) services provided to families.

There are several other elements regarding the quality services provided by FBOs/CBOs that are important to their relationship with the WIBs. First, they have an established history and experience working with at least a significant portion of the same population: "The advantage of working with established faith and community based agencies is their history of quality service."

It appears respondents find value in their ability to work with customers: "… Their experience in human investment is unmatched … " They have the operational framework in place to respond immediately to the WIBs' needs: "In many cases these organizations already have mechanisms in place that could allow you to expand services, lower costs, and/or allow both groups to leverage resources available within a community." Second, they are cost effective in some counties: "Quite often [FBOs/CBOs] can provide quality services cheaper than government operated programs, however it is largely because they pay very low wages in comparison." Third, by working with these organizations, the entire resources of the community can be leveraged on behalf of the customer: "In addition, these community-based organizations, many times, tend to bring match (both in-kind and cash) to the table as well as other wrap-around services that can be incorporated into their program." Fourth, by leveraging resources, comprehensive and holistic services can be provided to customers and their families:

> The value of connecting with FB [FBOs] entities is in the flexibility of the organization to serve numerous customers with workforce development needs, as well as the needs of the entire family. This holistic approach to service is a strong asset for faith-based activities and our One-Stop Operators.

Fifth, they can assist WIBs with meeting their performance standards: "They are very familiar with resources and the community and they provide excellent case management. Usually meet or exceed performance standards." Finally, some of these organizations may do more than help WIBs achieve their performance standards by providing additional services and continuing relationships with job seekers after services funded from the WIA have ended:

> Many times, the CBOs and FBOs bring a more compassionate (as opposed to governmental) flavor to the mix. Although all of our contracts with community and faith-based organizations have performance outcomes as part of the contractual agreement, these smaller organizations tend to focus more on performance as it relates to the success of the participant as opposed to simply meeting state or federally mandated performance targets.

Another respondent adds: "They will allow services to be coordinated and delivered locally. Non-profits are usually more flexible than state agencies. They also bring unique, value-added resources that complement service delivery." These elements are summarized by another respondent: " … These organizations have the ability to offer a broad range of services to a very diverse population at a high quality and reasonable cost." The other benefits they bring to the WIB are the strategies they utilize to deliver services.

The delivery strategies utilized by FBOs/CBOs are partly inherent upon their location. One of the largest advantages of being a FBO/CBO is that they are located where services need to be delivered. Services are often available outside of the schedule of the One-Stop Career Centers and satellites with staff available during the evenings and weekends and beyond the time period funded through the WIA or other funding sources: " … FBOs/CBOs can provide services/assistance outside of the Mon-Fri, 8-5 window, which is often when people need them the most." This flexibility appears to make them particularly effective in responding to crises: "The faith-based community's greatest asset is that it is very adept at providing needed crisis services. They have the ability to provide customized, flexible, immediate service, something no government agency is able to do." Relationships with FBOs/CBOs appear to aid the community.

> Faith-based and community-based organizations provide great value in the delivery of services in our community. In many instances, faith- and community-based organizations are the most appropriate agency to provide services to end users, those most in need. Generally, [faith- and community-based organizations] are located in our communities, are accessible, are familiar to the populous and can easily connect to individuals in need of services. The success of FBOs/CBOs in delivering services is directly tied to the economic and community development in our region.

Being in close proximity to customers allows these organizations to have a better understanding of the needs of the customers and the environments in which they live and work. One respondent states their location provides "Natural access to clients, expertise in service provision, and service to niche groups." Some respondents believe they have " … extreme hands-on experiences with the targeted customers" that make them successful. This experience also allows them to customize services for each customer: "A lot - many agencies are maxed out and they provide much needed one-on-one customer services."

Partnering with these organizations also allows the WIB to expand its capacity and to enrich the comprehensiveness of services offered to customers.

> [Name of agency] partners with organizations and agencies, including those that are faith-based and community-based, to collaborate to create a seamless system of service delivery that will enhance access to programs and services and improve the long-term employment outcomes for individuals.

The value, then, of the services provided by FBOs/CBOs includes not only the provision of services, but access to the population they serve: "We believe that working with such organizations has great value because of their community contacts and their commitment to working within the community and with the citizens who are ultimately the recipients of many of our services." They serve a population that may not access the One-Stop Career Center or respond to recruitment efforts from those they do not trust: "They often have the trust of the customers who may not have had good experiences in public or private for-profit school."

Respondents identified the variety of populations served by FBOs/CBOs. When describing the value FBOs/CBOs bring to the WIB, they referenced the following populations: (a) at-risk youth; (b) hard to reach; (c) hard to serve; (d) homeless; (e) individuals from different ethnic backgrounds; and (f) recipients of TANF. These populations appear to have one characteristic in common: "CBOs and FBOs often have technical expertise/experience working with disadvantaged populations."

While these organizations provide access to some of the same populations served by the WIA, they may make connections with individuals that would not access the One-Stop Career Center and they can leverage the expertise necessary to assist them: " … they usually have particular segments of the community that they focus on serving and through [the] consortium they are sharing information so they can direct customers to organizations with experience in addressing the particular need of the customer."

The elements of their modus operandi contributes to the value the WIBs place on relationships with FBO/CBOs. These relationships result in diverse and additional services being offered to a population sometimes unserved and/or unreachable by the WIB. In some cases, WIBs benefit from leveraging their combined resources.

> Working with faith-based and community-based organizations enables the Local Workforce Investment Area to leverage resources available through non-profits. They also have access to residents in the community. Establishing strong partnerships enables both systems to more effectively serve the needs of our community.

The benefits of the relationship are evidenced in the performance standards achieved by the WIBs and in the lives of the customers receiving services, sometimes receiving additional services beyond the scope of the WIA.

> There is value in working with faith- and community-based initiatives. Primarily, the value lies in maximizing the effectiveness of resources employed to meet the needs of those on the local service area, minimizing duplication of efforts, providing a quicker response mechanism for sharing information and resources, and providing services to eligible individuals that otherwise might not be reached.

Implications

The WIBs currently working with FBOs/CBOs place value on the type and quality of services they provide, the delivery strategies they employ, the population they have access to, and the overall relationships they have with them. These relationships allow them to collectively marshal and combine resources to create the type of comprehensive, integrated, and accountable System identified through the WIA and the community envisioned through the CCI. It appears many WIBs are applying the principles of the CCI to the WIA and that customers and local communities benefit from their efforts.

This research provides a national perspective from approximately 37 percent of all state and local WIBs (n=238). Approximately 67 percent of the respondents are working with FBO/CBOs (n=159). While much has been learned from their response, there is much more that can be gleaned from this research. First, additional analysis will provide a deeper understanding of the relationships that exist between WIBs having MOUs with FBO/CBOs. Second, some of the limitations of the study will be addressed. More time will be leveraged in an effort to glean responses from states that did not participate and from states whose responses were limited to either the state WIB or local WIB. Interviews will be conducted with respondents in an effort to better understand the effectiveness of the FBOs/CBOs in meeting performance standards. Respondents will be provided with a matrix of the FBOs/CBOs they work with and asked to identify additional elements of the relationship they have with them. Third, responses from the

33 percent of the respondents that do not work with FBOs/CBOs will be analyzed. Fourth, additional information will be secured from states that received funding from the USDOL in an effort to link FBOs/CBOs to the One-Stop Career System. Fifth, local state profiles could be developed for those states for which there was a high response rate. Finally, a paper will be issued focusing on the relationship between FBOs/CBOs and the WIB in non-metropolitan counties.

Researchers will be able to use the information from this study to frame other national and local efforts. First, researchers will want to study the growing number of WIBs that establish relationships with FBOs/CBOs and the characteristics of those relationships. Second, it may be beneficial to understand why some WIBs do not have relationships with FBOs/CBOs: Why are some afraid of the "f" word and what have WIBs done to overcome this fear? Third, documentation on the outcomes achieved by FBOs/CBOs is needed in order to more fully understand their role. Fourth, the outcomes achieved by these organizations with respect to the WIA performance standards need to be correlated with the amount of funding provided by the WIBs and other funders in order to understand their effectiveness and efficiency. Fifth, the informal role of the FBOs/CBOs needs to be explored. It appears many of these organizations are providing services without MOUs or contracts. Does this imply they are not being reimbursed for these services and if so, what is the monetary value of these services to the System and what is their source of funding? Sixth, is there value in FBO/CBOs, given their grassroots approach, being co-located with others in the One-Stop Career Center and/or satellites and what are the characteristics of the other types of co-location arrangements identified by respondents? Finally, researchers may want to gain a more comprehensive understanding of these relationships through the perceptions of FBOs/CBOs and job seeker and employer customers.

Faith and CBOs have a long-standing tradition of providing many of the services authorized through the WIA and needed by customers of the System. They provide these services to a population unserved or underserved by the current System and in ways sometimes outside the service delivery structure and funding provided through the Act. Many have partnered with their WIBs, contributing their experiences and resources to the System. They can be "powerful allies" in the WIBs' efforts to meet performance standards and the needs of job seeker and employer customers.

> Most of the Workforce Investment Boards that are on the cutting edge realize that strategically we have to redefine our role … from providers of programs for certain groups of people to builders of systems that keep industries competitive and our customers jobs that pay a family-sustaining wage. To do that, we need to network with every resource in the community that will support that mission. CBOs and FBOs are powerful allies that do things that our public system can't … that's why our system embraces them.

Section III
Tables

Table 1

Workforce Investment Act Performance Measures

Indicator	Population			
	Adult	Dislocated	Youth Ages 19-22	Youth Ages 14-18
Entry into unsubsidized employment	X	X	X	
Retention in unsubsidized employment after entry into employment	X	X	X	
Earnings received in unsubsidized employment six months after entry into employment	X	X	X	
Attainment of educational credential, occupational skills credential for adults entering employment after training	X	X		
Attainment of educational credential, occupation skills credential for youth ages 19 to 22 entering post-secondary education, advanced training, or employment after training			X	
Attainment of basic skills and, as appropriate, work readiness or occupational skills				X
Attainment of secondary school diplomas and their recognized equivalents				X
Placement and retention in post-secondary education or advanced training, or placement and retention in military service, employment, or qualified apprenticeships				X
Participant satisfaction	X	X	X	X
Employer satisfaction	All Employees			

(Workforce Investment Act of 1998, and Bender, 2002a)

Table 2

The Underlying Tenets of the Workforce Investment Act

Tenets
Network of services
Integration of services and governance
Performance-driven
Customer choice
Customer satisfaction
Universal access to core services
Increased accountability
Strong roles for business
Improve youth programs
Local Workforce Investment Boards led by local businesses;
Flexibility on state and local levels;
Common goals, objectives, and outcomes; definitions; intake and assessment; referral procedures; and accountability;
Coordinated case management
Continuous improvement
Full utilization of technology

(Workforce Investment Act of 1998)

Table 3

Three Categories of Services Authorized Under the Workforce Investment Act

Services*		
Core	Intensive	Training
Determination of the types of assistance for which a person qualifies	Assessment of skill levels	Evaluation to determine if additional assistance is needed and level of skills and qualifications necessary to benefit from training
An initial assessment of a person's needs	Development of an individual employment plan	Training services must be linked directly to occupations that are in demand in local areas or relocation areas
Assistance in job search	Group counseling	Welfare recipients and other low-income individuals may receive priority in training funds are limited
Career counseling	Individual counseling and career planning	Information about training providers and their performance and graduate placement is provided
Information about the current labor market	Case management	
Information on training and other providers	Short-term pre-vocational services	
Information on activities at the One-Stop Career Center		
Information on filing Unemployment Insurance claims		
Assistance establishing eligibility for Welfare-to-Work and financial assistance		
Follow-up services		

*Eligible job seekers receive the level of services necessary to secure employment.

(USDOL, 2002, June 14).

Table 4

All Respondents, Listed in Alphabetical Order

Agency	City	State
Adams County One-Stop Career Center	Commerce City	CO
Alachua/Bradford Jobs & Ecucation Partnership, BCN Associates, Inc.	Gainesville	FL
Anaheim Workforce Investment Board	Anaheim	CA
Anchorage Metanuska Susitna Borough Local Workforce Investment Board	Anchorage	AK
Arizona Department of Commerce	Phoenix	AZ
Arizona Department of Commerce, Workforce Development	Phoenix	AZ
Arkansas Workforce Investment Board	Little Rock	AR
Atlantic and Cape May Counties Workforce Investment Board	Atlantic	NJ
Bennington County Workforce Investment Board	North Bennington	VT
Bergen County Workforce Investment Board	Paramus	NJ
Berkshire County Regional Employment Board, Inc.	Pittsfield	MA
Berrien-Cass-Van Buren Office of Michigan Works	Benton Harbor	MI
Broward Workforce Development Board, Workforce One	Lauderhill	FL
Bureau of Targeted Services, Office for Workforce Development	Columbus	OH
Burlington County Workforce Investment Board	Mt. Holly	NJ
Calhoun Workforce Development Board	Marshall	MI
Camden County Workforce Investment Board	Cherry Hill	NJ
Cameron Works - Cameron County Workforce Development Board	Brownsville	TX
Capital Area Michigan Works!	Lansing	MI
Capital Region Workforce Development Board	Hartford	CT
Career Development Office	Wichita	KS
Carons/Lomita/Torrance Workforce Investment, WiN Worksource Center	Carson	CA
CDO Workforce - Chenango/Delaware/Otsego Counties Workforce Investment Board	Norwich	NY
CDO Workforce - Chenango/Delaware/Otsego Counties Workforce Investment Board	Norwich	NY
Center of Workforce Innovations	Valparaiso	IN
Central Area Michigan Works!	Greenville	MI
Central Career Center, Fulton County Workforce Preparation & Employment System	Atlanta	GA
Central Florida Jobs & Education Partnership	Winter Park	FL
Central Iowa Employment and Training Center	Des Moines	IA
Central Oklahoma Workforce Investment Board	Oklahoma City	OK
Central Texas Workforce	Belton	TX
Central Western Maine Workforce Investment Board	Lewiston	ME

Agency	City	State
Centralina Workforce Development Board	Charlotte	NC
Chautauqua Works	Jamestown	NY
Chemung/Schuyler/Steuben Workforce New York	Corning	NY
Chipola Regional Workforce Board	Chipley	FL
Circle Seven Workforce Investment Board	Greenfield	IN
City of Los Angeles Community Development Department, Planning/Contracts Unit	Los Angeles	CA
CobbWorks Workforce Development System	Marietta	GA
Cook County President's Office of Employment and Training, Local Workforce Investment Area #7	Chicago	IL
County of Essex Department of Economic Development	East Orange	NJ
Crater Region Workforce Investment Board (15)	Petersburg	VA
Cumberland County Service Delivery Area	Fayetteville	NC
DC Workforce Investment Council	Washington	DC
Deep East Texas Local Workforce Investment Board, Inc.	Lufkin	TX
Department of Community Development and Housing	Glendale	CA
Detroit Workforce Development Board	Detroit	MI
Douglas Workforce Investment Board Region 6	Roseburg	OR
Dutchess County Workforce Investment Board	Poughkeepsie	NY
Eastern Area Workforce Development Board, Eastern Plains Council of Governments	Clovis	NM
Eastern Maine Development Corporation, Tri-County Workforce Investment Board	Bangor	ME
Eastern Upper Peninsula Michigan Works!	Sault Ste. Marie	MI
Eastern Washington Partnership Workforce Development Council	Colville	WA
First Planning District Consortium	Chalmette	LA
Frederick County Job Training Agency, Frederick County's Workforce Development Resource	Frederick	MD
Fresno County Workforce Investment Board	Fresno	CA
Gaston County Workforce Investment Act	Gastonia	NC
Georgia Mountains Workforce Investment Area 2 Region 2	Gainesville	GA
Gloucester County Workforce Investment Board	Woodbury	NJ
Golden Crescent Workforce Development Board	Victoria	TX
Greater Nebraska Workforce Investment Board	Lincoln	NE
Greater New Bedford Workforce Investment Board	New Bedford	MA
Greater Peninsula Workforce Development Consortium	Hampton	VA
Greenlee Workforce Investment Board - Greenlee Career Center	Clifton	AZ
Grundy, Livingston, Kankakee Workforce Investment Board	Kankakee	IL
Gulf Coast Business Services Corp.	Gulfport	MS
Gulf Coast Workforce Development Board	Panama City	FL
Heartland Workforce Investment Board	Avon Park	FL
Henry County Department of Job and Family Services	Napoleon	OH
Howard County Employment & Training	Columbia	MD

Agency	City	State
Idaho Governor's Workforce Development Council	Boise	ID
Illinois Valley Community College	Oglesby	IL
Iowa Western Workforce Development Region 13	Council Bluffs	IA
Iowa Workforce Development	Des Moines	IA
Iowa Workforce Development (Region 10)	Cedar Rapids	IA
Iowa Workforce Development Region 14	Creston	IA
Jefferson Parish Workforce Investment Board	Jefferson	LA
Jefferson-Lewis Workforce Investment Board	Watertown	NY
Job Training Center, Inc.	Fort Pierce	FL
Kalamazoo-St. Joseph Michigan Works!	Kalamazoo	MI
Kings County Job Training Office	Hanford	CA
Lake County Department of Job & Family Services	Painesville	OH
Lake County Workforce Development Board	Waukegan	IL
Lancaster County Workforce Investment Board	Lancaster	PA
Land of Lincoln Workforce Invesment Board	Springfield	IL
Lowcountry Workforce Investment Area	Yemassee	SC
Lower Savannah Council Of Governments	Aiken	SC
Lumber River Job Training Consortium	Lumberton	NC
LWIA-1, Alliance for Business and Training	Elizabethon	TN
Macomb/St Clair Workforce Development Board, Inc.	Clinton Township	MI
Madison County Employment and Training Department	Edwardsville	IL
Maine Department of Labor	Augusta	ME
Man-Tra-Con Corporation	Marion	IL
Maricopa County Human Services Department	Phoenix	AZ
Maryland Governor's Workforce Investment Board	Baltimore	MD
Maryland Institute for Employment and Training Professionals	Columbia	MD
Massachusetts State Workforce Investment Board, MassJobs Council	Boston	MA
Mayor's Office of Employment Development	Baltimore	MD
Mendocino County Workforce Investment Board	Ukiah	CA
Merced County Department of Workforce Investment	Merced	CA
Merimack Valley Workforce Investment Board	Lawrence	MA
Michigan Works! Association	Lansing	MI
Michigan Works! Region 7B Consortium	Harrison	MI
Mid-Carolina Council of Governments	Fayetteville	NC
Middle Georgia Consortium, Inc.	Warner Robins	GA
Missouri Career Center	Paris	MO
Missouri Department of Economic Development	Jefferson City	MO
Monmouth County Workforce Investment Board	Red Bank	NJ
Monroe County Workforce Investment Board	Rochester	NY
Montana Job Training Partnership	Helena	MT
Morris/Sussex/Warren Workforce Investment Board	Morristown	NJ
Mountain Area Job Training Services	Asheville	NC

Agency	City	State
Navajo Department of Workforce Development, The Navajo Nation	Window Rock	AZ
Nebraska Workforce Development	Lincoln	NE
New York State Workforce Investment Board	Albany	NY
New York State Workforce Investment Board, Department of Labor	Canadaigua	NY
Niagara County Employment & Training	Niagara Falls	NY
North Central Massachusetts Workforce Investment Board	Leominster	MA
North Central Pennsylvania Regional Planning and Development Commission	Ridgeway	PA
North Central Workforce Development Council (fka Pentad)	Wenatchee	WA
North Dakota Workforce Development Division	Bismarck	ND
North Texas Workforce Development Board, Inc.	Wichita Falls	TX
Northeast Workforce Investment Board	Claremore	OK
Northern Area Local Workfroce Development Board	Santa Fe	NM
Northern Indiana Workforce Investment Board	South Bend	IN
Northest Indiana Workforce Investment Board	Fort Wayne	IN
Northwest Georgia Workforce Investment Area Region	Rome	GA
Northwest Piedmont Workforce Development Board	Winston-Salem	NC
NW Iowa Planning (Regions 3&4)	Spencer	IA
Ocean City Workforce Investment Board	Toms River	NJ
Office of Housing and Community Development	Hilo	HI
Ohio Option Area 7/27, Darke County Department of Job & Family Services	Greenville	OH
Oklahoma Employment Security Commission, Employment & Training Division	Oklahoma City	OK
Orange County Employment & Training Administration	Goshen	NY
Oswego County Employment and Training	Mexico	NY
Ouachita Parish Workforce Investment Board	Monroe	LA
Pasco Hernando Jobs and Education Partnership Regional Board, Inc.	Brooksville	FL
Pee Dee Region Workforce Area	Asheboro	NC
Pee Dee Workforce Investment Board	Florence	SC
Pennsylvania Partners, Pennsylvania's Workforce Development Association	Camp Hill	PA
Permian Basin Workforce Development Board	Midland	TX
Pike's Peak Workforce Center	Colorado Springs	CO
Pima County Workforce Investment Board	Tucson	AZ
Polk County Workforce Development Board	Barstow	FL
PolkWorks	Barstow	FL
Region 9 Workforce Investment Board, Columbia Gorge Community College	The Dalles	OR
Regional Employment Board of Hampden County, Inc.	Springfield	MA
Regional Partnership Local Area	Asheboro	NC

Agency	City	State
Rensselaer County Department of Employment & Training	Troy	NY
Rhode Island Tri County Consortium		RI
Richmond/Burke Job Training Authority, WIA/Career Workforce Community Link	Augusta	GA
RochesterWorks! Rochester Resource Alliance, Inc.	Rochester	NY
Rockland County Workforce Investment Board	Spring Valley	NY
Sacramento Works, Inc.	Sacramento	CA
San Benito County Community Service & Workforce Development	Hollister	CA
San Joaquin County WorkNet	Stockton	CA
San Luis Obispo County Workforce Investment Board	San Luis Obispo	CA
San Mateo County Workforce Investment Board	Belmont	CA
Saratoga County Employment & Training	Ballston Spa	NY
SE/CT Workforce Investment Board	Norwich	CT
Sonoma County Workforce Investment Board	Santa Rosa	CA
South Bay Workforce Investment Board	Hawthorne	CA
South Carolina Workforce Development Board	Columbia	SC
South Central Idaho Works! Area 4	Twin Falls	ID
South Central Indiana Workforce Investment Board	Vincennes	IN
South Central Michigan Works	Hillsdale	MI
South Central Oklahoma Workforce Investment Board	Duncan	OK
South Central Workforce Council	Mankato	MN
South Florida Workforce Board - Region 23, Miami-Dade/Monroe Counties	Miami	FL
South Texas Workforce Development Board	Laredo	TX
Southeast Georgia Workforce Investment Board	Waycross	GA
Southeast Michigan Community Alliance, SEMCA Michigan Works!	Taylor	MI
Southeast Texas Workforce Development Board	Nederland	TX
Southern Allegheny Planning & Development Commission	Altoona	PA
Southern Essex Workforce Investment Board	Salem	MA
Southern Maryland Workforce Investment Board	Waldorf	MD
Southern Nevada Workforce Investment Board	Las Vegas	NV
Southern Seven Workforce Investment Board, Inc.	New Albany	IN
Southwest Florida Workforce Development Board, Inc. - Region 24	Bonita Springs	FL
Southwest Georgia Workforce Investment Board	Camilla	GA
Southwest Human Resource Agency, LWIA #11	Henderson	TN
Southwestern NC Service Delivery Area, SW Planning Commission	Bryson City	NC
St. Lawrence County Office of Economic Development	Canton	NY
Stanislaus County Department of Employment and Training	Modesto	CA
State of Vermont Vocational Rehabilitation	Springfield	VT
Suffolk County Department of Labor, Suffolk County One-Stop	Hauppauge	NY

Agency	City	State
Suncoast Workforce Board, Inc.	Sarasota	FL
Tarrant County Work Advantage	Fort Worth	TX
Team Pennsylvania Workforce Investment Board	Harrisburg	PA
Tecumseh Area Partnership	Lafayette	IN
Tennessee Workforce Investment, Tennessee Department of Labor and Workforce Development	Nashville	TN
The Center for Capacity Development, A Project of the WorkPlace, Inc.	Bridgeport	CT
The Coordinating & Development Corporation	Shreveport	LA
The Work Connection	Klamath Falls	OR
Three Rivers Workforce Investment Board	Pittsburgh	PA
Tompkins County Workforce Investment Board	Ithaca	NY
Town of Hempstead Department of Occupational Resources	Hempstead	NY
Tribal Workforce Investment Board	Phoenix	AZ
Tri-County Workforce Center	Golden	CO
Tulare County Workforce Investment Boards, Inc.	Visalia	CA
Ulster County Workforce Investment Board	Kingston	NY
Union/Wallowa/Baker County Workforce Investment Board	LaGrande	OR
Utah Department of Workforce Services	Salt Lake City	UT
Ventura County Workforce Investment Board	Ventura	CA
Vermilion County Workforce Investment Board	Danville	IL
Vermont Human Resources Investment Council	Montpelier	VT
Virginia Workforce Council	Richmond	VA
West Central Arkansas Planning & Development District	Hot Springs	AR
West Central Michigan Works!		MI
West Central Workforce Development Board	Abilene	TX
West Kentucky Workforce Investment Board	Hopkinsville	KY
Western Arkansas Economic Development Area	Van Buren	AR
Western Maryland Consortium	Hagertown	MD
Western Upper Peninsula Michigan Works!		MI
Western Upper Peninsula Workforce Investment Board	Ironwood	MI
Westmoreland/Fayette Workforce Investment Board	Youngwood	PA
White River Planning and Development	Batesville	AR
Wood County Employment Resource Center	Bowling Green	OH
Workforce Board of South Central Wisconsin	Madison	WI
Workforce Board of the Treasure Coast	Port St Lucie	FL
Workforce Boulder County	Boulder	CO
Workforce Connection of Central New Mexico	Albuquerque	NM
Workforce Development Board of Okaloosa and Walton Counties	Shalimar	FL
Workforce Development Board of St. Louis County	St Louis	MO
Workforce Development Board of the Treasure Coast	Port St Lucie	FL
Workforce Development Division, Alabama Department of Economic & Community Affairs	Montgomery	AL

Agency	City	State
Workforce Development One-Stop	Corning	NY
Workforce Florida, Inc.	Tallahassee	FL
Workforce Investment Board #61, Rapides Parish Office of Economic & Workforce Development	Alexandria	LA
Workforce Investment Board of Herkimer, Madison, Oneida Counties, Inc.	Utica	NY
Workforce Investment Board of Southeast Missouri	Cape Girardeau	MO
Workforce Investment Board of the Southwest Region	Joplin	MO
Workforce Tulsa	Tulsa	OK
Worknet Pinellas	Clearwater	FL
WorkSOURCE	Boise	ID
Worksource Greater Austin Area Workforce Board	Austin	TX
WorkSource of the South Plains	Lubbock	TX
Yonkers Employment Center	Yonkers	NY

Table 5

Responses by State

State	State Response	Local Response			
		Metro	Non-Metro	Number of Local Workforce Investment Boards	Percent Response form Local Workforce Investment Boards
Alabama	1	0	0	2	0
Alaska	0	0	1	2	50
American Samoa	0	0	0	0	0
Arizona*	0	5	2	19	37
Arkansas	1	1	2	10	30
California	0	13	5	52	35
Colorado*	0	4	0	10	40
Connecticut*	0	3	0	8	38
Delaware	0	0	0	0	0
District of Columbia*	0	1	0	1	100
Florida*	1	11	6	25	68
Georgia	0	4	4	20	40
Guam	0	0	0	0	0
Hawaii	0	0	1	4	25
Idaho	1	1	1	6	33
Illinois	0	6	2	27	30
Indiana*	0	6	1	15	47
Iowa	1	3	2	15	33
Kansas	0	1	0	7	14
Kentucky	0	1	0	10	10
Louisiana	0	5	0	17	29
Maine	1	2	0	4	50
Maryland	1	6	0	15	40
Massachusetts*	1	6	0	18	33
Michigan	1	7	7	26	54
Minnesota	0	0	1	17	6
Mississippi	0	1	0	6	16
Missouri	0	2	3	15	33
Montana	1	0	0	1	0
Nebraska	1	1	0	3	33
Nevada	0	1	0	2	50
New Hampshire	0	0	0	0	0
New Jersey	0	9	0	19	47
New Mexico	0	2	1	4	75
New York	1	14	9	33	70
North Carolina	0	6	4	24	42
North Dakota*	1	0	0	0	0
Ohio*	1	2	2	23	17
Oklahoma	1	3	1	13	31
Oregon	0	1	3	15	27

State	State Response	Local Response			
		Metro	Non-Metro	Number of Local Workforce Investment Boards	Percent Response form Local Workforce Investment Boards
Pennsylvania*	1	6	0	23	26
Puerto Rico	0	0	0	4	0
Rhode Island	0	0	1	1	100
South Carolina	1	2	1	12	25
South Dakota	0	0	0	0	0
Tennessee	0	3	0	8	38
Texas	0	11	1	28	43
Utah	1	0	0	5	0
Vermont	1	0	2	2	100
Virginia*	1	2	0	11	18
Washington	0	0	2	2	100
West Virginia	0	0	0	5	0
Wisconsin*	0	1	0	4	25
Wyoming	0	0	0	0	0
Total	20	153	65	593	
Totals					
Total State Response		20			
Total Local Response		218			
Total Local Metro Response		153			
Total Local Non- Metro Response		65			
Total Responses		238			

*State WIBs funded through the United States Department of Labor to work with grassroots and community-based organizations, including faith-based organizations.

Table 6

Elements of the Compassion Capital Fund

Elements	Description
Funding	Funding is authorized by section 1110 of the Social Security Act governing Social Services Research and Demonstration activities and: the Departments of Labor, Department of Health and Human Services, Department of Education, and Related Agencies Appropriations Act, 2003, Public Law 108-7.
Purpose	The purpose of the CCF is to: help build capacity and knowledge among faith- and community-based organizations; increase efficiency and effectiveness of these organizations by expanding and diversifying their funding; assist in creating collaborations that act to serve those most in need; and encourage the replication of effective approaches and programs.
Eligibility	Intermediary organizations with demonstrated expertise in working with and providing technical assistance to faith- and community-based organizations in a variety of areas. These organizations will serve as a bridge between the Federal government and small faith- and community-based organizations.
Funded Activities	Activities include: conducting a needs assessment; strategic planning and project development; legal assistance; development and implementation of internal operating controls and procedures; grant writing and business plans; information and referrals; access to funding sources; training and information on applicable Federal and other funding requirements; financial management and accounting; development and use of outcome measurements and methods of evaluation; and linking to and networking with other organizations.

(U.S. Health and Human Services, 2003)

Table 7

Mandated and Additional Partners of the Workforce Investment Board

Mandated Partners	Additional Partners
Programs authorized under the Act	Programs authorized under part A of Title IV of the Social Security Act
Programs authorized under Wagner-Peyser Act	Programs authorized under section 6(d) (4) of the Food Stamp Act of 1977
Adult education and literacy activities authorized under Title II	Work programs authorized under section 6(0) of the Food Stamp Act of 1977
Programs authorized under Title I of the Rehabilitation Act of 1973	Programs authorized under the National and Community Service Act of 1990
Programs authorized under section 403(a) (5) of the Social Security Act	Other appropriate Federal, state, or local programs, including programs in the private sector.
Activities authorized under Title V of the Older Americans Act of 1965	
Postsecondary vocational education activities authorized under the Carl D Perkins Vocational and Applied Technology Education Act	
Activities authorized under chapter 41 of Title 38 United States Code	
Employment and training activities carried out under the Community Services Block Grant Act	
Employment and training activities carried out by the Department of Housing and Urban Development	
Programs authorized under State unemployment compensation laws	

(Workforce Investment Act of 1998)

Table 8

Faith- and Community-Based Organizations That Work With the Workforce Investment Boards by Metropolitan and Non-Metropolitan Counties

Number	Faith- and Community-Based Organizations, in Metropolitan Counties
1	Cumberland Community Action Program.
1	Catholic Charities Services of Lake County
28	Isaiah:58, St Vincent DePaul, Salvation Army, Christian Home, Santa Rosa Food Bank, Lutheran Food Bank, West Texas Food Bank, Catholic Charities, El Buen Vecino, Pecos County Community Action, First Presbyterian Church, Rose of Sharon Baptist Church, Golf Course Church of Christ, Casa de Amigos, Christian Women's Job Core, Kelview Baptist Church, Crestview Baptist Church, First Baptist Church, Church of Jesus Christ of Latter Day Saints, Our Lady of Guadalupe, Holy Trinity Episcopal Church, Bellview Baptist Church, Church of Christ Main Street, First United Methodist, Christian Church of Midland, West Texas Opportunities, Westside Lions Club, Fort Stockton Ministerial Alliance
7	Kankakee County Community Services, Inc., Salvation Army, Catholic Charities, Gateway Coalition, Futures Unlimited, Options Center for Independent Living, Kankakee County Youth Intervention
4	Faithworks, Empower Lewiston, Samali Community, varied Church mentoring program
4	Atlantic City Rescue Mission, Atlantic City Covenant House, Vision 200, Inc., Catholic Charities
1	Coordinated Youth Services
2	St. Francis Community Center, Temple Community Development Corp
4	In July 02 CT/DOL received a Grant to pilot a one-year FB/CB initiative. See attached "Overview." The State agencies linked to this project are: CT DSS, Connecticut Judicial Branch, HUD, and the State Department of Education.
4	Center for Child and Family Services (CCFS), Regional Job Support Network (RJSN), Alternatives, Inc. (AI), St. Paul's Episcopal Church (SPEC)
3	Goodwill Industries of Southern New Jersey, Occupational Training Center, Burlington County Community Action Program
12	Operation Bootstrap, North Shore Community Action Program, Action Inc., Salem Family Investment Center, Salem Harbor CDC, MassJob Training, Girls Inc., Wellspring House, Independent Living Center, Catholic Charities, Jewish Family Services, Essex County Community Organization.
5	Catholic Family Center, Urban League of Rochester, Action for a Better Community, Ibero-American Action League, Center for Youth Services.
7	Friendship of Women, Women Together, TDHS, Tropical Texas, CDCD, Harlingen Housing, Cameron County Housing Authority

Number	Faith- and Community-Based Organizations, in Metropolitan Counties
22	Jericho Road Ministries, Habitat for Humanity of Hernando County, Holy Trinity Lutheran Church, Salvare Inc. d/b/a Dawn Center, St. Vincent DePaul St. Theresa Conference, St. Joan of Arc Catholic Church, Catholic Charities Diocese of St. Petersburg, First Church of God, Christian Life Assembly of God, Sunrise of Pasco County, Christian Social Services, Lighthouse Pentecostal Church International Inc., St. Stephen's Episcopal Church, Resource Center for Women, Gulf Coast Community Care, Stepping Stones to Independence/Our Lady Queen of Peace Catholic Church, Some of My Best Friends, Deaf Service Bureau of West Central Florida, The Salvation Army Domestic Violence Program of West Pasco County, New Beginnings Miracle and Deliverance Center, Pasco Family Protection Team/Healthy Families.
3	Community Action Program of Western Indiana, Wabash Center Inc., Abilities Services Inc.
1	Chaplains at Work
4	RECAP, NCAC, Occupations Inc., Best Resources
4	CareerWorks, SER Metro Detroit, Detroit AAA, Wings of Faith
1	St. Marks
2	Greater Deliverance Church, Friends of the Franklin County Public Library
2	Lee Economic Development Partnership, Harnett Prod. Enterprises
5	People Acting in Community Endeavors, Coastline Elderly Services, MY TURN Inc., Educational Opportunity Center, Lifestream, Inc.
4	Goodwill Industries, Tableland Services, Family Services of Blair County, Bedford-Fulton Human Services
8	Merced County Community Action Agency, WIC, CHERISH Senior Nutrition Program, Seniors Brown Bag and Surplus Food Programs, Community Service Centers, CAP Weatherization Program, CAP Housing and Shelter Program, CAP Workforce Development Department
5	I Care, Inc., Salisbury- County Service Council, Inc., Union County Community Action, Inc., Greater St. Matthews Lighthouse Gospel Word Ministries, Richmond County Support Center
3	Goodwill Industries of San Joaquin County, California Human Development Corporation, Council for Spanish-Speaking (Concilio)
6	Urban League, Literacy Volunteers of America, Norwescap, Morris County College Women's Center, Employment Horizons, United Way
9	Family Partnership, Office of Children and Families, Bishop Claggett Center, 4-H, YMCA, Stay Station, Frederick Works Project, Community Action, City Housing.
1	Economic Security Corporation
100	The Suffolk WIB through its partnership system has worked with an excess of over 100 local faith and community based agencies. There are far too many to provide an itemized listing of the agency names.

Number	Faith- and Community-Based Organizations, in Metropolitan Counties
15	Trinity Church, Lutheran Services, Jewish Community Services, Catholic Charities, Center for Independent Living, Spinal Cord Living Assistance Development Inc., Florida Institute for Workforce Innovation, James E. Scott Community Association, Jobs for Miami, SER Jobs for Progress, SABER Inc., Youth Co-op, Inc., Adult Mankind Organization, Miami Beach Development, ASPIRA
3	Adelente! Youth Center, Methwen Arlington Neighborhood, Hope Street Youth Center
2	Catholic Charities, Oswego Career Opportunities.
4	Methodist Church of Valparaiso, Catholic Charities, Starke County Ministerial, Faith Works of Jasper and Newton County
6	Catholic Social Services, Laredo Food Bank, Holding Institution, Casa De Misericordia, Buckner Children and Family Services, Centro Aztlan
2	Mill Street Loft, Youth Resource Development Corporation
1	St. Marks
3	Catholic Charities, Genesis Group, Goodwill Industries of the Chesapeake
1	Emerald Coast Promise
35	Urban League of Broward County, Catholic Charities, Goodwill Industries of Broward County, Hispanic Unity of Florida, SER Jobs for Progress Inc., Family Central, First Call for Help of Broward County, Liberia Economic & Social Development Corp., OIC of Broward County, Victory Living Programs Inc. Additionally, we have a Faith-Based Organization/Community Based Organization (FBO/CBO) Grant from the USDOL to work with 25 FBO/CBO in the area.
4	Catholic Charities, Interfaith Hospitality, United Way, Dress for Success
4	Education and Assistance Corporation, Economic Opportunity Commission of Nassau County (EOC), Goodwill Industries of Greater New York and Northern New Jersey, Circulo de la Hispanidad.
4	Ministerial Alliances, Rogers County Drug Abuse, Grand Lake Mental Health, Community Action
1	Gulf Coast Community Action Agency
6	Catholic Charities, Goodwill Industries, United Methodist Urban Ministries, Wichita Children's Home, Job Readiness Training, Kansel
12	Asian Resources, Crossroads Diversified Services, Greater Sacrament Urban League, LaFamilia Counseling Center, Mutual Assistance Network of Del Paso Heights, Northern California INALLIANCE, PRIDE Industries, Sacramento Chinese Community Service Center, Sacramento Lao Family Community, Inc., Sacramento Occupational Advancement Resources, Inc., Turning Point Community Programs, Visions Unlimited, Inc.
3	Easter Seals, Goodwill, El-Ada Community Action Agency
5	Goodwill Industries, Catholic Charities, Latin American Association for Development, Community Outreach Program for the Deaf, Independent Living Resource Center
2	Arizona Call-A-Teen, St. Joseph the Worker

Number	Faith- and Community-Based Organizations, in Metropolitan Counties
5	Center for Family Services, Abilities Center for Southern New Jersey, St. Matthews Baptist Church, Second Baptist Church, Youth Advocacy Program
17	Lifespan, Native American Cultural Center, Action for a Better Community, American Red Cross, Baden Street Settlement, Center for Youth Services, Community Place of Greater Rochester, Ibero American Action League, PRISM, Rochester Landscape Technician Program, Urban League, YWCA, Threshold Center for Youth, Outreach Temple, Boys and Girls Club, Catholic Youth Organization, Puerto Rican Development
11	Friends Outside, Central Valley Opportunity Center, Center for Human Services, Center for Senior Employment, Excell Center, YMCA, Westside Community Center, United Way, NorCal Center on Deafness, The Great Valley Center, Youth for Christ
10	Jeffco Action Center, STRIDE, Seniors' Resource Center, Family Tree, Lutheran Refugee Services, Colorado Homeless Families, Interfaith Task Force, Loaves & Fishes, Cerebral Palsy of Colorado, Job Corps
9	Community Action Program, Handicrafters, Spanish-American Civic Association, Urban League of Lancaster County, Literacy Council of Lancaster County, Salem United Methodist Church, Neighborhood Services, Lancaster Council of Churches, BASE.
4	Catholic Charities, Shiloh Baptist Center, OIC, Centro de Communidad.
25	Baptist Temple Church, Christ of Vicar Lutheran Church, Church of Christ, County Extension Office, Cuero Christian Academy, Cuero ISD, First Baptist Christian Day Care, First Baptist Church, First Presbyterian Church, First United Methodist Church, Housing Authority, Jerusalem Baptist Church, Lord's Little Angels, Mid Coast Family Services, Minnehulla Baptist Church, Nazareth Academy, Our Lady of the Gulf, Salvation Army, Solid Rock Christian Learning Center, St. James Catholic Church, STAR Family Service, Trinity Episcopal, YMCA, Shiloh Baptist Church
21	A-Prep Center, United Community Centers, Heavenly Gospel Church Transformation Center, Tarrant Area Community of Churches/Family Pathfinders, The Women's Center of Tarrant County, MHMR of Tarrant County, East Fort Worth Montessori School, Tarrant Council on Alcoholism and Drug Abuse, The Institute for Responsible Fatherhood and Family Revitalization, Tarrant County ACCESS, Cassata Learning Center, TCU/CCWW, Job Bank, Emergency Assistance of Tarrant County, Faith-In-Action Committee (United Way), Boys & Girls Clubs of Greater Fort Worth, Tarrant County College, Near Northside Partners Council, Community Learning Center, CCPP Program, STYEP Program
1	Advent House Ministries
5	Crowley's Ridhe Development Council, City Youth Ministries, Consolidated Youth Services, Boys/Girls Club, Parks & Recreation
5	Experience Works, Rural Opportunities Inc., WSOS Community Action Commission, YW Child Care Connections, Behavioral Connections of Wood County

Number	Faith- and Community-Based Organizations, in Metropolitan Counties
34	Catholic Charities of the Diocese of Beaumont Inc., Beaumont Housing Authority, Beaumont ISD Adult Basic Education Program, City of Orange Housing Authority, Orange County Housing Authority, Greater Orange Area Literacy Service, Lamar University - Orange, Lamar University - Port Arthur, Port Arthur ISD Adult Basic Education, Port Arthur Housing Authority, Port Arthur Literacy Support, Hardin County Indigent Health Care, Some Other Place, The United Board of Missions, US Army Recruiting Company Beaumont, STERPC National and Community Services Act Programs, Advocacy Incorporated, UBI-Caritas Project Welcome, Texas Rehabilitation Commission, Programs for Human Services - Senior Aide Program Title V, Texas Commission for the Blind, South East Texas Management Network, Texas Workforce Commission, South East Texas Regional Planning Commission - Transportation Planning Commission, The Texas Educational Foundation/Job Corps, US Probation Department of Beaumont, Samaritan Counseling Center of Southeast Texas, Port Arthur ISD Memorial High School, Beaumont ISD Ozen High School, BISD Central High School, West Orange-Cove Consolidated ISD West Orange Stark High School, West Hardin County Consolidated ISD, Richard Milburn Academy, Lamar Institute of Technology, Lamar State College - Orange, LamarUniversity
3	Experience Works, Ya-Ka-Ama, West County Community Services
6	Connellsville Ministerium (sp), United Way of Westmoreland County, New Kensington YMCA, Communities in Schools, Goodwill of Fayette County, Adam Memorial Library
2	30901 Development Corporation, Beulah Grove Community Resource Center
4	Chautauqua Opportunities, The Resource Center, Trinity Church, Lutheran Social Services
6	Catholic Charities, Camden County Office on Economic Opportunity, The Work Group, Hispanic Family Center, Respond Inc., PRUP
21	The Training Institute - America, Chicana Action Service Center, Build Rehabilitation, Carson Lomita Torrance WIB, MCS Rehabilitation, Career Planning Center, Goodwill Industries, ACS, Los Angeles Mission College, Community Centers Inc., United Auto Workers LETC, Watts Labor Community Action Committee, El Proyecto del Barrio, Los Angeles Urban League, Community Career Development, Pacific Asian Consortium for Employment, Chinatown Service Center, Los Angeles Community College District, Housing Authority of Los Angeles, Career Encores, South Bay WIB, Advanced Computing Institute
2	First United Methodist Church, St. Paul Methodist Church
20	Atlanta Enterprise Center Inc., Communities in Schools of Atlanta, Community Concerns Inc., Covenant House Georgia, Families First Inc., Genesis Prevention Coalition Inc., Literacy Action Inc., Literacy Volunteers of America - Metropolitan Atlanta, Nonprofits for Nonprofits Inc., Project Connect of Jewish Family & Career Services, Project Open Hand/Atlanta, Quality Living Services

Number	Faith- and Community-Based Organizations, in Metropolitan Counties
	Inc., Samaritan house of Atlanta Inc., SCLS W.O.M.E.N. Inc./Women's Organization Move for Equality Now), SERO-NSSFNS, South Fulton Community Coalition Inc., Spectrum Technical Institute Inc., The Sullivan Center Inc., Turning Point Enterprises Inc., Viewpoint of Metropolitan Atlanta Inc.
2	Mt. Zion Human Services, Catholic Charities
2	Bethel Community Facility, Visions of Restoration Inc.
10	Crosspoint, The Redemption Center, Prairie Center, Consumer Credit Counseling Services, Community Action Agency, Boys & Girls Club, YMCA/YWCA, Dave Coleman Ph.D., Salvation Army, various social services
3	CHR Inc., GNJ Family Life Center, Victory Neighborhood Services Center
221	Community Action Council of Central WI, Community Action Council of South Central WI, CAP Services, Dodge County Multi-Cultural Council - Dodge English Language Earner, Employment and Training Assoc Inc., Forward Service Corporation, Madison Literacy Council, Marquette County Literacy Council, Operation Fresh Starter, Opportunities Inc., Salvation Army. We also work with about 200 different community based and faith based organizations for the purpose of identifying support services to meet our customers barriers. There are also 10 community based organizations who are individual training account vendors.
2	Springfield Urban League, Springfield Community Federation
6	First Presbyterian Church, Housing Resources, Deacon's Conference, Ministry with Community, Hope Network, New Genesis, Inc.
2	MERS Goodwill, Urban League
73	Fresno Interdenominational Refugee Ministries, One By One Leadership, American Indian Center Of Central CA, Big Brothers/Big Sisters, Ca State University Foundation, Care Line, Central Valley Children’s Services Network, Central Valley Crisis Pregnancy Center, Chicano Youth Center, Community Link, Inc, Comprehensive Youth Services, Inc. Exceptional Parents Unlimited, Family First Health Care (Planned Parenthood), Family P.A.C.T., Fresno Barrios Unidos, Fresno Career Development Institute, Inc, Fresno Institute For Urban Leadership, Fresno Metro Ministry, Genesis, Inc, Girl Scouts, Golden Valley Council, Glorybound Ministries, HIV/Aids Program, Hope Now For Youth, Inc, House Of Hope For Youth, Inc, Juvenile Justice Ministries (Youth For Christ, League Of Hispanic Women, Local Conservation Corp, Marjaree Mason Center, New Life For Girls, Parenthood Mar Monte, Phone-A-Friend, Planned Parenthood, Rescue The Children, Safe Place Mentor Program, Sanctuary Safe Place Youth Shelter, SPCA Education Department, State Center Consortium (STC), Summitt Adventure, Teen Connection (YMCA), Teen Pregnancy Resource Center, Teen Smart Outreach Program, Tobacco Program, Turn On To Teens, Upward Bound (FCC), Youth For Christ, Boys & Girls Club Of Fresno County, Fresno Indian Education, Project Access, School Age Child Enrichment, Stone Soup

Number	Faith- and Community-Based Organizations, in Metropolitan Counties
	Fresno, 4-H Development Programs, Parlier Youth Center, Bear Roots, Kings River Corps, Partnership For Better Living, Police Explorer Youth Group, West Fresno Pregnancy Prevention Program, Pastoral Counseling For Youth, San Joaquin Youth Center, Westside Youth Center, Latino Issues Forum, Proteus, Inc, Ser Jobs For Progress, Inc, I-5 Social Services Corporation, Fresno County Economic Opportunities Commission, I-5 Business Development Corridor, Fresno Regional Foundation, Encourage Tomorrow, Catholic Charities, Central California Consortium, FCC, YMCA/YWCA, Goodwill

Number	Faith- and Community-Based Organizations, in Non-Metropolitan Counties
3	Community Action Council, SkillSource, Youth Dynamics
2	Umpqua Community Action Network, Umpqua Training & Employment
8	Lowcountry Community Action Agency, Beaufort-Jasper Economic Opportunity Corporation (CSBG Block Grants), Colleton County Literacy Association, Beaufort County Literacy Association, Hampton County Literacy Council (WIA Title II funds). These agencies provide staff and/or information at each One-Stop. Each agency has provided written information on the services they offer. Each of these agencies has entered into a MOU. Trinity Ministries, Greater Community Foundation, New Life Center. These agencies provide staff and/or information at each One-Stop. Each agency has provided written information on the services they offer. Each of the agencies has entered MOU. These agencies do not receive TANF or WIA funding.
5	Gateway Community Industries, St. Cabrini Home, YMCA, SCORE, Family of Woodstock
21	Hepburn Library of Lisbon, Canton Free Library, Norwood Library, Potsdam Library, Massena Public Library, St. Mary's Church and School, Trinity Catholic School, First United Methodist Church, St Vincent DePaul, Sacred Heart Church/Calvary Cemetery, Historical Society of St Lawrence County, NYS ARC, North Country Freedom Homes, SLC Community Development Program, Head Start, American Red Cross, Can AM Youth Service, Rose Hill, Massena Neighborhood Center, Salvation Army, Massena Independent Living Center
3	Lake Wales Care Center, Help of Fort Meade, Luster-All Pastoral Care
5	ZOE Christian Center Duncan, ZOE Christian Center Lawton, WIB Board members, WIA youth contacts, Chamber of Commerce
1	Goodwill Industries
3	United Christian Ministries, United Methodist Churches, Catholic Churches
3	Catholic Charities of the Southern Tier, Pro Action of Steuben & Yates, Economic Opportunity Program
1	Saint Joseph's Mercy Care Services, Inc., d/b/a Mercu Senior Care, Inc.
2	Robeson County Church and Community Center, Center for Strategic Action
3	Hawaii Island Catholic Social Ministries., Hawaii County Economic Opportunity Council, Goodwill Industries

Number	Faith- and Community-Based Organizations, in Non-Metropolitan Counties
5	Quality Life Centers of Southwest Florida, Goodwill Industries, Workforce Council of Southwest Florida, Southwest Florida Employee Assistance Program, Planned Parenthood of Collier County
4	Catholic Charities, Washington County EOC/Employment & Training Center, Cornell Cooperative Extension, CWI, many others
3	The Jobs Partnership of Florida, Inc., The Holden Heights Front Porch Revitalization, The Goldsboro Front Porch Council
6	Gateway Community Industries, St. Cabrini Home, YMCA, WDB Representation, SCORE, Family of Woodstock
16	Ionia County Literacy Council, RAVE Domestic Violence Program, EightCAP, Ionic Economic Alliance, Montcalm Alliance, Montcalm Adult Reading Council, Community Closet, Business and Professional Women, Salvation Army, Community Ministerial Services, Experience Works, Greater Gratiot Economic Development, Middle Michigan development Corp., America's Promise, Goodwill Industries, and local services clubs.
1	Joint Orange Chatham Community Action Agency
1	Lutheran Social Services
1	Concerted Services Inc.
1	Rural Challenge Initiative or RCI
16	List is too long to fax - we have 16 providers that are owned by faith-based organizations

Table 9

Populations Served by Faith- and Community-Based Organizations, Listed in Alphabetical Order

Populations Identified by Groups and by Specific Needs	
Adults	Illiterate
Alcohol and substance abuse issues	Immigrants
Child Abuse (victims of)	Incarcerated juveniles
Disabled	Judicial system (involved with)
Dislocated workers	Mental health issues (adversely affected)
Displaced homemakers	One-stop operator staff
Educationally disadvantaged individuals	Parents
Ex-offenders	Pregnant and parenting youth
Emergency food and shelter	Refugees
Ethnic backgrounds (differences)	Seniors
Hard to reach	Social service recipients
Hard to serve	Victims of domestic violence
Health Issues	Youth
Homeless	

Table 10

Services Provided by Faith- and Community Based Organizations in Conjunction With the Workforce Investment Board

Types of Services	Frequency in Metropolitan Counties	Frequency in Non-Metropolitan Counties
Alcohol and substance abuse	5.7%	3.4%
Advocacy	1.9%	3.4%
Assessment	5.7%	3.4%
Case management	8.6%	10.3%
Child abuse prevention	<1%	0%
Child care/after school care	6.7%	6.8%
Clothing	9.6%	0%
Counseling	18.3%	13.7%
Education (GED, post-high, etc)	17.3%	6.8%
English as a second language	3.8%	3.4%
Financial/fiscal	7.6%	0%
Food	16.3%	6.8%
Fuel assistance	7.6%	0%
Health/medical	10.6%	3.4%
Housing	23.1%	10.3%
Job placement	21.1%	20.7%
Job training	53.8%	52%
Life skills/soft skills	21.1%	13.8%
Literacy	4.8%	6.8%
Mental health	9.6%	3.4%
Mentoring	12.5%	6.8%
Parenting	3.8%	3.4%
Pregnancy/prevention	1.9%	3.4%
Referrals	13.5%	6.8%
Refugee resettlement	<1%	0%
Technical assistance	3.8%	10.3%
Transportation	9.6%	6.8%
Tutoring	1.9%	3.4%

Section IV

Figures

Figure 1. The One-Stop Career Center System provides a common system across agencies, organizations, and programs within the community for job seekers and employers (Adapted from Bender, 2001).

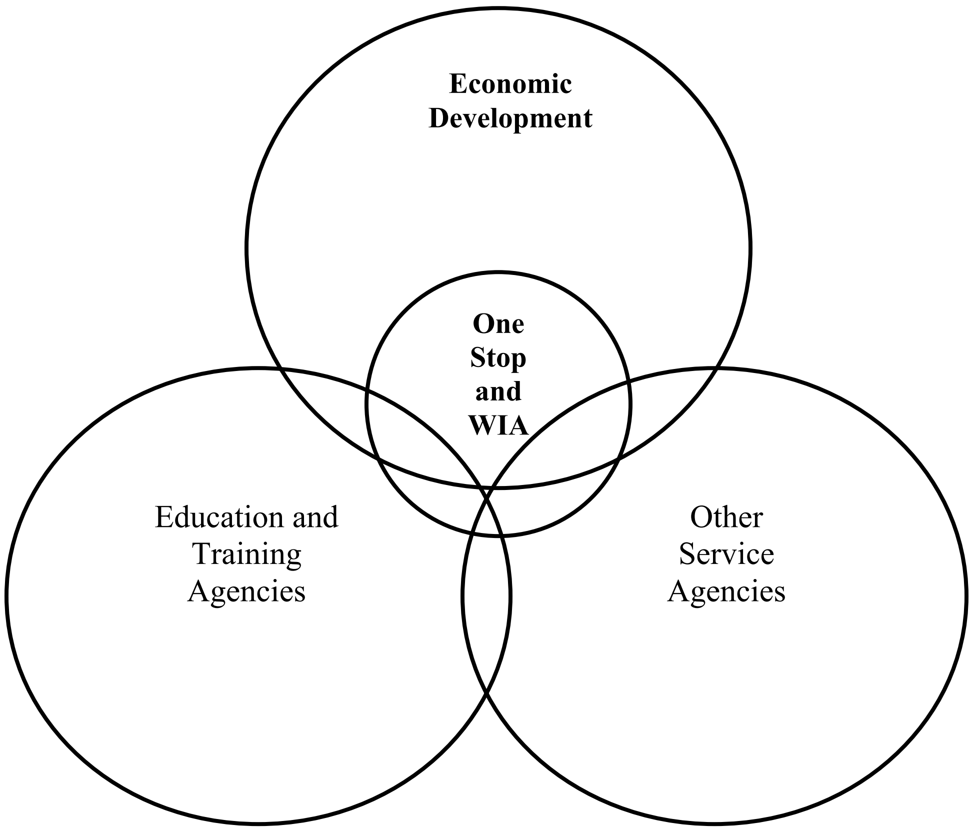


Figure 2. The One-Stop Career System links the One-Stop Career Center with satellites and provider agencies. The One-Stop is where agencies and services are co-located. Satellites may not have all of the services within the physical confines of their agency, but they have the capacity to make appropriate referrals and engage customers in the System. A solid line indicates formal linkages between agencies signified by a Memorandum of Understanding. A dotted line signifies less formal relationships between the One-Stop and partners, satellites, and/or providers. Together, they provide a network of services for job seekers and employer customers (Adapted from Bender, 2001).

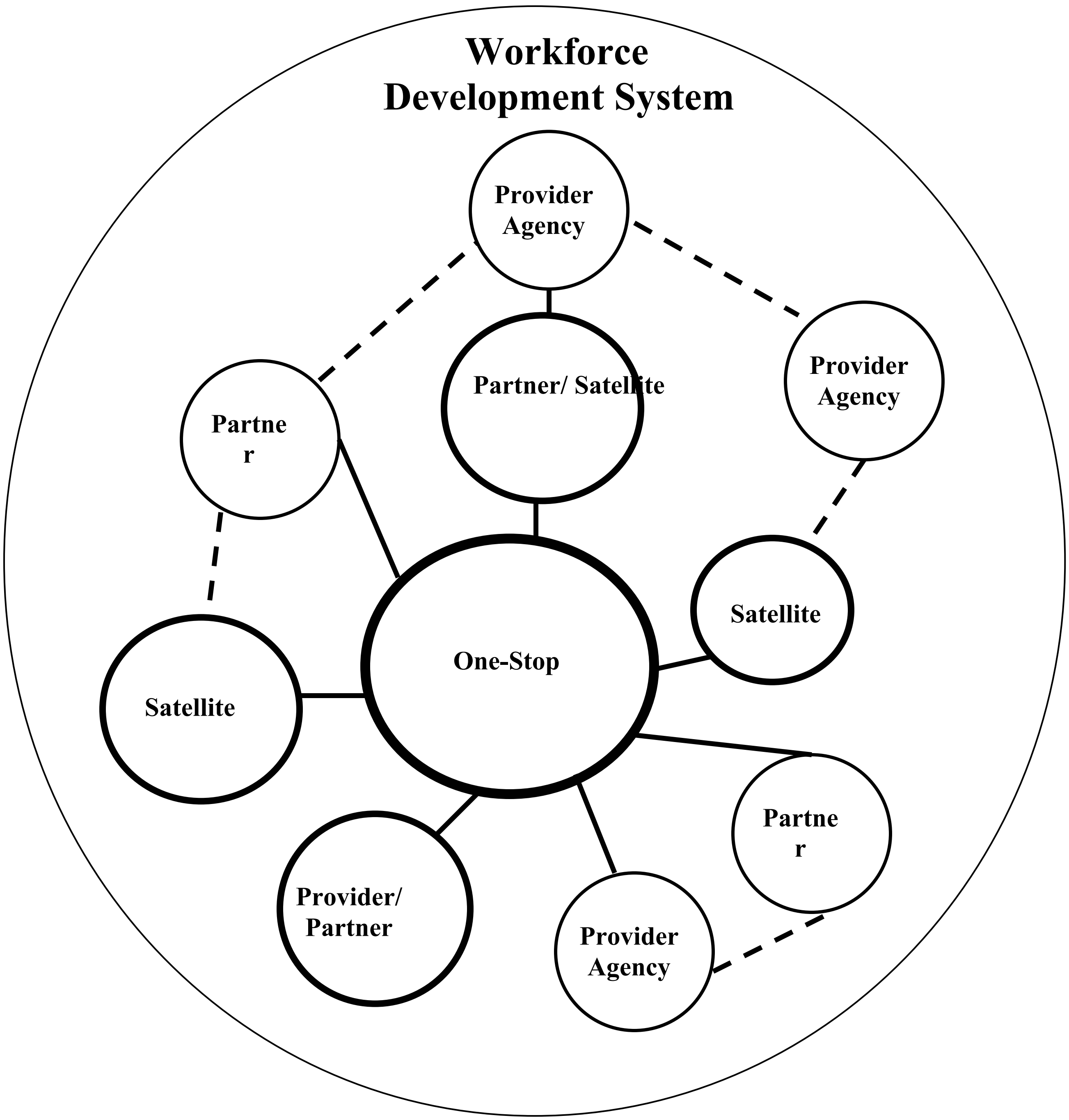
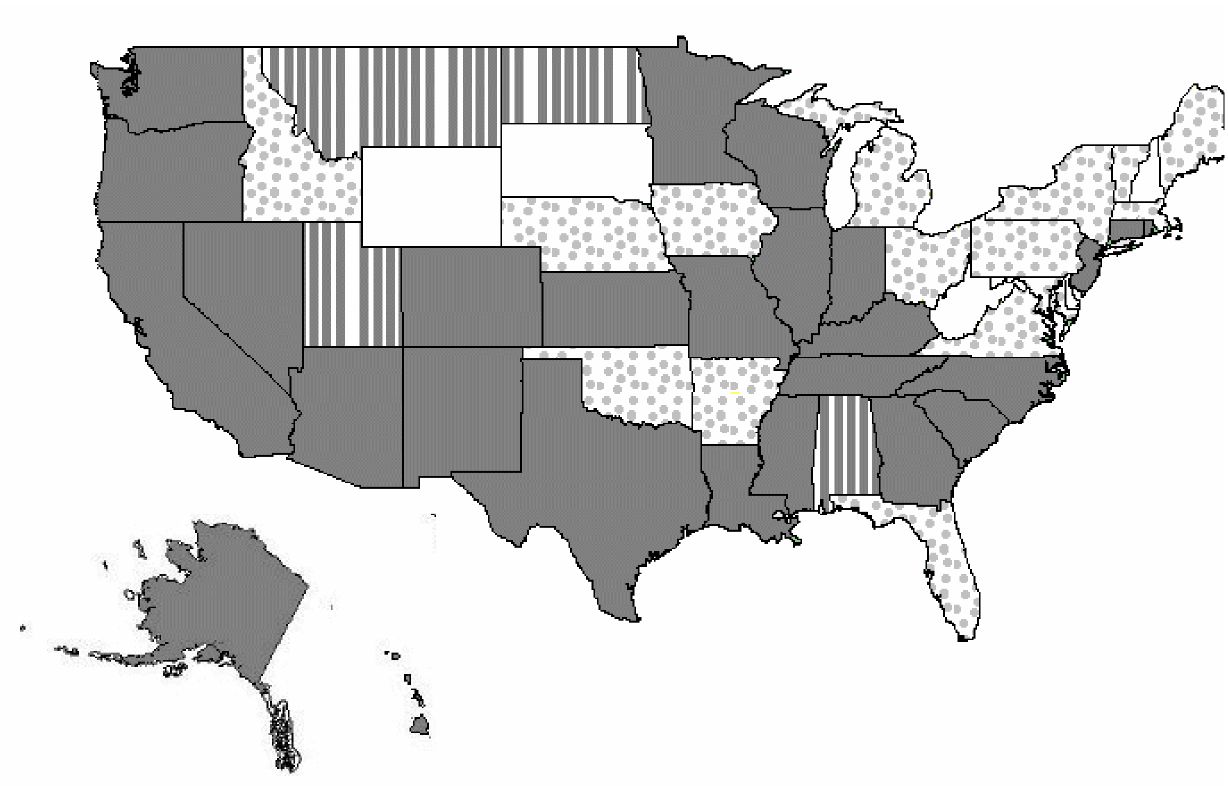


Figure 3: Responses were received from state and local Workforce Investment Boards from 82 percent of the nation's states, exclusive of the District of Columbia.



Striped areas: State Workforce Investment Board response only

Dotted areas: State and local Workforce Investment Board response

Dark gray areas: Local Workforce Investment Board response only

Section V
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A Frontline Decision Support System for Georgia Career Centers

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BACKGROUND

The Workforce Investment Act (WIA) of 1998 emphasizes the integration and coordination of services to promote employment. This objective is fostered by the federal requirement that local areas receiving WIA funding must establish one-stop centers where providers of various employment services are assembled in one location.

WIA also broadens access to employment services by reducing eligibility requirements. As a consequence, a significant increase in customer volume is expected. Coupled with limited program resources, the challenges now facing the public employment system are to coordinate programs and streamline service delivery.

Meeting these challenges is hindered by the fact that prior experience of frontline staff is often specific to a single program, while customers of the new one-stop system will arrive with a broad variety of needs. An additional complication is the WIA emphasis on accountability. WIA requires that program success be measured by employment, earnings, job retention, and knowledge or skill attainment.

The Frontline Decision Support System (FDSS) is a set of administrative tools being developed to help frontline staff in one-stop centers to quickly identify customer needs and choose appropriate services. FDSS includes new tools to promote effective job search and identify employment services most likely to be effective.

The U.S. Department of Labor commissioned the W.E. Upjohn Institute for Employment Research to design, develop, test, and implement FDSS in the state of Georgia. FDSS is being structured in a way that should permit other states to easily integrate the decision tools into their specific computer operating systems. After testing FDSS in Georgia, USDOL intends to offer the tools to other interested states.

The W.E. Upjohn Institute is in a unique position to undertake this project since the Institute both conducts employment-related research and administers state and federal employment programs for the local Workforce Investment Board. The Institute has been the administrator of state and federal employment-related programs for the Kalamazoo, Michigan area continuously since the early 1970s. During that period, the Institute has operated programs under the Comprehensive Employment and Training Act (CETA), the Job Training Partnership Act (JTPA), and currently, the Workforce Investment Act (WIA).

Over the past twenty years the Institute has also worked closely with employment security agencies in several states and countries to conduct applied employment policy research. This work has included a number of random trial field experiment evaluations of employment program innovations. Conducting employment research and operations within the same organization provides the Institute with valuable experience coordinating the type of analytical and administrative tasks required to develop and test FDSS within one-stop centers.

This paper provides an overview of FDSS and explains the analysis underlying the decision algorithms that form the backbone of FDSS tools. In the next section, we summarize the overall concept of FDSS and indicate where elements of FDSS could fit into the typical client flow through one-stop centers. Section 3 provides technical details of the statistical models behind the decision support tools in FDSS. Section 4 provides an example of a typical FDSS decision support session using prototype screens from the internet-based Georgia Workforce System. The final section of our paper provides a summary of FDSS and describes current plans for field testing and implementation in Georgia.

Pilot testing of FDSS in Georgia began in July of 2002. The examples provided in this paper are drawn from the prototype system pilot-tested in the Athens and Cobb-Cherokee Georgia Career Centers.

FRONT LINE DECISION SUPPORT WITHIN ONE-STOP CENTERS

To clarify the role of FDSS, we begin with a brief overview of one-stop centers, the services they provide, and the way in which staff members interact with customers. Since one-stop centers vary across states, we can provide only a stylized description. However, this summary will suffice for our purpose of describing how FDSS can be integrated into one-stop centers.

As mandated by WIA, one-stop centers are a central physical location for the provision of services by the following federal and state programs: Unemployment Insurance, Employment Service, Dislocated Worker and Youth Training, Welfare-to-Work, Veterans Employment and Training Programs, Adult Education, Post-secondary Vocational Education, Vocational Rehabilitation, Title V of the Older Americans Act, and Trade Adjustment Assistance. Other programs may also be included under a one-stop center's umbrella of services. One-stop centers are designed to serve customers within local Workforce Investment Areas, which usually encompass the population of one or more counties within a state. Workforce Investment Areas with large populations or those which span a large geographical area may choose to establish several one-stop centers. WIA required that each state develop a system of one-stop centers that would be fully operational by July 2000, and most states met that target date.

Services provided by the one-stop centers are divided into three levels: core, intensive, and training. Services within each level are characterized by the amount of staff involvement and the extent to which customers can access the service independently. Core services typically have the broadest access and the least staff involvement of the three categories. Many core services are accessible on a self-serve basis. All adults and dislocated workers can access core services, which include assessment interviews, resume workshops, labor market information, and interviews for referral to other services.

Intensive services require a greater level of staff involvement and, consequently, access is more limited than for core services. Services within the intensive category include individual and group counseling, case management, aptitude and skill proficiency testing, job finding clubs, creation of a job search plan, and career planning. Training services, the third and highest level of service intensity, are open to customers only through referrals. Typically, a list of approved organizations is set outside of one-stop centers to provide these services. Training services typically include adult basic skills education, on-the-job-training (OJT), work experience, and occupational skills training.

The first challenge for one-stop center operators is the expected large volume of customers. Nationally, nearly 50 million people are expected to use one-stop centers each year. The move toward integrating services raises another challenge: staff will be asked to serve clients who may have unfamiliar backgrounds and needs. For instance, a staff person who worked extensively with dislocated workers under JTPA may now be asked to work with welfare recipients as well. WIA does not provide additional resources for staffing or cross-training.

Another challenge for operators of one-stop centers is to refer customers to services in the most effective matter. The efficiency and effectiveness of a center's operations are driven by the difference in cost of providing the three levels of services. As shown in Figure 1, the cost of services increases dramatically and the anticipated number of participants falls as one moves from core to intensive to training services. Therefore, the ability to identify the needs of individuals and to refer them to the appropriate service as early as possible in the process will determine the cost effectiveness of the one-stop centers.

To address the challenges of effectively operating one-stop centers, FDSS has two basic sets of tools or modules. Figure 2 shows how the two modules fit into the operation of the one-stop center. The first is the systematic job search module (SJSM). The SJSM is a set of tools to provide customized information about several aspects of the job search process. Initial job search activities are concentrated in the core services, and consequently this is where the systematic search module will be incorporated. The second module of FDSS is the service referral algorithm (SRM). The SRM is based on information about the characteristics of recent participants in services offered by one-stop centers. Statistical models of participant labor market success provide the basis for referral algorithms in the SRM, which will be available to support staff recommendations.

THE ANALYTIC FOUNDATION OF FDSS TOOLS

In this section we explain the analytic foundation for each of the tools in FDSS using examples drawn from the Atlanta region of the Georgia FDSS project. To review the tools, we sequentially consider the components of the SJSM and SRM.

Systematic Job Search Module

The SJSM contains tools which can be used to inform the customer about the: 1) probability of return to work in the prior industry, 2) expected job growth in the prior occupation, 3) likely reemployment earnings, 4) available suitable job vacancy listings, and 5) related occupations.

Probability of Return to Work in the Prior Industry

Most customers who use one-stop centers will not return to their prior employer, but instead will gain reemployment with a different employer. In our sample of Georgia UI clients, at most 19.1 percent returned to work with their prior employer.[10] Furthermore, the great majority of new jobs are in a different industry. A change in the industry of employment often means a loss in the value of industry specific skills, with an associated negative impact on reemployment earnings.[11] The quickest way to return to the prior lifetime earnings path is to resume employment and begin building firm-specific human capital in a new job. To help clients more realistically assess job prospects and therefore return to work more quickly, FDSS provides an estimate of the probability of returning to employment in the prior industry.

Reliable data are available from UI wage records in Georgia to identify the industry in which the person was employed before and after displacement. Table 1 shows an industry transition matrix for UI clients in Metropolitan Atlanta. Industries are separated into nine categories with the prior industry category in the left column and the reemployment industry listed along the top row. In each row the largest element is on the diagonal of the matrix, indicating that the largest share of industry UI recipients return to work in the same industry. However, only for two industry groups is the aggregate average probability of returning to work in the same industry greater than 50 percent: mining-construction and services. For all other industry groups there is a better than even chance of changing the industry of employment.

Table 2 summarizes the gross average percentage change in quarterly earnings associated with the industry employment changes in the Atlanta metropolitan area. The diagonal of Table 2 is positive for all industries except public administration, indicating that those who manage to be reemployed in their prior industry have earnings gains associated with changing jobs. The vast majority of off-diagonal elements in Table 2 are negative. The greatest earnings losses are experienced by those who switch industries and move into either agriculture, retail trade, services, or public administration.

To provide individual estimates of the probability of getting reemployed in the prior industry, we estimated logit models for each industry transition. The logit model relates whether or not an individual stays in the same industry to a set of explanatory variables including prior earnings, age, educational attainment, the quarter of the year in which UI was applied for, and indicator variables for prior occupation.[12] The logit model also includes variables to indicate

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[10]For UI clients in Georgia, return to the prior employer is judged using wage records for the five quarters immediately following the quarter of initial claim. Three definitions of prior employer were applied. All three definitions considered the employer paying the greatest share of quarterly earnings. The three definitions (and rates of return) were: the preceding quarter (19.1%), during the UI base period quarter with highest earnings (16.0%), the UI base period quarter with the highest earnings matched the employer of the quarter with the highest earnings in the five quarters immediately following the claim (11.5%).

[11]As suggested by Becker's (1964) theory of human capital.

[12]Age, gender, and race are prohibited variables in Worker Profiling and Reemployment Services (WPRS) models (Eberts and O'Leary 1996). However, unlike WPRS the FDSS system does not set criteria for program eligibility.

whether an individual was a member of the following population groups: youth, veterans, currently employed, receiving public welfare assistance, and dislocated workers.[13] Because of eligibility conditions, UI beneficiaries include very few people currently enrolled in school, so that category was not included in the return to prior industry model.

Table 3 reports parameter estimates of the return to prior industry logit models computed on a combined sample of UI recipients and ES registered customers in the Atlanta region whose prior job was in the manufacturing industry. The model includes an indicator variable for UI recipients. To illustrate model sensitivity it is evaluated for three examples. Example 1 is a person aged 35, with a high school education, who earned $30,000 per year in a sales or related occupation and became eligible for UI in the second calendar quarter.[14] The probability of return to the same industry was estimated to be 0.317 in the Atlanta region. Doubling prior earnings from $30,000 to $60,000 raised the chance of returning to manufacturing to 0.340 in the Atlanta area. The third example illustrates the effect of having a lower prior annual earnings of $10,000; the direct correlation results in the probability of return to the prior industry falling to 0.205.

Expected Job Growth in the Prior Occupation

Data were available on the industry of both the previous and the new employer, making estimation of the probability of return to prior industry possible. However, no similar data are available by occupation. To provide some information on the chance of return to prior occupation, we simply present the estimated annual employment growth rate in the prior occupation based on the ten-year forecast produced using the U.S. Department of Labor methodology by the Workforce Information and Analysis Division of the Georgia Department of Labor.

This type of labor market information (LMI) is occasionally presented to customers to help them understand the market context of their job search. However, the data usually presented are aggregated over the labor market. By providing information specific to a customer's prior occupation and local labor market, the information is both customized and relevant to decisions during the job search process. The estimated employment growth rates may be positive, negative, or zero. Since the change may be small, the Georgia Workforce Information and Analysis Division reports growth with statistical significance to the one-hundredth of a percentage point. FDSS presents occupational employment growth estimates at the same level of precision.

The FDSS computer screens display age, gender, and race as customer background characteristics. However, among these only age is used in FDSS statistical models. Age is used to identify youth.

[13]These categories are defined by Employment Service (ES) practice. The dislocated worker definition is consistent with that in the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA) of 1988. The EDWAA definition includes those with significant prior job attachment who have lost their job and have little prospect of returning to it or to another job in a similar occupation and industry.

[14]Note that the earnings variables in the models are quarterly figures, not annual figures.

Analysis of 786 occupations measured by the Georgia Department of Labor's Workforce Information and Analysis Division reveals that the median projected annual job growth rate is 1.62 percent over the next five years. This means half of the occupations will grow faster and half will either grow more slowly or decline. One-quarter of occupations are predicted to have growth rates above 2.78 percent and one quarter are predicted to grow less than 0.54 percent. Only computer scientists are forecast to have double-digit job growth. Employment will be steady or declining for about 20 percent, or approximately 157 occupations. The prototype FDSS informs a system user about the estimated growth in jobs by occupation for the local Workforce Investment Area.

Likely Reemployment Earnings

The WIA legislation permits intensive services to include "evaluation to identify employment barriers and appropriate employment goals," and also "the development of an individual employment plan, to identify appropriate employment goals, appropriate achievement, and appropriate combinations of services for the participant to achieve their employment goals."[15] An underlying principle of WIA is that the best training is a job. Moderating wage objectives in order to win a new job may be the quickest way to return to the prior earnings path. This establishes a need for a system like FDSS and requires that outcomes be judged relative to individual targets. FDSS provides an algorithm to estimate the expected reemployment earnings for each customer. By providing the customer with a realistic assessment of earnings prospects, he or she can conduct a more informed job search that can hasten the employment process.

Displaced workers and those who have had little attachment in the workplace, such as welfare recipients, may have little understanding of the earnings level that they might expect to find in the local labor market given their skills and opportunities. Displaced workers, for example, may expect to receive wages in their new jobs comparable to those in the job held prior to displacement. However, research suggests that displaced workers can expect a significant drop in earnings (Ashenfelter 1978). Most of the loss in earnings is due to a loss in the value of firm-specific skills (Jacobson, LaLonde, and Sullivan 1993).

It is important to point out that the FDSS earnings assessment is only suggestive. Customers who find the recommended target to be out of line with their expectations may discuss their differences with a staff person in the one-stop center. The staff person may use several means in addition to FDSS to establish a realistic earnings target, including recent wage surveys and current labor market conditions.

A median regression model was used to estimate earnings. The model relates quarterly earnings to personal characteristics and labor market conditions. Many of these factors may be similar to those used by employment counselors to match customers to openings. The model assesses those factors in a systematic and consistent way, so that customers with similar needs

[15]Section 133(d)(3)(i) and (ii), Workforce Investment Act (WIA), Public Law 105-220BAugust 7, 1998.

and characteristics are treated similarly. We used a median regression model since FDSS will present a range of reemployment earnings estimates by giving quartiles of the reemployment earnings distribution. The median is the second quartile.

The earnings models were developed using quarterly earnings data from UI wage records. However, workers do not usually measure their compensation in terms of quarterly earnings. Rather, earnings are typically expressed as hourly, weekly, monthly, and yearly rates of compensation. Converting the quarterly earnings to any of these other units is problematic, since wage records do not indicate the number of hours worked or even the number of weeks worked during a quarter. By using the maximum earnings in the year before and the year after receiving reemployment services, we anticipate that quarterly earnings will reflect full-time hours. Conversion from quarterly earnings to hourly earnings can then be achieved by applying the usual hours of work observed in each occupation and industry group using national survey data.[16]

We report the results from the median regression models for the manufacturing sector in metropolitan Atlanta, which is the same region and industry used in the Areturn-to-prior-industry@ models discussed above. As shown in Table 5, the model includes variables typically used in earnings models, such as educational attainment, prior job tenure, occupation, and industry. Of course, the industry of reemployment is known only after a person finds a job. Since it is an endogenous variable, it would be appropriate to find an instrument for this variable, such as the industry transition regression described in the previous section. However, since our primary purpose is to construct a relatively simple model that offers the best prediction of future wages, we have not instrumented the variable in the estimation process. Instead, when estimating the earnings for individuals, we use whether or not they actually returned to the same industry as data. When FDSS is used to predict a customer's earnings, however, we substitute the prediction of the probability the person will find a job in the same industry as the value for this variable in the earnings equation. Earnings models for Georgia also include age and age-squared terms to capture the earnings cycles over one's working life.

Georgia data permit the inclusion of additional explanatory variables measuring tenure on the previous job, possession of a driver's license, availability for rotating shifts, employer attachment, and current school enrollment status. The model also includes indicator variables for population groups that are typically identified with the various programs offered by one-stop centers. These groups include youth, veterans, currently employed, receiving public welfare assistance, dislocated workers, and economically disadvantaged workers.

Results of the median regressions on the Atlanta data, as shown in Table 5, are broadly consistent with previous earnings research. Prior earnings, education, and age are positively correlated with future earnings. The variables indicating prior occupation are significant

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[16]Using data from the Current Population Survey for a comparable time period we computed a (8H10) industry-occupation matrix of average hours worked using one digit industry and occupation groups. The matrix appears as Table 4 in this paper.

predictors of future earnings. In addition, returning to the industry of prior employment raises earnings by 15.7 percentage points and the coefficient estimate is highly statistically significant. Indicators for the various population groups are not statistically significant, except for veterans and the economically disadvantaged.

Coefficient estimates related to other special variables add further insight into the determinants of a worker's compensation. Possession of a driver's license increases reemployment earnings, and longer tenure on the previous job reduces reemployment earnings. This latter result is consistent with WPRS models that find increased prior job tenure associated with an increased chance of UI benefit exhaustion.

To compute median estimated earnings for a one-stop customer, the regression coefficients are multiplied by the individual's characteristics. Consider again the same three examples used above for evaluating the probability of returning to work in the manufacturing industry. Person 1 is 35 years old, has a high school education, earns \$30,000 per year (or \$7,500 per quarter) in a clerical/sales occupation, and applied for UI in the second calendar quarter. Median reemployment earnings for this individual in metropolitan Atlanta are predicted to be \$6,661 per quarter. Consider person 2, who is identical to person 1, except that her prior earnings are doubled. This change has the effect of raising predicted median reemployment quarterly earnings in metropolitan Atlanta to \$11,705. Person 3 has characteristics similar to the first two, except that prior annual earnings are \$10,000. For this example, predicted median reemployment quarterly earnings fall to \$3,070.

We attempted to estimate quartile earnings models (i.e., separate models for the 25th, 50th, and 75th percentiles of the earnings distribution). However, small sample sizes for some industries in some regions resulted in distributions of the prediction sampling errors of the quartile models, which greatly overlapped. This sometimes caused predicted reemployment earnings quartiles for an individual to appear to be out of order. Consequently, we adopted an alternative strategy for estimating the first and third quartiles.

Following the same sample structure as that used for earnings model estimation, we considered maximum quarterly reemployment earnings for each customer in the combined UI and ES sample by region of Georgia, occupation (10 SOC groups), and industry (8 groups), or youth or economically disadvantaged status. Within each cell we identified the first, second (median), and third quartiles. We then computed ratios of the quartiles. The ratio of the first quartile to the second yields a number between zero and one, and this ratio serves as the 25th percentile multiplier. The ratio of the third quartile to the second yields a number greater than one, and this serves as the 75th percentile multiplier. Table 6 lists the ratios for manufacturing in the Atlanta region. The earnings example in Table 5 for manufacturing in the Atlanta region assumes an occupation in the sales and related group. The ratios applied to this example are approximately 0.73 and 1.32.

Available Suitable Job Vacancy Listings

The heart of the SJSM is examination of job vacancy listings—called job orders by one-stop center staff—to identify the best available prospects for reemployment. The SJSM customizes this process by first reviewing the probability of returning to the prior industry, expected local job growth in the prior occupation, the quartile distribution of likely reemployment earnings, and the customer's reservation wage. The reservation wage is labeled as the "minimum salary desired." It is set by the customer when registering for services in response to the question: "What is your desired hourly wage at reemployment?"

With frontline staff assistance, customers may then view selected job orders available in the system screened by occupation, local area, and wage requirements. If no suitable openings are available, frontline staff may turn to the SRM to identify other core or intensive services which may be useful, or they may broaden the scan of job orders by considering listings for related occupation. The algorithm for identifying related occupations is the last part of the SJSM, and it is explained in the next sub-section.

Related Occupations

The FDSS algorithm for identifying related occupations provides frontline staff with a list of occupations that are related to the occupation that a customer most recently held. The purpose of the algorithm is to provide a customer who does not immediately find a suitable job match within existing job orders with a list of occupations that require similar skills and aptitudes, so that other relevant listed job orders may be considered. Displaced workers are paid less upon re-employment than those who change occupations voluntarily, in part because of the poor match between their current occupational skills and their new job skill requirements. Providing customers with reliable information on alternatives to their previous occupation may improve their re-employment earnings and reduce the amount of time spent unemployed.

A study by Markey and Parks (1989, p. 3) found that "more than half of the workers in the United States who changed occupations did so because of better pay, working conditions, or advancement opportunities; however about 1 in 8 workers changed occupations because they lost their previous jobs." Fallick (1993) found evidence that displaced workers increase the intensity of their job search in other industries when the employment growth rate in their previous industry is low. Shaw (1987) estimates that a 25 percent increase in the transferability of occupational skills leads to an 11 to 23 percent increase in the rate of occupational change, depending on the age of the worker. Taken together, these results suggest that workers concentrate their search efforts in industries and occupations similar to their own. Successful job search could be promoted by identifying related occupations and providing clients with timely information on the prospects for work in those areas.

The related occupations algorithm is based on the O*Net system. It identifies occupations that are closely related to the previously held occupation with respect to a person's qualifications, interests, work values, and previous work activities. O*Net, developed by the U.S. Department of Labor, incorporates the expert opinions of human resource professionals and analysts about the characteristics of more than 1,000 occupations, and then relates the various occupations by prioritizing the importance of these attributes for each occupation. This methodology addresses the decision to change occupations by asking the question: "What occupations are most related to my previous occupation with respect to my qualifications, interests, and aspirations?" This approach assumes that the person was qualified for the job that he or she previously held. O*Net matches the characteristics of the previous job with the characteristics of other related occupations. However, these transfers are hypothetical and are not based on actual occupational transfers. It does not take into account the actual demand for a worker's skills.

The O*Net related occupations methodology is based on extensive information about the characteristics required by an occupation. Furthermore, because of its comprehensive assessment of skill requirements for specific occupations, this methodology allows one to link this information to possible course offerings at local training and educational institutions in order to fill specific skill gaps. One of the major drawbacks of this methodology is that it does not consider the actual labor market demand by employers for those skills embodied in the occupation. We investigated two alternatives to the O*Net approach which embodied elements of labor demand as well as skill relations. One approach used Current Population Survey (CPS) data and the other used Georgia ES placement data. Because of required conversions across alternative occupational coding systems, neither approach yielded a sufficiently rich menu of related occupations in terms of the Standard Occupation Code (SOC), however, which is the standard for the Georgia Workforce System.

To illustrate the O*Net approach which is used in the Georgia FDSS, we found occupations related to the occupation of cashier (O*Net Occupation Code 41-2011.00).[17] As shown in Table 7, O*Net identified occupations that appear to be closely related in terms of the type of tasks required and the level of autonomy in executing the task—elements which O*Net focuses on in categorizing occupations. Since it is based on standard occupation codes (SOC), the FDSS for the Georgia Workforce System will provide related occupations for 674 SOC categories. Mapping all O*Net occupations into SOC yields 824 SOC groups, but for 150 of these groups O*Net does not identify a related occupation.

Service Referral Module

The SRM provides the frontline staff with two tools: 1) a ranking of the core and intensive services estimated to be most effective for clients with similar characteristics, and 2) a ranking of the effectiveness of job training types for clients with similar characteristics. To summarize client characteristics, we estimate employability models and group customers with similar scores. We first discuss employability estimates, and then turn to service referral and training effectiveness statistics.

Employability Estimates

[17]In making the comparisons, considerable effort was required in converting the occupation codes from O*NET to the occupation codes used in the CPS and by the Georgia Employment Service. Complete matching was not possible, but we came as close as possible (DeRango, et al. 2000).

The employability algorithm estimates the relationship between recent stable employment, personal characteristics, and local office indicators as a measure of local labor market conditions. The aim is to produce an "Employability Index" which summarizes characteristics influencing the likelihood of being employed. The model uses data on the experience of customers who have recently enrolled with the employment service or with other programs provided through one-stop centers. Since we are attempting to identify employability before receiving services, the dependent variable and all exogenous variables in the model are based on values before job search registration. The data come from the same administrative records that are used to estimate the components of the systematic job search module described in the previous section of this paper. The index will be used to create groups of customers having similar employability characteristics so as to examine the effectiveness of employment services for these different groups.

Since it is based on prior values of exogenous variables, the employability index can be viewed as a summary of client characteristics. Interacting the employability index with service indicators is a type of sub-group analysis (Heckman, Smith and Clements 1997). The planned approach is analogous to that used by Eberts (2002) for assigning welfare-to-work clients to alternative bundles of reemployment services. This method is also similar to the procedure applied by O'Leary, Decker, and Wandner (2002), who essentially interacted an unemployment insurance benefit exhaustion probability index with reemployment bonus intervention indicators to identify the best exhaustion probability group for targeting a bonus.

The employability model is similar to the earnings algorithm, except that a binary employment indicator is used as the dependent variable instead of earnings, and the model is estimated by logit. The sample includes both customers who have had steady work just prior to enrolling in one-stop programs, and those without recent steady work. Our model parameterizes the effects of measurable attributes on the likelihood of having or not having recent steady employment. The expectation is that those with recent work experience are more employable, even before they receive services.[18] The model is estimated using either UI or ES administrative data for each of four separate regions of Georgia (metropolitan Atlanta, Northern, Coastal, and Balance of the state) on a selected program population.

As an example, an employability model for UI recipients in metropolitan Atlanta is presented in Table 8. The explanatory variables in the model include the number of prior employment services used, age, age squared, educational attainment, whether the most recent prior UI claim exhausted benefits, months of tenure on prior job, tenure squared, number of prior employers in a recent prior quarter, prior industry, prior occupation, and the Georgia field service office where UI benefits were claimed. Most estimated coefficients in the model are statistically

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[18]In algebraic notation the model can be written as: $e = a + B{=}X + u$, where e is an indicator variable having a value of one if the customer had significant steady employment before registering for job search and zero otherwise, X is a matrix of personal and labor market explanatory variables, and B is a conformable vector of regression parameters. The error term, u, is assumed to have the logistic distribution and the model is estimated by the logit regression routine.

significant. Our measure of employability tends to be positively correlated with age, high school education, use of prior intensive services, the number of employers in a quarter before registration, and tenure on the prior job (positive but diminishing). Employability is negatively related to other than high school education, and not having a driver's license. Using an employability model of the type summarized in Table 8, the employability score for each customer using the FDSS in a Georgia Career Center is computed.

Ordering employability scores from low to high, we divide the distribution of predicted employability by quintiles and present information about the effectiveness of alternative services for each of the five employability quintile groups. Table 9 shows the quintile employability scores. Each quintile group contains 20 percent of all observations. For UI clients in the Atlanta region, the quintiles are at employability scores of approximately 0.717, 0.846, 0.922, and 0.969. We decided to break the employability distribution into five groups for the purpose of examining patterns of service effectiveness, since that number clearly delineated the variation in service effectiveness across employability classes. There was more variation than represented by three classes, and variation diminished across neighboring classes when ten were used. Furthermore, several infrequently used services could not be meaningfully examined across more than five groups because of small sample size.

An indication of the power of the employability score to distinguish differences in customer characteristics is given in Table 10, which shows the mean values of descriptive characteristics for Atlanta UI claimants referred to the reemployment unit (REU). The low employability quintiles had lower values for prior earnings, educational attainment, age, and tenure on the prior job. The low quintiles also had higher values for number of prior employers in a recent quarter, the likelihood of a prior UI claim, the likelihood that a prior UI claim was exhausted, likelihood of being dislocated, and for those who are economically disadvantaged.

Service Referral

The service referral module algorithm identifies the set of activities that most often lead to successful employment for a customer in a particular employability quintile, in a particular UI or ES service subgroup, and a particular region of the state. Information about the characteristics and outcomes of individuals who have recently participated in services is used to estimate the relative impact of alternative services. It should be emphasized that this algorithm does not replace the staff's referral decisions. Rather, it provides additional information to better inform the decision.

To rank service effectiveness for customers grouped by employability score, impact estimates of alternative services were computed while correcting for selection bias. This was done using the least squares methodology with observable control variables. These estimates were validated using a propensity score matching approach, which accounts for all possible non-linear influences of observable factors on selection for program participation (Rosenbaum and Rubin 1983, Heckman, Ichimura, and Todd 1997, Heckman, LaLonde, and Smith 1999, and Smith 2000).

Least squares estimates of relative service impacts were computed using data on only those who received services. Unfortunately, because of small sample sizes for some services, the resulting estimates of the relative effects of services were useful for reliably ranking only a few of the more than 20 available core and intensive services in Georgia Career Centers (Eberts, O'Leary, and DeRango 2002).[19] Fortunately, rankings based on these parametric estimates were nearly identical to rankings based on the simple gross outcome of interestBreemployment as measured by the proportion of customers with earnings of at least $2,500 in each of two consecutive quarters in the four calendar quarters immediately following registration for job search. Consequently, FDSS relies on a non-parametric approach and simply ranks service effectiveness by the proportion of an employability group achieving the reemployment criterion. Along with these rankings, information is provided on the number of customers in this employability quintile and region who used the service in a recent period.

Tables 11a to 11e separately provide full information for each of the five quintiles respectively on the gross effectiveness of alternative core and intensive services for UI clients sent to the reemployment unit in Atlanta region Career Centers. Rows in each table are sorted from most effective to least effective service as measured by the gross outcome "percentage of service users getting steady work." The display in these tables has the same layout as the service referral section of FDSS in the Georgia Workforce System. To put the gross outcome measure in context, the first column of numbers reports the total number of clients with similar employability characteristics and similar program orientation in the same geographic area of Georgia using the service recently. The second column of numbers shows the percentage of clients in that region/program group/quintile who used the service. The third column is the outcome measure of reemployment success. The far right column in each of these tables reports the relative effectiveness index.

As can be seen in Tables 11a to 11e, there is a bundle of five services which is most commonly received by UI claimants in the Atlanta profiling/REU/CAP group. These services include: service needs evaluation, orientation, eligibility review program (ERP), customer service plan, and counseling. For the first quintile group, Table 11a shows a common reemployment rate of 37.6 percent among customers receiving these services; however, the present summary provides service effectiveness information singly rather than in bundles. It is likely that patterns of service receipt under WIA will be different than that observed in these tables which are based on pre-WIA data.

There is not a common pattern of service effectiveness across quintiles. This can be seen in Table 12 which presents services ranked by effectiveness for quintile 1 and simply lists the rank of services for each of the other quintiles. Each quintile group has a different ranking of services, and for any particular service the ranking differs across quintile groups. For the UI profiling/REU/CAP clients in the Atlanta area, the bundle of five most common services tend to

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[19] Of the 21 relative service impacts listed in their tables, the 6 is the most estimated with precision among any of the 5 UI quintiles in Atlanta. Three of the five quintiles had only 4 out of 21 relative service impacts estimated with statistical significance (Eberts, O'Leary, and DeRango 2002, Table 8).

be most effective for the quintile five group, moderately ranked for the quintile one group, and ranked lower in effectiveness for the middle three groups. Job Referrals and call-ins (for job referral) are ranked as highly effective for the quintile five group who appear to be most job ready, but are very low on the list for quintile one. Service coordination is high on the list of effectiveness for quintile one, but ranked very low for all other quintiles.

Training Statistics

WIA organizes reemployment services into three classes: core, intensive, and training. To complement ranking of core and intensive services, FDSS provides similar information on four broad categories of training types which receive funding from the federal government. The four types of training are: on-the-job (OJT), occupational skills, comprehensive assessment, and adult education-basic skills-literacy. Small numbers of participants in these services mean that finer distinctions in service types are not possible. The bulk of training in Georgia is funded by the state lottery through Hope grants and Hope scholarships. Counts of these participants are not included in the FDSS tabulated statistics. The data in the pilot version of FDSS are from the federally funded job training program which preceded WIA—the Job Training Partnership Act (JTPA) program.

In FDSS, information on training effectiveness is presented as “training statistics,” rather than suggesting a true ranking since only two training types had appreciable levels of activity: occupational skills training and comprehensive assessment. The other two types received little federal funding, and consequently had few participants counted in the JTPA data. Nonetheless, Table 13 shows differences in the ordering of occupational skills training and comprehensive assessment across the five employability quintile groups for UI in the Atlanta region. The lesser-used training types also appear to be more effective than the popular services for some quintiles. There are separate quintile rankings for UI and ES, and for each of the four Georgia regions.

A PROTOTYPE SYSTEM FOR GEORGIA

Appendix A to this paper presents prototype screens that have been integrated into the Georgia Workforce System (GWS) for pilot testing of FDSS in Athens and Cobb-Cherokee Career Centers. The GWS is the internet based combined intake and service referral record system for Georgia Career Centers. There are five screens in the prototype FDSS, which can be scrolled through once the FDSS internet web page is loaded for a particular client.

A frontline staff person conducting the FDSS session can quickly jump among the five screens without reloading the page by simply clicking on any of the titles which appear across the top of each screen. Each of the five screens lists the titles of the other four screens. The five screens are:

Customer Background Information
Reemployment Probability and Estimated Earnings
Related Occupations
Service Referral

Training Statistics

The **customer background information** screen is the starting point for an FDSS session. This page lists critical information needed to evaluate FDSS algorithms. The frontline staff person enters a customer's client ID number and then hits carriage return. This causes the entire FDSS web page to update and report information based on data about the client existing in the system. Much of this information is assembled from the most recent combined intake (UI/ES) registration, which may happen earlier on the same day of the first FDSS session.

One background variable merits special description. Special arrangements were made for the coding of prior occupation, since data from several different occupation coding systems are being used in FDSS. When the FDSS web page loads, the system identifies the prior occupation using the DOT (Dictionary of Occupational Titles) occupation code in the work history file. Since the related occupations algorithm is based on the O*Net occupation coding system, known as SOC (Standard Occupation Code), a translation is required. Rules for the translation are presented in Table 14.

Occasionally, information in the GWS for a particular client may be incorrect or missing. The **customer background information** screen permits a frontline staff person to temporarily change some fields to values that the client claims to be appropriate for the current FDSS session. Temporary changes to these fields will not be recorded by the system; the values are only used in the currently active FDSS session. Values of variables which cannot be changed are listed above a line of demarcation, while changeable fields are below that line. Changeable fields include: education level, school enrollment status, employment status, geographic region of Georgia, and recent quarterly earnings. For each changeable field, a drop down menu is provided.

UI claimants find that it is often necessary to have missing wages added to their existing records to establish a claim. This procedure requires reliable documentation as evidence of the prior earnings. Unlike the UI eligibility process, the FDSS session requires no documentation to temporarily change values in these special fields. However, FDSS is not a means to correct erroneous wage records. Such information is provided only to produce recommendations from FDSS, and that advice is contingent on the accuracy of the data provided. Any values entered in these fields are not permanently recorded when the session is over.

After seeing FDSS results in other screens, a frontline staff person or client may wish to return to the **customer background information** screen later in an FDSS session in order to change values, and run "what if" scenarios. For example, what if the client enrolls in school?Yor takes a part-time job?Yor gets a driver's licence?Yor locates in another region of Georgia? If the prior occupation is changed to a different one of ten SOC occupation groups, the SOC group is mapped into a DOT code based on the map presented as Table 15.

Clicking on the **reemployment and earnings estimates** title at the bottom of an FDSS screen jumps the view to that screen, evaluated at the most recent values given in the customer background information. Listed on this page are results of algorithms discussed in previous sections of this paper. The frontline staff person will see estimates for the client of the probability of returning to the prior industry, expected employment growth in the prior occupation, and a distribution of expected reemployment earnings. Also appearing on this screen is the customer's self-reported "minimum salary desired." Taken together, this information should help the frontline staff and customer identify reasonable reemployment goals, and then conduct a systematic search of vacancy listings (job orders).

If the search of job orders fails to turn up any good job prospects, it may be useful to identify job openings in occupations related to that of the prior job. Frontline staff may identify **related occupations** by clicking on that title at the top of the screen. The **related occupations** screen lists up to five occupations identified by the O*Net system as related to the prior occupation currently displayed on the **customer background information** screen. For each of the five occupations listed, the approximate starting hourly wage and the average annual job growth rate are provided for the local workforce area together with the O*Net occupation code. Using the occupation codes, the frontline staff person may then identify appropriate job openings for the customer to consider.

If systematic job search yields no immediate candidates for job interviews, clicking on **service referral** at the top of any screen will jump the view to that screen. The result is an ordered list of core and intensive reemployment services ranked by effectiveness for clients with employability characteristics similar to those in the **customer background information** screen. For each service, the **service referral** screen displays information on the number of clients using the service, the percentage of clients using the service, the percentage of service users getting steady work, and the relative effectiveness index. The services are listed in order of the percentage of service users getting steady work, which is defined as the percentage having two consecutive quarters with earnings in each quarter exceeding $2,500 in the four quarters after seeking services at a Georgia Career Center.

SUMMARY

The Workforce Investment Act of 1998 required creation of a national network of one-stop centers where intake and referral of customers to various programs are done in a coordinated fashion. Resource constraints dictate that each Workforce Development Area can serve only a fraction of the population that might benefit. Funding levels from state and federal sources affect how many workers can be served. Choosing which individuals are served depends on decision rules applied by frontline staff in one-stop centers. Statistical tools can help make these decisions more cost effective for society by targeting services to customers who will benefit the most, thereby maximizing the net social benefit of program expenditures.

The Frontline Decision Support System (FDSS) offers a set of tools that can help inform frontline staff and customers in their job search efforts and in their selection of reemployment services. The tools are based on statistical techniques that use administrative data to estimate the chance of returning to work in the prior industry, reemployment earnings prospects, related occupations, and the likely outcomes of alternative reemployment services. The concept of FDSS is an extension of the Worker Profiling and Reemployment Services (WPRS) system, which all states have operated since 1994. The W.E. Upjohn Institute for Employment Research is working closely with the U.S. Department of Labor and the Georgia Department of Labor to design, pilot test, and implement FDSS in selected Georgia Career Centers.

This paper documents the analytic foundation of each of the tools in FDSS using examples drawn from the Atlanta region of the Georgia FDSS that is currently being pilot tested in the Cobb-Cherokee Career Center. Pilot testing is also underway in the Athens Career Center based on algorithms for the Northern Georgia geographic region. To review the tools, we sequentially consider the elements of the systematic job search module (SJSM) and the service referral module (SRM).

The SJSM contains tools which can be used to inform the customer about the: 1) probability of returning to the prior industry, 2) likely employment growth in the prior occupation, 3) likely reemployment earnings, 4) available suitable job vacancy listings, and 5) occupations related to the prior one. The SRM provides the frontline staff with two tools: 1) a ranking of the core and intensive services estimated to be most effective for clients with similar characteristics, and 2) information about the effectiveness of alternative types of job training for clients with similar employability characteristics. To summarize client characteristics, we estimate employability models and group customers with similar scores.

Field testing of FDSS in the two Georgia pilot sites commenced in July, 2002. Based on the experience of field testing and using updated administrative data, the Georgia FDSS will be refined during the second half of 2002 with statewide implementation expected in early 2003.

An evaluation of FDSS is planned after the system is fully operational. The internet-based Georgia Workforce System will record frontline staff use of FDSS as a service in client records. This will provide a basis for future objective evaluations of FDSS effectiveness using administrative records.

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Table 1 Industry of Employment Transition Matrix; Percent of Unemployment Insurance Clients, Metropolitan Atlanta, Georgia

	Reemployment Industry								
Prior Industry	Agriculture Forestry Fishery	Mining Constr.	Manu-facturing	Transpor-tation, Commu-nication, Utilities	Whole-sale Trade	Retail Trade	Finance Ins, RE	Services	Public Admin
Ag., For., Fish	26.3	10.1	10.9	4.9	10.5	11.7	3.2	20.6	1.6
Mine, Construct	0.5	60.1	5.8	3.9	5.3	5.1	2.5	15.0	1.6
Manufacturing	0.3	3.8	40.1	5.7	11.7	8.9	3.0	24.8	1.6
Trans,Comm,Util.	0.4	2.9	6.4	41.8	8.0	7.2	4.7	26.6	2.0
WholesaleTrade	0.4	4.5	14.2	7.4	28.6	11.7	3.9	27.8	1.5
RetailTrade	0.3	2.4	6.2	5.5	7.3	45.5	4.7	26.6	1.5
Finance, Ins, RE	0.3	2.5	4.2	4.7	5.1	6.8	38.3	35.7	2.4
Services	0.3	2.6	6.2	6.2	6.2	8.4	5.9	61.6	25.3
Public Admin.	0.5	3.6	5.4	7.9	4.0	7.8	6.1	39.4	25.3

Table 2 Mean Percentage Change in Earnings for the Industry of Employment Transition Matrix, Metropolitan Atlanta, Georgia

	Reemployment Industry								
Prior Industry	Agriculture Forestry Fishery	Mining Const.	Manufac-turing	Transpor-tation, Communi-cation, Utilities	Whole-sale Trade	Retail Trade	Finance Ins, RE	Services	Public Admin
Ag., For., Fish	1.6	1.6	!3.0	!0.9	32.4	!12.1	12.8	!3.5	!16.6
Mine, Construct	!30.6	6.4	!7.8	!0.9	!2.1	!25.4	3.3	!9.9	!25.5
Manufacturing	!34.3	!14.3	6.6	!0.5	!2.1	!29.4	!9.0	!15.7	!21.4
Trans,Comm,Util	!25.8	0.1	!2.1	6.2	!4.3	!25.2	!9.3	!15.8	!19.0
WholesaleTrade	!28.3	!2.0	!2.0	1.3	7.1	!21.4	!0.7	!7.4	!26.8
RetailTrade	!12.1	0.8	9.0	6.0	10.1	1.9	10.2	!3.1	!9.7
Finance, Ins, RE	!28.3	!9.9	!6.6	!10.1	1.4	!26.4	8.6	!11.2	!23.4
Services	!20.3	6.3	8.7	9.3	14.4	!20.0	6.7	3.9	!8.4
Public Admin.	!22.7	!7.7	1.7	2.2	12.2	!21.5	!8.6	!2.4	!4.2

Table 3 Logistic Model for the Probability of Returning to the Same Industry (UI and ES Clients in Atlanta whose Prior Industry was Manufacturing)

Variable Description	Parameter Estimate	Standard Error	Marginal Effect	Hypothetical Workers		
				1	2	3
Log of Maximum Prior Earnings	0.723**	0.061	0.180	8.923	9.616	7.824
UI Client	!0.663**	0.058	!0.157	1.000	1.000	1.000
Age as of Reference Date	0.042**	0.017	0.011	35.000	35.000	35.000
Age Squared	!0.000*	0.000	!0.000	1225.000	1225.000	1225.000
Education, Less than High School	0.208*	0.086	0.052	0.000	0.000	1.000
Education, GED	!0.006	0.119	!0.001	0.000	0.000	0.000
Education, Some College	!0.244**	0.060	!0.060	0.000	0.000	0.000
Education, Bachelor Degree	!0.399**	0.085	!0.097	0.000	1.000	0.000
Education, Advanced	!0.527**	0.177	!0.127	0.000	0.000	0.000
Veteran	!0.129**	0.065	!0.032	0.000	0.000	0.000
Dislocated Worker	!0.205**	0.057	!0.051	0.000	0.000	0.000
Employed	0.386**	0.077	0.096	0.000	0.000	0.000
Reference Date in 2nd Quarter	!0.071	0.059	!0.018	1.000	1.000	1.000
Reference Date in 3rd Quarter	!0.153**	0.065	!0.038	0.000	0.000	0.000
Reference Date in 4th Quarter	!0.218**	0.070	!0.054	0.000	0.000	0.000
Prior Occ: Mgmt, Business, Finance	!0.822**	0.101	!0.191	0.000	0.000	0.000
Prior Occ: Professional and Related	!0.822**	0.088	!0.191	0.000	0.000	0.000
Prior Occ: Services	!0.662**	0.132	!0.157	0.000	0.000	0.000
Prior Occ: Sales and Related	!1.097**	0.118	!0.243	1.000	1.000	1.000
Prior Occ: Office and Admin Support	!0.934**	0.078	!0.213	0.000	0.000	0.000
Prior Occ: Farming, Fishing, Forestry	0.158	0.550	0.039	0.000	0.000	0.000
Prior Occ: Construction, Extraction	!0.565**	0.169	!0.136	0.000	0.000	0.000
Prior Occ: Install, Maintenance, Repair	!0.409**	0.118	!0.100	0.000	0.000	0.000
Prior Occ: Transp, Material Moving	!0.414**	0.066	!0.100	0.000	0.000	0.000
Intercept	!6.461**	0.564	!0.475	1.000	1.000	1.000
Return to Same Industry Probability:				0.317	0.340	0.205

Example 1: Age: 35, Educ: HS grad, Annual income: $30,000, Occupation: sales, Months tenure: 24.
Example 2: Age: 35, Educ: post-HS (Bachelors), Annual income: $60,000, Occupation: sales, Months tenure: 48.
Example 3: Age: 35, Educ: less than HS, Annual income: $10,000, Occupation: sales, Months tenure: 8.

* Parameter significant at the 90 percent confidence level in a two-tailed test.
** Parameter significant at the 95 percent confidence level in a two-tailed test.

Table 4 Industry-Occupation Matrix of Usual Quarterly Hours Worked based on 1996 to 199 CPS March Survey Data

	Standard Occupation Code (SOC) Occupation Group									
	11B13	15B29	31B39	41	43	45	47	49	51	53
Industry Group										
Ag, forest, fish	521.5	515.9	444.4	559.9	346.8	459.9	416.7	629.4	376.0	350.8
Mining, Constr	564.1	539.0	405.0	601.9	411.1	518.6	403.9	322.7	511.2	471.4
Manufacturing	578.3	537.8	456.8	560.9	492.0	483.3	492.8	509.8	543.4	497.0
Trans, Comm, Util	570.8	530.7	423.5	550.0	483.0	500.9	478.8	520.0	536.7	478.3
Wholesale Trade	545.5	518.6	425.4	587.2	513.3	429.6	417.7	650.0	473.1	445.5
Retail Trade	566.6	507.5	323.9	559.2	334.5	417.7	482.2	514.3	511.3	410.3
Finance, Ins, RE	533.0	519.1	416.0	572.2	481.2	475.8	337.9	440.0	437.6	444.1
Services	508.3	480.3	392.1	462.4	382.4	413.1	323.0	333.0	478.0	381.5
Public Admin	517.7	517.4	541.6	545.3	472.0	467.4	383.9	520.0	471.2	478.6

Table 5 Median Regression Coefficient Estimate and Examples of Predicted Earnings for Recent Manufacturing Employees Among UI Recipients in Metropolitan Atlanta, Georgia

Variable Description	Median		Hypothetical Workers		
	Parameter Estimate	Standard Error	1	2	3
Log of Maximum Prior Earnings	0.656**	0.011	8.923	9.616	7.824
UI Client	!0.058**	0.011	1	1	1
Age as of Reference Date	!0.001	0.003	35	35	35
Age Squared	!0.000	0.000	1225	1225	1225
Education, Less than High School	!0.055**	0.015	0	0	1
Education, GED	!0.048**	0.020	0	0	0
Education, Some College	0.041**	0.011	0	0	0
Education, Bachelors Degree	0.131**	0.015	0	1	0
Education, Advanced	0.174**	0.031	0	0	0
Veteran	0.027**	0.012	0	0	0
Dislocated Worker	!0.002	0.010	0	0	0
Education Status	!0.020	0.027	0	0	0
Employed	0.035**	0.014	0	0	0
Exhausted Prior UI Claim	!0.082**	0.042	0	0	0
Weeks of UI Collected Prior Claim	0.005**	0.002	0	0	0
Does Not Have Driver's License	!0.068**	0.019	0	0	0
Available for Rotating Shifts	0.023**	0.011	0	0	0
Months of Tenure, Most Recent Job	!0.001**	0.000	24	48	8
Months of Tenure Squared	0.000**	0.000	576	2304	64
Reference Date in 2nd Qtr	0.002	0.010	1	1	1
Reference Date in 3rd Qtr	!0.006	0.012	0	0	0
Reference Date in 4th Qtr	!0.007	0.013	0	0	0
Ref Date 3 Qtrs After Max Wage	!0.003	0.010	1	1	1
Ref Date 4 Qtrs After Max Wage	0.002	0.012	0	0	0
Ref Date 5 Qtrs After Max Wage	!0.004	0.011	0	0	0
Days Left in Current Quarter	0.000	0.000	54	54	54
Unemployment Rate, t!3	0.189	0.526	0.040	0.040	0.040
Employ Yr-Over-Yr Pct. Chg., t!3	0.070	0.253	0.060	0.060	0.060
Post Industry Same as Prior Industry	0.156**	0.009	0.292	0.325	0.171
Occup: Mgmt, Business, Finance	0.045**	0.018	0	0	0
Occup: Professional and Related	0.074**	0.016	0	0	0
Occup: Services	!0.012	0.024	0	0	0
Occup: Sales and Related	0.042**	0.020	1	1	1
Occup: Office and Admin Support	!0.005	0.014	0	0	0
Occup: Farming, Fishing, Forestry	!0.158	0.097	0	0	0
Occup: Construction, Extraction	!0.017	0.031	0	0	0
Occup: Installation, Maintenance	0.101**	0.021	0	0	0
Occup: Transportation, Material Move	!0.023**	0.012	0	0	0
Intercept	3.029**	0.114	1	1	1
Predicted 25th			4871	8559	2245
Predicted 50th			6661	11705	3070
Predicted 75th			8799	15462	4055

Example 1: Age: 35, Educ: HS grad, Annual income: $30,000, Occupation: sales, Months tenure: 24.
Example 2: Age: 35, Educ: Bachelors degree, Annual income: $60,000, Occupation: sales, Months tenure: 48.
Example 3: Age: 35, Educ: less than HS, Annual income: $10,000, Occupation: sales, Months tenure: 8.
* (**) Parameter significant at the 90 (95) percent confidence level in a two-tailed test.

Table 6 Atlanta Metro Area - Manufacturing Industry Ratios to Calculate 25th and 75th Earnings Percentiles

Occupation Code	Description	Ratio for 25th Percentile	Ratio for 75th Percentile
soc1113	Management, Business, Financial	0.716465824	1.334754150
soc1529	Professional and Related	0.750614349	1.364359733
soc3139	Services	0.796787908	1.413971832
soc41	Sales and Related Occupations	0.731179242	1.320901332
soc43	Office and Administrative Support	0.772121670	1.310724935
soc45	Farming, Fishing, Forestry	0.702977445	1.317053626
soc47	Construction and Extraction	0.757809558	1.327728492
soc49	Installation, Maintenance and Repair	0.736310733	1.370156660
soc51	Production	0.728655695	1.409237099
soc53	Transportation and Material Moving	0.729236288	1.344032112

SOC: Standard Occupation Code.

Table 7 Occupations Related to Cashier (O*Net SOC 41-2011)

O*Net SOC Title	O*Net SOC
Food preparation and serving	35-3021
Counter and retail clerks	41-2021
Parts sales persons	41-2022
Insurance sales agents	41-3021
Receptionists	43-4171

SOC: Standard Occupation Code.

Table 8 Employability Model: Atlanta Metro, UI Sample

Variable	Parameter Estimate	Standard Error	Marginal Effect	Hypothetical Workers 1	2	3
Intercept	!0.092	0.126	!0.016	1	1	1
Months Tenure on Prior Job	0.012**	0.001	0.002	24	48	8
Months Tenure Squared	!0.000**	0.000	!0.000	576	2,304	64
Number of Employers, Qtr T!5	!0.032**	0.015	!0.005	1	1	1
Prior Wages, 5 Qtrs Before Ref Date	0.000**	0.000	0.000	7,500	15,000	2,500
Age as of Reference Date	0.059**	0.006	0.010	35	35	35
Age Squared	!0.000**	0.000	!0.000	1,225	1,225	1,225
Education, Less than High School	!0.225**	0.034	!0.040	0	0	1
Education, GED	!0.093*	0.049	!0.016	0	0	0
Education, Some College	0.069**	0.025	0.011	0	0	0
Education, Bachelor Degree	0.226**	0.038	0.035	0	1	0
Education, Advanced	0.233**	0.076	0.036	0	0	0
Youth, Ages 14 through 21	!0.665**	0.051	!0.131	0	0	0
Veteran	!0.021	0.033	!0.004	0	0	0
Dislocated Worker	0.138**	0.024	0.022	0	0	0
Welfare Recipient	!0.632**	0.052	!0.123	0	0	0
Economically Disadvantaged	!0.656**	0.022	!0.129	0	0	0
Exhausted Prior UI Claim	!1.053**	0.045	!0.222	0	0	0
Has No Drivers' License	!0.356**	0.029	!0.065	0	0	0
Available for Rotating Shifts	!0.045	0.031	!0.008	0	0	0
Reference Date in 2nd Quarter	0.147**	0.025	0.023	1	1	1
Reference Date in 3rd Quarter	0.411**	0.029	0.060	0	0	0
Reference Date in 4th Quarter	0.285**	0.030	0.043	0	0	0
Prior Industry: Ag, Forestry, Fish	!0.277*	0.157	!0.050	0	0	0
Prior Industry: Mining and Construction	!0.252**	0.061	!0.045	0	0	0
Prior Industry: Trans, Comm, Utilities	0.043	0.059	0.007	0	0	0
Prior Industry: Wholesale Trade	0.052	0.056	0.008	0	0	0
Prior Industry: Retail Trade	!0.401**	0.034	!0.074	0	0	0
Prior Industry: FIRE	0.213**	0.064	0.033	0	0	0
Prior Industry: Services	!0.159**	0.032	!0.028	0	0	0
Prior Industry: Public Admin	!0.156**	0.073	!0.027	0	0	0
Prior Occupation: Management, Business, Financial	0.072	0.057	0.012	0	0	0
Prior Occupation: Professional and Related	!0.068	0.051	!0.011	0	0	0
Prior Occupation: Services	!0.655**	0.046	!0.128	0	0	0
Prior Occupation: Sales and Related Occupations	!0.303**	0.053	!0.055	1	1	1
Prior Occupation: Office and Administrative Support	!0.301**	0.044	!0.054	0	0	0
Prior Occupation: Farming, Fishing and Forestry	!0.135	0.125	!0.023	0	0	0
Prior Occupation: Construction and Extraction	!0.046	0.063	!0.008	0	0	0
Prior Occupation: Install, Maintenance and Repair	0.037	0.074	!0.006	0	0	0
Prior Occupation: Transport and Material Moving	!0.189**	0.047	!0.033	0	0	0
Field Service Office: DeKalb	!0.034	0.034	!0.006	1	1	1
Field Service Office: Gwinnett	0.184**	0.043	0.029	0	0	0
Field Service Office: North Metro	0.007	0.038	0.001	0	0	0
Field Service Office: South Metro	!0.156**	0.033	!0.027	0	0	0
Field Service Office: Cobb/Cherokee	!0.006	0.038	!0.001	0	0	0
Employability Score:				0.953	0.996	0.786

Example 1: Age: 35, Educ: HS grad, Annual income: $30,000, Occupation: sales, Months tenure: 24.
Example 2: Age: 35, Educ: Bachelors degree, Annual income: $60,000, Occupation: sales, Months tenure: 48.
Example 3: Age: 35, Educ: less than HS, Annual income: $10,000, Occupation: sales, Months tenure: 8.
* (**) Parameter significant at the 90 (95) percent confidence level in a two-tailed test.

Table 9 Employability Score Quintiles

Region	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
		Georgia - UI Profiling/REU/CAP Clients			
Atlanta	0.717	0.846	0.922	0.969	1.000
Northern	0.649	0.809	0.899	0.958	1.000
Coastal	0.470	0.664	0.829	0.939	1.000
Balance	0.467	0.654	0.809	0.920	1.000
		Georgia - UI NON-Profiling/REU/CAP Clients			
Atlanta	0.610	0.761	0.860	0.940	1.000
Northern	0.510	0.680	0.818	0.917	1.000
Coastal	0.356	0.540	0.719	0.883	1.000
Balance	0.367	0.542	0.701	0.856	1.000
		Georgia Training Referrals Based on UI Employability Score Model			
Atlanta	0.756	0.878	0.935	0.970	1.000
Northern	0.685	0.841	0.911	0.960	1.000
Coastal	0.500	0.694	0.825	0.928	1.000
Balance	0.480	0.700	0.833	0.923	1.000

Table 10 Characteristics of Employability Quintile Groups Atlanta UI Profiling/REU/CAP Clients

Description	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Prior Wages, 5 Qtrs Before Ref Date	1,969	3,074	4,491	6,279	11,268
Number of Employers, Qtr T-5	1.39	1.33	1.26	1.18	1.12
Had Prior UI Claim	0.167	0.086	0.072	0.052	0.037
Exhausted Prior UI Claim	0.086	0.011	0.010	0.004	0.003
Age as of Reference Date	37	38	39	40	42
Months Tenure on Prior Job	19	24	35	49	70
Educ, LT High School	0.174	0.082	0.069	0.049	0.017
Educ, GED	0.051	0.038	0.032	0.023	0.014
Educ, HS Grad	0.495	0.430	0.409	0.360	0.225
Educ, Some College	0.229	0.294	0.297	0.301	0.255
Educ, Bachelor	0.042	0.122	0.163	0.224	0.379
Educ, Advanced	0.008	0.033	0.030	0.042	0.109
Education Status, 1=In School	0.017	0.018	0.016	0.013	0.011
Youth, Ages 14 through 21	0.089	0.010	0.002	0.000	0.000
Veteran	0.084	0.119	0.114	0.100	0.122
Dislocated Worker	0.623	0.608	0.598	0.608	0.576
Welfare Recipient	0.081	0.005	0.003	0.001	0.000
Economically Disadvantaged	0.740	0.331	0.209	0.091	0.031
Employment Status, 1=Employed	0.039	0.028	0.025	0.019	0.011
Has No Drivers License	0.247	0.090	0.052	0.023	0.007
Available for Rotating Shifts	0.113	0.113	0.106	0.106	0.103

Table 11a Service Referral Rankings for Quintile 1; Atlanta UI Profiling/REU/CAP Clients

Rank	Description	Number of Clients Using Service	Percentage of Clients Using Service	Percentage of Service Users Getting Steady Work	Relative Effectiveness Index (*1)
1	Job Finding Club	1	0.0	100.0	2.66
2	Testing	1	0.0	100.0	2.66
3	Service Coordination	10	0.2	60.0	1.59
4	Job Referrals	1,356	28.0	42.1	1.12
5	Resume Preparation	157	3.2	40.8	1.08
6	Order Search	1,279	26.4	40.0	1.06
7	Specific LMI	640	13.2	39.7	1.05
8	Service Needs Evaluation	4,698	97.1	37.6	1.00
9	Orientation	4,696	97.0	37.6	1.00
10	ERP	4,726	97.6	37.6	1.00
11	Job Search Assistance	542	11.2	37.6	1.00
12	Customer Service Plan	4,705	97.2	37.6	1.00
13	Counseling	4,709	97.3	37.6	1.00
14	Workshops	3,139	64.9	36.6	0.97
15	Job Search Planning	837	17.3	34.1	0.91
16	Referred to Support Services	44	0.9	34.1	0.91
17	Job Development	115	2.4	33.9	0.90
18	Call-In	495	10.2	33.5	0.89
19	Referred to Training	138	2.9	31.2	0.83
20	Expanded Workshop	8	0.2	25.0	0.66
21	Bonding Assistance	3	0.1	0.0	0.00

Table 11b Service Referral Rankings for Quintile 2 Atlanta UI Profiling/REU/CAP Clients

Rank	Description	Number of Clients Using Service	Percentage of Clients Using Service	Percentage of Service Users Getting Steady Work	Relative Effectiveness Index (*1)
1	Testing	1	0.0	100.0	2.02
2	Job Referrals	1,212	25.0	55.6	1.12
3	Job Search Assistance	513	10.6	51.9	1.05
4	Referred to Support Services	45	0.9	51.1	1.03
5	Specific LMI	699	14.4	50.9	1.03
6	Order Search	1,629	33.7	50.8	1.02
7	Call-In	413	8.5	50.1	1.01
8	Expanded Workshop	2	0.0	50.0	1.01
9	Orientation	4,744	98.0	49.4	1.00
10	ERP	4,763	98.4	49.4	1.00
11	Service Needs Evaluation	4,742	98.0	49.3	0.99
12	Customer Service Plan	4,754	98.2	49.3	0.99
13	Counseling	4,754	98.2	49.3	0.99
14	Workshops	3,287	67.9	48.8	0.98
15	Job Development	115	2.4	47.8	0.96
16	Resume Preparation	166	3.4	47.0	0.95
17	Service Coordination	15	0.3	46.7	0.94
18	Job Search Planning	457	9.4	46.0	0.93
19	Referred to Training	81	1.7	43.2	0.87
20	Bonding Assistance	3	0.1	33.3	0.67
21	Job Finding Club	1	0.0	0.0	0.00

Table 11c Service Referral Rankings for Quintile 3 Atlanta UI Profiling/REU/CAP Clients

Rank	Description	Number of Clients Using Service	Percentage of Clients Using Service	Percentage of Service Users Getting Steady Work	Relative Effectiveness Index (*1)
1	Job Finding Club	2	0.0	100.0	1.85
2	Testing	1	0.0	100.0	1.85
3	Expanded Workshop	4	0.1	75.0	1.39
4	Job Development	125	2.6	63.2	1.17
5	Job Referrals	1,045	21.6	61.8	1.15
6	Resume Preparation	152	3.1	61.8	1.15
7	Referred to Training	72	1.5	61.1	1.13
8	Referred to Support Services	46	1.0	58.7	1.09
9	Call-In	365	7.5	55.6	1.03
10	Job Search Assistance	479	9.9	55.5	1.03
11	Order Search	1,698	35.1	54.2	1.00
12	Service Needs Evaluation	4,760	98.3	53.6	0.99
13	Orientation	4,762	98.4	53.6	0.99
14	ERP	4,776	98.7	53.6	0.99
15	Customer Service Plan	4,768	98.5	53.6	0.99
16	Counseling	4,774	98.6	53.6	0.99
17	Specific LMI	634	13.1	53.0	0.98
18	Workshops	3,421	70.7	52.9	0.98
19	Job Search Planning	283	5.8	51.2	0.95
20	Service Coordination	7	0.1	42.9	0.80
21	Bonding Assistance	5	0.1	40.0	0.74

Table 11d Service Referral Rankings for Quintile 4 Atlanta UI Profiling/REU/CAP Clients

Rank	Description	Number of Clients Using Service	Percentage of Clients Using Service	Percentage of Service Users Getting Steady Work	Relative Effectiveness Index (*1)
1	Testing	1	0.0	100.0	1.71
2	Bonding Assistance	1	0.0	100.0	1.71
3	Job Referrals	954	19.7	67.8	1.16
4	Resume Preparation	162	3.3	63.0	1.08
5	Job Development	124	2.6	61.3	1.05
6	Order Search	1,838	38.0	60.8	1.04
7	Job Search Assistance	440	9.1	58.9	1.01
8	Specific LMI	671	13.9	58.7	1.00
9	Service Needs Evaluation	4,785	98.9	58.3	1.00
10	Orientation	4,784	98.8	58.3	1.00
11	ERP	4,788	98.9	58.3	1.00
12	Customer Service Plan	4,787	98.9	58.3	1.00
13	Counseling	4,793	99.0	58.3	1.00
14	Workshops	3,434	71.0	57.3	0.98
15	Call-In	298	6.2	54.4	0.93
16	Referred to Support Services	43	0.9	53.5	0.91
17	Job Search Planning	239	4.9	52.7	0.90
18	Referred to Training	60	1.2	51.7	0.88
19	Service Coordination	8	0.2	50.0	0.85
20	Job Finding Club	0	0.0	na	na
21	Expanded Workshop	0	0.0	na	na

Table 11e Service Referral Rankings for Quintile 5 Atlanta UI Profiling/REU/CAP Clients

Rank	Description	Number of Clients Using Service	Percentage of Clients Using Service	Percentage of Service Users Getting Steady Work	Relative Effectiveness Index (*1)
1	Job Referrals	635	13.1	64.9	1.15
2	Job Development	90	1.9	58.9	1.04
3	Call-In	247	5.1	58.7	1.04
4	Service Needs Evaluation	4,792	99.0	56.6	1.00
5	Orientation	4,793	99.0	56.6	1.00
6	ERP	4,797	99.1	56.6	1.00
7	Customer Service Plan	4,795	99.1	56.6	1.00
8	Counseling	4,797	99.1	56.6	1.00
9	Order Search	1,897	39.2	56.2	1.00
10	Job Search Assistance	362	7.5	55.5	0.98
11	Specific LMI	515	10.6	55.1	0.98
12	Workshops	3,372	69.7	54.5	0.97
13	Job Search Planning	107	2.2	53.3	0.94
14	Resume Preparation	106	2.2	51.9	0.92
15	Referred to Support Services	29	0.6	51.7	0.92
16	Service Coordination	8	0.2	50.0	0.89
17	Referred to Training	30	0.6	40.0	0.71
18	Bonding Assistance	3	0.1	33.3	0.59
19	Job Finding Club	1	0.0	0.0	0.00
20	Testing	2	0.0	0.0	0.00
21	Expanded Workshop	0	0.0	na	na

Table 12 A Ranking of Service Effectiveness by Quintile Group Atlanta UI Profiling/REU/CAP Clients

Description	Quintile				
	1	2	3	4	5
Job Finding Club	1	21	1	na	19
Testing	1	1	1	1	20
Service Coordination	3	17	20	19	16
Job Referrals	4	2	5	3	1
Resume Preparation	5	16	6	4	14
Order Search	6	6	11	6	9
Specific LMI	7	5	17	8	11
Service Needs Evaluation	8	11	12	9	4
Orientation	8	9	12	9	4
ERP	8	9	12	9	4
Workshops	8	14	18	14	12
Job Search Assistance	8	3	10	7	10
Customer Service Plan	8	12	12	12	4
Counseling	8	12	12	13	4
Referred to Support Services	15	4	8	16	15
Job Search Planning	16	18	19	17	13
Job Development	17	15	4	5	2
Call-In	18	7	9	15	3
Referred to Training	19	19	7	18	17
Expanded Workshop	20	8	3	na	na
Bonding Assistance	21	20	21	1	18

Table 13 Atlanta Training Referral Based on UI Employability Model

Rank	Service Variable	Description	Number of Clients Using Service	Percentage of Clients Using Service	Percentage of Service Users Steadily Working	Relative Effectiveness Index
		Quintile 1				
1	jtpa40	On-the-Job Training	29	2.0	48.3	1.36
2	jtpa41	Occupational Skills Training	532	37.3	37.8	1.06
3	jtpa5	Comprehensive Assessment	837	58.7	33.9	0.95
4	jtpa39	Adult Ed, Basic Skills, Literacy	38	2.7	28.9	0.81
		Quintile 2				
1	jtpa5	Comprehensive Assessment	312	55.1	53.2	1.03
2	jtpa39	Adult Ed, Basic Skills, Literacy	2	0.4	50.0	0.97
3	jtpa41	Occupational Skills Training	248	43.8	49.2	0.96
4	jtpa40	On-the-Job Training	5	0.9	40.0	0.78
		Quintile 3				
1	jtpa39	Adult Ed, Basic Skills, Literacy	9	1.7	66.7	1.21
2	jtpa5	Comprehensive Assessment	257	47.3	56.0	1.02
3	jtpa41	Occupational Skills Training	283	52.1	54.4	0.99
4	jtpa40	On-the-Job Training	2	0.4	50.0	0.91
		Quintile 4				
1	jtpa39	Adult Ed, Basic Skills, Literacy	3	0.5	66.7	1.12
2	jtpa41	Occupational Skills Training	301	53.7	60.8	1.02
3	jtpa5	Comprehensive Assessment	259	46.2	57.9	0.98
4	jtpa40	On-the-Job Training	0	0.0	na	na
		Quintile 5				
1	jtpa40	On-the-Job Training	1	0.1	100.0	1.59
2	jtpa39	Adult Ed, Basic Skills, Literacy	4	0.6	75.0	1.19
3	jtpa5	Comprehensive Assessment	255	38.1	66.3	1.06
4	jtpa41	Occupational Skills Training	412	61.6	60.4	0.96

Table 14 Mapping from DOT to SOC Occupation Codes

SOC name	SOC number	DOT range of codes
Management, business and financial	11-0000 to 13-0000	161-168
Professional and related occupations	15-0000 to 29-0000	00-05, 07, 09-16, 19, 96-97 but excluding 161-168
Services including military	31-0000 to 39-0000	30-38
Sales and related occupations	41-0000	25-27, 29
Office and administrative support	43-0000	20-24
Farming, fishing and forestry	45-0000	40-46
Construction and extraction	47-0000	85, 86, 89, 93
Installation, maintenance and repair	49-0000	62, 63, 82
Production	51-0000	50-61, 64-81, 84, 95
Transportation and material moving	53-0000	90-92

SOC: Standard Occupation Code.
DOT: Dictionary of Occupational Titles.

Table 15 Mapping from an SOC Group to a DOT Code

SOC name	SOC number	DOT number	DOT name
Management, business and financial	11-0000 to 13-0000	162157018	Buyer
Professional and related occupations	15-0000 to 29-0000	091227010	Teacher, secondary school
Services including military	31-0000 to 39-0000	352367010	Airline Flight Attendant
Sales and related occupations	41-0000	003151010	Sales Engineer, electrical products
Office and administrative support	43-0000	201362030	Secretary
Farming, fishing and forestry	45-0000	401137010	Area Supervisor
Construction and extraction	47-0000	824137010	Chief Electrician
Installation, maintenance and repair	49-0000	184167050	Maintenance Supervisor
Production	51-0000	641562010	Corrugator Operator
Transportation and material moving	53-0000	168167082	Transportation Inspector

SOC: Standard Occupation Code
DOT: Dictionary of Occupational Titles.

Figure 1 Use and Cost of One-Stop Career Center Services under the Workforce Investment Act

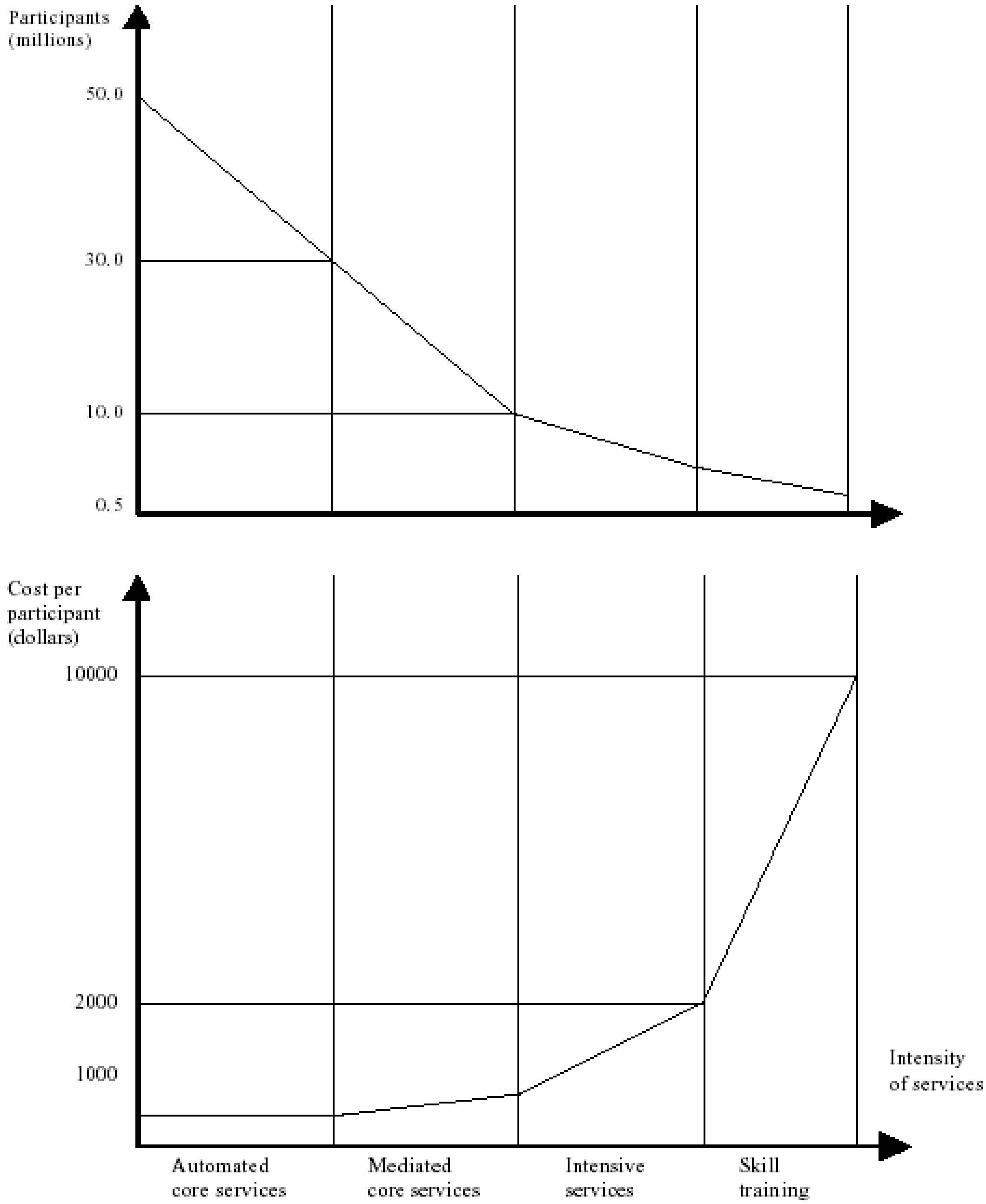
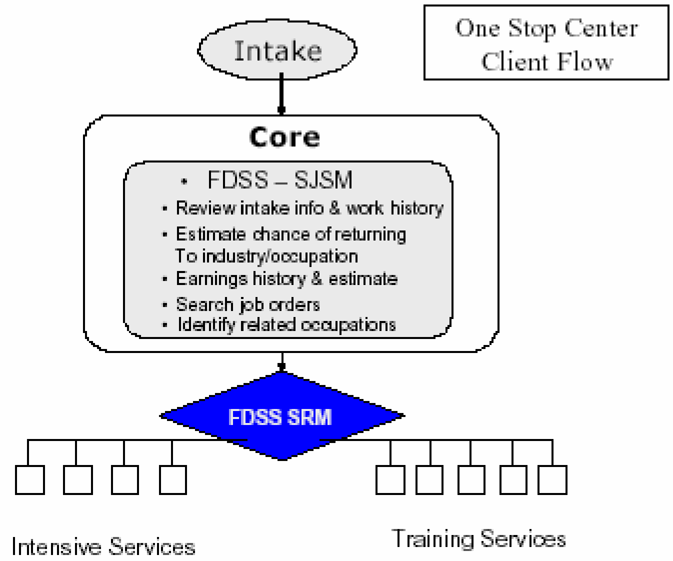


Figure 2 One-Stop Center Client Flow



Appendix A

The Frontline Decision Support System:
Prototype Screens for the Georgia Workforce System

FRONTLINE DECISION SUPPORT SYSTEM

Customer Background Information

Wednesday May 08, 2002 at 09:13:07 ET.

Reemployment and Earning Estimates | Related Occupations | Service Referral | Training Statistics

SSN: 123456789

Name - JOHN SMITH

Current Age: 35
Gender/Race: WHITE
Hispanic Origin: No
Veteran Status: No
Recently Separated:
Disability:
Citizenship: Yes
Economically disadvantaged: No
Disability: No
Exhausted previous UI claim: No

Resides in: COBB COUNTY
Claimant: YES
Last Chk: 05/05/02
Wks paid: 2
BYE: 04/01/03
POTENTIAL Dislocated Worker: No
TANF: No
Employment Status: Not Employed
Currently in school: No
Prior Industry: MANUFACTURING

County of Employment: COBB
Education Level: HS GRADUATE
High School Graduate: YES
GED: NO
Driver's license: YES
Available for all shifts: NO

Prior Occupation: SALES
Months Experience in Prior Occupation: 24
Prior Hourly Wage Rate: $15.00
Minimum Salary Desired: $10.00 Per: HOUR

Wage Information:

Qtr	Year	Wages
4	2001	$ 6,000
3	2001	$ 7,000
2	2001	$ 8,000
1	2001	$ 9,000

RECALCULATE VALUES **RESET ORIGINAL VALUES**

Reemployment Probability and Estimated Earnings

Customer Background Information | Related Occupations | Service Referral | Training Statistics

SSN: 123456789 Name: JOHN SMITH

Probability of Return to Work in Your Prior Industry:

The chance of returning to the MANUFACTURING industry in COBB county is 61%.

Expected Job Growth in Prior Occupation:

Over the next 5 years, employment in the SALES occupation is expected to grow by + 2.25% per year in COBB county.

Likely Reemployment Earnings:

Individuals with a similar background had the following estimated reemployment earnings:

25% had earnings less than $8.10 per hour
50% had earnings less than $9.05 per hour
75% had earnings less than $10.20 per hour

Minimum Salary desired $10.00 per hour

Related Occupations

Customer Background Information | Reemployment Probability and Estimated Earnings | Service Referral | Training Statistics

The following occupations are related to Cashiers . For each related occupation listed, the approximate starting hourly wage and the average annual job growth rate in the Cobb County Workforce area are given.

SSN: 123456789 Name: JOHN SMITH

Related Occupations	Approximate Starting Hourly Wage	Average Annual Job Growth Rate	O*Net Code
Food preparation and serving	$5.93	1.02%	**35-3021**
Counter and retail clerks	$6.29	4.29%	**41-2021**
Parts sales persons	$6.29	2.29%	**41-2022**
Insurance sales agents	$8.69	3.52%	**41-3021**
Receptionists	$7.20	5.67%	**43-4171**

Service Referral

Customer Background Information | Reemployment Probability and Estimated Earnings | Related Occupations | Training Statistics

The following is a list of services ranked in order of effectiveness for recent clients in the ATLANTA METRO region with characteristics similar to those in the Customer Background Information screen.

SSN: 123456789 Name: JOHN SMITH

Service	Number of Clients Using Service	Percentage of Clients Using Service	Percentage of Service Users Getting Steady Work	Relative Effectiveness Index (*1)
Job Finding Club	2	0.0	100.0	1.85
Testing	1	0.0	100.0	1.85
Expanded Workshop	4	0.1	75.0	1.39
Job Development	125	2.6	63.2	1.17
Job Referrals	1045	21.6	61.8	1.15
Resume Preparation	152	3.1	61.8	1.15
Referred to Training	72	1.5	61.1	1.13
Referred to Support Services	46	1.0	58.7	1.09
Call-In	365	7.5	55.6	1.03
Job Search Assistance	479	9.9	55.5	1.03
Order Search	1698	35.1	54.2	1.00
Service Needs Evaluation	4760	98.3	53.6	0.99
Orientation	4762	98.4	53.6	0.99
ERP	4776	98.7	53.6	0.99
Customer Service Plan	4768	98.5	53.6	0.99
Counseling	4774	98.6	53.6	0.99
Specific LMI	634	13.1	53.0	0.98
Workshops	3421	70.7	52.9	0.98
Job Search Planning	283	5.8	51.2	0.95
Service Coordination	7	0.1	42.9	0.80
Bonding Assistance	5	0.1	40.0	0.74

Training Statistics

Customer Background Information | Reemployment Probability and Estimated Earnings | Related Occupations | Service Referral

The following is information about the recent use of the four general types of adult training by clients in the ATLANTA METRO region with characteristics similar to those in the Customer Background Information screen.

SSN: 123456789 Name: JOHN SMITH

Service	Number of Clients Using Service	Percentage of Clients Using Service	Percentage of Service Users Getting Steady Work	Relative Effectiveness Index (*1)
Adult Ed, Basic Skills, Literacy	9	1.7	66.7	1.21
Comprehensive Assessment	257	47.3	56.0	1.02
Occupational Skills Training	283	52.1	54.4	0.99
On-the-Job Training	2	0.4	50.0	0.91

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Appendix B

An Accounting of Samples and Models Underlying the FDSS for the Georgia Workforce System

Appendix B
An Accounting of Samples and Models Underlying the FDSS for the Georgia Workforce System

This paper presents examples of algorithms for the FDSS prototype being used in the internet-based Georgia Workforce System (GWS) at two pilot one-stops in Georgia: Athens Career Center and Cobb-Cherokee Career Center. All the examples provided in this paper are for the Atlanta metropolitan area of Georgia which includes Cobb-Cherokee. This appendix provides a quick accounting of the samples used and the models estimated for the full set of 88 models, plus 60 service referral summaries and 40 training type rankings which form the basis for decision support algorithms in FDSS statewide.

Systematic Job Search Module (SJSM)

Models predicting return to prior industry and likely reemployment earnings in the SJSM are estimated on data combined from both the unemployment insurance (UI) and employment service (ES) programs with an indicator variable for UI included in each model. While UI beneficiaries who are not job-attached (awaiting employer recall or union hiring hall members) are required to register for job search with the ES, only one observation for each client identity number is retained in the pooled data. In the combined data sample, three separate sub-samples are used for estimation: 1) youth (clients aged 14 to 21 who are not welfare recipients or economically disadvantaged), 2) economically disadvantaged and welfare recipients, and 3) others. Models for the first two sub-groups—youth and economically disadvantaged and welfare recipients—are estimated on data pooled across all prior industries. Models for the third subgroup—other—are estimated separately for each of eight industry groups (agriculture, mining, and construction were combined because of small sample sizes in some regions, and an indicator variable was included in those equations for agriculture).

Since the earnings models are intended to predict full time earnings, for the eight industry specific models a sample inclusion restriction was imposed that quarterly earnings must equal or exceed $2,500 in at least one of the four quarters between two and five quarters before registration. However, no such prior earnings restriction was imposed on the youth and welfare recipients or economically disadvantaged samples. Models are estimated for four separate regions of Georgia: Atlanta metropolitan, northern, coastal, and balance of the state. Considering the return to prior industry plus the median earnings models to be a group, then 10 groups of models are estimated for each of four regions in Georgia for a total of 80 models—40 return to prior industry models and 40 earnings models.

Service Referral Module (SRM)

Service referral rankings are compiled for groups formed using an employability score. The employability score summarizes characteristics related to prior employment stability. For the full FDSS system, employability models are estimated for two program data samples, UI and ES, on data for each of the four geographic regions of Georgia. These eight employability models are used to set up the quintile groups for the service referral algorithm. That is, based on each model, the ordered distribution of employability scores is divided into five equal parts.

Within the UI sample, rankings of service effectiveness are prepared for two programmatically distinct subgroups. The first group is those who are sent directly to the reemployment unit (REU) for a special work search orientation workshop and a scheduled series of eligibility review interviews and workshops. The REU handles clients who are either profiled and referred by the state worker profiling and reemployment services (WPRS) system, or referred by the Georgia claimant assistance project (CAP). CAP refers to the REU all UI beneficiaries who qualify based on earnings only in the state of Georgia and are entitled to at least 14 weeks of benefits. For FDSS service referral, the non-REU UI beneficiaries are collected into a second UI group. ES clients who are not UI eligible form the third group for service referral ranking.

For each of the three program groups, service referral rankings were prepared for distinct quintile groups within each of the four geographic regions of Georgia. That is, service referral quintiles (5), for two UI groups and one ES group (3), in four regions (4), for a total of 60 service rankings (5 H 3 H 4). Also, training statistics are summarized separately for UI and ES in four regions with five quintile groups each for a total of 40 training type rankings.

A one page summary of this information which identifies the sample sizes used for all computations of FDSS models and service referral rankings for the prototype system is provided as appendix Table B.1. The following notes apply to the summary given in Table B.1.

1. In the service referral section, for the REU/Profiling/CAP rows, the total for REU/Profiling/CAP is the same as the total for those REU/Profiling/CAP people who used services since all persons in that sample received some services.

2. The sum of persons used for service referral is slightly less than the total sample for the employability score models. For example, for UI clients across all four regions, 204,771 persons were used in the UI employability score regression. The sum of the UI categories is 202,346 (52,112 REU/Profiling/CAP + 150,234 Other UI). The shortfall is due to the identification of the 15-day period in which the use of services was totaled. The end of that 15-day period had to have occurred during or before the fourth quarter of 1998 (98:4). This constraint was applied so that for all persons we had at least 4 quarters of wages to observe successful outcomes.

3. Across all four regions, there were 150,234 persons who were in the Other UI category (non-REU/Profiling/CAP). Of those, 107,178 used services. The drop off comes from two sources: A) Persons who did not receive any services, and B) Persons who received some services but

their 15-day period of most services received was more than one year after the reference date. For example, for the UI people, if the service activity used to identify the 15-day period occurred more than one year after their benefit year begin date, the flurry of activity does not apply to that benefit year. The same one year constraint was also applied to those in the ES sample.

Table B.1 Sample Sizes for Estimating FDSS Algorithms

Group	Atlanta Metro Area	Northern Georgia	Coastal Georgia	Balance of State	Total Sample Size	Count of Equations: Total Number of Models = 88
Sample Size Summary for Return to Prior Industry and Earnings Median Models						
Youth (UI and ES samples combined)	7875	9826	4623	8010	30334	4 ret. + 4 earn. = **8**
Economically Disadvantaged (UI and ES)	38154	26378	16780	45983	127295	4 ret. + 4 earn. = **8**
Other (UI and ES combined):						
Agriculture, Mining, Construction	3317	3733	2066	4636	13752	4 return to industry +
Manufacturing	8256	19859	5320	13907	47342	4 earnings
Transportation, Communication, Utilities	4795	2019	1241	2047	10102	= 8
Wholesale Trade	5642	3217	1138	2611	12608	
Retail Trade	8585	5536	3440	5939	23500	For 8
Finance, Insurance, Real Estate	4087	1362	557	1450	7456	industries
Services	18460	8370	4724	8971	40525	
Public Administration	1764	1499	862	2711	6836	= **64**
Total Other	54906	45595	19348	42272	162121	
Sample Size Summary for Employability Score Models						
UI	75055	45513	27514	56689	204771	**4**
ES	63584	54046	34969	68554	221153	**4**
Sample Size Summary for Service Referral Summaries						
UI REU (Profiling/CAP)	24200	10180	6721	11011	52112	5 quintiles x
Used Services	24200	10180	6721	11011	52112	2 groups x
						4 regions = **40**
Other UI (Non-Profiling/CAP)	50105	34772	20543	44814	150234	
Used Services	30763	26897	15314	34204	107178	
ES Total	62779	53495	34607	67918	218799	5 quintiles x
Used Services	49795	49526	31970	61890	193181	1 groups x
						4 regions = **20**
JTPA Total	9563	7800	4104	9199	30666	5 quintiles x
Used Services	3781	2791	1194	3959	11725	2 groups x
						4 regions = **40**

A New WPRS Profiling Model for Michigan

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I. Background

The Worker Profiling and Reemployment Services (WPRS) system was established nationwide following the 1993 enactment of Public Law 103-152. The law requires state employment security agencies to establish and utilize a system of profiling all new claimants for regular unemployment insurance (UI) benefits. Profiling is designed to identify UI claimants who are most likely to exhaust their regular benefits, so they may be provided reemployment services to help them make a faster transition to new employment.

In November 1994, the Michigan Employment Security Commission (MESC) began profiling new UI claimants to identify those at risk of long-term unemployment. To do this, MESC adopted a statistical methodology that ranks dislocated workers according to their likelihood of exhausting UI benefits. MESC developed the methodology with technical assistance from the W. E. Upjohn Institute for Employment Research (Eberts and O'Leary 1996). In January 1995, the first cohort of profiled unemployment insurance recipients were referred to reemployment services.

The same profiling model implemented in Michigan eight years ago is still being used to refer UI claimants to WPRS services. However, nearly all other aspects of UI in Michigan have changed in the intervening years. The MESC has been abolished. It was replaced by the Michigan Unemployment Agency, and now UI is administered by the Michigan Bureau of Workers' and Unemployment Compensation (MBWUC). Within the next few months, the process of taking UI claims will shift from in-person interviews at local offices around the state to telephone claims taken by staff at three call centers to be located in Detroit, Grand Rapids, and Saginaw. Furthermore, UI has become a partner in new one-stop centers for employment services established in each workforce development area in the state as required by the Workforce Investment Act (WIA) of 1998.

When the Michigan WPRS was first implemented in 1994, linkages between UI and the employment service and Job Training Partnership Act (JTPA) agencies were either established or strengthened in each local labor market (Eberts and O'Leary 1997). Those relationships which have flowered in the WIA one-stop centers are crucial for maintaining active reemployment efforts for those at greatest risk of long-term UI benefit receipt. Currently, UI claimants who are neither job attached nor union hiring hall members are required to register for job search with Michigan Works to establish benefit eligibility. With UI call centers, internet, employer-filed claims, and mail claims available in the near future, personal interaction with claimants will be greatly reduced. Under this new system, a WPRS referral to orientation may be the most active reemployment assistance that many UI claimants will experience during a new spell of joblessness.

Also since 1994 Michigan has changed from a wage-request state for UI eligibility determination to a wage-reporting state. This means that each claimant's full benefit year UI entitlement is now known at the time that eligibility is established, a fact that will permit new approaches to WPRS modeling. When call centers are implemented, the MBWUC will also switch to using the new Standard Occupation Code (SOC) and North American Industrial Classification System (NAICS).

To develop a new Michigan WPRS profiling model which is in harmony with the new institutional realities, the MBWUC has once again chosen to partner with the W.E. Upjohn Institute for Employment Research. This brief paper offers a new WPRS model for Michigan which improves on the original model by applying lessons learned nationwide in the years since WPRS models were first implemented. A variety of alternative specifications were considered, the best of these is proposed as the new Michigan WPRS model.

The purpose of this paper is to provide the staff of the Michigan Bureau of Workers' and Unemployment Compensation with a detailed description of the new profiling model that we recommend the state adopt. In the next section we briefly review the existing Michigan WPRS profiling model and the describe the profiling and referral process as it existed when WPRS was originally implemented. Section III summarizes the findings from two evaluations of WPRS, which help in understanding the expected effects of the program. Section IV delineates the recommendations from a study sponsored by the U.S. Department of Labor data to identify the best ways to simplify and improve the statistical profiling models. This section is followed by a description of the data used to estimate the new profiling model. Section VI presents the specification of the new model and its variations. Section VII contrasts the two top variations of the new model using several criteria, which shows why we recommend one model over the others. The final section offers a brief summary.

II. The Original Michigan WPRS System

Unemployed workers who are issued a first payment within five weeks of filing a claim are eligible for profiling in Michigan. As in all states, profiling in Michigan entails a two-stage process (this section is drawn from Eberts and O'Leary 1996). First, UI recipients who are expecting to be recalled to their previous job or who are members of a union hall are dropped from the pool of workers to be profiled. These two groups are excluded because they are not expected to undertake an active independent job search. Second, among the remaining UI recipients, some are identified as the best candidates for early reemployment services. Michigan, like most states, performs the second sorting using a statistical model that ranks claimants by their likelihood of exhausting regular UI benefits.[20] Beneficiaries are then referred to orientation and reemployment services in order of their ranking until the capacity of local agencies to serve them is depleted.

[20]Kelso (1998) and Dickinson et al. (1999, 2002) report that only a few states use non-statistical characteristics screens to refer UI claimants to WPRS services.

The profiling model is run at the state level and profiling scores are generated for each eligible worker statewide. To implement profiling, each local office draws from the statewide ranking of profiled UI claimants who live in their jurisdiction. Each office arrays the selected individuals from highest to lowest predicted probability of exhausting UI benefits. Service providers (or coordinating organization) determine the maximum number of claimants who can be served in a given period, based on the funds that office receives for the WPRS program. Profiled UI claimants are referred to service providers based on their probability of benefit exhaustion and the referral agreement.[21] After assessing the referred claimant's needs, the service provider offers a set of reemployment services best suited to the individual claimant.

The original Michigan WPRS statistical model includes a UI claimant's personal characteristics: educational attainment, industry and occupation of last job held, and tenure on their last job. Industry and occupation codes are also included to reflect differences in demand for labor across these sectors and occupations as well as differences in worker qualifications, particularly across occupations. If the plastics industry, for example, is experiencing a downturn in the state, then workers who have been employed in that sector may have more difficulty finding reemployment than those in a sector experiencing growth. The occupational indicators followed the codes in the Dictionary of Occupational Titles (DOT). These codes, which provide indicators of the people and things complexity of occupations, were also included in the statistical model to provide additional detail on the requirements of the job held by the UI beneficiaries. Service Delivery Areas (SDAs), defined for administering Job Training Partnership Act (JTPA) programs, were included in the statistical model to identify local labor markets, with the understanding that local economic conditions, and other local circumstances, may differ across these regions of the state.

Based on this model, the probability assigned to each eligible UI recipient is a weighted average of the effects of each of these characteristics on the likelihood an individual exhausts UI benefits. The weights reflect the relationship between these variables and the likelihood of exhaustion at the time the model is estimated. Since these relationships may change over time, it is necessary to reestimate the model periodically.

For purposes of the WPRS in Michigan, all individuals who receive first payments within the same week are considered as one group. UI recipients within this group are ranked according to their predicted probability of exhausting. Those estimated to be most likely to exhaust are placed at the head of the queue for reemployment services.

Once a week, each local MESC office receives a list of profiled and ranked eligible UI recipients who are beneficiaries through that office. The list includes the name, social security number, and estimated probability of exhausting UI benefits for each profiled beneficiary. The

[21]Berger, Black, Smith and Noel (2001) devised a rationing rule to accommodate local WPRS capacity which provides for an ideal impact evaluation.

ranking of eligible UI recipients on the list is derived from the statewide estimation of the probability of exhausting UI benefits. The local beneficiary with the highest state ranking is placed first on the list followed by the beneficiary with the next highest state ranking and so forth.

The number of UI recipients actually referred to reemployment services at any specific local office depends upon the amount of resources received by that office to provide WPRS services. Since funding to local offices is largely based on labor market conditions, one would expect that those local offices with the greatest need should be able to serve a larger proportion of their UI claimants. UI recipients from local offices with tight labor markets or with industries experiencing few layoffs will have state-wide rankings much lower than those from local offices with high unemployment rates, and they will serve a smaller proportion of beneficiaries through the WPRS.

III. Evaluation of the Effectiveness of WPRS

The purpose of WPRS is to identify UI beneficiaries who are most likely to exhaust their regular UI benefits and to direct them to reemployment services as quickly as possible so that they can actively pursue reemployment. Two evaluations have been conducted to determine the success of this program. A national evaluation of WPRS, sponsored by the U.S. Department of Labor, was based on claimant-level data from a sample of states (Dickinson et al. 1999, 2002). In each of the study states (Connecticut, Illinois, Kentucky, Maine, New Jersey, and South Carolina), labor market outcome data were compiled from administrative records on all new initial UI claimants between July 1995 and December 1996 who were eligible for referral to mandatory WPRS job search assistance (JSA). The combined samples included 92,401 profiled and referred claimants, and 295,920 claimants who were profiled but not referred to WPRS JSA. The impact estimates were statistically significant in all states except South Carolina. For those five states with statistically significant results, the largest impact was !0.98 weeks in Maine with the other impacts ranging from !0.21 to !0.41 weeks of UI benefits.

The State of Kentucky also sponsored an assessment of their WPRS system. A feature of the Kentucky evaluation that sets it apart from the national evaluation was that the evaluation design was incorporated into the profiling modeling and implementation process. This allowed for the randomized assignment of claimants to treatment and control groupsBan improvement over the design of the national evaluation. A team of economists at the Center for Business and Economic Research at the University of Kentucky developed the profiling model and conducted the evaluation (Berger, et al. 1997, 2001).

To accommodate the random assignment of claimants, the Kentucky approach to profiling divides the predicted UI exhaustion distribution into 20 groups spanning 5 percentile points each. Each week the local WPRS capacity is met within one of the 20 groups. For example, for a particular week, sufficient capacity was available to accommodate claimants from the top three percentile groups, but there was not enough capacity to extend the referrals into the fourth percentile group. Thus, claimants were randomly selected from the percentile group which was third from the top until the capacity was exhausted. The authors referred to this group as the profiling tie group (PTG). Justification for this approach is based on the fact that the precision of the profiling model is such that it is not possible to distinguish statistically at any reasonable confidence level between individuals in that group. Therefore, randomization is appropriate for assigning claimants to JSA.

From among these profiling tie groups (PTGs), experimental treatment and control groups were formed to conduct an evaluation of the WPRS in Kentucky. Data were collected starting from the very beginning of WPRS implementation in Kentucky, October, 1994 through June, 1996. The PTGs yielded a total sample of 1,981 with 1,236 of these assigned to mandatory WPRS JSA.

The impact estimates for WPRS in Kentucky were more dramatic. With regard to the three outcomes of interest, the estimated impacts were a reduction of 2.2 weeks of UI, a reduction of $143 in UI benefits per beneficiary, and an increase of $1,054 per beneficiary in earnings during the UI benefit year. The differences in these estimates from those of the national WPRS evaluation are most likely due to the fact that Black et al. (2001) essentially confined their comparisons within PTGs, thereby achieving a closer counterfactual. Dickinson et al. (1999) compared those assigned to WPRS, who had the highest probability of benefit exhaustion, with all those profiled but not referred, including many with very low exhaustion probabilities. This meant that the comparison group in the national evaluation was likely to have a shorter mean benefit duration than program participants, even in the absence of WPRS services. The ideal approach is to use beneficiaries from the same percentile group to make the comparison between the outcomes of those who were referred to orientation with those who were not.

The two studies suggest that WPRS has been successful in meeting its original purpose. Findings from these evaluations are important not only for providing a better understanding of the overall effect of the program, but also for helping states improve the precision of their profiling models and the effectiveness of their service delivery systems. In a separate evaluation of the U.S. Department of Labor's Significant Improvement Demonstration Grants (SIGs), which were awarded to 11 states, it was recommended that states continue to find ways to improve their models (Needels, 2002). In addition to updating and revising the model more often, they also recommended that states improve their models through assessing the performance of their own WPRS system. The Kentucky approach offers an excellent framework in which to integrate an evaluation design into the profiling process. The approach is efficient, inexpensive, and incorporates a random assignment technique, which is regarded as the most reliable method of evaluation. We recommend that such an approach be incorporated into the implementation of the new profiling model.

IV. Lessons Learned from WPRS Modeling

A. Recommendations from a Study Sponsored by the USDOL

In addition to sponsoring an evaluation of the WPRS, the U.S. Department of Labor commissioned a study to identify the best ways to simplify and improve statistical WPRS models (Black, Smith, Plesca, and Plourde 2002). Our proposed model takes into consideration the lessons learned from this study.

The study identified five areas in which the model can be simplified without reducing predictive performance: 1) use ordinary least squares (OLS) instead of logit, probit or tobit (quantal choice models), 2) define the dependent variable as the proportion of entitlement used, 3) drop the local labor market values of the unemployment rate and industry employment, 4) add covariates that contribute to the predictive power of the model, and 5) there is no need to have separate models for separate regions of the state-use dummies. The study also recommended that using UI administrative records which are maintained at a high standard would improve the precision of the model.

We briefly summarize the reasons that the authors of the study gave for each of their five recommendations and then indicate whether or not we have incorporated these features into the new model that we propose. First, the study concluded that the functional form for the model should be linear. The authors found no evidence that the more involved statistical techniques, such as tobit, logit, or probit, outperformed the simple linear probability model (applying ordinary least squares (OLS) to estimate a dichotomous dependent variable). Therefore, they recommended the use of OLS for both dichotomous and continuous dependent variables. We will adopt this recommendation for the new model.

Second, the study suggested that the dependent variable should be a continuous variable that measures the fraction of weeks of entitled benefits that the claimant has drawn. This measure is calculated as the actual benefits drawn divided by the total amount of benefits the claimant is entitled to in his/her current benefit year. Unlike the dichotomous variable that indicates whether or not a beneficiary has drawn his/her total entitlement, the fraction of benefits drawn differentiates among those who have not yet exhausted. The authors contend that this additional information can improve the predictive power of the model. Their results, however, show little difference in predictive power between the two models. Furthermore, they report discrepancies in the construction of the continuous variable across the three states for which they analyzed data. Therefore, while we offer a model that uses the continuous variable for comparison purposes, we recommend adoption of the model that uses a dichotomous variable indicating whether or not the individual has exhausted benefits.

Third, the study recommended dropping the local labor market values of the unemployment rate and industry employment. The reason behind this suggestion is that virtually all claimants applying for UI in a given WIA area at a given time face the same unemployment rate. Consequently, the regional variation in unemployment rates will not help distinguish among workers applying in the same WIA area at the same time. We recognized this problem when developing the original model and left it out of the specification, and we will do so again in the new model. We retain the occupation and industry variables, however, to reflect structural differences in labor demand and supply in the various occupations and sectors.

Fourth, the study found that a few additional variables improved the predictive power of the model. In addition to the variables that we included in the original Michigan model, their study suggests considering a few others: 1) UI benefits exhausted in the most recent prior UI spell, 2) an indicator for previous UI claims, 3) welfare dependency, 4) food stamps recipiency, public transportation available for getting to work, 5) JTPA (or WIA) eligibility, 5) quarterly wages within the last year, and 6) enrolled in school or employed at time of claim. Some variables from this list were not available from the Michigan's administrative records to include in the model. Others were tried but were not statistically significant and did not add to the predictive power of the model. We included variables 1 and 5 (in the form of base wages) from the list above. In addition, we included reasons for job separation and length of UI entitlement.

Fifth, the study found that estimating separate models for different regions of the state did not improve the predictive power of the model. We had come to a similar conclusion when experimenting with different specifications, and thus will estimate a single model for the state of Michigan. We do include regional indicators, associated with each WIA area, which account for Ashifts@ in the probability of exhaustion across regions but which do not incorporate possible differences in the coefficients of the variables across regions.

B. Model Specification Changes Related to Intervening Events

The occurrence of three events since the original model was developed prompts the need for additional changes to the specification. First, the occupation variables in the original model were based on the Dictionary of Occupational Titles (DOT). These codes included detailed descriptions of the degree of complexity encompassed by the various occupations in relating to people and in manipulating things. DOT codes are being replaced with standard occupation codes based on the O*Net occupational classification system. Consequently, the detailed descriptions of occupations with respect to people and things are no longer available and must be deleted from the model.

The second event is the simple fact that WPRS has been in operation since 1994 and has shown in the evaluations it has had a significant impact on exhaustion rates, at least for the states studies. Thus, the model must now include an indicator for those beneficiaries who have been profiled and referred to orientation. The original model was estimated on data that recorded the experience of beneficiaries before WPRS was implemented. But any reestimation of the model since then must take into account the effect of the program on the behavior of the claimants. As described in the previous section, WPRS has been shown to reduce the duration of UI benefits by as much as 2.2 weeks. Therefore, those claimants who are profiled and referred to orientation will on average have a different duration than those who were not referred to orientation. If there were no way to distinguish between the two groups, the model would be misspecified, thus reducing its predictive power.[22]

The third event is the initiation of extended benefits during the period in which the new model was estimated. The recent economic downturn and the increased difficulty experienced by displaced workers in finding jobs prompted Congress and the President to establish the Temporary Extended Unemployment Compensation (TEUC), which provides claimants who have exhausted regular state benefits up to 13 weeks of additional benefits. Under federal law, unemployed workers may qualify for benefits if they 1) are not currently working full-time, 2) have exhausted all rights to regular state UI benefits, 3) have no entitlement to other UI benefits, and 4) have a new or additional claim for state UI benefits and a benefit year ending after March 10, 2001. An additional period of TEUC, called TEUC-X , is payable if the state's insured unemployment rate (IUR) reaches 4.0 percent or higher at the time a jobless worker exhausts his/her original TEUC benefits. These benefits are the same length and amount as offered under the TEUC. Jobless workers will generally receive the same weekly benefit amount in TEUC as they did in their most recent regular state UI claim and be eligible for half the number of weeks to which they were entitled in their most recent benefit year. The first week for which TEUC was payable was the week ending March 16, 2002. TEUC was still in effect at the time this paper was written. Figure 1 shows the jump in the percentage of claimants establishing TEUC entitlements soon after the program was implemented. The percentage climbed steadily until 50 percent of the beneficiaries established entitlements. The same pattern occurred for TEUC-X but with small percentages. Therefore, it is important to account for this program in the new model.

By offering claimants an additional 13 weeks of benefits beyond the regular entitlement, those who are eligible to establish this extended entitlement may be more likely to exhaust their regular benefits than those who are not eligible. Studies have shown that extended benefits tend to increase the rate of UI benefit exhaustion (Woodbury, 1997, p. 245; Jurajda and Tannery, 2003). Therefore, estimating the model on data that includes a period in which the TEUC is in effect requires the ability to sort out the effect of extended benefits on the likelihood of exhausting regular benefits. The difficulty in doing so is the inability to distinguish between those who during their benefit year recognized that benefits could be extended beyond the regular period and those who did not have this option. It is compounded by the inability to separate out the effects of economic downturns (demand conditions) on reemployment from the effects of extended benefits (supply response). However, since we are not concerned about estimating the separate effect of extended benefits on exhaustion (that is, to separate its effect from the other variables in the model), we need only to enter separate categorical variables for

[22]However, empirical studies have found that the degree of misspecification from using such data is usually minor and does not significantly affect the parameter estimates (Olsen, Kelso, Decker and Klepinger 2002). This finding may appear to run counter to the evaluation results, which found a significant effect of WPRS on exhaustion rates. The difference in results can be explained by the fact that entering the referral indicator in the model is not a valid method of testing for the impact of the program, due to selection bias and other factors. The orientation variable is not used to calculate the profiling score, since it of course is not observed at the time profiling takes place.

each week. In this way, we have taken into account the effect of any event unique to that week on the probability of exhaustion. These events, of course, include among other things, the claimant's eligibility for extended benefits. Therefore, the recommended model includes categorical weekly variables.[23]

V. Data for Estimating a New Michigan WPRS Model

The MBWUC provided data on UI claimants who filed on or after October 1, 2000. The reason for this starting date is that this is the time that the MBWUC started using quarterly wage record information to determine UI eligibility. Prior to that time, Michigan used a wage request system, which relied on contacting employees for weekly wages and separation information whenever a former employee filed a claim for jobless benefits. For consistency of data, it is necessary to start the estimation when the wage record system was initiated, after October 2000. Wage record data are also the only source of information on the full benefit year of UI entitlement, which other studies (as well as our estimation) have shown to be an important variable. Under the old Michigan wage request system, the full potential benefit year compensation might never be known for a claimant drawing less than 26 weeks of benefits. The data extract provides information on valid claims that ended after September 30, 2001, which means that the claims started on or after October 1, 2000. A claim is valid if the claimant met all monetary (sufficient earnings and hours) and non-monetary (not fired, quit, etc.) conditions for establishing a valid UI claim.

Table 1 summarizes the number of profiled claimants in our sample by the week ending date of their first payment. Table 2 shows the frequencies of benefit durations in our sample. More than 50 percent of claimants in the sample exhausted their initial entitlement. Table 3 shows the number of profiled workers in each of the 24 workforce development areas (WDA) of the State of Michigan. WDA 19 includes the City of Detroit.

VI. Variables included in the New Michigan WPRS Model

Specification of the new proposed Michigan WPRS profiling model is shown in Table 4. The table contrasts the variables used in the original model with those used in the new model. The major difference is the addition of five variables that were not available at the time the previous model was developed. These variables include: base wages, entitlement length, exhausted benefits in prior UI spell, reasons for separation, and referred to orientation, as well as the weekly categorical variables described above. Adding these variables is justified as a way to better model the behavior of claimants with respect to exhausting benefits. Base wages are added in order to offer additional information about the individuals prior job, since the level of compensation reflects a person's qualifications relative to other individuals in the same sector and occupation. It also indicates the likelihood that an individual is able to find a job with

[23] The categorical variables are used in the estimation to avoid omitted variable bias in the other coefficients. The categorical variables, however, are not used to estimate the profiling scores when the model is implemented.

similar attributes. The entitlement length suggests the claimant's prior attachment to work. The reason for including the referral to orientation has been discussed in the previous section. The variable indicating whether the claimant exhausted benefits in a prior UI spell is added to the model to reflect behavioral tendencies of the claimant. The reasons-for-separation variables are included to distinguish among those claimants who were laid off from those who quit or were fired, since there appears to be a difference in the likelihood of exhausting benefits depending upon the reason for separation. The weekly categorical variables are included to account for the idiosyncratic effects of weekly events on the probability of exhausting benefits, particularly the availability of extended benefits. The means for the estimation sample are shown in Table 5.

We also experimented with various combinations of the new variables. We found, however, that the full model outperformed the models that included only subgroups of the variables listed above. In particular the weekly categorical variables, which were included to account for TEUC, helped to improve the model. Table 6 shows the correlation between the three most promising models, with and without the weekly variables. We see that the logit and the OLS estimation of the specification with UI exhaustion as the dependent variable yield virtually identical rankings, which is the reason we recommend the simpler estimation technique of OLS. Also, although the addition of the weekly variables increases the fit of the models, it does not change the ranking significantly, as indicated by the higher correlations between those two variations of the model.

VII. Choosing the Appropriate Dependent Variable

Accepting the full set of variables as the preferred specification, the remaining issue with regard to specification is the choice of the dependent variable. The original model, along with most state profiling models, used a dichotomous dependent variable indicating whether or not a beneficiary exhausted his/her benefits. Black et. al. (2002) experimented with the fraction of benefits drawn in a benefit year and recommended it as an alternative measure. We also will experiment with the two forms of the dependent variables and show that according to several criteria the alternative measure (fraction of benefits drawn) is not superior and in most cases slightly inferior to the model with exhaustion as the dependent variable.

Estimates of the two models are shown in Tables 7 and 8.[24] We find that the coefficients are similar across the two specifications, particularly for the claimant's personal characteristics such as tenure and education. Estimates suggest that claimants with more tenure (up until about 26 years as a result of the negative sign on the tenure squared term) and education are less likely to exhaust benefits. Those referred to orientation are more likely to exhaust benefits. This result seems counterintuitive to what we learned from the evaluations. However, the positive sign may

[24]The dichotomous variables, such as those used for education, separation, occupations, industries and WIA areas, are normalized against the mean instead of against an omitted variable from each of the groups of variables. Therefore, all categories are included in the tables, as opposed to the customary omission of one variable from each group.

reflect the fact that those claimants who were referred to orientation were most likely to exhaust benefits during their previous claim (according to the statistical profiling model) and thus may have the same tendency in this benefit period.[25] It is interesting that the coefficients for the first two reasons for separationBlack of work and quit/firedBdiffer between the two models. The exhaustion model (Model A) suggests that those who quit or are fired are more likely to exhaust benefits, while the fraction-of-benefits model (Model B) suggests the opposite. The signs are reversed for the lack-of-work variable. The coefficients on both variables are statistically significant in each model.

The relationship between the predicted values and key variables can be illustrated by graphing these relationships by constructed percentiles. We choose three variablesBtenure at the last employer, college graduation, and exhaustion of prior UI spellBand construct 20 percentile groups in order to record the percentage of college graduates and the prior exhaustion rates across the distribution. For illustrative purposes, we use only the predicted values from Model A, recognizing that the same relationships hold for Model B. As shown in Figure 2, prior exhaustion is positively related to the profiling score, with most of the variation affecting the upper end of the profiling score distribution. Figure 3 shows that college graduation and the profiling score are negatively correlated, with the percentage gradually falling throughout the distribution while the profiling score increases. As shown in Figure 4, tenure exhibits a quadratic relationship with the profiling score, which is the reason for entering that variable as a quadratic. In the graph, we see that tenure increases throughout the distribution until it begins to decrease after reaching the 16th percentile group (the top 25 percent of the distribution).

In order to judge the predictive power of the various models, it is appropriate to base these comparisons on out-of-sample predictions generated by each model. Out-of-sample validation involves excluding a random sample from the data used for model estimation, and then using that sample to check the forecasting accuracy of the model. Following Black et al. (2002), the validation sample is constructed by randomly selecting claimants who filed claims in four different weeksBone week from each of four quarters of data. This process generated a sample of 15,074, which is 7 percent of the estimation sample. The means of the explanatory variables for the validation sample are displayed in Table 9.

A. Selection Criteria of Minimizing False Positives[26]

A statistical profiling model ranks individual claimants according to their estimated probability of exhausting benefits (or the fraction of benefits drawn, as is the case with Model B). Therefore, referrals to orientation are drawn first from the top of the distribution of predicted values, working down through the distribution until the capacity of the system to serve individuals has been met. Therefore, an optimal profiling model is one in which the model

[25] The positive sign on the orientation coefficient may reflect selection bias, which underscores the need for random assignment when evaluating the WPRS program.

[26] The authors wish to thank Tim Bartik for suggesting the framework for this criterion.

precisely selects for referral all individuals who would, if not referred, exhaust their benefits. Models that generate a greater number of false positives (that is, those who were identified by the model as exhausting but did not) yield less efficient profiling procedures.

Two costs result from imprecise estimates, as shown in Table 10. The first cost is from false negatives. These are individuals who were not referred to orientation because their profiling score was below the cutoff point, but should have been. By exhausting their benefits, they draw more UI benefits than they would if referred to orientation, thus costing the UI system additional dollars and reducing the prospect of returning to work. According to the Kentucky evaluation results, individuals are likely to stay on UI 2.2 weeks longer, collect $143 more in UI benefits and forgo $1,054 in earnings during the UI benefit year than if they would have been referred.

The second cost relates to false positives. These are individuals who were identified as having a high probability of exhausting benefits and referred to services but would have likely found a job without assistance before exhausting benefits. The cost associated with this group is the opportunity cost of occupying a position in the orientation session (and subsequent services) that could have been used by someone who would have actually exhausted benefits without this assistance. There is also the cost of delaying an individual's job search activities and asking an individual to participate in a program that he or she may not have wanted to attend.[27]

Therefore, it is obvious from Table 10 that the goal of an optimal profiling model is to minimize the number of claimants who are false positives in the upper range of the profiling distribution from which people are drawn to attend orientation. The converse of this goal is to maximize the number of true positives, that is, those who are identified as exhausting benefits who actually do exhaust.

As a way of using this criterion to compare the two models, first suppose that capacity exists to serve 3,000 people per week out of 20,000 people profiled. Following the procedure used by Kentucky, these 20,000 are divided into 20 groups of 1,000 each, that is, into 20 groups each with an interval of five percentile points. Selection for referral to orientation starts with the top percentile group of 1,000 and then works down the distribution until all the slots are filled. Table 11 displays the cumulative number of claimants who are profiled as exhausting benefits and who actually exhausted, for each of the two models. In order to refer 3,000 people to orientation, all 1,000 people from each of the first three groups are selected. If Model A were used to identify who among the claimants is likely to exhaust benefits, 2,074 people (or 69.1 percent) would have actually exhausted (true positives). If Model B were used to profile the

[27]Under the proposal Personal Reemployment Accounts, these costs become even more significant to both the individual claimant and the system. According to the PRA, a claimant is entitled to up to $3,000 if they are eligible. One criteria of eligibility is to have a high probability of exhausting benefits. If a false positive occurs for someone with a high probability of exhausting benefits, then that individual becomes entitled to the $3,000 account, which since there are limited funds, would prevent someone who was actually more likely to exhaust benefits from receiving the funds.

claimants, 2,064 (68.8 percent) would be identified correctly. The difference is 10 people who are accurately identified as exhausting. For this part of the distribution, the models are comparable in meeting the goal of referring to orientation as many people as possible who would actually exhaust benefits.

It should be noted that statistical profiling does much better than randomly selecting claimants from the entire pool of 20,000. Under random selection, the probability of referring someone to orientation who would have actually exhausted benefits is 52 percent (the mean percentage of exhaustees in the sample).[28] The two models exceed this rate by at least 16.8 percentage points. For the 3,000 assigned, this means that an additional 504 people have been accurately identified as exhausting, thus significantly reducing the cost of misclassification. For example, wrongly classifying this group of 3,000 people would cost the system $72,072 per benefit year in additional UI payments (504x$143), according to the Kentucky evaluation, since the false positives are taking up space in the programs that could have been used by those who actually exhausted.

Suppose that capacity is increased to 3,500. To add 500 more claimants, profiled workers would be drawn from the next lowest percentile groupBthe 17th. However, only half of the 1,000 people included in this group can be accommodated. One solution would be to randomly draw 500 people from the group. This approach is similar to the one suggested by Black et. al (2001) and used by Kentucky. Following Black's terminology, the 17th percentile group is referred to as the profiling tie group, since not everyone from this percentile group is referred to orientation due to limited capacity. Under Model A, 65.7 percent of the 500 people drawn from the 17th percentile would actually exhaust benefits, whereas under Model B, 65.1 percent would exhaust. Of the 500 people drawn, the difference between the two models in the number of people drawn who actually would exhaust benefits is very small, only 3 people.

An alternative approach is to draw the 500 claimants sequentially from highest to lowest profiling score from within the 17th percentile group until the 500 referrals are reached. A convenient way to contrast the two approaches is to divide those claimants in the profiling tie group (17th percentile group in the case of the previous example) into decile groups (10 groups of equal number of claimants). We consider only the distribution generated from Model A in order to illustrate the differences between the two sampling techniques. Table 12 displays the number of actual exhaustees for each decile group within the 17th percentile group. Drawing from the top half of the distribution to obtain 500 additional referrals results in 66.8 percent of those drawn actually exhausting benefits. This proportion is slightly more than the 65.7 percent of actual exhaustees that was obtained by randomly selecting from the entire 1,000 claimants within

[28] Random selection may not be the decision rule used instead of profiling. Traditionally, referral decisions are based on the judgment of front-line staff. It is interesting to note, however, that Gueron and Pauly (1991) cite two studies that show little correlation between the job-readiness ratings by frontline staff and participants' performance in the program.

the 17th percentile. However, whether one approach is superior to another for any portion along the distribution of profiling scores depends upon the idiosyncrasies of those claimants.[29]

B. Steepness of the Distribution

The criterion of maximizing the number of referrals who actually would exhaust benefits is comprised of two parts. The first is the steepness of the distribution, that is the ability to distinguish among claimants according to their likelihood of exhausting benefits. The second is the accuracy of that prediction, as measured by the percentage of individuals along each segment of the distribution that actually exhausts benefits. First consider the steepness of the distribution for the two profiling models. Steepness is one of the primary criteria used by Black et. al (2002) to select profiling models.[30] A profiling model with a steeper distribution is able to distinguish among the UI claimants more precisely. Figures 5 and 6 display the predicted probabilities derived from Model A and Model B, respectively, estimated on the validation sample. Note that both curves follow a logistic function. The distribution generated by Model A ranges from 0.17 to 0.92, while the distribution generated by Model B spans a shorter interval from 0.51 to 0.99. Figure 7 compares the steepness of the two distributions by dividing the distributions into 20 percentile groups and indexing the lowest value (upper cutoff value for the lowest percentile group) of each distribution to 1. The points plotted in Figure 3 are the upper percentile values for each of the 20 groups. It is apparent from this graph that predicting exhaustion events (Model A) generates a distribution that is considerably steeper than predicting the fraction of benefits (Model B). The ending value for Model A is 77 percent greater than the beginning value, whereas the ending value for Model B is only 28 percent greater than its beginning value. Based on this measure, the slope of Model A's distribution is 2.7 times steeper than that of Model B.

Since most claimants who are referred to orientation are drawn from the top 25 percent of the distribution, it is also instructive to take a closer look at this portion of the curve. Once again using upper percentile values for each of the 20 groups, it is evident that, for the upper 25 percent of the distribution, the distribution of the predicted values of Model A is steeper than that of Model B. The difference between the cutoff values for the 20th percentile group and the 15th is

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[29]As will be shown later in the paper, the actual exhaustion rates do not perfectly track the predicted probability of exhausting benefits. As shown in table 12, the actual exhaustion rate is higher in the 17th percentile than in neighboring percentiles, whereas it should decline continuously from top to bottom of the top of the distribution. One possible reason for the non-monotonic nature of the actual exhaustion rate for small segments of the distribution is the relatively small sample size for each percentileB750. The model was estimated on a sample of more than 200,000 claimants. In reality, however, WIA areas will be drawing relatively small samples each week and should expect some anomalies as shown here. It should also be noted that the actual exhaustion rate when Model B is used to delineate the 17th percentile is even less monotonic when compared to the exhaustion rate of the neighboring percentiles.

[30]Steepness of the distribution is one of the criteria that we used to select the original profiling model for Michigan.

0.119 for Model A versus 0.077 for Model B. Thus the spread of the distribution for Model A is 55 percent greater than that of Model B for this upper quarter of the distribution.

C. Accuracy of the Model

To measure the accuracy of each model, we follow an approach referred to as the running sum of proportion of ones (exhausting benefits equals one), or CUSUM.[31] Ideally for our purposes, the profiling score should perfectly distinguish between those who exhaust and those who do not exhaust. If this were true, the relationship between the profiling score and the event of exhausting benefits would be such that all those who exhaust would be in the top portion of the distribution of predicted exhaustion probabilities and all those who do not exhaust would be in the lower portion of the distribution. Thus, there would be no interspersing of those who exhausted with those who did not exhaust. In this case, plotting the running sums of ones against the continuous profiling score would yield a pyramid-shaped graph with its peak at the sample proportion of those who exhausted. Figures 8 and 9 show the graphs of the running sum of ones for each model. The graphs show a pronounced inverted U-shaped plot for each model, indicating a strong positive monotonic relationship. The trend for each model is confirmed by a highly statistically significant linear cusum statistic (7.72 for Model A and 7.27 for Model B).

Examining the upper 25 percent of the distribution, as shown in Figures 10 and 11, shows a less pronounced inverted U-shaped relationship, but the statistic shows a highly statistically significant linear relationship, with Model B exhibiting a slightly higher statistic than Model A (3.41 for Model A and 4.45 for Model B). Therefore, according to this measure of fit, the two models are comparable in their relationship between the exhaustion event and the profiling score.

D. Comparing How Each Model Ranks Claimants

While the two models are comparable with respect to fitting the data and satisfying the criteria of maximizing the number of referrals who would actually exhaust benefits, their ranking of specific individuals according to their profiling scores differs. Thus, some individuals referred to orientation by one model may not be referred to orientation by the other model. The rank correlation of the profiling scores generated from the two models is 0.885. A score of 1.00 indicates that each model ranked individuals identically.

To see the effect of the different rankings on referrals to orientation, we return to the previous example of selecting 3,000 claimants for referrals. As shown in Table 11, selecting claimants from the 18th, 19th, and 20th percentile groups would meet this capacity. Table 13 shows the overlap between the two models in selecting claimants as well as the outliers. Cross tabulations were derived for each of the 20 percentile groups, but we show only the 13th percentile group and higher, since this is the region of the distribution that is affected by the selection of referrals. We find an overlap of 2,423 (or 80.8 percent of) individuals who were in the 18th through 20th percentile groups for each model. If referrals are based on Model A, then

[31] See the description of CUSUM in the STATA Reference Manual, Release 6, Volume One, pp. 285-288.

576 individuals would have been included in the top 3 percentile groups who would not have been included if Model B were used. Conversely, Model A does not include 570 people in the top 3 percentile groups that Model B would have included. Since the outliers under Model B vis-a-vis Model A extend farther down in the distribution than the outliers under Model A, the exhaustion rate of the Model B outliers is slightly lower than that of the outliers under Model A (60.8% versus 61.7%).

E. Contrasting the Preferred New Model with the Original Model

The original model and the new model assign different profiling scores to the same people, thus yielding significantly different rankings. Using the same out-of-sample group of claimants, we find that the rank-order correlation coefficient is 0.33, which is considerably lower than the ideal value of 1.00, which indicates all individuals are ranked the same by each model. The value of 0.33 is also much lower than the rank correlation coefficient between the two versions of the new model.

We also find that the distribution of profiled scores between the new and original models differs. As shown in Figure 12, the new model is considerably steeper than the original model and tends to increase more monotonically than the original model. The new model is about 40 percent steeper than the original model for the entire distribution and 15 percent steeper for the top 25 percent of the distribution. Therefore, adding the variables included in the new model improves the performance of the model based on this simple criteria of model performance. The performance of the model is also improved by updating the estimates of the coefficients.

VIII. Summary

The Michigan Bureau of Workers' and Unemployment Compensation has asked the Upjohn Institute to revise and update the statistical profiling model that it uses to identify UI claimants who are most likely to exhaust their regular benefits. The Institute developed the original model, which Michigan has used since 1995. Several studies sponsored by the U.S. Department of Labor underscore the need to reestimate profiling models periodically and to update them if new variables are made available. The new model that we propose includes new variables that are now available since Michigan became a wage-record state. In addition, the new model is estimated using the most recent data available. The proposed model predicts the probability that a UI beneficiary exhausts his or her regular benefits. An alternative specification was explored that predicts the fraction of benefits drawn during the benefit year. Both models incorporate most of the suggestions outlined in the report by Black et al. (2002) sponsored by the U.S. Department of Labor. While the two models are fairly comparable according to several criteria, we recommend adopting the model based that predicts the exhaustion of benefits (Model A). This model performed slightly better, and it is easier to interpret.

We also recommend that the profiling model be implemented following the method recommended by Black et. al. (2002) and used by Kentucky. This method divides the distribution of profiling scores into 20 percentile groups and refers claimants to orientation starting with the group with the highest profiling scores and working down the distribution. When the capacity of the service providers is met within a specific percentile group, claimants are randomly drawn from that group, referred to as the profiling tie group, until capacity is met. We showed that this approach yields results that are similar to that obtained from using a sequential selection approach. This approach is justified because the models are not sufficiently precise to distinguish among claimants within a given percentile group with an acceptable statistical significance. It also provides MBWUC with a valuable evaluation tool that can be used to periodically revise the profiling model and to improve the effectiveness of the WPRS system.

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Table 1
Number of Profiled Workers, Exhaustion Rate and Fraction of Entitlement Used by Date of First UI Payment

	Estimation Sample			Validation Sample		
Week Ending Date of First Payment	Sample Size	Exhaustion Rate	Fraction of Entitlement Used	Sample Size	Exhaustion Rate	Fraction of Entitlement Used
7-Oct-00	1645	0.5605	0.7583	.	.	.
14-Oct-00	1285	0.5440	0.7493	.	.	.
21-Oct-00	1381	0.5583	0.7601	.	.	.
28-Oct-00	1363	0.5657	0.7676	.	.	.
4-Nov-00	1686	0.5623	0.7817	.	.	.
11-Nov-00	72	0.6250	0.8075	1665	0.5351	0.7721
18-Nov-00	1847	0.5322	0.7778	63	0.4762	0.7185
25-Nov-00	1179	0.5191	0.7656	27	0.5185	0.6937
2-Dec-00	1483	0.5192	0.7698	2	0.5000	0.5962
9-Dec-00	1726	0.5110	0.7600	.	.	.
16-Dec-00	1154	0.4905	0.7541	.	.	.
23-Dec-00	1117	0.5031	0.7519	.	.	.
30-Dec-00	1197	0.5313	0.7484	.	.	.
6-Jan-01	2220	0.5279	0.7556	.	.	.
13-Jan-01	2751	0.5049	0.7538	.	.	.
20-Jan-01	2331	0.4848	0.7343	.	.	.
27-Jan-01	2550	0.4624	0.7101	.	.	.
3-Feb-01	2329	0.4693	0.7127	.	.	.
10-Feb-01	3136	0.4790	0.7213	.	.	.
17-Feb-01	2242	0.4777	0.7189	1	0.0000	0.5385
24-Feb-01	2306	0.4679	0.7178	.	.	.
3-Mar-01	2324	0.4819	0.7158	.	.	.
10-Mar-01	166	0.4518	0.6920	2399	0.5227	0.7444
17-Mar-01	2374	0.5430	0.7664	87	0.4713	0.7252
24-Mar-01	2459	0.5336	0.7538	44	0.4773	0.7355
31-Mar-01	2059	0.5294	0.7518	6	0.8333	0.8590
7-Apr-01	3637	0.5428	0.7571	.	.	.
14-Apr-01	142	0.4648	0.6890	1988	0.5302	0.7517
21-Apr-01	2114	0.5553	0.7681	59	0.4407	0.6724
28-Apr-01	2334	0.5338	0.7572	38	0.5789	0.7642
5-May-01	2380	0.5458	0.7649	9	0.5556	0.6410
12-May-01	2054	0.5755	0.7751	.	.	.
19-May-01	1938	0.5681	0.7740	.	.	.

Table 1
Number of Profiled Workers, Exhaustion Rate and Fraction of Entitlement Used by Date of First UI Payment

Week Ending Date of First Payment	Estimation Sample: Sample Size	Estimation Sample: Exhaustion Rate	Estimation Sample: Fraction of Entitlement Used	Validation Sample: Sample Size	Validation Sample: Exhaustion Rate	Validation Sample: Fraction of Entitlement Used
26-May-01	2014	0.5645	0.7665	.	.	.
2-Jun-01	1475	0.5715	0.7679	.	.	.
9-Jun-01	2297	0.5485	0.7477	.	.	.
16-Jun-01	1956	0.5557	0.7559	.	.	.
23-Jun-01	2041	0.5654	0.7606	.	.	.
30-Jun-01	1695	0.5971	0.7850	.	.	.
7-Jul-01	3186	0.6058	0.7829	.	.	.
14-Jul-01	2242	0.6258	0.7891	.	.	.
21-Jul-01	2065	0.5835	0.7619	.	.	.
28-Jul-01	1822	0.6153	0.7815	.	.	.
4-Aug-01	2022	0.6078	0.7816	.	.	.
11-Aug-01	2059	0.5872	0.7622	.	.	.
18-Aug-01	101	0.6733	0.8297	1754	0.6009	0.7702
25-Aug-01	1709	0.6220	0.7796	70	0.5714	0.7987
1-Sep-01	1794	0.6472	0.8062	28	0.6786	0.8559
8-Sep-01	2069	0.6191	0.7877	5	0.6000	0.6923
15-Sep-01	1883	0.6325	0.8001	.	.	.
22-Sep-01	2159	0.6373	0.8021	.	.	.
29-Sep-01	3136	0.5858	0.7679	.	.	.
6-Oct-01	3593	0.5967	0.7802	.	.	.
13-Oct-01	145	0.6207	0.8047	.	.	.
20-Oct-01	61	0.6393	0.8174	.	.	.
27-Oct-01	10	0.7000	0.8615	.	.	.
3-Nov-01	1	0.0000	0.1923	.	.	.
17-Nov-01	3	0.0000	0.1031	.	.	.
1-Dec-01	1	1.0000	1.0000	.	.	.
	102520	0.5517	0.7607	8245	0.5434	0.7569

Table 2
Number of Profiled Workers and Proportion of Entitlement Used by Weeks of Benefits Drawn

	Estimation Sample		Validation Sample	
Weeks of Benefits Drawn	Sample Size	Proportion of Entitlement Used	Sample Size	Proportion of Entitlement Used
1	1003	0.0416	75	0.0401
2	3611	0.0850	296	0.0862
3	1823	0.1242	165	0.1195
4	3390	0.1654	297	0.1666
5	1681	0.2026	145	0.1990
6	3066	0.2457	240	0.2479
7	1629	0.2863	122	0.2828
8	2607	0.3310	227	0.3317
9	1427	0.3663	122	0.3577
10	2453	0.4150	182	0.4132
11	1277	0.4468	94	0.4590
12	2432	0.5001	194	0.4923
13	1278	0.5498	102	0.5559
14	2681	0.6397	227	0.6374
15	2033	0.7793	153	0.7745
16	3197	0.7702	258	0.7795
17	2357	0.8377	173	0.8523
18	3479	0.8383	234	0.8268
19	2426	0.8907	165	0.8890
20	3279	0.8820	266	0.8697
21	2140	0.9204	188	0.9192
22	3039	0.9151	250	0.9164
23	2002	0.9489	163	0.9386
24	3058	0.9548	251	0.9551
25	2176	0.9834	195	0.9803
26	42991	1.0000	3462	1.0000
Total	102535	0.7607	8246	0.7569

Table 3
Number of Profiled Workers, Exhaustion Rate and Fraction of Entitlement Used by WIA Area

		Estimation Sample			Validation Sample		
		Sample Size	Exhaustion Rate	Fraction of Entitlement Used	Sample Size	Exhaustion Rate	Fraction of Entitlement Used
1	WIA Area, Western UP	864	0.5671	0.8055	70	0.5571	0.7944
2	WIA Area, Central UP	981	0.5178	0.7615	73	0.5205	0.7373
3	WIA Area, Eastern UP	352	0.5199	0.7590	33	0.3939	0.6778
4	WIA Area, North West	3765	0.4874	0.7372	316	0.4937	0.7394
5	WIA Area, North East	2101	0.5621	0.7988	181	0.5912	0.8356
6	WIA Area, West Central	1755	0.5197	0.7562	147	0.5102	0.7806
7	WIA Area, Region 7B	1185	0.5932	0.8010	77	0.5974	0.8046
8	WIA Area, Muskegon-Oceana	3122	0.5208	0.7454	196	0.5714	0.7818
9	WIA Area, Ottawa County	2273	0.4809	0.7142	148	0.4932	0.7515
10	WIA Area, ACSET	6505	0.5191	0.7352	598	0.5268	0.7355
11	WIA Area, Central	2003	0.5142	0.7463	176	0.4375	0.6963
12	WIA Area, Saginaw-Midland-Bay	5087	0.5546	0.7697	384	0.5599	0.7650
13	WIA Area, Thumb	2393	0.5687	0.7781	153	0.5948	0.7788
14	WIA Area, Capital	1508	0.4973	0.7305	116	0.4655	0.7085
15	WIA Area, Genesee-Shiawassee	3840	0.5646	0.7702	310	0.5548	0.7756
16	WIA Area, Livingston County	913	0.4907	0.7201	69	0.5217	0.7664
17	WIA Area, Oakland County	12869	0.5225	0.7378	1066	0.5122	0.7325
18	WIA Area, Macomb-St. Clair	11709	0.5415	0.7501	998	0.5381	0.7547
19	WIA Area, Wayne-Monroe	26469	0.6060	0.7883	2002	0.5919	0.7800
20	WIA Area, Washtenaw County	2283	0.4823	0.7161	170	0.4294	0.6849
21	WIA Area, Calhoun ISO	1924	0.5405	0.7632	183	0.5355	0.7203

Table 3
Number of Profiled Workers, Exhaustion Rate and Fraction of Entitlement Used by WIA Area

		Estimation Sample			Validation Sample		
		Sample Size	Exhaustion Rate	Fraction of Entitlement Used	Sample Size	Exhaustion Rate	Fraction of Entitlement Used
22	WIA Area, South Central	2848	0.5488	0.7523	221	0.5204	0.7574
23	WIA Area, Kalamazoo-St. Joseph	3229	0.5636	0.7635	359	0.5655	0.7521
24	WIA Area, Berrien-Cass-Van Buren	2386	0.5746	0.7783	188	0.5213	0.7564
999	Out-of-State Resident	171	0.4971	0.7091	12	0.5000	0.7656
Total	Overall	102535	0.5517	0.7607	8246	0.5433	0.7569

Table 4: Variables in the Original and New Michigan WPRS Profiling Models

Original Model	New Model	Comments
y = UI exhaustion (1, 0)	y = UI exhaustion (1, 0)	Use OLS instead of logit
Education - 5	Education - 5	LTHS, HS, SC, ColGrad, Adv
Tenure - 2	Tenure - 2	tenure, tenure squared
Occupation - 9 DOT	Occupation - 10 SOC	coding system changed
Industry - 11 SIC	Industry - 20 NAICS	coding system changed
SDA - 25 areas	WIA - 24 areas + out of state claim	coding system changed
Complexity - 6		no longer available
	Variables added	
	Base_wages	Earnings in UI base period
	Entitle_length	Maximum UI weeks available
	Exhaust_prior	Exhausted previous UI spell
	Orient_ref*	Proxy for referred to WPRS
	Weekly categorical variable	Controls for weekly events such as TEUC
	sep_reason	Reasons for job separation
	byb___*	Weekly time indicator

Note: Variables marked with an asterisk (*) are included in the regression model but are not used to calculate the profiling score for each individual.

Table 5
Means of the Estimation Sample
Client Inflow: October 1, 2000 through September 30, 2001

Variable	Description	Means	Standard Deviation
tenure	Tenure at Last Employer (Years)	3.540	5.760
tenure2	Tenure Squared	45.840	154.720
educ1	Education, less than high school	0.135	0.340
educ2	Education, High School Graduate	0.529	0.499
educ3	Education, Some College	0.216	0.411
educ4	Education, College Graduate	0.084	0.277
educ5	Education, Advanced	0.035	0.184
exhaust_prior	Exhausted Recent Prior Unemployment Claim	0.168	0.374
base_wages	Base Period Wages ($1000)	28.440	21.340
entitle	Entitlement Length (Weeks)	24.670	2.910
orient_ref	Referred to Orientation	0.054	0.226
sep_reason1	Separation Reason, lack of work	0.793	0.405
sep_reason2	Separation Reason, Quit/Fired	0.194	0.395
sep_reason3	Separation Reason, Still Employed	0.002	0.042
sep_reason4	Separation Reason, Other	0.011	0.106
soc1113	Occup (SOC), Management, Business, Financial	0.068	0.251
soc1529	Occup (SOC), Professional and Related Occ	0.105	0.307
soc3139	Occup (SOC), Services	0.039	0.193
soc41	Occup (SOC), Sales and Related Occ	0.034	0.180
soc43	Occup (SOC), Office, Administrative Support	0.120	0.325
soc45	Occup (SOC), Farming, Fishing and Forestry	0.029	0.170
soc47	Occup (SOC), Construction and Extraction	0.070	0.255
soc49	Occup (SOC), Installation, Maintenance, Repair	0.019	0.138
soc51	Occup (SOC), Production	0.390	0.488
soc53	Occup (SOC), Trans and Material Moving	0.126	0.331
indnaics1	Ind (NAICS): Agric,, Forestry, Fishing	0.006	0.077
indnaics2	Ind (NAICS): Mining	0.005	0.073
indnaics3	Ind (NAICS): Utilities	0.001	0.028
indnaics4	Ind (NAICS): Construction	0.098	0.298
indnaics5	Ind(NAICS)L Production	0.339	0.473
indnaics6	Ind (NAICS): Wholesale Trade	0.049	0.216
indnaics7	Ind (NAICS): Retail Trade	0.083	0.276
indnaics8	Ind (NAICS): Transportation, Warehousing	0.039	0.193
indnaics9	Ind (NAICS): Information	0.018	0.133

Table 5
Means of the Estimation Sample
Client Inflow: October 1, 2000 through September 30, 2001

Variable	Description	Means	Standard Deviation
indnaics10	Ind (NAICS): Finance and Insurance	0.024	0.154
indnaics11	Ind (NAICS): Real Estate, Rental, Leasing	0.013	0.112
indnaics12	Ind (NAICS): Prof, Scientific, Technical	0.074	0.262
indnaics13	Ind (NAICS): Company/Enterprise Management	0.003	0.055
indnaics14	Ind (NAICS): Admin, Support and Waste Mgmt	0.113	0.316
indnaics15	Ind (NAICS): Educational Services	0.012	0.108
indnaics16	Ind (NAICS): Health Care/Social Assistance	0.04	0.20
indnaics17	Ind (NAICS): Art, Entertainment, Recreation	0.014	0.117
indnaics18	Ind (NAICS): Accommodation and Food Services	0.367	0.188
indnaics19	Ind (NAICS): Other Services (Except Pub Admin)	0.023	0.148
indnaics20	Ind (NAICS): Public Administration	0.010	0.097

Table 6: Estimation Sample Correlation of Rankings by Model Specification
Client Inflow: October 1, 2000 through September 30, 2001

	Logit, Exhaust, New	Logit, Exhaust, New Plus Dummies	OLS, Exhaust, New	OLS, Exhaust, New Plus Dummies	OLS, Fraction, New	OLS, Fraction, New Plus Dummies
Logit, Exhaust, New	1.0000	0.8735	0.9999	0.8714	0.8907	0.7941
Logit, Exhaust, New Plus Dummies	0.8735	1.0000	0.8735	0.9999	0.7811	0.8884
OLS, Exhaust, New	0.9999	0.8735	1.0000	0.8715	0.8903	0.7936
OLS, Exhaust, New Plus Dummies	0.8714	0.9999	0.8715	1.0000	0.7785	0.8878
OLS, Fraction, New	0.8907	0.7811	0.8903	0.7785	1.0000	0.8853
OLS, Fraction, New Plus Dummies	0.7941	0.8884	0.7936	0.8878	0.8853	1.0000

Validation Sample Correlation of Rankings by Model Specification

	Logit, Exhaust, New	Logit, Exhaust, New Plus Dummies	OLS, Exhaust, New	OLS, Exhaust, New Plus Dummies	OLS, Fraction, New	OLS, Fraction, New Plus Dummies
Logit, Exhaust, New	1.0000	0.9941	0.9999	0.9942	0.8884	0.8671
Logit, Exhaust, New Plus Dummies	0.9941	1.0000	0.9939	0.9999	0.9128	0.9000
OLS, Exhaust, New	0.9999	0.9939	1.0000	0.9941	0.8879	0.8665
OLS, Exhaust, New Plus Dummies	0.9942	0.9999	0.9941	1.0000	0.9125	0.8997
OLS, Fraction, New	0.8884	0.9128	0.8879	0.9125	1.0000	0.9955
OLS, Fraction, New Plus Dummies	0.8671	0.9000	0.8665	0.8997	0.9955	1.0000

Table 7: Model A
New Michigan Profiling Model Specification Adding Dummies and Restrictions
OLS Regression on 0/1 Exhaustion Dummy as Dependent Variable
Client Inflow: October 1, 2000 through September 30, 2001

Variable	Description	Parameter Estimate	Standard Error	T-Statistic
Intercept	Intercept	0.82600	0.00974	84.79
tenure	Tenure at Last Employer (Years)	0.01009	0.00051	19.62
tenure2	Tenure Squared	-0.00019	0.00002	10.33
educ1	Education, Less Than High School	0.02896	0.00279	10.38
educ2	Education, High School Graduate	0.00271	0.00104	2.61
educ3	Education, Some College	-0.00823	0.00205	4.01
educ4	Education, College Graduate	-0.03030	0.00374	8.10
educ5	Education, Advanced	-0.02904	0.00588	4.94
exhaust_prior	Exhausted Recent Prior Unemployment Claim	0.14826	0.00292	50.70
base_wages	Base Period Wages ($1000)	-0.00134	0.00006	21.21
entitle	Entitlement Length (Weeks)	-0.01269	0.00041	30.84
orient_ref	Referred to Orientation	0.03894	0.00498	7.82
sep_reason1	Separation Reason, Lack of Work	-0.00251	0.00058	4.37
sep_reason2	Separation Reason, Quit/Fired	0.01023	0.00230	4.45
sep_reason3	Separation Reason, Still Employed	-0.03041	0.02528	1.20
sep_reason4	Separation Reason, Other	0.00613	0.00999	0.61
soc1113	Occup (SOC), Management, Business, Financial	0.00223	0.00416	0.54
soc1529	Occup (SOC), Professional and Related Occ	-0.00076	0.00334	0.23
soc3139	Occup (SOC), Services	0.00667	0.00572	1.16
soc41	Occup (SOC), Sales and Related Occ	-0.00019	0.00591	0.03
soc43	Occup (SOC), Office, Administrative Support	0.00706	0.00303	2.33
soc45	Occup (SOC), Farming, Fishing and Forestry	-0.05131	0.00811	6.33
soc47	Occup (SOC), Construction and Extraction	-0.01574	0.00425	3.70
soc49	Occup (SOC), Installation, Maintenance, Repair	-0.00594	0.00765	0.78
soc51	Occup (SOC), Production	0.00658	0.00151	4.36
soc53	Occup (SOC), Trans and Material Moving	-0.00787	0.00314	2.51
indnaics1	Ind (NAICS): Agric,, Forestry, Fishing	0.02393	0.01411	1.70
indnaics2	Ind (NAICS): Mining	-0.17222	0.01632	10.55
indnaics3	Ind (NAICS): Utilities	0.03425	0.03789	0.90
indnaics4	Ind (NAICS): Construction	-0.02751	0.00351	7.84
indnaics5	Ind (NAICS): Manufacturing	-0.00291	0.00165	1.76
indnaics6	Ind (NAICS): Wholesale Trade	0.01592	0.00475	3.35
indnaics7	Ind (NAICS): Retail Trade	0.00405	0.00368	1.10
indnaics8	Ind (NAICS): Transportation, Warehousing	-0.02450	0.00542	4.52

Table 7: Model A
New Michigan Profiling Model Specification Adding Dummies and Restrictions
OLS Regression on 0/1 Exhaustion Dummy as Dependent Variable
Client Inflow: October 1, 2000 through September 30, 2001

Variable	Description	Parameter Estimate	Standard Error	T-Statistic
indnaics9	Ind (NAICS): Information	0.03622	0.00796	4.55
indnaics10	Ind (NAICS): Finance and Insurance	0.03555	0.00689	5.16
indnaics11	Ind (NAICS): Real Estate, Rental, Leasing	0.01186	0.00947	1.25
indnaics12	Ind (NAICS): Prof, Scientific, Technical	0.02813	0.00393	7.15
indnaics13	Ind (NAICS): Company/Enterprise Management	-0.01638	0.01952	0.84
indnaics14	Ind (NAICS): Admin, Support and Waste Mgmt	0.00996	0.00306	3.26
indnaics15	Ind (NAICS): Educational Services	-0.01726	0.00992	1.74
indnaics16	Ind (NAICS): Health Care/Social Assistance	-0.00562	0.00539	1.04
indnaics17	Ind (NAICS): Art, Entertainment, Recreation	-0.02645	0.00913	2.90
indnaics18	Ind (NAICS): Accommodation and Food Services	-0.01217	0.00585	2.08
indnaics19	Ind (NAICS): Other Services (Except Pub Admin)	0.03583	0.00706	5.08
indnaics20	Ind (NAICS): Public Administration	-0.01467	0.01094	1.34
wia1	WIA Area, Western UP	-0.00086	0.01245	0.07
wia2	WIA Area, Central UP	-0.04219	0.00880	4.79
wia3	WIA Area, Eastern UP	-0.04293	0.01265	3.39
wia4	WIA Area, North West	-0.06385	0.00591	10.80
wia5	WIA Area, North East	0.00752	0.00811	0.93
wia6	WIA Area, West Central	-0.04117	0.00837	4.92
wia7	WIA Area, Region 7B	0.00185	0.00835	0.22
wia8	WIA Area, Muskegon-Oceana	-0.04281	0.00667	6.42
wia9	WIA Area, Ottawa County	-0.04900	0.00719	6.82
wia10	WIA Area, ACSET	-0.01395	0.00378	3.68
wia11	WIA Area, Central	-0.07847	0.00748	10.48
wia12	WIA Area, Saginaw-Midland-Bay	0.00007	0.00546	0.01
wia13	WIA Area, Thumb	0.00683	0.00628	1.09
wia14	WIA Area, Capital	-0.05616	0.00603	9.31
wia15	WIA Area, Genesee-Shiawassee	0.01489	0.00459	3.24
wia16	WIA Area, Livingston County	-0.02457	0.01046	2.35
wia17	WIA Area, Oakland County	-0.00180	0.00326	0.55
wia18	WIA Area, Macomb-St. Clair	0.01158	0.00307	3.77
wia19	WIA Area, Wayne-Monroe	0.04232	0.00207	20.42
wia20	WIA Area, Washtenaw County	-0.04111	0.00823	4.99
wia21	WIA Area, Calhoun ISO	-0.03035	0.00696	4.36
wia22	WIA Area, South Central	-0.00806	0.00594	1.36

Table 7: Model A
New Michigan Profiling Model Specification Adding Dummies and Restrictions
OLS Regression on 0/1 Exhaustion Dummy as Dependent Variable
Client Inflow: October 1, 2000 through September 30, 2001

Variable	Description	Parameter Estimate	Standard Error	T-Statistic
wia23	WIA Area, Kalamazoo-St. Joseph	0.00141	0.00648	0.22
wia24	WIA Area, Berrien-Cass-Van Buren	0.01692	0.00700	2.42
wia999	Out-of-State Resident	0.01574	0.00989	1.59
byb100100	BYB = 10-01-2000	0.02337	0.00919	2.54
byb100800	BYB = 10-08-2000	0.02384	0.01010	2.36
byb101500	BYB = 10-15-2000	0.02087	0.00996	2.09
byb102200	BYB = 10-22-2000	0.02525	0.00960	2.63
byb102900	BYB = 10-29-2000	-0.00871	0.00826	1.06
byb111200	BYB = 11-12-2000	0.00001	0.00797	0.00
byb111900	BYB = 11-19-2000	-0.02013	0.00937	2.15
byb112600	BYB = 11-26-2000	-0.02347	0.00828	2.83
byb120300	BYB = 12-03-2000	-0.02577	0.00757	3.40
byb121000	BYB = 12-10-2000	-0.04553	0.00845	5.39
byb121700	BYB = 12-17-2000	-0.09099	0.00762	11.94
byb122400	BYB = 12-24-2000	-0.06613	0.00615	10.76
byb123100	BYB = 12-31-2000	-0.02240	0.00702	3.19
byb010701	BYB = 01-07-2001	-0.03657	0.00552	6.62
byb011401	BYB = 01-14-2001	-0.05105	0.00645	7.92
byb012101	BYB = 01-21-2001	-0.06646	0.00611	10.88
byb012801	BYB = 01-28-2001	-0.05193	0.00656	7.92
byb020401	BYB = 02-04-2001	-0.04442	0.00628	7.08
byb021101	BYB = 02-11-2001	-0.05281	0.00712	7.42
byb021801	BYB = 02-18-2001	-0.05283	0.00719	7.35
byb022501	BYB = 02-25-2001	-0.04744	0.00709	6.69
byb031101	BYB = 03-11-2001	-0.00908	0.00728	1.25
byb031801	BYB = 03-18-2001	-0.01433	0.00728	1.97
byb032501	BYB = 03-25-2001	-0.01809	0.00806	2.25
byb040101	BYB = 04-01-2001	0.00744	0.00628	1.19
byb041501	BYB = 04-15-2001	-0.00763	0.00793	0.96
byb042201	BYB = 04-22-2001	-0.00287	0.00772	0.37
byb042901	BYB = 04-29-2001	0.02296	0.00741	3.10
byb050601	BYB = 05-06-2001	0.02464	0.00791	3.11
byb051301	BYB = 05-13-2001	0.03056	0.00793	3.85
byb052001	BYB = 05-20-2001	0.01089	0.00808	1.35

Table 7: Model A
New Michigan Profiling Model Specification Adding Dummies and Restrictions
OLS Regression on 0/1 Exhaustion Dummy as Dependent Variable
Client Inflow: October 1, 2000 through September 30, 2001

Variable	Description	Parameter Estimate	Standard Error	T-Statistic
byb052701	BYB = 05-27-2001	0.03973	0.00909	4.37
byb060301	BYB = 06-03-2001	0.01838	0.00733	2.51
byb061001	BYB = 06-10-2001	0.01854	0.00824	2.25
byb061701	BYB = 06-17-2001	0.03279	0.00775	4.23
byb062401	BYB = 06-24-2001	0.04036	0.00829	4.87
byb070101	BYB = 07-01-2001	-0.04744	0.00457	10.39
byb070801	BYB = 07-08-2001	0.00531	0.00650	0.82
byb071501	BYB = 07-15-2001	0.04503	0.00774	5.82
byb072201	BYB = 07-22-2001	0.06967	0.00848	8.21
byb072901	BYB = 07-29-2001	0.06820	0.00819	8.32
byb080501	BYB = 08-05-2001	0.06451	0.00802	8.04
byb081901	BYB = 08-19-2001	0.06990	0.00872	8.02
byb082601	BYB = 08-26-2001	0.09578	0.00851	11.25
byb090201	BYB = 09-02-2001	0.08128	0.00820	9.91
byb090901	BYB = 09-09-2001	0.10588	0.00831	12.74
byb091601	BYB = 09-16-2001	0.07383	0.00773	9.55
byb092301	BYB = 09-23-2001	0.06076	0.00671	9.06
byb093001	BYB = 09-30-2001	0.07111	0.00627	11.34
	Education Restriction	-5.313e-11		
	Separation Reason Restriction	1.835e-10		
	Occupation Restriction	-5.592e-11		
	Industry Restriction	-1.248e-10		
	WIA Area Restriction	-1.899e-10		
	BYB Restriction	-1.901e-10		
	Adjusted R-Square: 0.0455			

Table 8: Model B
New Michigan Profiling Model Specification Adding Dummies and Restrictions
OLS Regression on Fraction of Benefits Used/Exhausted as Dependent Variable
Client Inflow: October 1, 2000 through September 30, 2001

Variable	Description	Parameter Estimate	Standard Error	T-Statistic
Intercept	Intercept	0.93900	0.00633	148.27
tenure	Tenure at Last Employer (Years)	0.00578	0.00033	17.29
tenure2	Tenure Squared	-0.00010	0.00001	8.60
educ1	Education, Less Than High School	0.01784	0.00181	9.84
educ2	Education, High School Graduate	0.00161	0.00068	2.37
educ3	Education, Some College	-0.00541	0.00133	4.05
educ4	Education, College Graduate	-0.01859	0.00243	7.64
educ5	Education, Advanced	-0.01501	0.00382	3.93
exhaust_prior	Exhausted Recent Prior Unemployment Claim	0.09147	0.00190	48.12
base_wages	Base Period Wages ($1000)	-0.00086	0.00004	20.95
entitle	Entitlement Length (Weeks)	-0.00766	0.00027	28.63
orient_ref	Referred to Orientation	0.03055	0.00324	9.44
sep_reason1	Separation Reason, Lack of Work	0.00239	0.00037	6.38
sep_reason2	Separation Reason, Quit/Fired	-0.00875	0.00149	5.86
sep_reason3	Separation Reason, Still Employed	-0.01123	0.01643	0.68
sep_reason4	Separation Reason, Other	-0.01576	0.00649	2.43
soc1113	Occup (SOC), Management, Business, Financial	-0.00488	0.00270	1.81
soc1529	Occup (SOC), Professional and Related Occ	-0.00703	0.00217	3.24
soc3139	Occup (SOC), Services	-0.00212	0.00372	0.57
soc41	Occup (SOC), Sales and Related Occ	-0.01144	0.00384	2.98
soc43	Occup (SOC), Office, Administrative Support	0.00031	0.00197	0.16
soc45	Occup (SOC), Farming, Fishing and Forestry	-0.01434	0.00527	2.72
soc47	Occup (SOC), Construction and Extraction	0.00682	0.00276	2.47
soc49	Occup (SOC), Installation, Maintenance, Repair	-0.00979	0.00497	1.97
soc51	Occup (SOC), Production	0.00456	0.00098	4.64
soc53	Occup (SOC), Trans and Material Moving	-0.00111	0.00204	0.54
indnaics1	Ind (NAICS): Agric,, Forestry, Fishing	0.04480	0.00917	4.88
indnaics2	Ind (NAICS): Mining	-0.00418	0.01061	0.39
indnaics3	Ind (NAICS): Utilities	0.02314	0.02464	0.94
indnaics4	Ind (NAICS): Construction	0.02149	0.00228	9.42
indnaics5	Ind (NAICS): Manufacturing	-0.00707	0.00107	6.58
indnaics6	Ind (NAICS): Wholesale Trade	0.00129	0.00309	0.42
indnaics7	Ind (NAICS): Retail Trade	-0.00606	0.00239	2.53
indnaics8	Ind (NAICS): Transportation, Warehousing	-0.02254	0.00352	6.40

Table 8: Model B
New Michigan Profiling Model Specification Adding Dummies and Restrictions
OLS Regression on Fraction of Benefits Used/Exhausted as Dependent Variable
Client Inflow: October 1, 2000 through September 30, 2001

Variable	Description	Parameter Estimate	Standard Error	T-Statistic
indnaics9	Ind (NAICS): Information	0.01689	0.00518	3.26
indnaics10	Ind (NAICS): Finance and Insurance	0.01644	0.00448	3.67
indnaics11	Ind (NAICS): Real Estate, Rental, Leasing	0.00180	0.00616	0.29
indnaics12	Ind (NAICS): Prof, Scientific, Technical	0.01348	0.00256	5.27
indnaics13	Ind (NAICS): Company/Enterprise Management	-0.04273	0.01269	3.37
indnaics14	Ind (NAICS): Admin, Support and Waste Mgmt	0.00486	0.00199	2.45
indnaics15	Ind (NAICS): Educational Services	-0.01949	0.00645	3.02
indnaics16	Ind (NAICS): Health Care/Social Assistance	-0.01835	0.00350	5.24
indnaics17	Ind (NAICS): Art, Entertainment, Recreation	0.01641	0.00593	2.77
indnaics18	Ind (NAICS): Accommodation and Food Services	-0.01335	0.00380	3.51
indnaics19	Ind (NAICS): Other Services (Except Pub Admin)	0.01297	0.00459	2.83
indnaics20	Ind (NAICS): Public Administration	0.01243	0.00711	1.75
wia1	WIA Area, Western UP	0.02025	0.00809	2.50
wia2	WIA Area, Central UP	0.00134	0.00572	0.23
wia3	WIA Area, Eastern UP	-0.00230	0.00822	0.28
wia4	WIA Area, North West	-0.02592	0.00384	6.74
wia5	WIA Area, North East	0.02396	0.00527	4.54
wia6	WIA Area, West Central	-0.01641	0.00544	3.02
wia7	WIA Area, Region 7B	0.01995	0.00543	3.67
wia8	WIA Area, Muskegon-Oceana	-0.02824	0.00433	6.52
wia9	WIA Area, Ottawa County	-0.03093	0.00467	6.62
wia10	WIA Area, ACSET	-0.01137	0.00246	4.62
wia11	WIA Area, Central	-0.04513	0.00487	9.27
wia12	WIA Area, Saginaw-Midland-Bay	0.00628	0.00355	1.77
wia13	WIA Area, Thumb	0.01302	0.00408	3.19
wia14	WIA Area, Capital	-0.03610	0.00392	9.20
wia15	WIA Area, Genesee-Shiawassee	0.00987	0.00298	3.31
wia16	WIA Area, Livingston County	-0.01600	0.00680	2.35
wia17	WIA Area, Oakland County	-0.00241	0.00212	1.14
wia18	WIA Area, Macomb-St. Clair	0.00629	0.00199	3.15
wia19	WIA Area, Wayne-Monroe	0.01948	0.00135	14.46
wia20	WIA Area, Washtenaw County	-0.02819	0.00535	5.27
wia21	WIA Area, Calhoun ISO	-0.01611	0.00453	3.56
wia22	WIA Area, South Central	-0.00719	0.00386	1.86

Table 8: Model B
New Michigan Profiling Model Specification Adding Dummies and Restrictions
OLS Regression on Fraction of Benefits Used/Exhausted as Dependent Variable
Client Inflow: October 1, 2000 through September 30, 2001

Variable	Description	Parameter Estimate	Standard Error	T-Statistic
wia23	WIA Area, Kalamazoo-St. Joseph	-0.00588	0.00421	1.40
wia24	WIA Area, Berrien-Cass-Van Buren	0.01084	0.00455	2.38
wia999	Out-of-State Resident	-0.01047	0.00643	1.63
byb100100	BYB = 10-01-2000	-0.00276	0.00597	0.46
byb100800	BYB = 10-08-2000	0.00380	0.00656	0.58
byb101500	BYB = 10-15-2000	0.00405	0.00648	0.63
byb102200	BYB = 10-22-2000	0.00658	0.00624	1.05
byb102900	BYB = 10-29-2000	0.00034	0.00537	0.06
byb111200	BYB = 11-12-2000	0.01466	0.00518	2.83
byb111900	BYB = 11-19-2000	0.00884	0.00609	1.45
byb112600	BYB = 11-26-2000	0.00535	0.00538	0.99
byb120300	BYB = 12-03-2000	0.01266	0.00492	2.57
byb121000	BYB = 12-10-2000	0.00211	0.00550	0.38
byb121700	BYB = 12-17-2000	-0.04993	0.00496	10.08
byb122400	BYB = 12-24-2000	-0.06329	0.00400	15.83
byb123100	BYB = 12-31-2000	-0.00651	0.00456	1.43
byb010701	BYB = 01-07-2001	0.00758	0.00359	2.11
byb011401	BYB = 01-14-2001	-0.00899	0.00419	2.14
byb012101	BYB = 01-21-2001	-0.03183	0.00397	8.02
byb012801	BYB = 01-28-2001	-0.02486	0.00427	5.83
byb020401	BYB = 02-04-2001	-0.02027	0.00408	4.97
byb021101	BYB = 02-11-2001	-0.02762	0.00463	5.97
byb021801	BYB = 02-18-2001	-0.02905	0.00468	6.21
byb022501	BYB = 02-25-2001	-0.02969	0.00461	6.44
byb031101	BYB = 03-11-2001	0.00490	0.00473	1.04
byb031801	BYB = 03-18-2001	0.00256	0.00474	0.54
byb032501	BYB = 03-25-2001	-0.00771	0.00524	1.47
byb040101	BYB = 04-01-2001	0.00815	0.00408	2.00
byb041501	BYB = 04-15-2001	0.00345	0.00516	0.67
byb042201	BYB = 04-22-2001	0.00390	0.00502	0.78
byb042901	BYB = 04-29-2001	0.01930	0.00482	4.01
byb050601	BYB = 05-06-2001	0.01925	0.00514	3.74
byb051301	BYB = 05-13-2001	0.02951	0.00516	5.72
byb052001	BYB = 05-20-2001	0.00191	0.00525	0.36

Table 8: Model B
New Michigan Profiling Model Specification Adding Dummies and Restrictions
OLS Regression on Fraction of Benefits Used/Exhausted as Dependent Variable
Client Inflow: October 1, 2000 through September 30, 2001

Variable	Description	Parameter Estimate	Standard Error	T-Statistic
byb052701	BYB = 05-27-2001	0.02749	0.00591	4.65
byb060301	BYB = 06-03-2001	0.00765	0.00476	1.61
byb061001	BYB = 06-10-2001	0.00763	0.00536	1.42
byb061701	BYB = 06-17-2001	0.01715	0.00504	3.40
byb062401	BYB = 06-24-2001	0.02013	0.00539	3.74
byb070101	BYB = 07-01-2001	-0.04975	0.00297	16.76
byb070801	BYB = 07-08-2001	-0.01992	0.00423	4.71
byb071501	BYB = 07-15-2001	0.00822	0.00503	1.63
byb072201	BYB = 07-22-2001	0.02763	0.00551	5.01
byb072901	BYB = 07-29-2001	0.02699	0.00533	5.07
byb080501	BYB = 08-05-2001	0.02072	0.00522	3.97
byb081901	BYB = 08-19-2001	0.02729	0.00567	4.81
byb082601	BYB = 08-26-2001	0.04851	0.00553	8.77
byb090201	BYB = 09-02-2001	0.03652	0.00533	6.85
byb090901	BYB = 09-09-2001	0.05575	0.00540	10.32
byb091601	BYB = 09-16-2001	0.03247	0.00503	6.46
byb092301	BYB = 09-23-2001	0.02178	0.00436	5.00
byb093001	BYB = 09-30-2001	0.03719	0.00408	9.12
	Education Restriction	1.994e-09		
	Separation Reason Restriction	2.631e-09		
	Occupation Restriction	9.731e-10		
	Industry Restriction	1.316e-09		
	WIA Area Restriction	1.411e-09		
	BYB Restriction	1.666e-09		

Adjusted R-Square: 0.0394

Table 9
Means of the Validation Sample
Client Inflow: October 1, 2000 through September 30, 2001

Variable	Description	Means	Standard Deviation
tenure	Tenure at Last Employer (Years)	3.584	5.866
tenure2	Tenure Squared	47.257	161.710
educ1	Education, less than high school	0.135	0.342
educ2	Education, High School Graduate	0.529	0.499
educ3	Education, Some College	0.217	0.412
educ4	Education, College Graduate	0.090	0.286
educ5	Education, Advanced	0.037	0.189
exhaust_prior	Exhausted Recent Prior Unemployment Claim	0.174	0.379
base_wages	Base Period Wages ($1000)	29.415	22.620
entitle	Entitlement Length (Weeks)	24.689	2.902
orient_ref	Referred to Orientation	0.064	0.245
sep_reason1	Separation Reason, lack of work	0.765	0.424
sep_reason2	Separation Reason, Quit/Fired	0.220	0.414
sep_reason3	Separation Reason, Still Employed	0.003	0.055
sep_reason4	Separation Reason, Other	0.011	0.106
soc1113	Occup (SOC), Management, Business, Financial	0.085	0.279
soc1529	Occup (SOC), Professional and Related Occ	0.112	0.316
soc3139	Occup (SOC), Services	0.042	0.200
soc41	Occup (SOC), Sales and Related Occ	0.037	0.189
soc43	Occup (SOC), Office, Administrative Support	0.125	0.331
soc45	Occup (SOC), Farming, Fishing and Forestry	0.025	0.159
soc47	Occup (SOC), Construction and Extraction	0.066	0.248
soc49	Occup (SOC), Installation, Maintenance, Repair	0.021	0.142
soc51	Occup (SOC), Production	0.356	0.479
soc53	Occup (SOC), Trans and Material Moving	0.130	0.336
indnaics1	Ind (NAICS): Agric,, Forestry, Fishing	0.008	0.090
indnaics2	Ind (NAICS): Mining	0.001	0.033
indnaics3	Ind (NAICS): Utilities	0.001	0.028
indnaics4	Ind (NAICS): Construction	0.098	0.297
indnaics5	Ind(NAICS)L Production	0.320	0.466
indnaics6	Ind (NAICS): Wholesale Trade	0.052	0.222
indnaics7	Ind (NAICS): Retail Trade	0.097	0.295
indnaics8	Ind (NAICS): Transportation, Warehousing	0.033	0.179
indnaics9	Ind (NAICS): Information	0.020	0.141

Table 9
Means of the Validation Sample
Client Inflow: October 1, 2000 through September 30, 2001

Variable	Description	Means	Standard Deviation
indnaics10	Ind (NAICS): Finance and Insurance	0.030	0.170
indnaics11	Ind (NAICS): Real Estate, Rental, Leasing	0.014	0.117
indnaics12	Ind (NAICS): Prof, Scientific, Technical	0.067	0.250
indnaics13	Ind (NAICS): Company/Enterprise Management	0.003	0.053
indnaics14	Ind (NAICS): Admin, Support and Waste Mgmt	0.113	0.316
indnaics15	Ind (NAICS): Educational Services	0.010	0.100
indnaics16	Ind (NAICS): Health Care/Social Assistance	0.05	0.21
indnaics17	Ind (NAICS): Art, Entertainment, Recreation	0.016	0.125
indnaics18	Ind (NAICS): Accommodation and Food Services	0.038	0.191
indnaics19	Ind (NAICS): Other Services (Except Pub Admin)	0.025	0.156
indnaics20	Ind (NAICS): Public Administration	0.010	0.099

Table 10: Costs of Misclassification of Claimants

		Actual Event (=1)	
		0	1
Predicted Event (=1)	0	True Negative	False Negative Cost/benefit year: 2.2 more weeks of UI $143 more in benefits $1054 lost in earnings
	1	False Positive Cost/benefit year: Use services that could have been used by those who need it Forego job search	True Positive

Table 11: Distribution of Profiling Scores and Actual Exhaustion for Models A and B

Percentile Group		Model A (Exhaust)		Model B (Fraction of Benefits)		Difference in Number Exhausting (Model A-Model B)
	Number in Group	Cumulative Number Actually Exhausting	% Exhausting	Cumulative Number Actually Exhausting	% Exhausting	
20	1000	759	75.9	761	76.1	-2
19	1000	1427	66.8	1437	67.6	-10
18	1000	2074	64.7	2064	62.7	10
17	1000	2731	65.7	2715	65.1	16
16	1000	3356	62.5	3318	60.3	38

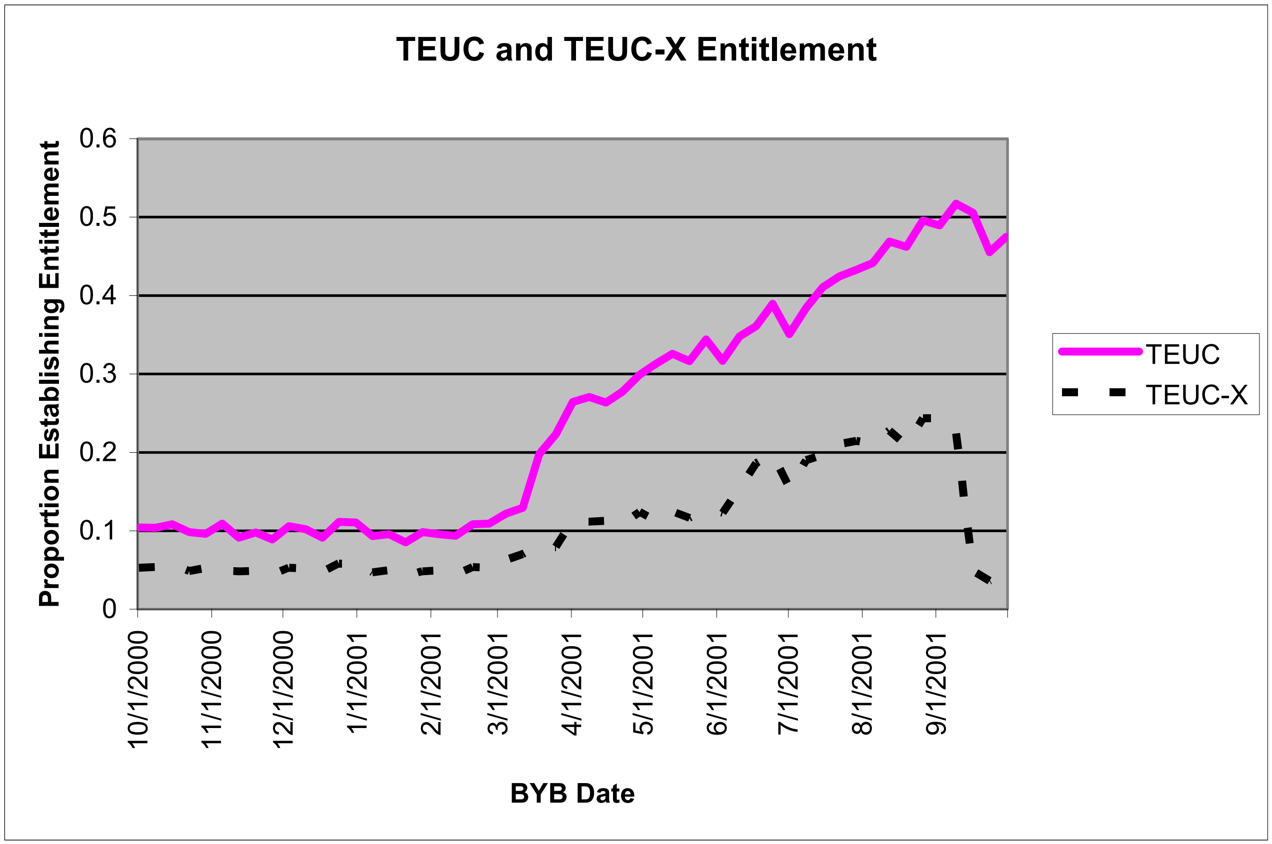
Table 12: Deciles of the Profiling Score within the 17th Percentile for Model A

	Profiling Score			
Decile	Lower Cutoff Values	Upper Cutoff Values	Proportion Exhausting	Number Referred
10	.659	.662	0.680	100
9	.656	.659	0.624	100
8	.652	.656	0.662	100
7	.649	.652	0.747	100
6	.646	.649	0.626	100
5	.643	.646	0.592	100
4	.640	.643	0.653	100
3	.637	.640	0.640	100
2	.635	.637	0.586	100
1	.632	.635	0.671	100

Table 13: Comparison of Rankings from Model A and Model B

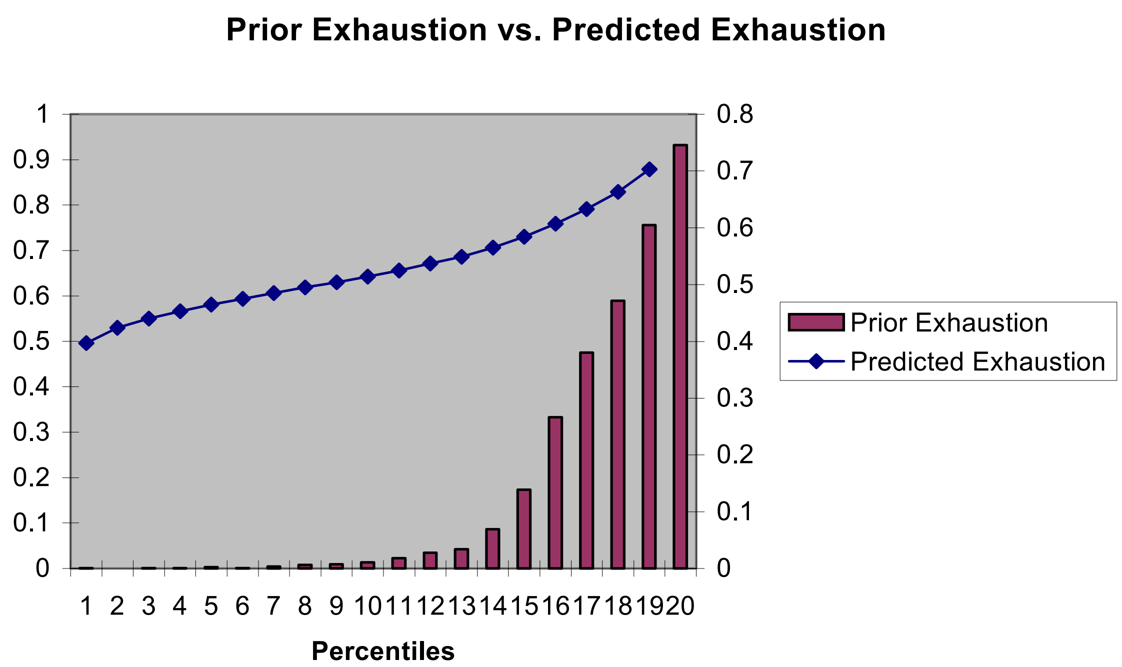
	Percentiles of Profiling Scores from Model B								
	Percentiles	13	14	15	16	17	18	19	20
Percentiles of Profiling Scores From Model A	13	226 22.55	64 6.37	46 4.64	38 3.81	35 3.45	17 1.72	3 0.27	0 0
	14	242 24.17	227 22.71	90 9.03	36 3.59	29 2.92	29 2.92	29 2.92	0 0
	15	112 11.16	130 13	261 26.1	100 9.96	43 4.25	51 5.05	41 4.12	3 0.27
	16	49 4.91	33 3.32	277 27.72	284 28.38	92 9.15	66 6.63	62 6.23	19 1.86
	17	0 0	0 0	118 11.82	293 29.28	332 33.2	102 10.23	106 10.62	24 2.39
	18	0 0	0 0	25 2.52	127 12.73	316 31.56	349 34.88	115 11.54	68 6.76
	19	0 0	0 0	0 0	7 0.66	102 10.21	338 33.82	401 40.05	153 15.25
	20	0 0	0 0	0 0	0 0	0 0	27 2.65	239 23.87	735 73.47

Figure 1



TEUC and TEUC-X Entitlement
Proportion Establishing Entitlement
0.6
0.5
0.4
0.3
0.2
0.1
0
10/1/2000
11/1/2000
12/1/2000
1/1/2001
2/1/2001
3/1/2001
4/1/2001
5/1/2001
6/1/2001
7/1/2001
8/1/2001
9/1/2001
BYB Date
TEUC
TEUC-X

Figure 2



Prior Exhaustion vs. Predicted Exhaustion
1
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20
Percentiles
Prior Exhaustion
Predicted Exhaustion

Figure 3: College Graduate Vs. Predicted Exhaustion

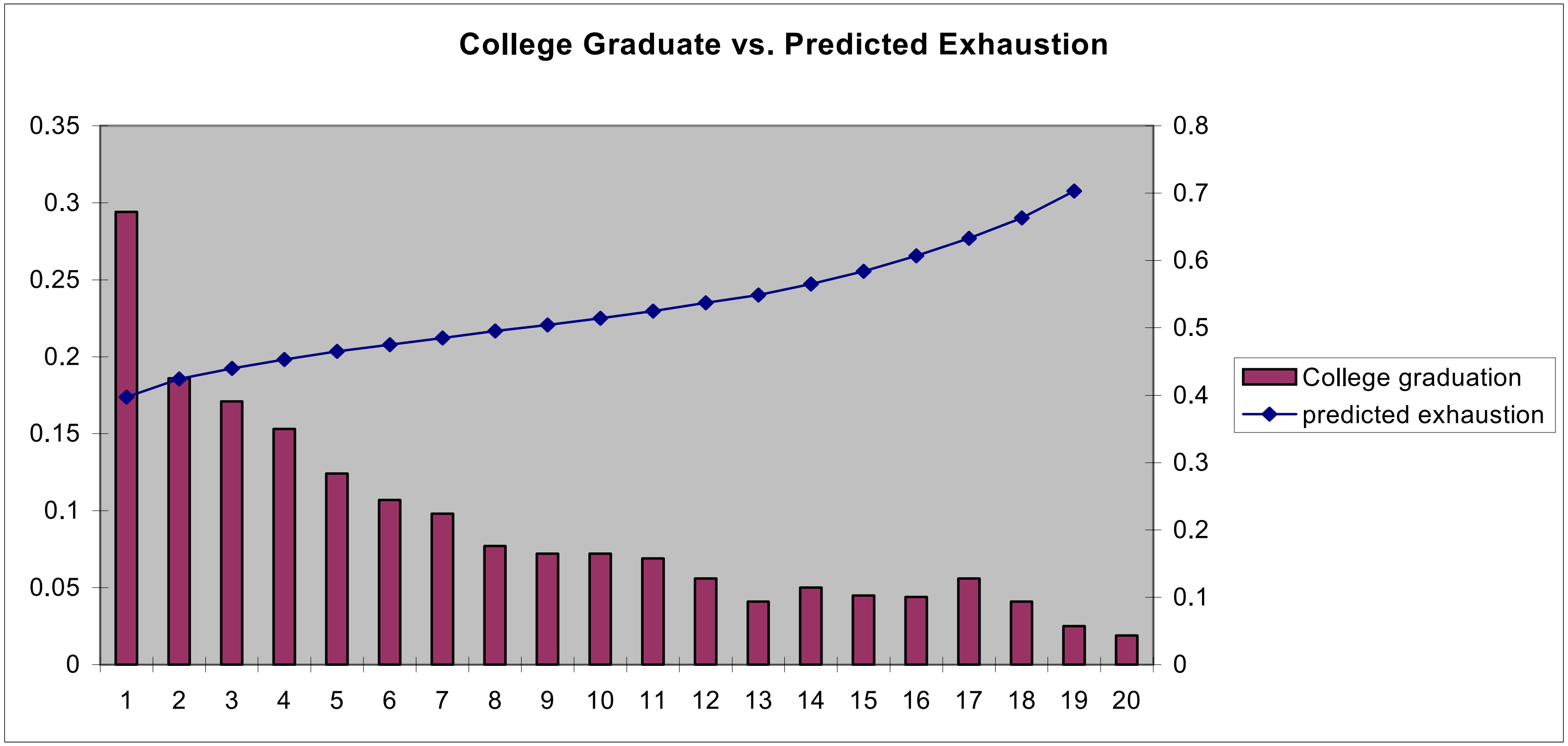


Figure 4: Distribution of Predicted Exhaustion Using Model A

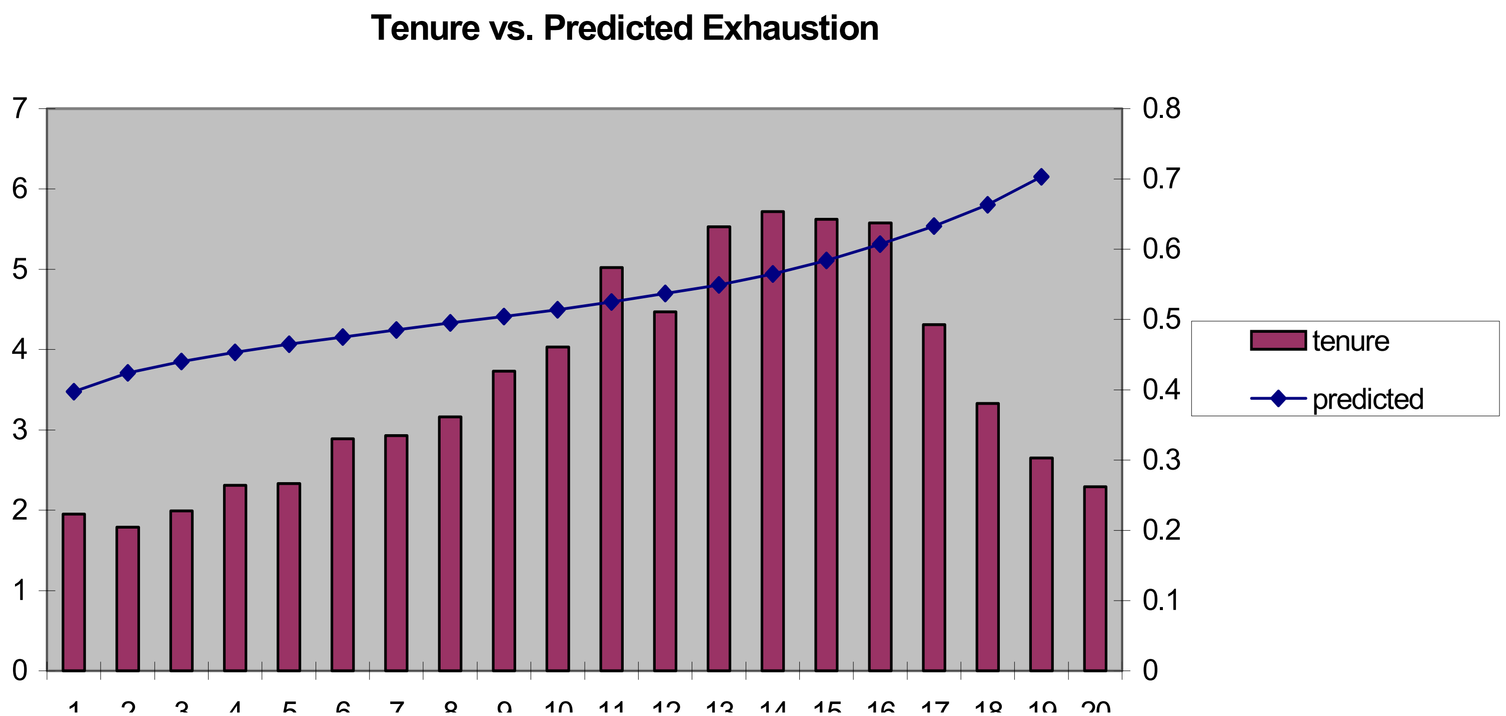


Figure 5: Distribution of Predicted Exhaustion Using Model A

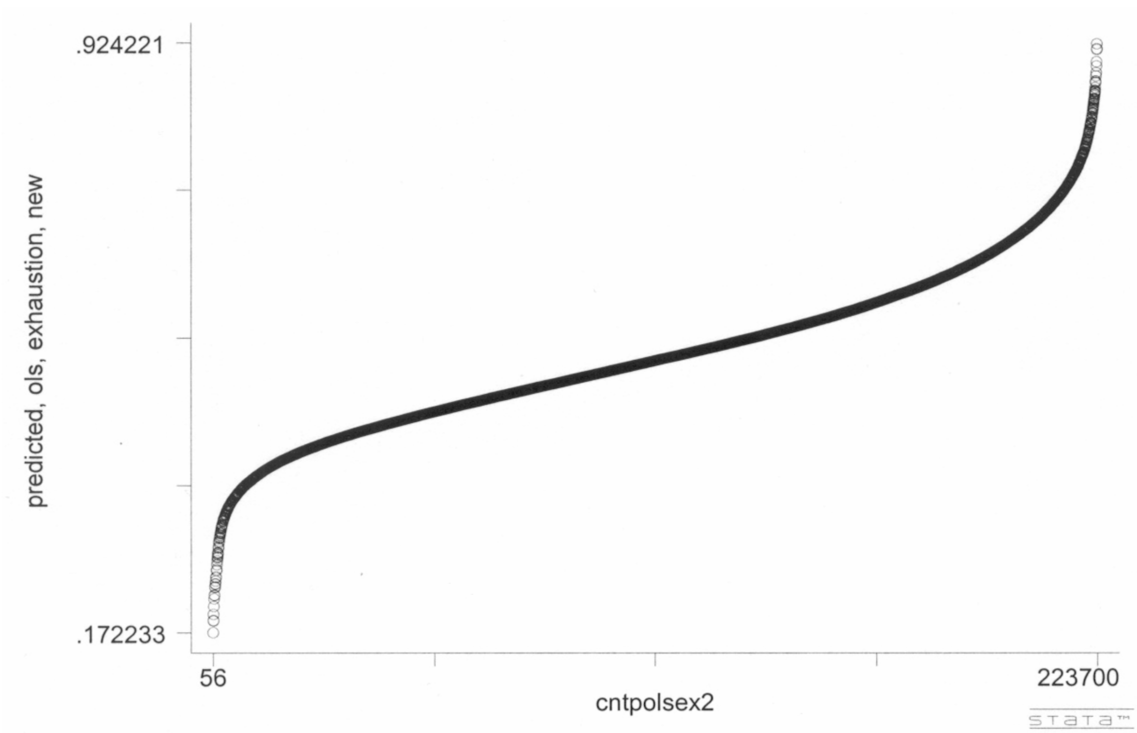


Figure 6: Distribution of Predicted Fraction of Benefits

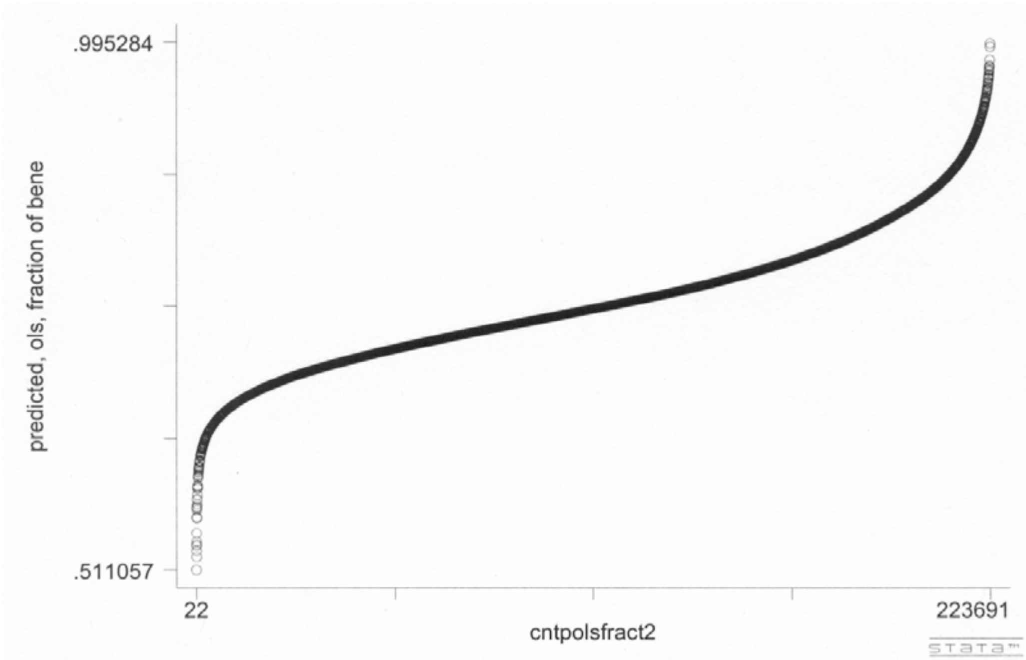


Figure 7: Distribution of Exhaustion Rate vs. Fraction of Benefits

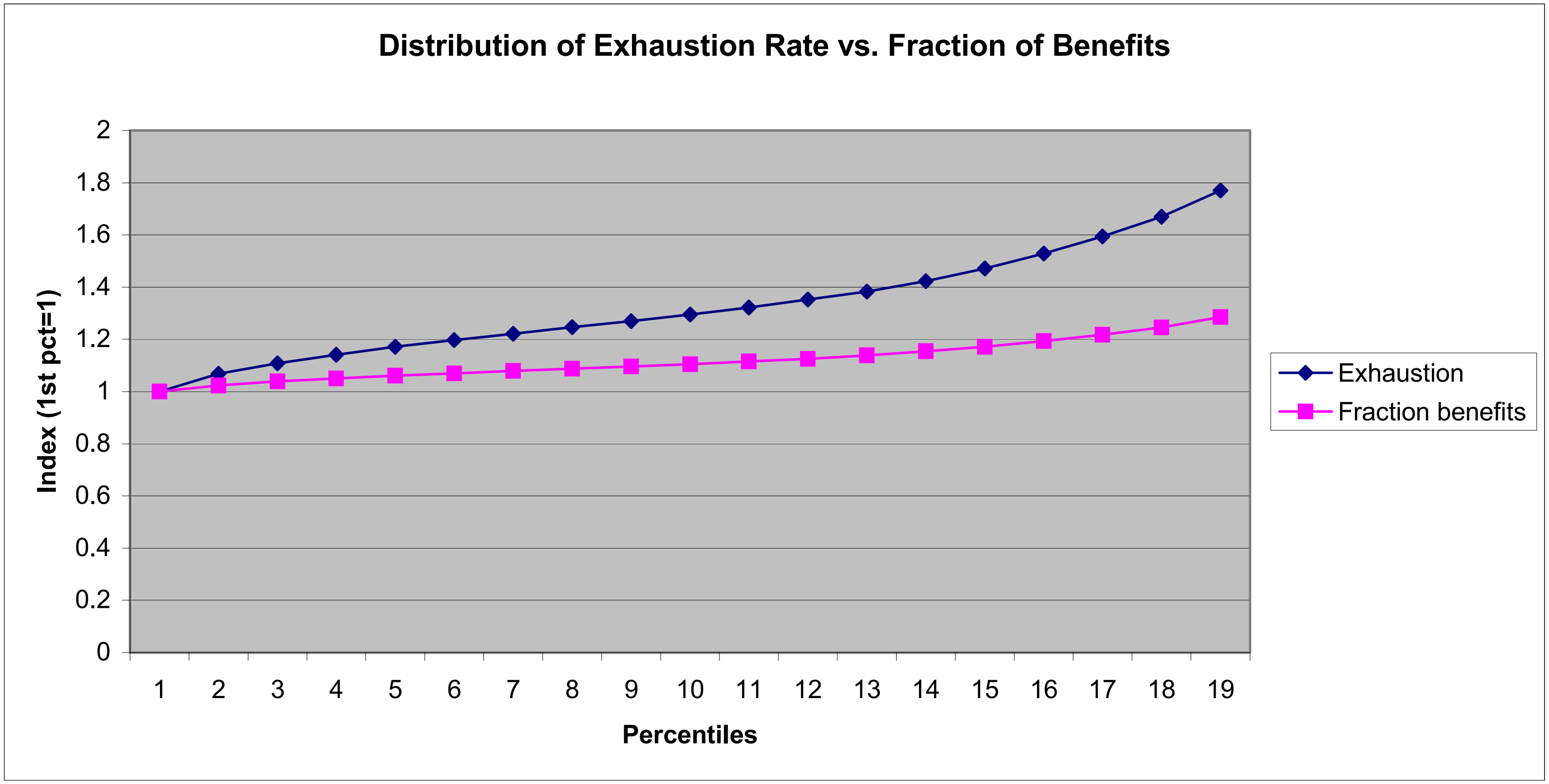


Figure 8: Fitness Test for Model Accuracy, Model A

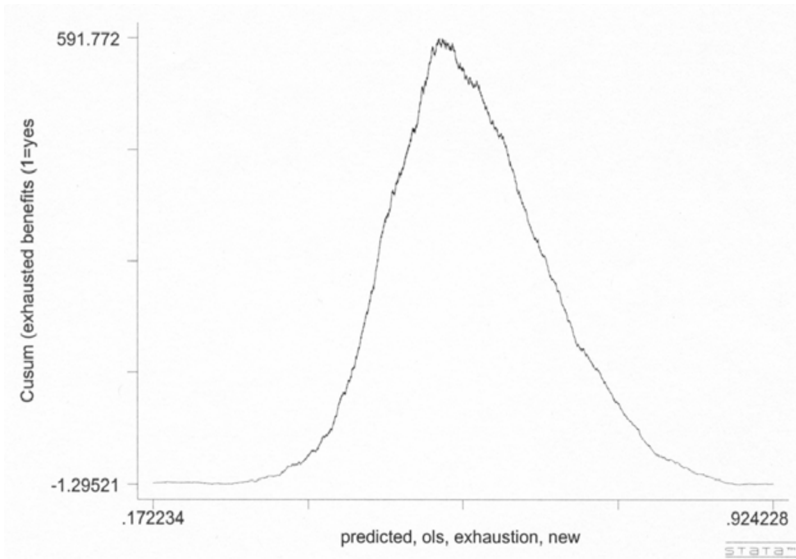


Figure 9: Fitness Test for Model Accuracy, Model B

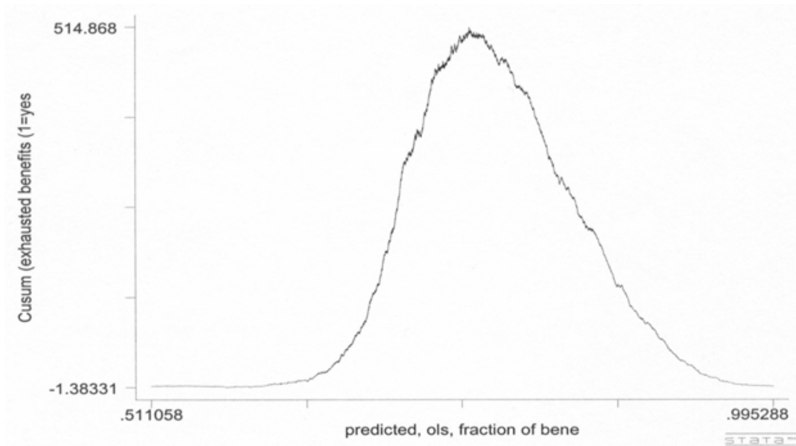


Figure 10: Fitness Test for Model Accuracy, Model A Upper 25% of Distribution

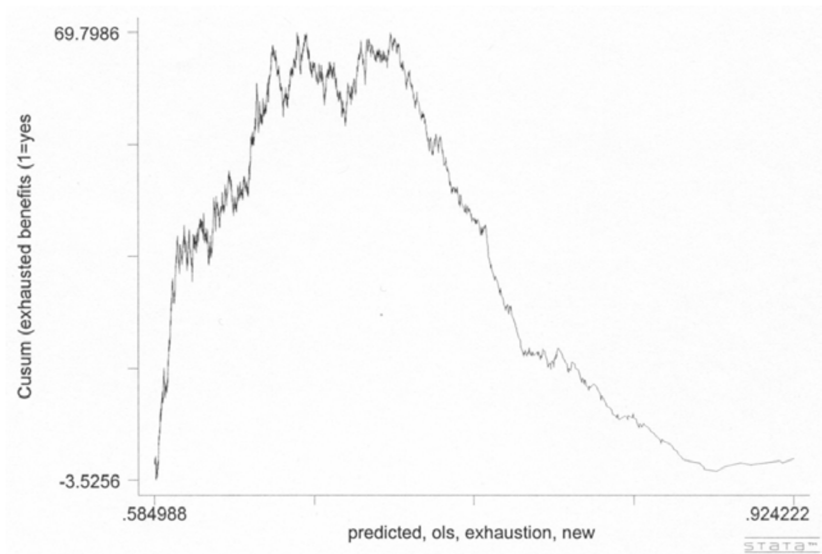


Figure 11: Fitness Test for Model Accuracy, Model B Upper 25% of Distribution

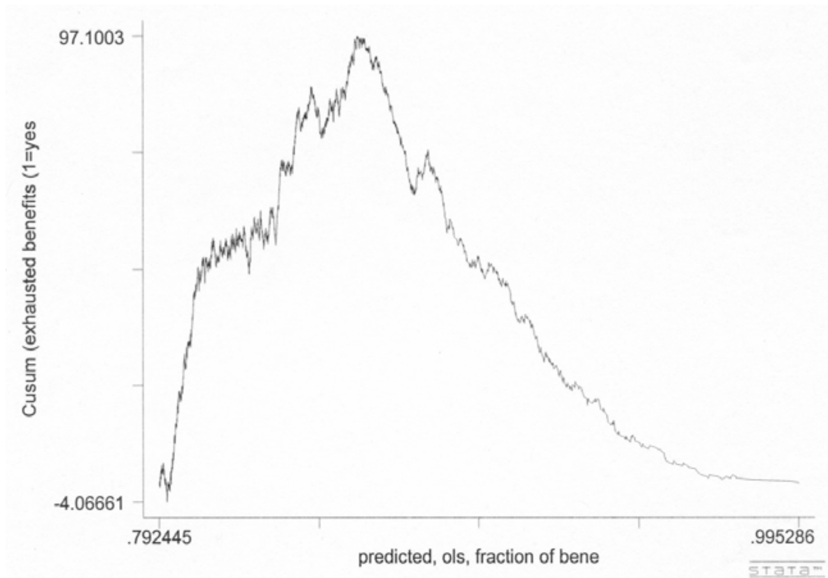
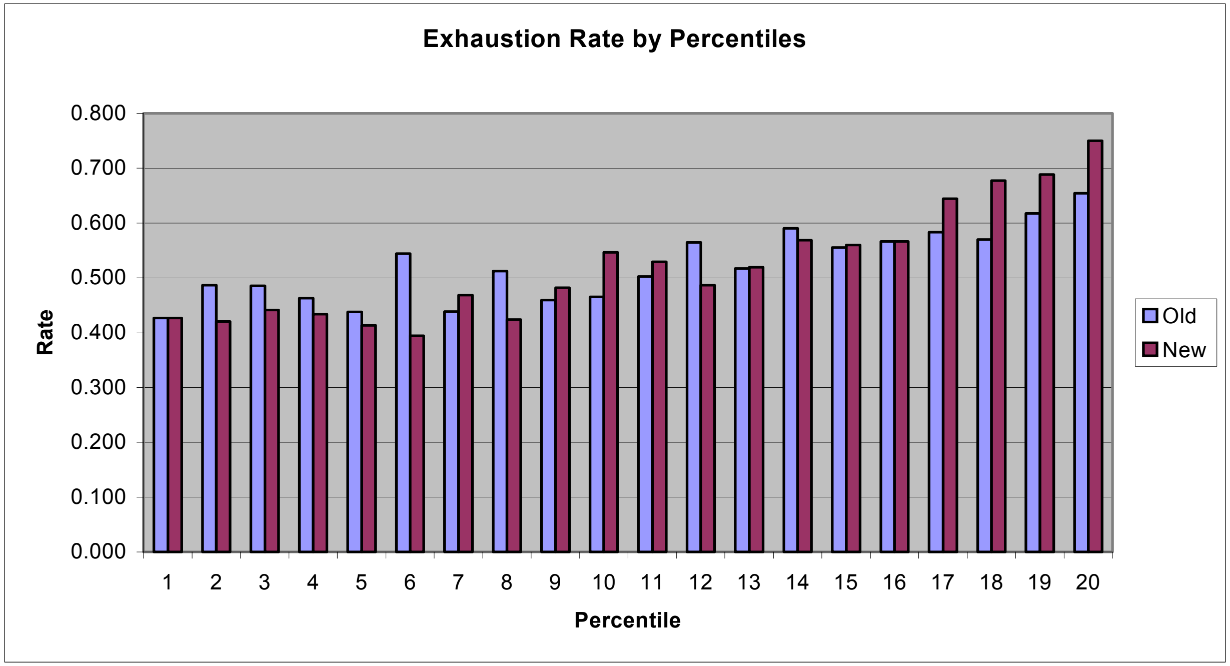


Figure 12: Exhaustion Rates using Percentiles Derived rom Predicted Values of the Old and New Models



Former TANF Recipients' Monetary Eligibility for Unemployment Insurance Benefits: An Empirical Study

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Monetary eligibility is a primary requirement for individuals to receive Unemployment Insurance (UI) benefits. The achievement of monetary eligibility is the UI system's means of measuring a substantial attachment to the labor force. Understanding what factors may have impacts on an individual's monetary eligibility enables policymakers to identify individuals, such as TANF leavers, most likely to succeed in the workforce and therefore benefit from UI during downturns in the economy, particularly while in transition to permanent attachment to the workforce. In addition, identification of factors that negatively associate with monetary eligibility will enable policymakers to develop programs that can meet the needs of these vulnerable individuals.

With the recent reduction in TANF caseloads, the policy emphasis on helping individuals join the workforce, and the reduction in government budgets, there is considerable interest in targeting an array of public support programs to individuals who are most likely to benefit from them. In addition, early intervention can prevent individuals from needing more costly support in subsequent time periods. This paper is an investigation of the individual characteristics and exogenous conditions that help identify TANF leavers who are most and least likely to become attached to the labor force. In addition, public support programs are analyzed for their role in contributing to employment.

We investigate a cohort of TANF leavers and their probability of becoming monetarily eligible for UI. Our research focuses on three related questions.

- What individual characteristics associate with monetary eligibility for UI?
- What support programs associate with individuals' becoming eligible for UI?

- What exogenous conditions affect individuals' becoming eligible for UI benefit?

For individual characteristics, we investigate possible impacts of age, race, education and number of children. For support programs, we investigate the possible impacts of food stamps, medical care coverage, child care, and employment programs. For exogenous conditions, we investigate possible impacts of county economic growth and county wage rate, and industry in which former TANF recipients are employed.

We find that individuals with children less than 6 years of age are less likely to be monetarily eligible for UI benefits. Education, medical care coverage and county of residence wage rate have a positive association with eligibility. Additionally, industry of employment has a strong association with monetary eligibility.

The following sections include a review of the background of welfare and unemployment programs, a description of the Wisconsin case from which individuals' monetary eligibility are estimated, explanations of the model, estimation results, and a concluding section that discusses implications for policymakers and legislators.

Background

The Social Security Act of 1935, in part, sought to enable states to better provide for the general welfare of dependent and crippled children and maternal and child welfare, as well as workers unemployed through no fault of their own. The Act created two programs that helped frame the socio-economic relationship between the federal and state governments, employers, and workers. They are Aid to Dependent Children (ADC) that was later termed Aid to Families with Dependent Children (AFDC) and the federal-state system of Unemployment Insurance (UI). The two programs provide income support to two different groups of unemployed individuals.

Aid to Families with Dependent Children gave federal support to the state system of pensions for widows with children. As a grant program, it enabled states to provide cash welfare payments for needy children who had been deprived of parental support or care because their father or mother is generally absent from the home, incapacitated, deceased, or unemployed. States defined "need," set their benefit levels, established income and resource limits, and administered the program.

The "Personal Responsibility and Work Opportunity Reconciliation Act" (PRWORA) was signed into law by President Clinton in August 1996 and replaced the AFDC programs. TANF was a major section of the Act. It eliminated federal funding for three programs: AFDC, Job Opportunities and Basic Skills Training (JOBS), and Emergency Assistance (EA) and replaced them with a cash welfare block grant. All states were required to implement TANF by July 1, 1997.

Unlike AFDC benefits, TANF benefits are tied to an individual's economic behavior, because the program requires that most adult recipients work after two months of aid (Savner, Strawn & Greenberg 2002). TANF broadly defines work as labor force participation, such as working for the community or state in order to receive benefits (workfare), looking for employment or being employed. Work may also include work-related activities, such as schooling, vocational training, general skill development, or other types of training. TANF has a lifetime limit of five years (60 months) for the amount of time a family with an adult may receive assistance with federal funds. States have broad flexibility on their program design but must meet increasing work participation rate requirements (Schumacher & Rakpraja, 2002).

Unemployment Insurance (UI) provides workers with partial replacement of wages lost during periods of temporary unemployment due to no fault of their own. The program has two purposes: economic stabilization and wage replacement (Advisory Council on Unemployment Compensation, 1996: 27). First, UI provides countercyclical macroeconomic stability. Second, UI provides income support and assistance for individuals to enable them to remain attached to the labor force. UI is administered as a federal-state partnership. The program is financed by payroll taxes levied on employers that are collected by the states. States vary considerably as to their administration of UI programs (U.S. Department of Labor, 2002). For example; benefit levels and employer contribution rates vary widely from state to state as do both monetary and non-monetary eligibility requirements for workers to receive benefits.

Because of its role providing assistance to the involuntarily unemployed, the UI program has a role assisting former welfare recipients to transition to full employment. UI is a social insurance program and provides cash support and reemployment services to workers who have lost their jobs through no fault of their own. These unemployed workers are attached to the workforce in covered employment, and TANF leavers may not have demonstrated a sufficient enough attachment to the labor force to qualify monetarily for UI benefits.

In order to qualify for UI benefits, unemployed workers must first be monetarily eligible. States have varying UI monetary eligibility requirements. In 2002, required earnings for the base year, usually the first four of most recent five completed quarters, ranged from $130 (Hawaii) to $3586.26 (North Carolina) with most states falling in the range of $1,000 to $3,000 (United States Department of Labor, 2002). To make $2000, a worker earning a rate of $6.00 per hour with a 30-hour work week, needs to work 11 weeks to be eligible for UI in a state requiring that level to meet monetary eligibility requirements.

State UI programs are designed to support workers who have been unemployed from covered employment. The ability of UI to support individuals in transition to the labor force, such as TANF leavers, has not been extensively studied. In addition, other programs may be developed to support individuals least likely to become attached to the labor force. This paper is an effort to facilitate such targeting of TANF leavers.

Methodology

We analyzed data on 3085 individuals, or nearly all of the 3,097 in Wisconsin who left TANF in the second quarter of 1998. Limitations on availability of county data account for the loss of 12 individuals. For each individual, data obtained from the TANF program include: individual characteristics, county of residence, and public assistance usage. In addition, data on earnings and employer characteristics were matched and provided by Wisconsin's Department of Workforce Development. Data on program usage include monthly access to food stamps, medical assistance, childcare, and Wisconsin's W-2 ("Wisconsin Work" or return to work) program. Characteristics of employers for each TANF leaver include earnings per employer per quarter, industry code for the employer, and whether the employer provides health insurance. Finally, we collected county-level data that reflect local economic conditions throughout Wisconsin and matched these variables with each individual's county of residence.

There are three criteria to access UI benefits set by Wisconsin's law. The first is the total earnings in the four quarters of the base period (first four of the most recently completed five). For the second quarter of 1999, Wisconsin required that earnings had to be $1320 during the base period, or the four quarters of 1998. The second criterion is high quarter earnings, which refers to the minimum level of earnings for the quarter during the base period with most earnings. Wisconsin required high quarter earnings of at least $1100 in one quarter of 1998 to qualify for UI benefit. The third criterion is the distribution of earnings requirement, which refers to the minimum total amount earned in 3 quarters of the base period outside of the high quarter. Wisconsin required distribution of earnings of at least $308 during 1998 in order to qualify for UI benefits in the second quarter of 1999.

Variables

To explain the difference between eligible and non-eligible individuals, we used a binary logistic regression model with the dependent variable taking a value of one when an individual is monetarily eligible for UI and zero when an individual is not. This variable measures an individual's attachment to the labor force.

The independent variables include monthly program usage, individual and exogenous variables. For the base period, the number of months using food stamps, child care, medical care, and W-2 support from July to December of 1998 indicate the effect of these programs on employment. The programs may have either a complementary effect with employment, in which they positively associate with monetary eligibility, or a substitution effect with employment, in which they would negatively associate with monetary eligibility. These variables are integer values ranging from 0 to 6 for 1998 due to data limitations.

Individual variables include the following.

- Age in years and a binary indicator for age greater than 41 to indicate the various effects of age on earnings.

- Categorical indicators for Black and Hispanic ethnicity to measure the possible effect of ethnicity on labor market opportunities
- High school graduation status to measure the effect of education on earnings
- Number of children less than six years old and number of children six and older measure the impact of child care responsibilities, including those for pre-kindergarten children, on employment

Exogenous variables include the following:

- Ratios of earnings in industrial groups to total earnings in the base year measure industry effects. These industries are health, manufacturing, temporary services, food and accommodations, retail, and finance/insurance/real estate/information, which are the predominant employers of former TANF recipients.
- Ratio of earnings in employment covered by health insurance to total earnings in the base year measures the effect of health insurance-covered employment on eligibility.
- County economic growth between 1999 and 2000 measures local economic conditions
- County wages-per-job in 2000 measure local economic conditions.

Descriptive statistics for the variables are shown in Table 1. Tables 2 contains correlations between the dependent and independent variables included in the model. Table 3 contains correlations between the independent variables. The first row of Table 1 shows that <u>59% of the individuals in our cohort become monetary eligible for UI within a year of leaving TANF</u>. This percentage is generally consistent with findings by Rangarajan et al (2001), who analyzed potential UI eligibility for a sample of New Jersey TANF leavers (438 individuals) who left welfare for work between July 1997 and June

1998 and found 75 percent were monetarily eligible. We would expect Rangarijan et al's percentage to be higher because she selected individuals who left TANF for work, while we study all TANF leavers. However, Kaye's (1997) study found that only 35 percent of former AFDC recipients would be monetarily eligible for UI benefits. According to administrative data reported by the Department of Labor (1999), approximately 89 percent of all workers applying for UI benefits had sufficient wages to qualify in 1998.

Table 1 Descriptive Statistics

	Mean	Std. Deviation	N
Monetary eligibility 2nd Quarter of 1999	.59	.49	3085
Months on W2 in 1998	.83	1.65	3085
Months receiving medical assistance in 1998	5.88	2.18	3085
Months receiving child care support in 1998	1.24	2.23	3085
Months receiving food stamps in 1998	4.18	2.78	3085
Proportion of earnings in the health care industry in 1998*	.19	.32	3085
Proportion of earnings in manufacturing sector in 1998*	.08	.22	3085
Proportion of earnings in the temporary services industry in 1998*	.20	.31	3085
Proportion of earnings in the food and accommodations industry in 1998*	.12	.26	3085
Proportion of earnings in the retail trade industry in 1998*	.11	.25	3085
Proportion of earnings in the finance, insurance, real estate, and information industries in 1998*	.05	.17	3085
Proportion of earnings covered by health insurance in 1998*	.37	.38	3085
Age 41 or older	.09	.28	3085
Number of children aged 6 or older	1.30	1.44	3085
Age	28.76	7.93	3085
Number of children aged under 6	1.22	1.01	3085
Growth in county output in 1998	3.08	.91	3085
Wage per job in the county in 1998	30294	2775	3085
High school graduate	.45	.50	3085
Black	.55	.50	3085
Hispanic	.07	.26	3085

* includes only individuals who have greater than 0 earnings during 1998.

Table 2 Correlation between Monetary Eligibility and Other Variables

Months on W2 in 1998	-.21
Months medical assistance in 1998	.19
Months child care support in 1998	.31
Months food stamps in 1998	.06
Proportion of earnings health care industry	.13
Proportion of earnings manufacturing sector	.07
Proportion of earnings temporary services industry	-.17
Proportion of earnings food and accommodations industry	-.06
Proportion of earnings retail trade industry	-.04
Proportion of earnings fire industries	.06
Proportion of earnings covered by health insurance	-.02
Age 41 or older	-.09
Children 6 or older	-.03
Age	-.09
Children under 6	.04
Growth in county output	-.03
Wage per job in the county	.05
High school graduate	.13
Black	.03
Hispanic	-.01

Table 3 Correlation among Independent Variables[32]

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
A	Months on W2 in 1998																			
B	Months medical assistance	**.18**																		
C	Months child care support	-.01	**.22**																	
D	Months food stamps	**.25**	**.52**	**.17**																
E	% of earnings in health care industry	**-.06**	**.04**	**.07**	**.04**															
F	% of earnings in manufacturing sector	**-.04**	.00	-.01	**-.07**	-.16														
G	% of earnings in temporary services industry	**.12**	**-.04**	**-.07**	.00	-.25	-.12													
H	% of earnings in food and accommodations industry	.03	-.01	-.03	**.04**	-.19	-.12	-.18												
I	% of earnings in retail trade industry	-.02	-.01	-.03	.00	-.18	-.11	-.18	-.11											
J	% of earnings in fire industries	-.02	-.02	**.06**	**-.05**	-.11	-.07	-.10	-.09	-.07										
K	% of earnings with health insurance	-.01	-.01	.02	-.01	**-.04**	**.10**	**.13**	**-.09**	.00	-.03									
L	Age 41 or older	**-.04**	**-.05**	**-.14**	.02	.02	.02	-.01	-.02	-.03	-.01	-.03								
M	Children 6 or older	.03	.02	**-.15**	**.16**	.02	**.05**	**.05**	**-.05**	**-.10**	**-.07**	-.01	**.15**							
N	Age	-.03	**-.07**	**-.21**	**.07**	.03	**.05**	.00	**-.08**	**-.08**	-.03	-.01	**.65**	**.48**						
O	Children under 6	-.01	**.07**	**.26**	**.09**	.02	.01	.00	.03	.00	-.01	.02	**-.22**	**-.25**	**-.40**					
P	Growth in county output	**-.13**	**-.05**	**.06**	**-.10**	-.01	**.04**	**-.10**	**.07**	**.04**	-.02	**-.04**	**.05**	**-.07**	.02	.03				
Q	Wage per job in the county	**.13**	.02	-.03	**.13**	**.04**	**-.09**	**.12**	**-.08**	-.03	**.05**	**-.10**	**-.06**	**.09**	-.01	.00	**-.54**			
R	High school graduate	**-.12**	-.01	**.14**	**-.08**	**.05**	-.01	**-.06**	**-.09**	.01	**.08**	.03	-.01	**-.10**	**.04**	**-.07**	**.06**	**-.06**		
S	Black	**.15**	.01	.01	**.11**	**.08**	**-.10**	**.04**	-.03	**-.06**	.01	**-.06**	**-.08**	**.12**	-.01	-.02	**-.29**	**.42**	.03	
T	Hispanic	**-.04**	.01	-.03	-.01	.01	.00	**.09**	**-.04**	**-.04**	-.00	-.01	.00	.02	.00	.01	**-.06**	**.10**	**-.07**	**-.31**

[32] Boldfaced numbers indicate significant at 95% or higher level.

Analysis and Results

We used logistic regression analysis, which is appropriate in models with dichotomous dependent variables (Greene, 1997; Hosmer & Lemeshaw, 1989; Maddala, 1983). One modification to the model was made necessary by the data. For 546 of the 3085 individuals there were no earnings during 1998. For these individuals, the ratio of earnings in any one industry and the ratio of earnings covered by health care are 0/0, or undefined. Our solution to this problem was to treat these undefined ratios as 'missing cases' in the data and to estimate the undefined ratios for the 546 individuals. We calculated the estimates as suggested by Griliches (1986) using linear regression. For the estimation regression model, we included all the other independent variables and 3 others (the number of months on TANF of the last 60 prior to exit, the number of months continuously on TANF prior to exit, and a dichotomous variable for residence in Milwaukee) to estimate the industry ratios for the 2539 individuals for which all variables are available. The parameter estimates for the coefficients are then used for the 546 individuals to generate estimates for the missing variables. This approach uses information about intercorrelations between independent variables and information from the 3 new variables to generate estimated values.

The estimated variables are valid in the model provided that a) the parameters for the model with 2539 individuals apply to the 546 individuals, and b) the disturbance for the model that generates the new estimates is independent of the disturbance for the overall model (Griliches, 1986). For a), we assume that individuals, even those who have very small earnings, are from the same population as individuals with zero earnings. Many individuals with no earnings in 1998 do have earnings in subsequent and previous years, so there is no systematic factor that prevents them from participating in the labor force permanently. For b), we assume that the common elements of the process that explains proportion of earnings in an industry and the process that explains monetary eligibility are accounted for by the included variables.

Our reported results incorporate these industry and health care variables estimates for the 546 individuals with no reported earnings. We also ran the model with average values for the undefined variables, and we ran the model for the 2539 individuals with no undefined observations. All three models give very similar results[33]. We report the model with estimates because it reduces selection bias relative to the model with 2539 individuals and incorporates more information than the average values model.

Table 4 shows the overall model's performance. The chi-squared, likelihood, and Hosmer and Lemeshow chi square show that the model explains a significant proportion of the variation in monetary eligibility. The Cox & Snell R Square and the Nagelkerke R square show that the independent variables explain 20% to 30% of the variance in monetary eligibility. The classification table shows that the model will predict monetary eligibility about 71.2% of the time.

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[33] See authors for these alternative analyses.

Table 4 **Overall Model Performance**

Omnibus Tests of Model Coefficients				
Chi-square	Degrees of freedom	Significance		
784	20	0		
Model Summary				
-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square		
3389.72	0.225	0.303		
Hosmer and Lemeshow Test				
Chi-square	Degrees of freedom	Significance		
14.10	8	0.079		
Classification Table				
Observed		Predicted		
		Monetary eligibility		Percentage Correct
		0	1	
Monetary eligibility	0	751	511	59.5
	1	376	1447	79.4
Overall Percentage				71.2

We performed other tests for multicollinearity and non-spherical disturbances. Table 5 shows the tolerance and variance inflation factor (VIF) for each independent variable. The VIF values are all less than 4, the level at which multicollinearity conventionally represents a destabilizing effect. Table 6 and Figure 1 show our analysis of the standardized residuals. The tests of normality show conformity with econometric assumptions and that the model is not overly impacted by outlying observations. We also tested for heteroskedasticity using the artificial regression methodology developed by Davidson and Mackinnon (1993). This test showed no evidence of heteroskedasticity (F=0.025, p=1.000).

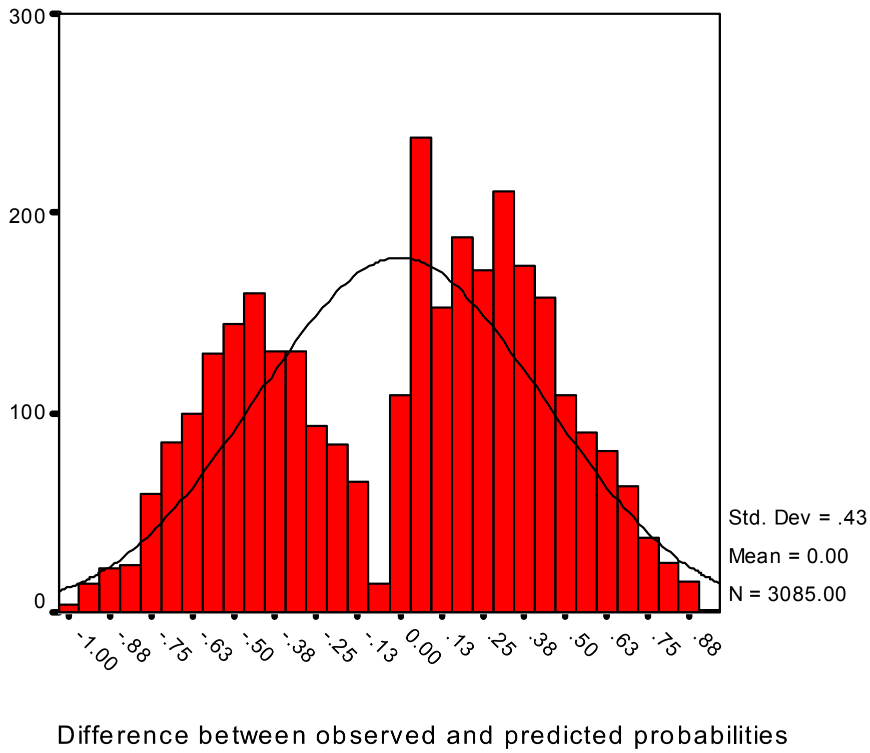
Table 5 Collinearity Statistics

	Tolerance	VIF
Months on W2 in 1998	0.87	1.15
Months receiving medical assistance in 1998	0.68	1.46
Months receiving child care support in 1998	0.83	1.21
Months receiving food stamps in 1998	0.63	1.59
Proportion of earnings in the health care industry in 1998	0.67	1.49
Proportion of earnings in manufacturing sector in 1998	0.79	1.27
Proportion of earnings in the temporary services industry in 1998	0.65	1.54
Proportion of earnings in the food and accommodations industry in 1998	0.73	1.37
Proportion of earnings in the retail trade industry in 1998	0.76	1.32
Proportion of earnings in the finance, insurance, real estate, and information industries in 1998	0.86	1.16
Proportion of earnings covered by health insurance in 1998	0.94	1.06
Age 41 or older	0.53	1.87
Number of children aged 6 or older	0.66	1.51
Age	0.38	2.66
Number of children aged under 6	0.77	1.29
Growth in county output in 1998	0.69	1.45
Wage per job in the county in 1998	0.58	1.72
High school graduate	0.91	1.10
Black	0.66	1.53
Hispanic	0.82	1.23

Table 6 Residual analysis: Tests of Normality

Kolmogorov-Smirnov			Shapiro-Wilk		
Statistic	Degrees of freedom	Significance	Statistic	Degrees of freedom	Significance
0.10	3085	0.00	0.96	3085	0.00

Figure 1 Histogram of Residuals



The results in Table 7 show parameter estimates for the coefficients and their level of significance. The parameter estimates show the significance of the relationship between each independent variable and the probability that an individual will achieve monetary eligibility. The column labeled 'Sig.' shows the probability that the distribution of the coefficient estimate includes 0, so values less than .05 meet the conventional 5% level of significance criterion.

Table 7 Variable Coefficients

	B	S.E.	Wald	Sig.	Exp(B)
Months on W2 in 1998	-0.345	0.028	146.875	0.000	0.708
Months receiving medical assistance in 1998	0.176	0.022	61.877	0.000	1.192
Months receiving child care support in 1998	0.392	0.029	179.474	0.000	1.479
Months receiving food stamps in 1998	-0.017	0.019	0.843	0.358	0.983
Proportion of earnings in the health care industry in 1998	0.594	0.168	12.435	0.000	1.810
Proportion of earnings in manufacturing sector in 1998	0.651	0.219	8.821	0.003	1.917
Proportion of earnings in the temporary services industry in 1998	-1.001	0.163	37.493	0.000	0.368
Proportion of earnings in the food and accommodations industry in 1998	-0.284	0.182	2.429	0.119	0.753
Proportion of earnings in the retail trade industry in 1998	-0.418	0.189	4.879	0.027	0.659
Proportion of earnings in the finance, insurance, real estate, and information industries in 1998	0.623	0.301	4.265	0.039	1.864
Proportion of earnings covered by health insurance in 1998	-0.025	0.117	0.045	0.833	0.976
Age 41 or older	-0.180	0.196	0.843	0.359	0.836
Number of children aged 6 or older	0.054	0.035	2.405	0.121	1.056
Age	-0.021	0.008	5.960	0.015	0.980
Number of children aged under 6	-0.158	0.047	11.397	0.001	0.854
Growth in county output in 1998	-0.075	0.056	1.786	0.181	0.928
Wage per job in the county in 1998	0.0000757	0.0000199	14.506	0.000	1.000
High school graduate	0.299	0.088	11.606	0.001	1.348
Black	0.093	0.103	0.810	0.368	1.097
Hispanic	-0.034	0.175	0.038	0.846	0.967
Constant	-2.034	0.741	7.532	0.006	0.131

The parameter estimates do not show a linear relationship between the independent and dependent variables. Rather, the column labeled 'Exp(B)' gives the change in the odds of an individual being monetarily eligible for UI with an increase of 1 in the variable of interest (Hosmer & Lemeshow, 1989). For example, and increase of one month on W2 in 1998 will associate with a reduction in the odds of an individual being monetarily eligible for UI by about 31%. The odds would be multiplied by .708.

Estimates for variable coefficients in Table 7 showed the following results. The notes in parentheses indicate consistency with analysis of the full-data subsample for 1998, 1999, and 2000. The note "robust" indicates similar result for all models.

- access to the W2 program was negatively associated with monetary eligibility (robust)
- access to medical care was both strongly positively associated with monetary eligibility (insignificant in 2000)
- access to medical care and child care were both strongly positively associated with monetary eligibility (robust)
- access to food stamps was not significantly associated with monetary eligibility (negative and significant for 1999 and 2000 models)
- age was negatively associated with monetary eligibility, meaning that older individuals were less likely to be monetarily eligible for UI than younger ones (positive and significant in 1999 model, insignificant in other models)
- age greater than 41 was not significant (negative and significant in 1999 model, insignificant in other models)
- the number of children less than 6 years old had a significant negative association with monetary eligibility (robust)
- the number of children over 6 had an insignificant effect (robust)
- education, as measured by high school graduation, was strongly and positively associated with monetary eligibility (robust)
- ethnicity was not a significant impact in the model (robust)
- the proportion of earnings in the health industry was were positively associated with monetary eligibility (insignificant in 1999)
- the proportion of earnings in the manufacturing sector was positively associated with monetary eligibility (robust)

- the proportion of earnings in the finance/insurance/real estate/information industries was positively associated with monetary eligibility (insignificant in 1999 and 2000)
- the proportion of earnings in the temporary services and retail industries were negatively associated with monetary eligibility (robust).
- the proportion of earnings in the food industry was insignificantly associated with monetary eligibility (negative and significant in 1999 and 2000)
- employers' provision of health care was not a significant factor in determining monetary eligibility for UI (robust)
- average wages per job in the county had a strong positive association with monetary eligibility (robust, but in 2000 the p value was .12)
- economic growth in the county did not represent a significant influence (robust).

Policy Implications

This study on UI eligibility is conducted using the actual data containing a complete cohort of TANF leavers rather than a set of survey data. Therefore, we have potentially reduced bias and found a more accurate relationship between monetary eligibility for UI benefits and factors associated with former TANF recipients.

The results derived in this paper are intended to provide policymakers, legislators and other interested individuals with useful information for deliberations on possible program options to assist this vulnerable population. They include the possible excess burden that children less than six (6) represent to those entering or re-entering the workforce; the need for schooling and educational attainment of those entering or re-entering the workforce; and the need to tailor programs in an age-appropriate manner.

Programs that support former TANF leavers' efforts to enter the workforce may include access to either employer-provided and/or subsidized medical care coverage and child care support.

There is also a need to tailor workforce development programs and supportive services to the local economy. Special attention may be needed for counties where wages per job are low. Policy makers may also want to pay special attention to industry effects. Special care should be given to the temporary services industry, the industry that employs the largest number of TANF leavers. This industry provides a great potential means for introducing individuals to employment, but should be treated as a stepping stone, rather than a permanent job, to other more stable jobs in higher-paying industries such as manufacturing and health services.

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Employment and Training Services Provided by Faith-Based Organizations: An Exploratory Study and Issues for Consideration in the Use of Public Funds

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1. INTRODUCTION

Employment and training services in the United States have historically been delivered through a decentralized network of local public, private, and nonprofit agencies and programs. Among the many service providers, some faith-based entities, particularly nonprofit service organizations, have provided a variety of employment-related services, for example, to help people prepare for work, improve basic skills, find jobs or new jobs, or arrange for social or emergency services that might be needed. Some of these organizations receive some public funds and deliver publicly-funded services in a secular, not a religious context. Others use only private resources (e.g., from philanthropic foundations, charitable donations, and religious groups), and may have religious features or activities as part of the services they provide.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 included a “charitable choice” provision, which allows faith-based organizations to compete for state and federal welfare funds on the same basis as other organizations and maintain their religious character. Legislation governing other federal programs, including substance abuse education, prevention and treatment, and community services block grant services, subsequently also included a charitable choice provision. The Bush Administration has placed new emphasis on expanding the role of community-based and faith-based organizations in the provision of services to meet the social and emotional needs of families and individuals.

While faith-based organizations are an important partner in the workforce development area, there is little systematic information about the extent of their involvement in the formal public employment and training system, the amount of federal funds they receive, particularly through the Workforce Investment Act (WIA) or the nature of work-related services they provide.

The purpose of this study, therefore, is to provide a basic understanding of the extent to which faith-based organizations are providing employment-related services, drawing upon exploratory information compiled for five communities: Baltimore, Maryland; Fort Worth, Texas; Milwaukee, Wisconsin; Pittsburgh, Pennsylvania; and San Diego, California. The communities were purposively (not randomly) selected to provide geographic diversity to address three general questions:

- How much federal employment and training funding is going to faith-based organizations?
- What sorts of employment-related services do faith-based organizations provide?
- How much employment-related services do religious congregations provide and to whom?

The examination and the findings are exploratory, but nonetheless offer insight into the possible scale of activity by faith-based organizations in the workforce development system, and suggest the feasibility of conducting more empirical and comprehensive research to examine this issue more fully.

Definitions

There is no single generally-accepted definition of what a faith-based organization (FBO) is. *For the purposes of this study, a faith-based organization is an organization that holds religious or worship services, or is affiliated with a religious denomination or* *house of worship.*[34] This includes churches and other congregations or houses of worship; nonprofit organizations affiliated with churches, congregations or religions; and local nonprofit organizations affiliated with an umbrella or national faith-based network. Faith-based nonprofit organizations generally maintain a faith-based mission but the services they deliver may or may not have a faith-based content and they do not necessarily restrict participants to those who adhere to that faith.[35]

For simplicity, the discussion in this report refers to two types of FBOs: (1) local congregations of churches, synagogues, mosques, and other houses of worship; and (2) nonprofit organizations with some religious or faith-based association. Admittedly, the second category encompasses a wide range of organizations, each worthy of separate examination but which are considered together in this exploratory review: local affiliates of national networks such as Catholic Charities, Jewish Family Services, Lutheran Social Services, the Salvation Army, as well as local independent organizations or ministry groups operating in a single community.

Some large national organizations originally founded with a religious affiliation no longer consider themselves faith-based, even though some local affiliates may so define themselves. Goodwill Industries and the YMCA/YWCA are perhaps the largest of the secular nonprofit service organization networks with a faith-based origin. A few local Goodwill affiliates consider themselves to be FBOs, although the vast majority of Goodwill affiliates and local YMCA/YWCAs, like their parent organizations, consider themselves secular. In this study,

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[34] A broader conception of faith-based organizations could include secular entities that are not religiously affiliated or religiously-based but have specific missions to promote certain values, beliefs, character, or moral behavior, or that are affiliated with groups with particular philosophic objectives. This study, however, focuses only on those associated with or founded according to a religion or religious faith.

[35] This study does not address whether the services provided by the organizations include any religious content or whether individuals do or are asked to adhere to (be receptive to) that content. These are important issues, but beyond the scope of this report.

organizations such as Goodwill and YMCA/YWCA which are primarily secular, are excluded from the broader faith-based organization category. Local affiliates of other large national organizations, such as Jewish Family Services and Lutheran Social Services, which have carefully distinguished their secular services and activities, may still provide some separate services that are more religious in nature; these types of organizations are included in the study.

Approach and Limitations

This is an exploratory study, examining FBO provision of employment-related services in five communities. Within each site, information was collected along three tracks:

1. **Extent of WIA contracting with FBOs**, based on telephone discussions with the local WIA administrator or designated staff person who was asked whether they contract with FBOs and the dollar amount of the contracts; and discussions with the 9 largest WIA contractors, who were also asked whether they subcontract to FBOs.

2. **Nature of employment-related services provided by congregations**, based on telephone discussions with the nine largest congregations and houses of worship and nine smaller ones (100-700 members) selected at random from a list obtained from the American Church Lists.

3. **Nature of employment-related services by faith-based nonprofit organizations**, based on telephone discussions with nine organizations selected at random from organizations presumed to be religiously affiliated, identified from an on-line telephone directory search (switchboard.com) under the categories “social services/welfare” or “employment agencies and opportunities.”

The information compiled from these informal telephone discussions in the Spring of 2001 is summarized in the following sections.

There are obvious limitations. First, the study is exploratory—while the congregations and nonprofit organizations were randomly chosen, the selection process did not involve statistical random sampling,[36] and only a small number of congregations, nonprofit organizations, and workforce investment agencies[37] were contacted.

Second, because we drew our samples from incomplete listings and contacted a limited number, the estimates presented in this report may understate the activity by faith-based organizations. It is likely that there are more faith-based organizations than we were able to identify. The extent of the underestimate, however, is unknown, and a precise estimation would require further research with larger samples.

Thus, the samples of congregations and nonprofit organizations are not statistically representative, and the findings cannot provide a valid generalization of the sites in the study or of any other sites. The patterns of findings in this exploratory study, however, provide a useful starting point and offer a rough estimate, or approximation, of the extent of FBO involvement in employment-related services.

[36] Statistical random sampling requires a complete enumeration of the entire population, but we used listings that were likely to incomplete. For example, we sampled only churches for which we had a known congregation size in order to contact both large and small institutions. However, in identifying faith-based nonprofits, we attempted to avoid introduction of systematic bias by identifying every nth entry with presumed religious affiliation to produce a total of nine from the list, and substituting the entry immediately next if the organization was either not faith-based or did not offer employment-related services.

[37] For consistency throughout the text, the term workforce investment agency is used to characterize the local organization that administers federal workforce investment funds under the Workforce Investment Act. The appointed board as well as the administering agency are sometimes both referred to generically as the Workforce Investment Board (WIB).

2. WORKFORCE INVESTMENT AGENCIES' CONTRACTING WITH FAITH-BASED ORGANIZATIONS

Five workforce investment agencies[38] (WIAs) (in Baltimore, Ft. Worth, Milwaukee, Pittsburgh, and San Diego) were contacted to determine the extent to which they contracted with FBOs in the last full 12-month period for which data were available (usually this was program year 2000). Table 1 summarizes the information by workforce investment agency in terms of: the number of FBOs under contract, the number of FBO contracts, the total value of the FBO contracts, the program funding sources (such as WIA/JTPA or Welfare-to-Work grants) for FBO contracts, and the percent of the agency's total budget that goes to FBOs. Two of the five cities, Milwaukee and San Diego, have programs operated under national competitive Welfare-to-Work (WtW) grants. Appendix A provides additional information on FBO participation in the WtW program.

The extent of FBO contracting by workforce investment agencies in these sites varied, ranging from less than 1 percent (in three cities) to as much as 10 percent (in Pittsburgh). A total of 19 FBOs received contracts from these five boards in the most recent program year. Several of these FBOs had multiple workforce board contracts from different funding sources—and so, the total number of contracts let to FBOs by the boards was 26. Across the five boards the median value of an FBO contract was about $98,000, and FBO contracting represented about 4 percent of the boards' total budget. Appendix B summarizes the FBO contracting reported by each of the five agencies.

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[38] As noted in Chapter 1, the terms workforce investment agency and workforce investment board are often used interchangeably. Local agency names may vary depending on historical precedent, but each serves as the official body responsible for administering federal funds under the Workforce Investment Act.

There was, however, much variation across the boards, as indicated in Table 1. With the exception of Three Rivers Workforce Investment Board in Pittsburgh (which contracted with 11 FBOs), the boards included in our sample contracted with between one (two of the boards) and three FBOs. The total contract value of awards to FBOs ranged from under $150,000 (at two of the boards) to slightly over $3.5 million (at the San Diego Workforce Partnership Board). Sources of funding were principally WIA/JTPA and Welfare-to-Work, though some FBOs received contracts from the local board under the Youth Opportunities program and the Temporary Assistance for Needy Families, or TANF, employment program. The total amounts contracted by local boards in 2000 to individual FBOs in the five cities ranged from $26,145 to nearly $3 million (for Metro United Methodist Urban Ministries in San Diego). However, half of the FBOs received contracts of less than $100,000.

Table 1: Selected WIA Agencies' Contracting with FBOs (most recent year)

Workforce Investment Area	# of FBOs as contractors	# of FBO contracts	Total value of FBO Contracts	FBO contracts as a % of Agency's budget
San Diego Workforce Partnership Board, San Diego, CA	3	5	$3.6 million	6%
Mayor's Office of Employment Development, Baltimore, MD	1	1	$300,000	1%
Three Rivers Workforce Investment Board, Pittsburgh and Allegheny County, PA	11	15	$1.8 million	10%
Tarrant County Work Advantage Board, Ft. Worth,Tarrant County, TX	3	3	$144,000	1%
Private Industry Council of Milwaukee County, Milwaukee and Milwaukee County, WI	1	2	$36,000	Less than 1%

After reviewing program and fiscal data obtained from the five workforce investment agencies, brief telephone discussions were also held with administrators in the largest non-FBO contractors for each of the local boards to determine if these non-FBOs were subcontracting a portion of their funding to FBOs. Of the 26 non-FBOs with contracts from the WIA agency, just one had in turn sub-contracted with an FBO. This particular contractor had subcontracted about 15 percent of its workforce funds to an FBO to conduct intake, client assessment, and case management. However, a number of other non-FBO contractors to the WIA agency indicated that while they did not have a contractual or financial relationship with FBOs, they were well connected with the faith-based community in their localities. Some of these contractors noted that FBOs can be very helpful in recruiting individuals from targeted neighborhoods and providing in-kind support services to which program participants can be referred (e.g., emergency food, clothing, housing, and counseling services).

Future Funding Efforts

Some local board administrators and non-FBO service contractors were likely to expand their contracting with FBOs in the near future. Several board administrators observed that they either were in negotiations with additional FBOs for employment and training services for the upcoming program year or that they expected an expansion in the number of FBOs they contracted with in the future. For example, one board administrator noted that while the Request for Proposals (RFP) process has always been open to FBOs on the same competitive basis as for other non-faith-based organizations and the board has funded some FBOs in the past, awareness on the part of FBOs and desire to compete for contracts/grants had increased significantly in the faith-based community over the past year.

However, as would be true for many small organizations, especially those new to contracting within the workforce development system, workforce development board representatives and FBO administrators were concerned about the ability of FBOs to meet the stringent audits imposed under programs such as WIA. As one administrator of a non-faith-based community-based organization with a long track record of contracting under JTPA/WIA noted, FBOs—especially churches—are "particularly viable service providers at the street level," but often lack the infrastructure and expertise needed to administer contracts/grants under the exacting requirements imposed under DOL. He was in active discussions with several local FBOs (including a large church), and his organization was offering to act as a fiscal agent for local FBOs to manage funds and the documentation required under the contract/grant process.

3. WORK-RELATED SERVICES PROVIDED BY RELIGIOUS CONGREGATIONS

In each of the five communities, informal telephone discussions were also held with representatives of a small number of religious congregations. The congregations were selected non-scientifically from lists obtained from the American Church Lists but represent a diverse mix of sizes and denominations. Telephone calls were made to selected congregations and the representative was asked whether they provide any employment-related services, casting the net widely to include, for example "…anything from job readiness or job retention services, training or education explicitly related to employment, or support services such as transportation, tools or clothing to enable individuals to work" but excluding services that were not explicitly employment-related. If employment-related services were provided, they were asked to describe them and estimate approximately how many people received the services in a given year, and how much resources were dedicated to providing those services. About half the congregations contacted provided no employment services, about one-third provided informal or episodic services, several collaborated with other congregations or organizations to refer people to services, and a few directly provide more substantial or formal services.

Informal or episodic assistance

Congregations and church groups commonly provide humanitarian help to individuals in need; if members of their congregation or the community ask for or need help, that help will be provided, usually on an informal basis as needed. This help may at times be employment-related, such as providing bus tokens to get to work. While about half the congregations contacted indicated that they provided no employment-related assistance, over a third explained that they did provide some employment assistance, but that it tended to be primarily informal or episodic, involving very little expenditure of money, and serving very few people in the course of a year.

For example, some congregations report providing one-time or time-limited transportation (for a few trips or a week) to a job or job interview. For example, one large Ft. Worth church[39] provided bus tokens, paid for by the City, for one-time transportation to a confirmed job or job interview, and arranged access to a "career clothing closet" to persons referred by a caseworker from a service agency, such as a local women's shelter. In the past year, “hundreds” of bus tokens were distributed. Volunteers from that church also helped another local church tutor and assist students with schoolwork.

Informal help might also include general job search assistance, such as posting job opportunities on a bulletin board, and referring individuals who say they are looking for a job or training to agencies that do provide skills training or education, depending on the individual’s needs. In addition, churches may house child care facilities, which may enable a parent to work, but such facilities are not considered employment-related for this study unless the facility was established for that purpose. None that we identified were established for that purpose.

Referral services and other cross-institutional relationships

In some cases, churches have established relationships with other institutions that offer employment services, although these relationships have varying degrees of formality and may or may not involve explicit expenditures by the church. For example, one Baltimore church was a pick-up location for a "Bridges to Work" program that

[39] Some representatives contacted asked that published information not specifically identify them. Therefore, in general, congregations are not identified by name in the report.

provided transportation to work. In Ft. Worth, one church referred, and contributed a small amount of funds, to a larger church that operated a formal program for employment assistance. That program is profiled below.

Some churches support activities as part of a consortium of churches or through an umbrella institution. One Ft. Worth church contributed about $5,000 a year to an inter-church social service agency that provides a variety of employment-related services. In Milwaukee a formal consortium of churches made referrals to a faith-based nonprofit organization that worked with 29 Lutheran churches and a larger network of multi-faith congregations and some employers to provide life skills, career development, counseling, and placement services. One church in San Diego made routine contributions and ran yearly fundraisers to support an organization within the United Church of Christ that provided services. In Pittsburgh, volunteers from an inter-faith reemployment organization provided speakers to help in reemployment issues, such as resume preparation.

These types of collaborations were identified in the course of conversations with representatives of the congregations contacted, but it was beyond the scope of the study to pursue further information specifically from or about the networks. That would be a useful activity in future research to gain a fuller understanding of the role of congregations.

Formal Congregation Services and Programs

In each of the five cities, typically one or two of the large congregations contacted provided what could be characterized as substantial services explicitly related to employment. As defined here, substantial employment-related services include routine programmatic services or a formal organizational component, such as a social service ministry dedicated to employment-related and perhaps other support services. Small congregations seem less likely to provide such services and provide services on a much smaller scale.

Twelve congregations were identified that provided some type of service related to employment that appeared to be fairly substantial and somewhat formal. This represented around 10 to 15 percent of the congregations contacted. While this is not a statistically valid estimate of the percent of congregations that provided services, it does offer a rough idea of the extent of congregation involvement with employment services. Of those churches that described more formal programs or services to help individuals with employment needs, the levels of service and the numbers served were extremely wide ranging, as summarized in Table 2.

Some of these churches had a social welfare ministry through which they offer counseling, job search assistance, clothing, or tutoring, but in general the services provided were modest or episodic. For example, a church in Baltimore (Case 1) used its social welfare ministry to offer counseling in employment and education, provided by retired educators or other individuals in the church as needed. The church also offered tutoring to high school drop-outs and adult education students through a local community college. But the level of expenditures ($500 in 2000), number of volunteers, and numbers of participants (25 to 50) suggest the services were quite modest.

Similarly, a church in Pittsburgh (Case 1) received an endowment from a private individual to provide tuition scholarships to needy students for college or trade school. Another Pittsburgh church (Case 2) was the site for an English as a Second Language (ESL) program and a site for the Pittsburgh Lutheran Center for the Blind. The ESL program, first subsidized by the church and now funded with a small grant from a church in another state, offered two semesters of two classes per week and a language lab for adults who were principally spouses of foreign graduate students (most of whom eventually return to their home country). The Center for the Blind provides computer classes for a fee to a small number of blind individuals. A church in Baltimore (Case 2) provided a comprehensive program for refugees where employment assistance was a major component. The employment assistance consisted of job search assistance, job counseling, and any supportive services necessary over a three-month period to help the refugees find and maintain employment. The program served four individuals in 2000.

At a somewhat higher level of service, a church in Pittsburgh (Case 1) offered computer training courses throughout the year and courses in how to build computers (mostly to young men). This program served approximately 80-100 individuals in 2000. A church in Ft. Worth (Case 2) had developed a system within the church for matching individuals needing work with older parishioners needing homecare or household assistance. While this program developed informally, the social service director reported receiving two to three calls per week from parishioners needing assistance, although the actual extent of job creation or the duration of employment was unclear. The church also provides approximately 400 gas vouchers per year for individuals who need assistance in getting to work.

Some churches provide even more comprehensive services, but the number of participants and the level or intensity of service may still vary widely. For example, a church in San Diego (Case 1) contributed $12,000 of congregation funds (they are currently exploring foundation support) to provide mentoring, using teams of volunteers and a small commitment of paid staff, to a small number (18 in 2000) of single mothers and their families, all of whom had been on welfare. The mentoring wais done by phone or in person, and continued for as long as needed, sometimes six months to a year. Initially the church received referrals from the state welfare program (CalWorks), but now received referrals mainly from another service organization. Comprehensive services were also provided by a church in Baltimore (Case 3), which relied heavily on volunteers and served 1,200 individuals in 2000. Services included workshops on resume preparation, job search assistance, GED classes, life skills training, and vocational training. They also offered a range of supportive services including transportation to work, work clothing, and help with work expenses.

Table 2
Summary of Employment-Related Services Provided by Selected Congregations[40]

[40] Total expenditures, funding sources, and participants served are for 2000. Education services include literacy training, English as a Second Language (ESL), adult basic education, GED/ high school diploma preparation, and related services. Job or training services include job search assistance, job or career

	Education	Job/Trng. Services	Support Services	Total Annual Expenditures	Number Served[41]	Public Funding
Baltimore						
Case 1	X	X	X	$500	25-50	None
Case 2			X	Minimal (refugee supp. up to 3 mos.)	4	None
Case 3	X	X	X	$0 (in-kind, volunteers)	90-480 (1200)	None
Ft. Worth						
Case 1	X		X	$0 (volunteers)	(100s)[42]	None
Case 2		X	X	$2,500	2-3 job referrals/ wk	None
Case 3		X		$140,000	30-300 (530)	None
Milwaukee						
Case 1	X	X	X	n.a.[43]	10-200 (620)	None
Pittsburgh						
Case 1	X			$8000 (tuition scholarships)	50-100 (100)	None
Case 2	X	X		ESL: $2500	4-17 (21)	None
Case 3	X			n.a.	80-100 (100)	n.a.
San Diego						
Case 1		X		$12,000	18	None
Case 2		X		$1.1M	50-500 (800)	None

Although expenditure and participation data were not consistently available, three congregation programs identified appeared to be providing extensive services (brief profiles of each are presented on the following page). Richland Hills Church of Christ

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counseling, job mentoring or job coaching, life skills training, work experience, and specific trade or customized job training. Support services include transportation, tools or clothing provided specifically to enable work, help with work expenses, legal assistance related to employment, and any other support offered specifically to help individuals get or keep jobs.

[41] Indicates range of individuals served in each of several program components. Numbers in parentheses suggest maximum total if no individuals participated in more than one component.

[42] Although 100s of individuals may receive services, these are limited and episodic access to bus tokens or clothing assistance.

[43] Expenditure data not available, but church staff estimated that about two staff were directly engaged in providing employment- related services.

(identified on Table 2 above as Case 3 in Ft. Worth) provided weekly evening job fairs led by a deacon as a ministry within the church. Among the ministry activities, they also offered a 12-week course four times a year in financial planning and budgeting. About 300 persons participated in that course in 2000. In addition, they had a social worker on site under the supervision of a church elder to provide case management to about 200 persons a year and were arranging short-term (ranging from 10 hours to two weeks) work experience opportunities for a small number of persons (30 in 2000) coming out of the criminal justice system or otherwise unemployed.

The Holy Redeemer Institutional Church of God in Christ (Case 1 in Milwaukee) operated several institutions within the church, including a social service agency that offered a range of employment services: 12-week on-the-job training (about 20 individuals received services in 2000) and vocational rehabilitation (20-30 in 2000); an 8-week life skills training course twice a year (about 30 received services in 2000); job mentoring/coaching services biweekly (about 200 individuals received services in 2000); GED/HS preparation and computer technology in partnership and paid for by a local junior college; and literacy and ESL (about 100 received services). It also provided bus tickets (to about 25 per year) and referred a small number of participants (10-20) to outside agencies for legal assistance.

Impact Urban America (Case 2 in San Diego) operated a $1.1million program in 2000 providing services ranging from job readiness to job placement. The program was in its second year of implementation, with funding coming from community members and from employers with whom it made temporary, transitional, or permanent placements. The program used a model aimed at developing job and life accountability skills, and had partnered with the San Diego Housing Authority to apply the model.

Profiles of Selected Congregation-based Employment Programs

Impact Urban America, a self-described "faith-based social entrepreneurial organization," is a project of the **Maranatha Chapel**, a Christian non-denominational church in San Diego, California. It has developed a model that combines leadership training with job and life accountability skills and customer service, using a seminar format and follow-up derived from a well-known executive leadership training model, to help residents of low income urban communities prepare for and find jobs. It has partnered with the San Diego Housing Authority to apply the model within the context of the HUD-funded Self-Sufficiency program. In addition, the program develops temporary, transitional, and permanent placements with local employers. Employers pay salaries for temporary or transitional workers through the program, thereby limiting their own costs for a direct hire. Now in its second year of operation, the program had a budget of $1.1 million in 2000, $100,000 of which came through community member

The **Richland Hills Church of Christ** in North Richland Hills, Texas, in the Fort Worth area, operates several ministries that offer a range of humanitarian assistance, some of which is explicitly employment-related. Their "Christian Career Network" is a deacon-led series of once-per-week evening workshops offering job search assistance. Job counseling is now offered as part of once-per-week job fairs. A social worker on site, under the direction of church elders, provides ongoing case management and served about 200 individuals in 2000. They also offer work experience, ranging from 10 hours to two weeks, to individuals coming out of the criminal justice system or otherwise unemployed. About 30 individuals received those services last year, including some who were referred from other churches in the area. Other services that may indirectly help with employment include their Crown Ministry, a course offered four times a year that teaches financial planning and other life skills in the context of biblical teachings. About 300 individuals took that course in 2000. They also operate clothing resale shops whose profits go to homes for battered women, and they offer gas vouchers to help individuals get to work.
About $140,000 was spent on employment and training-related services last year. All funds are raised by the congregation of about 2800 families (5000 individuals).

Holy Redeemer Institutional Church of God in Christ in Milwaukee operates several educational and social service programs sponsored by the church. Among the services they provide are job search assistance (weekly), job counseling, job mentoring and job coaching, an eight-week course twice a year in life skills training (about 30 received services last year), case management (about 50 received services in 2000), on-the-job training and vocational rehabilitation in 12-week segments (20-30 received services in 2000), and career advancement assistance, GED preparation and computer technology through workshops in partnership with a local junior college. Also, about 100 individuals received literacy training, a similar number received assistance in English as a Second Language (ESL) training, and GED/High School preparation assistance. In addition the program provides bus tickets (about 25 a year), referrals for legal assistance (about 20 a year) and, less frequently, tools or clothing for work (about10 per year). The church has been providing employment-related services for about 10 years, with funds raised entirely by the congregation.

4. WORK-RELATED SERVICES PROVIDED BY FAITH-BASED NON-PROFIT ORGANIZATIONS

Telephone calls were also made to a select number of nonprofit organizations in each of the five cities. The organizations were identified through a search of an on-line telephone directory. Those listings in the categories “social services/welfare” and “employment and opportunities” that were presumed to be religiously affiliated (based on the name of the organization only) were identified. A non-scientific but fairly random group of nonprofit organizations in each of the five cities were called to ask (1) their religious affiliation (to verify whether or not they indeed were FBOs), and (2) whether they provide employment related services.

The results of these calls are discussed in this section, and Table 3 summarizes the types of organizations contacted, their sources of funds, and the nature of employment-related services they offered.

Types of Organizations

The entities contacted include some that were independent and some that were part of a larger social service or other organization. Similarly, in some of the organizations employment-related activities were part of a larger social service or faith mission, while in others, employment assistance was the principal purpose of the organization.

For example, some programs were part of larger multi-purpose social service institutions, such as Catholic Charities, St. Vincent de Paul, Lutheran Social Services, Jewish Family Services (and related organizations), or the Salvation Army. Others, while still multi-purpose, had single discrete facilities, perhaps supported by a church or a consortium of churches and therefore quite modest in size. Even programs that are part of larger social service organizations take very different forms in different locations.

Some are totally independent of the larger institution except for their receipt of funds and other resources, and others are programmatically quite connected. Since we were more concerned in this exercise to explore the nature of services being delivered, we cannot generalize about the magnitude of services or interconnections between the facility we contacted and the umbrella organization.

As noted in Table 3, many of the faith-based programs contacted were in shelters or transitional housing facilities, in which employment assistance might be one component of a broader humanitarian mission to assist homeless individuals or families become stabilized, or part of a considerably narrower mission to offer short-term emergency assistance. A program might house individuals for six months to a year, provide them with a range of social services, offer them in-house work experience, or full employment services to transition into independence. Or a program might be an emergency night shelter dealing with individuals with severe substance abuse or other challenges and less receptive to intervention, but the facility might still offer them small jobs within the shelter.

A much smaller number of faith-based programs contacted serve special populations such as refugees. A still smaller number were those whose sole mission was employment and training.

Table 3

Program Types, Funding Sources and Services Provided by Faith-Based Organizations

	BALTIMORE (n=8)	FT. WORTH (n=9)	MILWAUKEE (n=9[44])	PITTSBURGH (n=8)	SAN DIEGO (n=9)
Nature of Facility[45]					
Shelter, Transitional, Supportive Housing	3	3	1	3	4
Social Service Agency	2	6[46]	4	4	4
Program for Special Population	3		2	1	
Employment/Training Program			1		1
Public Funding[47]					
HUD	2	2	1	1[48]	2
DOL	1	1		2	1
FEMA				2	1
HHS			1		
State of Local	3	1		2	1
Other Federal	1	1	2[49]	1	2[50]
Any Public Funding	4	4	4	5	5
Nature of Services					
Comprehensive Mix of employment, educ/training, & support services	5	3	5	5	6
Basic Employment/ job search assistance	2	3	4	1	3
Education only	1				
Support only		3		2	

[44] Facility type uncertain in one case.
[45] Reflects the nature of the program at the site of interview.
[46] One program may also operate a shelter.
[47] Programs may receive funding from more than one source and therefore be counted in more than one cell. Five cases did not report on funding sources.
[48] HUD emergency shelter funds, through city.
[49] Uncertain federal funding source through state and city.
[50] One program receives Community Development Block Grant funds, source of federal funds for other program not known.

Funding Sources

About half of the programs reported receiving some public funding for employment-related services, but less than half received federal funding. Of the 43 programs contacted, 22 received some public funding, 19 of which receive federal funding. Funding typically came from either the church or churches with which the program was affiliated or from foundations or private donations. The majority of federal funding reported (in seven of the programs) was from HUD, principally funds to support housing for the homeless. Five of the programs received funds from DOL, three from FEMA, two from HHS and six cited other federal sources, four of which were uncertain of specific sources (summarized in Table 3). Other public funding sources mentioned included state and local monies and could represent pass-through of federal funds about which the interviewee was unaware.

The HUD funding was principally from the McKinney Act and reflected the predominance of shelter and supportive housing in the sample. At least one program cited funding from HOPE VI, a program to revitalize the most distressed public housing and one which typically engages community-based organizations. The DOL funds were either not specifically identified other than as ETA grants, or were identified as "Welfare-to-Work" funds, although there was some uncertainty about whether these funds were from the DOL Welfare-to-Work Grant program or from other efforts related to TANF and welfare reform. One program was the conduit for the refugee resettlement program funded by the HHS Office of Refugee Resettlement and under which they and several other social service agencies delivered services in the city.

Nature of Services

The nonprofit FBOs contacted represent a variety of types of employment-related programs. As summarized at the bottom of Table 3, based on our very brief and informal conversations, it seems that some of the programs provided just one type of service—such as remedial education, or basic job search assistance or short-term job preparation, or support services such as transportation assistance. Most contacted, though, provided what appeared to be a more comprehensive mix of services designed to improve employability and which included not only job search assistance and job placement, but also training or education as well as supportive services. The comprehensive programs, for example, might include a range of employment preparation services, such as life skills or job readiness training, accompanied by remedial education and/or support services such as transportation or clothing.

The general categorization of types of services in Table 3, does not reflect a sense of the magnitude of the programs, however. Although we asked for estimates of the number of individuals receiving services last year, that information was not consistently available for this study.

5. CONCLUSIONS

Faith-based organizations, both religious congregations and nonprofit service providers, have been delivering a variety of social services, sometimes including employment-related services, for many years. Some of these organizations are attached to congregations, some are community-based organizations, and some are affiliated with national social service organizations. One question on the minds of many policymakers concerns understanding better the potential for expanding the role of faith-based organizations in providing social services, and, for the purposes of this report, specifically in providing employment-related services. This study explores the nature of current participation of congregations and faith-based organizations in the provision of employment-related services in order to contribute to the policy discussions.

General Findings

Congregations. Although many congregations provide limited humanitarian assistance that may help in employment—such as job postings, clothing, or occasional transportation—most that we contacted did not provide programmatic or extensive services for employment-related needs of church or community members. Except in two cities (Ft. Worth and San Diego), the majority did not provide even limited employment assistance. Of the one to three, usually large, congregations in each of the cities that did provide substantial programmatic employment-related services, none operated these services with public funds. Rather, most used funds raised directly by the congregation, or in some cases from private charitable foundations. Whatever the funding source, the numbers served in these programs was also generally quite limited, ranging from under 10 to a little over a thousand in the largest program in the most recent year.

Nonprofit Faith-based Organizations. Many faith-based social services organizations, whether independent or local affiliates of national networks, did provide employment-related assistance. Characteristically the assistance in the programs studied was one component of a broader array of services; few programs were devoted solely to employment and training services. The numbers served in these programs were also often limited, although about one-quarter of the programs contacted served over 500 in the year 2000.

Workforce Investment Act and Other Public Funds. About half of the programs that we contacted received public funding. Of those that received federal funding, that funding was more likely to come from HUD to support services for the homeless than from other sources, including DOL through Workforce Investment Act or Welfare-to-Work grant programs. Consistent with those findings, WIA funding for faith-based organizations in the areas studied represented only a small portion of the local workforce investment agency's total contracting activity (less than 10 percent of total funding, and often for relatively small contracts to a small number of organizations). Though public funds and especially WIA funds were not typically supporting employment-related services provided by FBOs, local workforce investment agencies in the areas studied frequently work collaboratively with the faith-based community in recruitment and referral of individuals and in providing supportive services to complement workforce development services. There was some indication that local workforce investment agencies might expand the participation of faith-based organizations in the near future.

Magnitude of FBO Employment Service Activity. Because this is an exploratory study, involving only brief discussions with staff who were available at the time, and because the sample of FBOs is not scientifically representative, we cannot provide precise estimates of the magnitude of services or service levels provided by FBOs in the cities studied. But to provide some sense of the possible magnitude of FBO activity, we have attempted to develop a range of estimates, as presented in Table 4, based on the information compiled and using different explicit assumptions.

To estimate the spending of all congregations on employment services in a city, we applied the percentage that provided employment services to the total number of congregations on the American Church Lists. For a conservative estimate ("Low Estimate" in Table 4), we assumed that congregations would spend on average $1,000 per year[51] and therefore combined the spending identified in the congregations contacted with $1,000 for each of the remaining congregations to arrive at an estimate of total spending among all congregations. To produce a high estimate, we used the same extrapolation but included one congregation at a $50,000 annual expenditure.

To estimate spending by nonprofit FBOs, we applied the percentage that provided employment services of all those contacted in the city to the total number of nonprofits presumed to be faith-based in that city. We then assumed that half of those organizations spend $10,000, 42 percent spend $100,000, and the remaining 8 percent spend $1 million a year on employment-related services.

To produce the estimates of total spending on employment and training from local workforce investment agencies (WIAs) and WtW grantees that appear in Table 4, we combined the estimates of congregation and FBO spending with our estimates of allocations to FBOs made from WIA and WtW sources.

The detailed estimates for each of these calculations appear in Table 4. A very rough sense of the magnitude of FBO provision of employment-related services emerges. It suggests that local spending on employment services by congregations and nonprofit FBOs might range from perhaps $2.4 million a year (low estimate for Baltimore) to as much as $6.9 million a year (high estimate for San Diego). To put this in perspective, the level of spending by congregations and FBOs, largely not supported by public funds, was an amount equivalent to under 10 percent (in Baltimore) to a little over 20 percent (in Pittsburgh) of the public funds spent in these cities on WIA and WtW activities.[52]

[51] Congregations providing substantial services, noted in Chapter 3, often spent minimal or no direct funds.
[52] This percentage does not capture funds spent on employment and training-related services by FBOs that derive from all public and non-public sources, but is simply meant to provide some perspective on the magnitude of spending by congregations and FBOs for employment-related services in comparison with total WIA and WtW spending.

Table 4: Rough Estimates of Magnitude of Spending for Employment-Related Services by Congregations and FBOs in Five Cities (Year 2000)

Estimates and assumptions	Baltimore	Ft. Worth	Milwaukee	Pittsburgh	San Diego
CONGREGATIONS Approx. #	1200[56]	900	700	700	600
Approx. % with substantial[53] employment-related services	15% (180)	15% (135)	5% (35)	15% (105)	10% (60)
Spending On Empl. Services *Low Estimate*[54]	$177,500	$274,500	$84,000[57]	$112,500	$1,170,000
Spending On Empl. Services *High Estimate*[55]	$226,500	$323,500	$133,000	$161,500	$1,229,000
NONPROFIT FBOS (non-WIA)[58] Possible # with empl. services	16	15	17	15	15
Spending On Empl. Services (Non-WIA) (assumes 50% spend $10,000; 8% spend $1 million; 42% spend $100,000)	$1,962,000	$1,905,000	$2,169,000	$1,905,000	$1,905,000
APPROX. WIA $s TO FBOS	$300,000	$144,000	$36,000	$1,800,000	$3,600,000
% of all WIA $s	1%	1%	1%	10%	6%
APPROX. WtW $s TO FBOS (non-WIA)	0	0	$147,577	0	$147,577
TOTAL SPENDING BY CONGREGATIONS AND FBOS *Low Estimate*	$2,439,500	$2,323,787	$2,436,577	$3,817,500	$6,822,577
High Estimate	$2,488,500	$2,372,787	$2,485,577	$3,866,500	$6,881,577
TOTAL WIA, WtW, and other misc. E/T funds	$33,419,931	$26,495,077	$26,420,441	$17,981,382	$56,899,822

[53] As defined in Chapter 3.

[54] Dollars identified + $1,000/per congregation times remaining number of congregations assumed to provide employment services.

[55] Dollars identified + 1 more congregation at $50,000 + $1,000/per congregation times remaining number of congregations assumed to provide employment services.

[56] Possible inclusion of surrounding county may be responsible for larger number relative to other cities studied.

[57] Imputes $50,000 for church program for which no expenditure estimates were available, using estimates of number of staff providing services.

[58] In order to estimate the number of FBOs in each city that provided employment-related services, the percentage who provided employment services of all those contacted was applied to the total presumed to be faith-based.

Outstanding Issues

There is heightened interest on the part of the Bush Administration, Congress, and some local workforce development boards to engage faith-based organizations more fully in providing publicly-funded services. There is also interest on the part of some faith-based organizations to participate more fully in assisting individuals in employment-related and other human services and to use public funding to help support their efforts. The discussion is drawing sufficient attention that the governing bodies of several national religious organizations are reexamining the tenets and conditions under which they would receive or continue to receive public funds.

While this study is exploratory, the findings suggest a number of questions that need to be addressed in order to understand appropriate directions for expanded support of faith-based efforts in employment and training, and are likely to apply more generally to public funding for the provision of a range of human services. Questions might begin with the following:

- What is the level of interest of faith-based organizations in expanding their services or receiving public funding under public rules?
- What is the capacity of congregations or other faith-based community organizations to expand their services?
- What sorts of services are faith-based organizations best suited to deliver: how does the effectiveness of current FBO services and service models compare to current federally-funded programs providing such services?

It is difficult to interpret from our research how much interest there is, particularly on the part of small congregations, in gaining public funding. Both the interest and the capacity to participate in publicly-funded programs will differ depending on the nature and size of the organization. In addition, some analysts have suggested that FBOs may fear compromising their "prophetic voice"—both their faith content and their independence from any public policy agenda—by taking public funds. Our conversations with congregations and faith-based nonprofits suggested that some organizations who are faith-based but whose social services have no religious content may still resist oversight around content that federal participation would entail. The level of interest and the ability of these organizations to balance their faith missions with responsibilities for fulfilling public purposes are empirical questions that require further research.

Our conversations with local administrators and faith-based organizations delivering employment-related services also suggested that there is likely widespread need for technical assistance in conjunction with expanded federal funding for FBOs. As with many first-time federal grantees, adjustments may need to be made by many FBOs in order to fulfill federal reporting requirements. Federal and state governments may need to look for ways to help interested organizations build the necessary internal organizational capacity, both from the standpoint of building effective service delivery systems and of safeguarding expenditures of public funds.

The capacity of faith-based organizations to expand their services also may differ depending on their size and nature. Questions of capacity are especially relevant to small organizations whether they are religiously based or not. The mission of many local organizations, including FBOs and especially local congregations, is to provide highly flexible, often low cost, responses to local needs. Many such organizations have relatively little experience in the formal contracting requirements, financial tracking, and caseload tracking, required to meet audit requirements of federal, state, and local programs. Some may not want to invest the time and managerial attention required to operate more complex programs under more complex reporting requirements. Some may be loathe to operate in the outcomes-driven environment of public programs. Many are particularly concerned with remaining highly accessible to populations in need and have little incentive to ask the kinds of questions that might better track clients but put that accessibility at risk. Some could easily make the adjustment to meet the requirements of public funding; others might find it difficult to focus on tracking and outcomes and maintain the character of their mission.

Larger organizations, both faith-based and otherwise, often have greater experience managing and monitoring programs that deliver a variety of social services. Indeed many large faith-based organizations, some part of national affiliates, have long histories of using public funds to help deliver services; some could apply such experience to new or expanded use of public funds. In addition, small congregations might collaborate with larger ones, or with faith-based or other non-profit organizations that are not-faith-based, to provide services. Small, community-based institutions may, for example, be uniquely capable of doing outreach and recruitment while larger organizations may have greater competence in delivering more extensive services and in monitoring and reporting in order to meet public funding requirements. Collaborations may be one way to involve FBOs in meeting the objectives of federal programs and to capitalize on the different expertise of each type of organization. Although identifying such collaborations was beyond the scope of this study, we found a few examples in the cities studied. Future research might explore more precisely how prevalent such relationships are and how they function to deliver desired services, in order to assess the potential for expansion or replication.

Expanding the involvement of FBOs in the delivery of federally-funded programs requires an understanding of the sorts of services they are best suited to deliver. Many community-based organizations, including FBOs are in better touch with disenfranchised populations, have widely perceived legitimacy, and are therefore relatively advantaged in recruitment of individuals otherwise less likely to come forward for services. Spiritual and faith content may themselves be powerful motivators, particularly in the context of services aimed at personal transformation. This again is an area with little empirical evidence to guide public decisionmaking. Apart from legal issues, which are not the focus here, there has been little systematic study of the program content of faith-based organizations as they compare to other organizations delivering social services, or the nature of faith content in different program models, and little guidance from program evaluations on the importance of such content in program effectiveness. As the recent "charitable choice" provisions in some federal legislation explicitly recognize, it may be important when serving disadvantaged populations to ensure that alternative services be made available for individuals who do or do not wish to participate in certain programs with faith content. There is little empirical research on how well vulnerable populations can exercise this option, for example, when program services provide vital income support and are tied to mandatory participation in a service component, or perhaps are a court-ordered drug rehabilitation as an alternative to imprisonment. Whatever the faith content, there are no formal evaluations of the performance of faith-based organizations delivering social services in order to compare their effectiveness to other organizations delivering similar services.

In short, if the public interest in faith-based organizations is rooted in a desire to expand the pool of community-based organizations to deliver publicly-funded services, many of the same concerns that accompany involvement of small organizations would attend the involvement of FBOs. If FBOs with little prior experience in administering publicly-funded programs jump in aggressively, they might be easily overwhelmed by the administrative responsibilities attached to operating under government requirements, while rapid service expansion might also challenge their ability to maintain quality programs. If the public interest in FBO involvement in the delivery of publicly-funded programs is to tap a special expertise rooted in spiritual or faith mission, either in the special capabilities of staff or the content of services, considerably more research is needed to understand the content of those services and their effectiveness in achieving program objectives.

APPENDIX A: FAITH-BASED ORGANIZATIONS RECEIVING WELFARE-TO-WORK GRANTS

In addition to federal funds through WIA (and previously, JTPA), the Welfare to Work (WtW) grants represent a fairly large source of funding for communities and workforce boards. Grantees received WtW funds between 1999 and 2000, and were allowed three years in which to spend those funds (later extended by Congress to five years). Seventy-five percent of the $3 billion Congress authorized for WtW grants was distributed by formula to states, which in turn must distribute 85 percent to local workforce boards or, in a few instances, to other sub-state organizations. Local boards operate programs with the grant funds or, more typically, contract with service providers to operate separate programs or deliver particular services. This means local boards may contract with FBOs for WtW services, just as they do for WIA services.

The other 25 percent of WtW funds has been distributed by DOL competitively, based on applications submitted by nonprofit organizations, public agencies, workforce boards, and consortia of various entities. About $40.3 million in WtW competitive funds nationwide were distributed directly to faith-based organizations, of the total $383 million total competitive grants allocated, representing about 11 percent of the total competitive grant amount. The twelve faith-based WtW grantees, most of which are nonprofit organizations affiliated with a house of worship, are:

- DePaul University, Chicago ($5,000,000) (Jesuit)
- Benedict College, Columbia, South Carolina ($4,771,156) (Baptist affiliated, Historically Black College)
- Vorhees College, Denmark, South Carolina ($1,990,859) (Episcopal affiliated, Historically Black College)
- Bethel New Life, Chicago ($2,739,506)
- Catholic Social Services of Albuquerque, Inc. ($1,351,541)
- Catholic Charities of Los Angeles ($3,037423)
- International Association of Jewish Vocational Services ($4,204,777) (multi-site grantee)
- Catholic Community Services of Southern Arizona ($1,978,125)
- So Others Might Eat, Washington, DC ($963,865)
- St. John the Baptist Roman Catholic Church/North Brooklyn Coalition for Welfare Reform and Economic Development, New York City ($2,926,751)
- Catholic Social Services, Charlotte North Carolina ($1,086,006)

APPENDIX B: WORKFORCE DEVELOPMENT BOARDS' CONTRACTING WITH FAITH-BASED ORGANIZATIONS

Board	**Service Area**	*# of FBOs Contracted*	*# of FBO Contracts*	*Total Value of FBO Contracts*	*Program Sources Contracted to FBOs*	*Board's Budget Related to E &T*	*"% of Board's Budget Contracted to FBOs*
San Diego Workforce Partnership Board	San Diego Co. (incl. San Diego)	3	5	$3,568,880	WtW, Youth Opportunities	$56,437,345	6%
Mayor's Office of Employ-Ment Development	Baltimore City	1	1	$300,000	WtW	$33,000,000	1%
Three Rivers Workforce Investment Board	Allegheny Co., (incl. Pittsburgh)	11	15	$1,768,706	WIA (Adult, Youth, DW) WtW	$16,947,428	10%
Tarrant County Work Advantage Board	Tarrant County (incl. Ft. Worth)	3	3	$144,287	TANF (CHOICES)	$26,995,077	1%
Private Industry Council of Milwaukee County	Milwaukee Co. (incl. Milwaukee)	1	2	$35,855	JTPA-Adult, Older Worker	$25,400,000	0%
Totals		19	26	$5,817,728		$158,779,850	4%

Note: Data are for period 7/1/2000-6/30/2001, except for Tarrant County (9/1/1999-8/30/2000) and PIC of Milwaukee County (7/1/1999-6/30/2000).

APPENDIX C: NUMBER OF CONGREGATIONS IDENTIFIED THAT PROVIDE EMPLOYMENT- RELATED SERVICES, BY CITY

	Large Congregations	Small Congregations
Baltimore	2 (n=10)	1 (n=9)
Ft. Worth	3 (n=11[59])	0 (n=10)
Milwaukee	1 (n=10)	0 (n=9)
Pittsburgh	1 (n=10)	2 (n=11)
San Diego	2 (n=10)	0 (n=10)

Informal discussions indicated that the following congregations provide employment-related services:

Baltimore: Concord Baptist Church
Bethel A.M.E.
St. Stephen United

Ft. Worth: First United Methodist Church
Richland Hills Church of Christ
St. John the Apostle

Milwaukee: Holy Redeemer Institutional

Pittsburgh: First Trinity Evangelical Lutheran
Monumental Baptist
St. Thomas More Church

San Diego: First United Methodist Church
Maranatha Chapel

[59] Includes one church identified in the sample of faith-based affiliated organizations.

APPENDIX D: NONPROFIT FAITH-BASED ORGANIZATIONS

Informal discussions were held with the following nonprofit FBOs, which indicated that they provide employment-related services.

Baltimore: Spanish Apostlate; Young Christian Workers; Salvation Army; Christopher Place; St. Ambrose Family Outreach; Payne Memorial Outreach; Brown's Memorial Church Shelter

Ft. Worth: Eastside Ministries; Catholic Charities; Bread Basket Ministries; Northside Inter-Church Agency; Presbyterian Night Shelter; Cornerstone New Life Center; Restoring Hope Center; South Central Alliance of Churches; Salvation Army

Milwaukee: House of Peace; Holy Family House; Catholic Charities Archdioces; Islamic Family and Social Services; Service Empowerment and Transformation (SET) Ministry; Milwaukee Christian Center; Salvation Army; Jewish Family Services; St. Vincent de Paul

Pittsburgh: Holy Family Institute; Jubilee Kitchen; Northside Common Ministries; St. Vincent de Paul; St. Joseph's House of Hospitality; Salvation Army; Light of Life Ministries

San Diego: First Step Ministries; Catholic Charities; Mid City Christian Service Agency; Center for Urban Ministry; Uptown Interfaith Services; Lutheran Social Services; San Diego Rescue Mission; St. Vincent de Paul; United Jewish Federation

Reconceptualizing Education as an Engine of Economic Development:
A Case Study of the Central Educational Center

Keith MacAllum, Ph.D.
Amy Bell Johnson

Academy for Educational Development
National Institute for Work and Learning

Educational change starts with imagining new solutions to old problems.

Perhaps you're the superintendent of schools or the president of a technical college, a teacher or guidance counselor. Maybe you're the mayor or the governor. You might be a parent or the owner of a small business. How do you want education to be structured in your community? What is education supposed to accomplish? Can education support the development of our young people and our communities at the same time? What needs do you have that education, if it was organized just a little differently, could meet more effectively?

These questions led the citizens of Coweta County, Georgia to reconceptualize high school education—a reconceptualization that ultimately led to the creation of the Central Educational Center (CEC), a unique partnership based in Newnan among business and industry, the Coweta County Schools, and West Central Technical College. Through partnership, CEC addresses the mutual concerns of educators, parents, business owners and managers, college administrators, and the students themselves.

A few years ago, Coweta County was like many communities in the United States. Most educators and community members thought college was the natural next step after high school. Therefore, high school ought to prepare young people for college. And it had a school system that did a pretty good job preparing the top students for just that. But like most communities, close to half of Coweta's students don't go to college. And about half of those who enroll, never complete their degree. Thus we end up with a K-12 educational system that is designed to effectively serve about one-quarter of the student population. What about the rest?

At the same time, employers in Coweta and elsewhere began to notice two trends. First, the demands of the workplace were increasing as a result of technological innovation and globalization. Employees need to have more advanced skills to do the same type of work and to do it more efficiently. Second, employers were having a harder time finding qualified employees, ones with fundamental skills and an ability to learn. The problem was especially acute among non-college degreed applicants. Though the employers may not have recognized it at the time, their needs were changing—but the traditional goals and processes of education were not. More and more jobs in Coweta County are requiring special skills or technical training.

Inside the schools, teachers struggled with two interrelated problems—a declining level of motivation among students coupled with unacceptable dropout rates. Parents were likewise discouraged because they knew their children "didn't really like school and were not being successful in school." Still, while many parents were not satisfied with the status quo, they were not necessarily motivated or seemed unsure of how to promote change.

Meanwhile, far beyond the school grounds, economic developers and county planners wrestled with the challenges of attracting new businesses to the area while helping to grow the businesses already there. It was becoming increasing clear that the vitality of the community and opportunities for economic development were inextricably linked to the quality of education and training. It has become a truism that the "currency of the new economy is knowledge and information."

Along those lines but at the state level, a similar round of deliberations were taking place, exploring the strategic options to grow the state's economy. What policies and practices could the state employ to attract business and industry to Georgia? The QuickStart program, which provides customized training services to relocating businesses, had already demonstrated its value. In this model, 34 technical colleges throughout the state provide the platform for education and training services to new and expanding businesses, on everything from new technology to retention of employees. "QuickStart is high profile," explained Dr. Ken Breeden, Commissioner of Georgia's Department of Technical and Adult Education. "We're a real part of the economic development team." According to Breeden, the Governor has regularly stated that "QuickStart is the economic development strategy for the state."

But more needed to be done to develop the local workforce. "The market for skilled and trained workers is growing so fast," Breeden observed. "We're interested in competing for high-skill/high-wage jobs. The number one thing we need for economic development is an available and well-trained workforce. Education is everything."

In Newnan and Coweta County, the employer community, West Central Technical College, and the school district each had distinct problems they were trying to solve. The employer community was having a hard time finding qualified workers. West Central Technical College (WCTC), a leader in workforce development serving four counties in the region, had been grappling with how to strengthen programs and reach more individuals in Coweta County. As a start, WCTC leaders wanted to centralize course offerings and activities in Newnan under one roof. At the same time, the superintendent of schools and school board were struggling to find a way to improve programs for non-college bound students.

Personal conversations among individuals evolved into extended deliberations among the organizations. Vague concerns evolved into strategic goals. Others in the community joined in the deliberations. The deliberations evolved into a series of meetings. "Once this community's leaders were mobilized, we really started to see movement," observed one employer. In 1997, the loosely affiliated group decided to formalize a steering committee comprised of 20 influential movers and shakers representing a broad cross-section of stakeholder groups. Said one member of the steering committee, "Within a relatively short period of time, everyone was at the table."

Interest and excitement surrounded what appeared to be a unique opportunity to forge new alliances among high schools, the technical college, and the private sector. All the necessary ingredients were on the table. All that was needed was a process to help the group work together in a winning combination.

Dr. Joe Harless, a nationally respected consultant who for 30 years helped business, industry, and the military improve the performance of their employees, just happened to live in town. In 1998, Harless published "The Eden Conspiracy," which explored how education could be reformed around accomplishment-based curriculum, an approach that was uniquely suited to addressing the multitude of concerns the various stakeholders brought to the table. "I invited myself to get involved," confided Harless. Given his experience and interest, Harless was designated as the chair of the steering committee.

In retrospect, when asked how CEC came into being, many of those involved nonchalantly replied, "The stars just aligned." And with respect to gathering the input and commitment of key organizations, this may be true. But the ease of forming initial alliances belies a tremendous planning effort. The committee reviewed the literature on successful school-business partnerships, explored promising and effective pedagogical strategies, visited exemplary programs, was steeped in accomplishment-based curriculum development, and most importantly, developed a deep and authentic understanding of the unique needs of each stakeholder group. From this understanding, a common vision was formed.

CONCEPTUAL VISION

CEC would be a place where the highest levels of learning for all could be achieved. Drawing on the best research and practice available, the Steering Committee identified the basic building blocks on which CEC would be built. Expectations for student performance would be high, given the expanding demands of the new economy. Experiential learning through applied and hands-on projects would be a common part of the daily classroom. Young people would be given new flexibility to "design" a program of study that prepared them for multiple pathways beyond high school—pathways dictated by changes in the economy. These would combine advanced technical training with a higher level of academic instruction than traditionally seen in connection with vocational education. Seemingly separated levels of education, secondary and technical college, would be vertically integrated into a seamless mix through instructor collaborations and dual-enrollment opportunities. This core instructional package would be topped with heavy doses of work-based learning—real opportunities to practice classroom learning in the local economy. Along the way, local business would provide advice, counsel, direction, and expertise in the classroom. The effort at the secondary level linked to a technical college would provide both competitive pressure and an opportunity to attract adults back into the classroom for retraining.

After 18 months of intensive work, the committee produced an action plan. It would take approximately another year before CEC opened its doors to students in August 2000.

WHO ARE WE AND WHY ARE WE INTERESTED IN CEC?

Founded in 1961, the Academy for Educational Development (AED) is an independent, nonprofit organization committed to solving critical social problems in the United States and throughout the world. Major areas of focus include health, education, youth and leadership development, and the environment.

The authors of this paper are affiliated with the National Institute for Work and Learning (NIWL), which is housed within the U.S. Education and Workforce Development Group of AED. We focus our attention on the intersection of education and employment. Our projects regularly cross the traditional boundaries that separate schools, workplaces, and communities. Indeed, we seek to blur those boundaries by reforming education and improving the interrelationships between education, work, and the surrounding community—goals we believe are shared by CEC.

Our mission is to help local, state, and national agencies transform the educational enterprise by exploring new models of instructional practice, building organizational capacity, and providing professional development opportunities together with the tools to assess and improve effectiveness.

As part of our ongoing work, we at NIWL believe it is imperative that educational research focus more directly on documenting and quantifying the economic benefits of educational innovations such as CEC to the county and region in which they are situated. In doing so, we chose to concentrate our attention more on the external relationships that helped establish and sustain CEC rather than its internal components and practices. Therefore, readers will not find many details in this paper on instructional practice or student progress. [60] Our goal was to learn as much as possible about the promise and potential of the CEC partnership model so that we can share developmental design features, promising practices, and lessons learned with others.

Which brings us back to how education was reconceptualized in Coweta County.

CEC As School

> *"It's a totally different atmosphere. Kids want to be there, teachers want to be there, and it shows." Ellis Cadenhead, Assistant General Manager, Newnan Utilities*

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[60] For a thorough evaluation of these issues, readers are referred to a parallel study undertaken by Florida State University (FSU). Focusing on the internal structure of CEC using surveys of faculty, staff, parents, and alumni, FSU will report on the operation of the CEC instructional system and measure its performance. We believe the inquiry undertaken by AED complements the programmatic focus of the FSU evaluation by examining how CEC, as a model of educational improvement, relates to the wider community. Ours is a perspective that examines CEC's relationships with other institutions and processes, namely workforce development and economic development. Contact Anthony Chow, Department of Instructional Systems, FSU, for additional information.

The planning and development of CEC began years before the first class enrolled. Coming to appreciate the related concerns of education, workforce development, and economic development took time in and of itself. From there, the relationships between the public and private sectors, and among their respective organizations, took shape. The story of how CEC was formed, and to a large degree how it operates, is intimately wound up in relationships among local community partners. Later in this report we focus on the nature and value of partnership. In this section, we provide a general overview of how CEC looks today, as it evolved from original concept to reality. Details on instructional practice are addressed in a parallel study by Florida State University. Here we report on the following major dimensions of CEC's organization: charter school status, leadership, course offerings, student enrollment, and faculty.

ORGANIZATION AND STRUCTURE OF CEC

In order to understand how CEC was implemented and the reconceptualized structure of education shared by community stakeholders, it is essential to recognize that CEC was established as a charter school.[61] Charter school status affords schools a remarkable degree of freedom with respect to organizational structure, management, and instructional practice. Viewed as a vital strategy to address local educational needs, charter schools have grown exponentially in the U.S. from 430 only six years ago to over 2, 800 today.

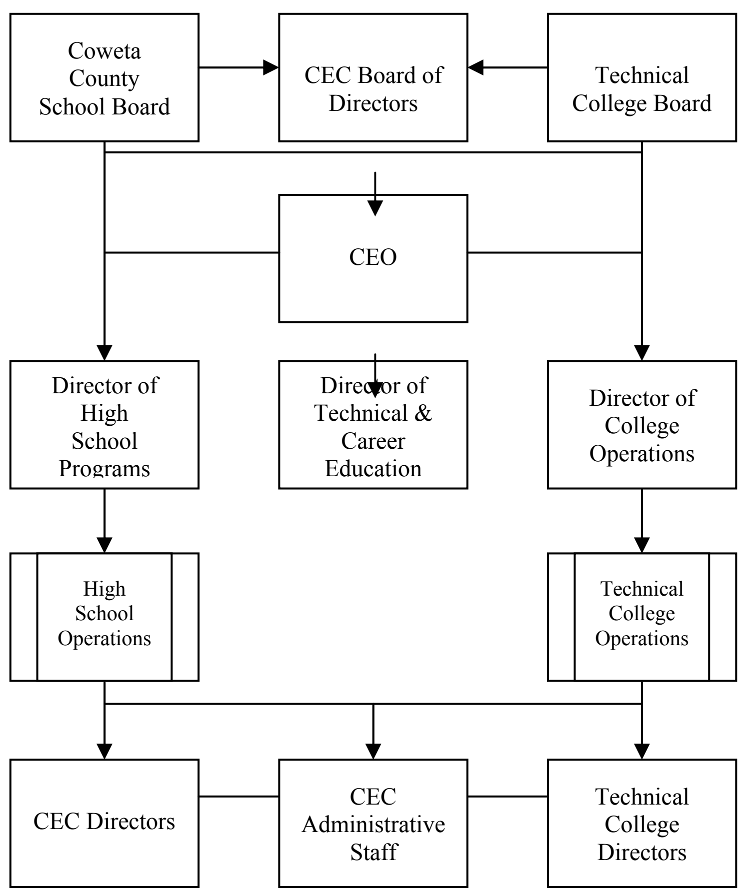
Charter school status gives school planners and administrators considerable, but not unlimited, flexibility. The charter must adhere to certain state and school district parameters and the school is obligated to report to the superintendent of schools. Yet, CEC is deliberately positioned to be directly accountable to business and parents. In the case of CEC, flexibility is most visibly manifested in its mandate to respond to business and community needs. CEC's charter makes it possible for partners to create and maintain a school culture and climate distinct from that of traditional high schools.

[61] More specifically, CEC is technically considered a start-up charter, created de novo, as opposed to a conversion charter that converts an existing school to charter status.

In the words of Dr. Peggy Connell, Superintendent of Coweta County Schools, “CEC is not limited by the rules and regulations that have become ingrained in the more traditional education system. Its flexibility allows for actions that couldn’t be taken and decisions that couldn’t be made when dealing with regular school. For example, in a regular school environment, adjusting the number of hours of seat time a student needs while offering work-based learning and off-site experiences would have been an arduous task. It’s doable in the CEC environment under the CEC governance structure.”

The following organizational chart delineates the lines of reporting and governance structure of CEC.

CENTRAL EDUCATIONAL CENTER ORGANIZATIONAL CHART



LEADERSHIP

> *"Leadership transforms vision into reality." Warren Bennis, Ph.D., Professor of Business, University of Southern California*

In our studies of best practices and effective programs, we have consistently found a correlation between success and strong leadership. Leadership can come in at least two major forms. In the first case, it references vision and the determination and ability to move that vision forward. Such leadership often extends beyond the school and includes chief school and college administrators, civic leaders, and other stakeholder groups, like parent and business organizations. Clearly, there was evidence of this dimension of leadership in Coweta County.

The second type is organizational leadership. By organizational leadership we are referring to building-level administration. In the case of CEC, this includes the CEO and the Directors of High School Programs, Technical and Career Education, and College Operations. The organizational chart presents the reporting relationships of these positions to their respective Boards. It's instructional to note the deliberate use of nontraditional titles for these positions. For example, in a traditional high school, the Director of High School Programs would be called the Principal. The terminology of "CEO" and "Director" is more consistent with the business-like culture that pervades CEC.

At CEC, the CEO holds responsibility for oversight and integration of high school, technical and career education and college operations. Applying a matrix management model, he acts as a facilitator, building and strengthening connections among business partners, the school district, WCTC, parents, state and local political officials, and the community at-large. The CEO is the public "face" of CEC.

"Charter school flexibility accommodates the idea of a CEO," said a staff member. "It makes it possible to bring in a businessman with real world experience to run the school." Indeed, Mark Whitlock, the CEO, comes to CEC with a strong background in banking and financial services. However, Whitlock is no stranger to the field of education. His undergraduate degree is in social science education and he continues to be well read in the field of education. In addition, he played a leadership role in the establishment of a Montessori school serving as a founding member and chair of its board. But the comment we heard most in interviews is that he "clearly brings a business perspective through his training and practice."

The fact that the CEO comes with a business background is viewed as extremely beneficial. "It didn't concern us that the CEO was from business and not education," said one board member. "He brings a healthy new perspective." Perhaps more importantly, the CEO's business pedigree helps bridge the chasm between public education and the private sector. He's fluent in both educational and business parlance and being from "their" environment, he's trusted by business partners.

Outsider and Insider

When asked to describe the characteristics of good leadership, the individuals we interviewed tended to cite strong communication skills, a clear commitment to quality education, the ability to convey that vision to others while delegating and empowering staff, sincerity and integrity, and the ability to manage multifaceted projects. Though often difficult to embody as effectively as the current CEO has, these are fairly standard descriptors of good leadership. Two other characteristics were identified as being especially important. First, the fact that "Mark is from Newnan but has been outside of Newnan." This was described as a potent combination since it provides the important objectivity of an outsider with the credibility of an insider.

The second was a conscious commitment to extend a high level of autonomy and respect to the administrative directors, with an emphasis on professionalism, that they in turn extend to the instructional staff. "You'd be amazed at how far this goes to help compensate for the low pay educators have," confided one staff member. It's worth noting that the terminology of "directors" is applied to the classroom instructor, thereby elevating the professional status typically afforded "teachers." (For the purposes of this paper, we employ the term instructor to reference the directors of program instruction, to avoid potential confusion.)

The CEO reports to a board of directors as dictated in the school's charter. The board meets every other month to conduct strategic planning and reflect on progress. The board considers and advises on issues such as student attendance, busing schedules, tracking outcomes, resource acquisition and distribution, communications, and marketing. CEC recognizes the need to generate parent support and include parental input when setting policy. A majority (9) of the seats on the 17-member board are held by parents, with four held by business representatives and four by educators, features mandated by the charter. In addition, the school board reviews the CEC curriculum at regular intervals. With the charter ultimately awarded by the State, the CEO encounters three layers of audit via the CEC board, the Coweta County School Board, and the Department of Education for the State of Georgia. Additional layers of audit—through the West Central Technical College and its governing Board as representatives of the State's Department of Technical and Adult Education—stem from the design of CEC to seamlessly integrate secondary and postsecondary education.

SEAMLESSNESS BETWEEN HIGH SCHOOL AND TECHNICAL COLLEGE

> "During my junior year of high school, I took advantage of a Health Occupations program offered at Central Educational Center or CEC as we call it. Believe it or not, I graduated with a technical college certificate before I even graduated high school! Most importantly (to me and to the economy of my community) I am able to work as a Certified Nursing Assistant in a nursing home or hospital." Jamie Rodriguez, Class of 2002

CEC itself physically houses a high school and technical college under its roof. As a founding partner, West Central Technical College sought a physical presence in Newnan to serve its historically older population of adults wanting to enhance their employability skills and gain industry-recognized certification. The co-location of WCTC on a high school campus provided the opportunity to deliver an extended array of dual-enrollment options to a younger population. As a result, 52 percent of students enrolled in West Central at CEC are under the age of 25. Due to the influx of CEC graduates at other WCTC campuses, the average age of technical college students is declining overall.

Dual enrollment provides an excellent mechanism to create smooth, "seamless" transitions between high school and higher education. This is a key feature of CEC and one highly touted at the state level by the governor and others. On a practical level, dual enrollment offers high school students the opportunity to obtain their diploma and a certificate of credit simultaneously. As a result, students find themselves better positioned to participate in the labor market immediately after graduation and/or make thoughtful decisions with respect to postsecondary education.

The powerful social and psychological effects of dual enrollment should not be ignored. Instructional staff reported that having high school-age and adult-age college students in the same class has a positive effect on the younger students' maturity. Graduates of CEC commented on the value of having opportunities to interact with adult students while still in high school, claiming an increased comfort level in the adult workplace and an increased sense of self-confidence that is not generally derived from peer interaction.

COURSES, CERTIFICATE PROGRAMS, AND CURRICULUM

> "CEC doesn't treat its students as just kids. They are team members and are treated as such. The learning environment at CEC emphasizes character, work ethic, and how to make it in the business world today. By offering hands-on educational experiences, CEC is meeting those standards while paving the way for the future of education."
> CEC Graduate

Through an initial needs analysis, local business and industry helped identify the major areas of concentration. Programs of study are organized under four broad career paths: Business and Computer Information Systems; Health and Medical; Technology and Engineering; and Services.

According to the Director of High School Programs, "Every course in the CEC curriculum responds to needs in the local labor market." Students can choose from programs that range from high tech (e.g., computer repair, computer networking, and CAD) to construction and production (e.g., certified manufacturing specialist, machine tool technology, and metal joining) to health care (e.g., dental assisting, patient care assisting), travel and tourism, and broadcasting.

With respect to curriculum development, teachers and central office curriculum developers sit down with representatives from business who serve as subject matter experts (SMEs) to identify skills, knowledge, attitudes, and behaviors needed in the workplace. The curriculum is built around those parameters. An important feature of this reconceptualized education is the ability for business representatives to inform, design, and help deliver the curriculum. To ensure that classrooms are adequately equipped, discussions with employer partners include identification and acquisition of state-of-the art equipment and technology.

Through open lines of communication with the community and through the more formalized role of the SMEs, business and industry have the opportunity to guide and influence curriculum development. Subsequently, if a program no longer aligns with labor market demands and does not have minimal placement, retention, or graduation rates, that program can be eliminated.

In addition to academic grades, students receive a "work ethic grade" comprised of scores along ten factors or themes. These themes rotate on a weekly basis. Productivity was the theme during the week of our visit and a large banner with the word "**PRODUCTIVITY"** in big bold letters hung in the main corridor as a prominent reminder. All instructors are expected to work the themes into their curriculum and lesson plans. The work ethic grade does not currently appear on students' high school transcripts. In the future, the district would like to see all high school classes give both academic and work ethic grades, a strategy we would endorse.

Even administrative concerns like attendance are used to convey an understanding of workplace expectations. For example, absenteeism and tardiness are not considered behavioral problems, but performance related. At CEC, the thinking is that if you're not there, you can't learn. This again mirrors the business model—if you are not at work, you can't do your job. A point reward and deduction system linked to students' class participation grade is used to drive the concept home.

Much of the curricula is self-directed and self-paced, a feature that reinforces the need for self-discipline. "I had access to a teacher when I needed it, but actually I finished ahead of schedule. That allowed me to do extra stuff," explained one student proudly.

Research on work-based learning, offered at CEC through internships, simulations in labs, or paid work experiences, has shown that it helps students acquire general workplace competencies; explore and plan careers; and acquire knowledge and skills in particular industries. But it also creates another level of learning for the student, one that engages them in the learning process. Students report that, "The whole school has a different atmosphere. You're not a student at your desk all day." As expected, the work-based learning and project-based learning approaches have made a strong impression on the students. "Hands-on is just great," one alumnus beamed. She highlighted the emphasis on developing products rather than testing while another commented on her performance-based assessment in front of a professional RN. Both underscore the fact that performance is what gets measured in "the real world."

STUDENT ENROLLMENT AND DEMOGRAPHICS

> *"Most high school students just want to get out. The students at CEC are more motivated. They're working for a job or preparation for college. They act more grown up." CEC Graduate*

One student described CEC as "a full-service educational hub." Indeed, CEC offers a rich array of educational services to a diverse student population. CEC serves students in both high school and technical college. Some of the high school students are dual-enrolled in technical college certification programs. In addition, adult students prepare for their GED in evening courses and high school students in need of remediation and course make-up attend evening high school. Lastly, the well-resourced school offers local employers the opportunity for off-site training. The FSU study referenced earlier focuses on the dual-enrolled population. Our interests are broader, but still generally limited to the high school and technical college programs as the demographics presented below attest.

CEC Enrollment Count August 2002

High Schools	AM	PM	Totals	% of Total	Distance from CEC
Newnan	186	146	332	39%	2 miles
East Coweta	226	139	365	43%	10 miles
Northgate	102	57	159	18%	10+ miles
Totals	514	342	856	100%	

CEC draws students from across the three high schools in Coweta County and the school's enrollment mirrors that of the county. About 28 percent of the students identify themselves as a racial minority. As a charter school, CEC is not allowed to establish admissions requirements, however, individual programs can require specific criteria for enrollment. Transportation to and from CEC is not an issue. About 85 percent of the students drive to CEC. The remaining 15 percent take school buses from their base high schools.

Since opening their doors in the fall of 2000, CEC has witnessed substantial growth as depicted in the chart below.

CEC Program Growth

Program Year	School Year	Total Students per Semester	Unique Individuals Served per Year
1st year	2000-2001	400	650
2nd year	2001-2002	800	1246
3rd year	2002-2003	856	TBD

Last year (2001-2002) about 10 percent of the student body attended CEC for the full day, but that proportion increased to about 13 percent this year. In 2001, CEC graduated 96 high school students with technical college certificates of credit (TCCs) from WCTC (58 percent female, 29 percent minority). This past spring (2002) CEC graduated 128 students with at least one TCC from WCTC. That number, too, is expected to increase. In the first semester this year, 63 students are dual enrolled already.

In addition to the 63 dual-enrolled high school students, WCTC enrolls 312 adults. Over half of these students are well under the average age of typical technical college students. About 24 of these young adult students attend classes with the dual-enrolled high school students while the remaining 288 attend night courses through WCTC.

Approximately 190 adults attend evening classes generally focused on GED test preparation, while 72 high school students attend evening high school, with 80 percent taking classes in order to stay on track for graduation with their class.

FACULTY

According to the students, the instructors at CEC are among the best they ever had. Some qualities mentioned include: knowledge of the subject matter, personally involved with students, with a knack for making learning fun. The students felt they were treated more maturely by their teachers, "like we're adults," said one female graduate. Not surprisingly, students tend to react positively to such treatment. In turn, the students tend to have more respect for their teachers, a benefit not lost on the teachers themselves.

There appears to be growing consensus that the ideal teacher has some real-world industry experience. Indeed, applied experience can be a real asset in the classroom. It allows instructors to link academic concepts to occupational applications. In addition, students seem to respond more favorably to those who have been in the real world. "I have a lot more credibility with the students," said a former plant manager.

It's safe to say that the staff come from diverse backgrounds. Charter school status affords CEC the luxury of recruiting staff who might not hold conventional teaching certification. While some staff have a combination of academic and applied experience, others come directly from the world of business or the military. Still, the majority of instructors appear to have conventional teacher training and traditional teaching backgrounds. What makes instructional practice at CEC unique is that staff have the freedom to approach education in a non-traditional way. The climate of the school, the direction from leadership, and the school's charter status encourage this flexibility. "The rule here is to be different," said last year's teacher of the year.

Given CEC's career development focus, career guidance and career development are integrated into the culture of CEC. That is to say, guidance is not simply the counselor's role, but rather a responsibility shared by all. "Every Director is a counselor," says the CEO. In turn, the counselor's role is evolving to a managerial position focusing on course selection and credit attainment.

It was suggested, half-jokingly, that the staff was "hand picked." In truth, many of the teachers who joined the CEC staff during the first year volunteered for the position. However, now, as CEC adds new staff, administrators are seeking out people who are creative—who are still motivated and energized by the job.

Likewise, efforts were made to identify appropriate college staff that would thrive in the CEC environment. To support the recruitment process, administrators brought teachers from other West Central campuses to tour CEC facilities.

THE STUDENT EXPERIENCE

> *"What really stood out for me? I thought it was going to be easier. I didn't think it was going to be as serious with respect to job building and career building. I just thought I'd have something to put on my resume. I have so much more now." CEC Alumnus*

As mentioned earlier, the FSU evaluation is concentrating on instructional practice and student-level outcomes. While it would be premature to present detailed statistics at this point in time, several early indicators point toward success.

For example, since CEC began operations, the annualized drop-out rate, grades 9 to 12 in Coweta County Schools, has dropped from around 7 percent to around 3 percent.

According to graduates, "Students [at CEC] are more mature, more disciplined. And if they're not, they will be when they graduate." A good mechanism CEC uses to promote this trait is the emphasis placed on performance-based assessment. For example, students in the Health Occupations program demonstrate the skills they have learned under the critical eye of a registered nurse. As one student acknowledged, "I was nervous, yeah, but afterward, I felt more pride than if it had simply been a test."

WCTC administrators suggested that students experience a boost to self-esteem when they realize that they can perform at the college level. Eighty percent of students in the Class of 2001 graduating with a technical certificate indicated a likelihood that they would pursue postsecondary education and anecdotal evidence bears this out. The local average in Coweta County is about 40 percent. What accounts for the large difference? Like the WCTC administrators, FSU researchers attribute the high proportion to the familiarity CEC students gain with college expectations and environment and a newfound confidence that they can perform at the college level. Other contributing factors likely include the benefits of smaller learning communities and a more positive outlook toward education. At the same time, it is possible that a more motivated student is attracted to the CEC program.[62]

Regardless, CEC is having an impact. One student described her experience as follows: "Thanks to CEC and its business partners, I have a great start on my future. They have opened the door for me to launch my career as a physical therapist. I am one of many set apart from the average student, and I have gained a greater sense of professionalism, self-esteem, and purpose."[63]

CEC As Partnership

In Coweta County, CEC is more than a school—it's a partnership. The relationships that key stakeholder groups in Coweta County formed to develop the CEC concept, turn it into reality, and, now, provide ongoing support to operations, strategic planning, and growth are a vital part of CEC.

Over the past decade, NIWL has examined dozens of partnerships between schools and businesses, primarily through intensive case studies. From coast to coast and from the most rural areas to the most urban, it has been our experience that strong and meaningful collaboration and partnerships among a wide range of groups in a community are necessary to create meaningful change in educational practices and strategies. Formalized partnerships provide stakeholders with clear goals; a concrete management and governance structure; clearly delineated roles and responsibilities; networks to facilitate communications; and mechanisms to broker connections

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[62] See also FSU Study. Report 1, July 2002. Additional reports forthcoming.

[63] Excerpts from an essay by Jamie Rodriguez, CEC Class of 2002. Excerpted with permission of the author.

and ensure fairly precise coordination of activities. Through partnerships, stakeholders function as one unified team in accomplishing common goals.

With business involvement contributing an estimated $2.4 billion and 109 million volunteer hours to schools each year, these partnerships have an impact on the lives of an estimated 35 million students.[64] We have observed growing evidence that today's relationships between schools and business are notably different from those of the past which resulted in one-way philanthropic efforts from businesses to schools, or commercial relationships in which schools provided a marketplace for the sale of products and services. Today's thoughtful educators and business leaders seek true partnerships that build on a shared understanding of values and culture that support mutual needs.

A Meeting of the Minds

We truly believe that in order to effect change, schools need support and therefore must rely on resources—human, financial, and material—from outside the school walls. But establishing the necessary relationships and trust to build truly effective partnerships is much easier said than done. Who were the key stakeholder groups that came together to form the CEC partnership and how did the partnership come about?

The School District. While the community in general was satisfied with the quality and rigor of the college preparatory programs offered at all three of the county's high schools, only a fraction of the county's high school graduates were going on to postsecondary education, and even fewer were finishing with degrees. With 65 percent of the jobs in the county requiring special skills or technical training, district administrators knew they needed to improve career and technical education programs so that students not going on to postsecondary education would have viable and meaningful alternatives. In order to offer the kind of high tech career and technical education programs that would improve postsecondary outcomes for "middle of the road" students, the district would need to make major investments in equipment and facilities at the

[64] Lamar Alexander and Richard W. Riley, "A Compass in the Storm." Education Week, October 9, 2002.

new high school and revamp programs at the two existing high schools. Administrators began exploring possible strategies for consolidating the career and technical education programs offered across the county under one roof, with the goals of strengthening programs and eliminating the duplication of costs and efforts.

Postsecondary Involvement. West Central Technical College had been trying to establish a presence in Coweta County for years. It had been "borrowing" space at local high schools in order to offer night classes but wanted to provide more flexibility in scheduling and maybe reach a younger population of students. It, too, was looking for a base for activities in Newnan. But college administrators wanted more than just a site for classes, they wanted to develop a business and industry partnership to inform course development and ensure that programs were truly responsive to local labor market needs.

Community Leaders. At the same time, local real estate agents were having a hard time selling commercial real estate in Coweta County and were just beginning to realize that a shortage of skilled workers and limited training opportunities might be to blame. Faced with the possible loss of one of the community's largest employers, business leaders, educators, and representatives from local government formed 21^{st} Century Coweta, an economic development initiative. Led by Scott Frederick, 21^{st} Century Coweta provided a framework to discuss what might be done to encourage existing businesses to stay and others to relocate and invest in the county. They began developing Vision 2020, a plan for supporting "smart growth."

Employers. Don Moore, the plant manager at Bon-L, a major manufacturer in Newnan, noticed that many of his employees—even the ones that had graduated from high school—had limited academic proficiency. While he was confident that his company had the subject matter expertise to successfully train people in the technical skills needed to work in the plant, he was hesitant to get into the business of providing whole-scale remediation in the areas of reading and writing. He felt that the overall lack of basic skills evidenced by his workforce was a symptom of a much larger systemic problem that would be more appropriately addressed by the local school system. At Chamber of Commerce meetings, other employers were voicing similar concerns. In addition, some small business owners were complaining that their employees would often miss work in order to meet with their children's teachers to discuss problems at school and that this was having a big impact on operations and productivity. Business leaders knew that in order to solve their problems something would have to be done to change the way education was delivered in Newnan, and they wanted a seat at the table.

On behalf of the employer community and in the spirit of enlightened self-interest, the plant manager at Bon-L approached the superintendent of schools with his concerns and a partnership was formed. A twenty-person committee with representatives of all of the key stakeholder groups—the school district, WCTC, local government, business, and industry—met to identify a common solution to their unique but related problems. Because the superintendent had also been grappling with the need for change, he was very receptive to the idea.

ACTIVE EMPLOYER INVOLVEMENT

> *"The commitment of the employer community in Newnan extends beyond buying donuts and t-shirts." School District Administrator*

The business community is often credited with being the catalyst for the partnership, with residents pointing to the plant manager at Bon-L as the initial driver of change. When the steering committee needed to build support for CEC at the state level and generate the additional funds that would be required to renovate and expand their proposed site, the business community, through the Chamber of Commerce, was instrumental in lobbying efforts. Chamber members successfully promoted CEC to the governor and general assembly, requesting support and calling in favors.

Since CEC's inception, the Chamber of Commerce has been a vehicle for sharing information about CEC with its members, generating interest, and coordinating employer involvement. In addition, a number of local employers sit on CEC's board of directors and advisory bodies, while others donate equipment, lend subject matter expertise to the curriculum development process, and provide young people with access to work-based learning opportunities. To date, over 150 local employers have provided CEC students with work-based learning opportunities.

There is a growing awareness among business leaders that their active involvement in educational reform is essential for their own survival and growth. Indeed, the number of school-business partnerships is on the rise. Ed Rust, Jr., Chairman and CEO of State Farm, has stated that "business leaders who are not actively involved in education are short sighted." Under the No Child Left Behind legislation, the role of business is probably more crucial than ever before.

However, it has been our experience that it takes the combined efforts of a diverse cross-section of individuals and groups, including educators, community-based organizations, parents, and students, to improve education and employment outcomes for young people. Each of these groups contributes a distinct set of talents and resources to partnership activities.

SEAMLESSNESS REQUIRES INTERINSTITUTIONAL RELATIONSHIPS

We were frequently told that CEC would not exist without the support of the business community. While this is true, it was our observation that CEC's existence is actually the result of commitment from the highest levels of leadership on many fronts. It is clear that in order to implement an initiative like CEC, the business community needs to be on board to drive change, and its ongoing support is vital to sustain and develop further efforts. Still, we feel it is important to note that each of the major stakeholder groups was equally important in the development of CEC, and their continued involvement will be essential for future success.

For instance, what would have happened if the superintendent and school board hadn't been willing to work with business and industry on addressing their concerns? Business leaders would have had to find alternative solutions, which may have included relocation. Across the country, businesses and schools are constantly talking about the need to work together. In Coweta County, the superintendent was not only willing to hear the concerns of the business community, he really listened. Then he took action so that the outcome was more than just an amicable but meaningless dialogue. The school district's involvement made it possible for West Central Technical College to connect with a much younger population of students. Further, with the school district's endorsement, parents were confident that CEC programs would be academically rigorous and that their children would not be left behind if they were to enroll in CEC. If the current superintendent didn't understand the links between education and economic development and firmly support CEC's efforts, the partnership's activities would have been derailed, if not stopped entirely.

Further, it would have been impossible to change classroom practice if teachers hadn't been willing to broaden their views on the purpose of education and how it should be delivered. According to one teacher, "If we can employ and keep graduates on the job, they stay and move up with a company. That's good for everyone." Another remarked, "It's key to have people from business who are very visible and very involved. It helps kids build a network." It's this perspective, and a willingness on the part of educators to "step out of their comfort zones," that makes education at CEC different and effective partnership feasible.

From our earlier studies of partnership efforts between businesses and schools, we found that the best programs provide connections to post-high school education and training options. These arrangements at once greatly expand the training immediately available to high school students and offer them a ladder of opportunity toward progressively more advanced training and advantageous employment after high school. In Coweta, if the business community and school district had decided to move forward without the assistance of WCTC, they might have been able to strengthen vocational programs across the county, but they wouldn't have been able to provide students with a seamless transition from secondary to postsecondary education.

Because WCTC and CEC's secondary vocational programs are housed within the same facility, students can earn technical certificates while still in high school and have an opportunity to get a head start on the next phase of life regardless of whether that next phase involves a four-year college or university, further technical training, community college, or the workplace. Upwards of 80 percent of high school students who are also dual enrolled in WCTC through CEC pursue additional postsecondary education and training—twice the local average.[65] Administrators, faculty, and staff suspect that dual-enrolled students experience a "boost in self esteem" when

[65] FSU Study. Report 1, July 2002.

they realize that they can perform at the college level and the prospect of college seems less intimidating. The partnership with the technical college makes it possible to attract students who might otherwise become disengaged from school and either drop out or squander their senior year.[66]

Nobody's Feathers Have Gotten Ruffled

When asked why CEC partners had been able to build such a strong partnership, one observer noted, "The funny thing is, there were two things that didn't happen. First, there were no turf battles. Second, partners didn't mind spending the time to 'do it right.'" The CEO of CEC suggested, "We don't have all of the answers, but we have the desire to figure it out. We run into barriers, sure, but we figure out how to overcome them..."

One of the most unique aspects of the CEC partnership is the way that partners recognize the value of collaboration and work together without feeling the need to establish "territory," take credit when things go as planned, or point fingers when they don't—characteristics that are almost considered endemic to partnerships in general. As a result, everyone was eager to contribute, but no one felt the need to control partnership activities. Each partner had an area of expertise and took on corresponding roles and responsibilities. At the same time, partners felt empowered to define strategies and policies that they felt would better serve students and translate them into action. Partners were accountable to one another, and with egos in check, seemed ready, willing, and able to jump in, but also to cede control when necessary.

A second aspect of CEC that distinguishes it from other partnerships we have studied is that partners seem to understand that they are making a long-term investment and that change will take time. They made sure not to rush the development phase. In fact, the original committee spent approximately three years developing the concept, identifying and generating resources to support it, and designing the model. Because stakeholders were empowered to be active partners in supporting systemic change from the very start, rather than passive contributors, all of the partners have made considerable investments in CEC, and all are strongly committed to seeing it succeed. We were told that, "Nobody's feathers have gotten ruffled. That's because people's expectations have been met. They're being met because all of the key players are at the table. They're actively involved."

[66] For more on the importance of restructuring the senior year see, Raising Our Sights: No High School Senior Left Behind. The National Commission on the High School Senior Year, October 2001.

We feel that one of the partnership's most outstanding accomplishments was its ability to merge the silos that traditionally separate K-12 and postsecondary technical college systems. Across the country, separate accountability systems established at the federal and state levels have created unintentional barriers to joint efforts. It has been extremely hard for people responsible for overseeing money for education and training to merge funds into a common pot. Key players in the CEC partnership were able to stay focused on the "big picture." In order for this to be possible, partners needed to really trust one another, and a lot of energy was devoted to building the necessary trust ahead of time.

THE POWER OF WORKING TOGETHER

> *"CEC demonstrates what can happen if we all work together." Greg Wright, President, Newnan-Coweta Chamber of Commerce*

The president of the Coweta County Chamber of Commerce observed, "If we can do this as a community, there's nothing we can't do. Now that we see the success of this effort, it will lead to future collaborations." Interestingly, the success of the CEC partnership is already having carryover effects in the community. For instance, employers have started supporting the local Boy's and Girl's Club and some have become involved in adult literacy programs. Bon-L recently gave dictionaries to all third grade students in the county in the hopes of enhancing the academic rigor of programs at the elementary school level. Finally, and perhaps most significantly, the school district and business community are jointly developing a large plot of land in the county, soon to be the home of the school district's new amphitheater and the county's new convention center.

During one conversation, the CEC model was described as "a grassroots movement," a fairly astute observation. In the beginning, everyone came to the table with a slightly different agenda. People shared their unique problems but solutions were developed in the sense of moving the group's overall agenda forward. Over time, people formed a shared vision and began working toward the big picture. Partners were not just involved in the creation, they continue to be involved in ongoing operations. Further, partnership makes sense—when communities lose businesses, they lose their economic base, then there's no money to support schools, no money for taxes, and no money for goods and services. The school district had a vested interest in finding a way to make people and businesses productive. At the same time, employers realized that not only do they depend on schools to provide them with a trained and well-prepared future workforce, good schools mean that employees aren't worried about their kids' education and can focus on doing their jobs.

Finally, from a teacher's perspective, the partnership makes it possible to tap into other resources in the community to strengthen classroom content and delivery. One teacher observed, "As an educator, you need to work closely with business and industry. Education moves so slowly that without business input in the form of equipment, facilities, and expertise, you can't provide a good education." Another echoed this sentiment, saying, "I don't have to learn it all or to deliver it all. I can't keep up on all the technology, the subject matter, all by myself. I need to collaborate with business partners and students, and the local community, parents, all these non-traditional avenues. You can't just do that anywhere. But I can do that here."

CEC As Engine of Economic Development

> *"While CEC is bringing many desired results to the local school system—almost single-handedly lowering the county's dropout rate from 7 percent to 3 percent in its first full year of operation—CEC is having an even more dramatic effect on the interaction between the school system and the county's economic development efforts." Russ Moore, Business Owner, Consultant, Chamber of Commerce Member*

The success of our schools in graduating successful students is directly related to the success of our communities. The more economically prosperous our communities, the stronger the tax base backing our school systems, which in turn offers more resources to provide a quality education. It seems obvious. But the relationship is a dynamic one as well. Quality education produces successful graduates with talent and skills that local employers can leverage to improve productivity and support economic expansion.

Yet, for much of the last century, schools operated as independent institutions. Schools receive state funding and increasingly must administer standardized statewide tests, but for the most part control rests in the hands of local school boards. Businesses have increasingly sought to lend assistance, but that assistance, coming in the form of subsidized computer labs and in-kind contributions, tended not to affect the instructional status quo. Civic leaders, too, remained at arm's length. For example, John DeStefano, Jr., Mayor of New Haven, Connecticut confided, "I've been in politics a long time, and before I was mayor, I worked for the mayor. And in all my experience, I'd have to say that the view from city hall was that education was something that took place over there. It wasn't really our job, it was the job of educators."[67]

RECONNECTING SCHOOLS TO THE REAL WORLD

For their part, educators have done a fairly good job of keeping "outside influences" at arm's length from the schools. Consider the language of our students when they refer to the "real world," the world that exists beyond the four walls of the school. Students clearly recognize a tangible distinction between the world of school and the world that surrounds it. The phrase itself makes clear which one they perceive as having more salience and relevance in their lives.

Our educational system, structurally and culturally, has been insulated from external forces of "the real world" that threaten to corrupt the academic integrity of the educational process. In the "ivory tower," the entire process of teaching and learning is detached and above the crude and mundane forces of the everyday world. Consider the negative connotations that have been associated with vocational education, or career education, or more recently, the school-to-work legislation. The pervasiveness of viewing K-12 education as stepping stones to higher education at a four-year college rather than as preparation for life benefits the few at the peril of the many. It is a simple fact that the vast majority of Americans do not hold a bachelor's degree. And the jobs with the highest demand at present require some postsecondary training but not a bachelor's degree.

We do not mean to imply that the resistance to social and market forces is entirely bad. We suspect that the commercialization of the classroom could lead to more negative effects than positive ones, and to maintain the mission of public education, quality must be made available to all and not sold to the highest bidder. However, protecting the sanctity of the classroom at all costs is not without its own dangers. A position that isolates schools from their surrounding communities prevents many positive changes from taking place. We don't advocate tearing down the ivory tower, simply lowering a few of the drawbridges.

Public schools are not just for the students. They belong to the community. As Joe Harless, chair of the CEC Steering Committee, might argue, it seems self-evident that everyone should benefit from them. We

[67] These remarks were shared following the October 7, 2002 American Youth Policy Forum session on the role of municipal government in promoting educational improvement. Under the leadership of Mayor John DeStefano, New Haven, Connecticut has become a model city demonstrating the potential municipal leaders can play in supporting schools for the benefit of students and, in turn, local economic development.

believe that schools have an institutional role to play in addition to their role of developing the academic growth of their individual students. That role has a strong economic component in the form of workforce development, supporting local business and industry, attracting new business, and contributing to a general improvement in the quality of life within the community.

APPRECIATING THE RELATIONSHIP BETWEEN EDUCATIONAL DEVELOPMENT AND ECONOMIC DEVELOPMENT

> *"Strong local economies support better education systems; good education systems, in turn, strengthen local economies. School systems that can consistently prepare students for today's—and tomorrow's—fast-paced, fast-changing workplace help communities develop good businesses with good jobs. Those jobs lead to greater prosperity for the whole community, which, in turn, leads to better schools. But how does a community get this cycle started?" Conference Program on Education and the Economy*[68]

We believe that Coweta County has much to teach us in answer to that question.

As with all municipal leaders, Mayor DeStefano of New Haven recognized that economic development was definitely a part of his job. Somehow, he and his colleagues just never made the connection between education and economic development. Newnan Mayor Keith Brady helps make the link. "The goal of education is ultimately individualized for each student. But more generally, it boils down to producing citizens who can effectively engage themselves in our society. It offers a grounding that allows them to be productive." Mayor Brady emphasizes the importance of embedding teaching strategies that develop work ethic, pre-employment skills, and job readiness in the school curriculum. But he closes by saying, "we need strategies that produce not just job readiness, but society readiness."

In this manner, schools begin to depart from their singular focus on academic achievement and move in the direction of Joe Harless's "accomplished citizen"—graduates who are prepared for the world of work, prepared to contribute to their community, and capable of developing a healthy and safe family and making informed decisions for themselves. While focused on applied outcomes, much of this preparation requires a strong academic grounding.

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[68] Appalachian Regional Commission Conference Program, October 29-30, 2002, Maryville, TN

To clarify the point, Dr. Harless drew a Venn diagram with two circles, one representing education, the other economic development. They overlap to a considerable degree, but not completely, indicating they are not completely mutual—and that education serves many ends in addition to economic ones. He points to the significant overlap between the circles. "Here, education is key and paramount to economic development, for attracting and keeping business. This is manifested through a capable workforce that possesses relevant skills, knowledge, and information."

WORKFORCE DEVELOPMENT

"Workforce development is education." Parent of CEC student

The most obvious and direct relationship between education and economic development is through workforce development. While workforce development is an important and explicit role of the technical college system, the relationship is less well-established and more controversial at the secondary school level.

On the one hand, educators have long recognized their role with respect to workforce development, however, this role was delimited to a narrow band of students typically categorized as part of a separate vocational education system. Responsibilities associated with workforce development goals tended to be compartmentalized and discrete from the core mission of the school (i.e., college preparation) and those students identified as non-college bound typically channeled toward a vocational track. The recent School-to-Work Opportunities Act sought to challenge this bifurcation.

In contrast, a more inclusive approach toward workforce development assumes that it is the school's obligation to help empower all of its students to effectively participate in a global economy as world-class workers and citizens.[69] Workforce development at CEC falls into two broad categories. The first is generalized preparation for the world of work. All students are better served by gaining transferable employability skills. The second is specialized training for specific careers. Through specific skill development, certification, and credentializing, graduates are better positioned to launch fulfilling and lucrative careers.

[69] One state that has made considerable strides in this direction is North Carolina. "Workforce Development Education," begins with exploratory courses in grade 6 and leads to specialized classroom instruction in grades 11 and 12. Programs in Workforce Development are not compartmentalized but rather integrated into the broader curriculum. Recent statistics indicate that nearly 70 percent of all students enrolled in grades 9-12 took at least one workforce development education course. These courses are designed to contribute to the broad educational achievement of students, including basic skills such as reading, writing, and mathematics as well as enhance their ability to work independently and as part of a team, think creatively, solve problems, and utilize technology.

By extending the goals of workforce development down into the secondary grades, especially in collaboration with community and technical colleges, some significant benefits to both students and community stakeholders are gained. Through career guidance, career preparation, college guidance, and more efficient alignment of personal skills and organizational needs, students gain a better appreciation for the relationship between education, training, and employment. In short, it helps to tighten the linkages between school, college, and the workplace.

A review of the many statements expressed during our interviews in Newnan reflects a similar orientation. It is noteworthy that this orientation is shared by both those within and outside the school system. A curriculum developer told us that "CEC is a dynamic place that is responsive to its customers. This includes the students but extends to the private sector as well. CEC can be envisioned as a mechanism for workforce development, anticipating and addressing the workforce needs of local business and industry."

A technical college instructor put it this way, "Education at CEC prepares students with the skills to go right into work. Businesses have a larger pool of potential employees to draw from. Kids who aren't ready to go to college can test a career path out."

Effective workforce development requires education to be responsive to local labor market conditions. Community and technical colleges have more experience in this regard than do high schools. The partnership with postsecondary education and local business, therefore, is critical. A high school instructor stated that "CEC programs quickly match up employer needs with the education and training of the labor supply. As a result, it reduces the training time employers need to provide, thereby increasing efficiency."

Perhaps the Commissioner of Adult and Technical Education summed it up best. "Our state is interested in competing for high-skill/high-wage jobs. In that competition, education is everything."

SUPPORTING LOCAL INDUSTRY

> *"If we can employ and keep graduates on the job, they stay with company, they move up within the company. That's good for everyone." CEC High School Director*

Developing the basic and applied skills of young people equips them for productive careers and self-sufficiency. However, the advantages of workforce development at the high school- and technical college-level translates into some very powerful benefits for local industry as well. It is worth noting that today's business leaders have a deeper appreciation for the value of an educated and well-prepared workforce. The early experience of CEC helps bear this out. Russ Moore, a local businessman and Chamber member, explains this story best.

> "The traditional approach for cities and counties to recruit and retain large manufacturers is for them to cooperate with states and offer significant incentive packages, often including breaks on taxes and free land. Recently, Coweta County was faced with the reality that its largest manufacturer was considering relocating and was actively being courted by other Georgia counties and several states. The situation was not helped by a formal policy against offering incentive packages to industries.
>
> "The public-private entity [21st Century Coweta County] that was working most closely with the manufacturer [Yamaha] to keep it in Coweta had its hands tied until CEC stepped up to the plate with an offer to establish a lab that would train students using the manufacturer's actual equipment and products. This lab would guarantee the company an affordable way to recruit and train its own workforce locally.
>
> "CEC's offer was enough to keep the manufacturer in Coweta. In fact, the company decided to build a $40 million expansion and create an additional 300 jobs. The fact that the economic impact of Yamaha's decision to stay and expand is many times greater than Coweta's investment in CEC makes the educational center something of a catalyst."

CEC was the deciding factor to keep Yamaha and encourage them to grow. Education and training in the service of workforce development was seen as more valuable than other incentives like deferred taxes, lower property taxes, even free land. Strong educational systems can be a tremendous asset, since today's workers have to be skilled to a greater and greater degree. And if training is done prior to employment, the employer can experience a tremendous savings in time and money.

Other communities have discovered the power of thoughtful school-business partnerships in retaining major employers. Louisville, Kentucky almost lost UPS before developing Metro College, an outgrowth of their school-to-work initiative. Understanding that employee recruitment and retention had been an obstacle for UPS, city and state officials along with local education administrators pooled their resources to begin an education program that would produce the workforce needed to operate its new mega-hub and keep UPS in Louisville.

"Through CEC, we have a real articulation between private sector needs and educational delivery," stated an educator. "There's a real connection between the two." A business manager offers the following perspective. "From an economic development point of view, CEC moves us to the next level of flexibility. We can customize and create curriculum on an as-needed basis. We can be targeted. You can't turn the whole school system around overnight; it's like a big ship. CEC affords a measure of maneuverability."

ATTRACTING NEW INDUSTRY

Coweta County possesses a number of cultural and geographic advantages that help attract business. It is easily accessible via the interstate highway system, it is within an hour's drive to a major airport, and it boasts a population of hard-working, conscientious people that are incredibly invested in giving back to the community. Yet a lot of communities within a fifty-mile radius of Atlanta tend to promote the same things. One of the more exciting dimensions of a reconceptualized educational system is the role it can play in helping to attract new industry. Initiatives like CEC make Coweta County unique.

It is now common for communities to tout their educational resources when attracting new residents and businesses. The following example from Virginia is a case in point: "The Hampton Roads region contains a greater concentration of learning institutions than any other area of Virginia. Whether you're looking for a prestigious graduate program, training for employees, or a good school for your third-grader, Hampton Roads provides a long list of options."

What is less common, but becoming recognized as a viable economic development tool, is the active partnership between educators, the private sector, and regional economic development entities to strategically position and reconfigure education. Much in the same way communities develop their physical and technological infrastructure, Coweta has decided to develop its educational infrastructure to offer potential new businesses and industries a more attractive environment—in this case, an environment characterized by a reconceptualized approach to education, training, and workforce development.

Smart Growth

Coweta County has given more thought to what type of industry it wants to attract and in turn seeks to create the characteristics those industries are going to look for. As a small business owner stated, "People are trying to bring a higher tech focus and clean industries into the community. Education can supply employees to work in these jobs." Proactive approaches to economic growth such as this stand in contrast to traditional ones of identifying what features a community has, advertising those, and accepting whatever businesses that attracts.

Local leaders recognized that the existing labor market in the county would not support high-wage, high-tech employers. This placed Coweta at a disadvantage with respect to its economic development goals. By providing a platform of operations for West Central Technical College and linking its certificate programs to high school education, Newnan, and Coweta County more generally, address this concern. As a manager remarked, "CEC makes us appear more sophisticated. More importantly, CEC is a practical solution to this problem."

Direct and Indirect Benefits

In order to fully appreciate the impact education can have as an engine of economic development, it is important to recognize that the community gains through both direct and indirect benefits. The most obvious benefits are the direct ones—especially the ones that accrue to the students and the graduates. As we saw above, CEC students value the innovative educational experience, the demonstrable gains in skill, and the employer-recognized credentials they earn. Indeed, the student effects of educational reforms that embrace the principles of school-to-career are becoming increasingly well documented.[70]

In our own work that tracks the educational and career trajectories of high school students, we have found that participants in career development programs, in contrast to their non-participating peers, tend to pursue postsecondary education at higher rates; maintain good grades; report having been better prepared for the transition from high school to college and employment; take more tangible steps toward achieving their career goals; and report earning higher wages.[71]

Of course, companies that hire the graduates of these programs experience direct benefits as well in the form of improved productivity, reduced turnover, and savings with respect to training costs. Our work has uncovered additional benefits for firms that actively partner with schools and colleges. For example, partnering firms reported higher levels of morale among employees, increased levels of communication between management and labor, reduced recruitment costs, and improved corporate image within the community.[72]

However, our visit to CEC and Coweta County drew our attention to an entirely new range of benefits that often go undocumented in typical studies. Individuals we spoke with, from education, business, municipal government, and economic development alike, referenced what can only be termed indirect benefits. These include the production of capable and involved

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[70] See, for example, K.L. Hughes, et al. (2001) *School-to-Work: Making a Difference in Education*. New York, NY: Institute on Education and the Economy, Teachers College, Columbia University.

[71] See MacAllum, K., et al. (2002) *Moving Forward: College and Career Transitions of LAMP Graduates*. Washington, DC: Academy for Educational Development, and Bozick, R. and MacAllum, K. (2002*) Does Participation in School-to-Career Limit Students' Educational and Career Options?* Journal of Career and Technical Education. Vol. 18, No. 2.

[72] See MacAllum, K., and Charner, I. (2000) *Beyond the Success of Students*. Washington, DC: Academy for Educational Development.

citizens, the secondary effects of industry staying and new businesses arriving, increased property values, reduced brain drain, enhanced quality of life, and a genuine sense of civic pride.

The importance of these indirect benefits came through clearly during a conversation with the managers at Newnan Utilities, a strong supporter of CEC, when they stated that "we've hired only one or two CEC graduates. But CEC is nevertheless critical to us, because we need companies like Bon-L to be happy, and to stay, since they're big customers of ours. For our organization to thrive, we need a vital economic environment."

In a conversation with a hospital administrator, we learned that the major workforce development issue facing the healthcare industry is a severe nursing shortage. While CEC offers a Patient Care Assisting certificate program, the school is not producing registered nurses which would directly address this crisis. "Some of those graduates might decide to continue on for their RN and that would be great," said Steve Anderson of Emory Peachtree Hospital. But the real benefits that Mr. Anderson focused on were more indirect in nature.

"As a hospital, we're a catalyst for economic development and a recipient of it," he explained. "As people move in and new company's open up, those people will need healthcare, and we will have more folks to serve. Economic development is necessary for a robust healthcare system, otherwise we can't afford to serve our population. And as we grow, we create more jobs, including those considered high tech and high skill."

The Newnan-Coweta Chamber of Commerce, instrumental in gaining political and financial support at the state level for CEC, clearly recognizes the connection between education and economic development. The president of the Chamber, Greg Wright noted that initiatives like CEC "make a contribution to the entire community, a contribution to the economic health of the entire area."

An Education Hub To Better the Economy

It is important to recognize how educational institutions like CEC fit in to what has been termed the knowledge supply chain. By producing graduates with marketable skills, schools add value to their communities that go far beyond the obvious. A focus on direct and immediate results often obscures the value of indirect benefits.[73] Worse, an emphasis on immediate results can lead to a reduction in commitment and support since we rarely do an adequate job of documenting outcomes that are a step or two removed from high school graduation, college enrollment, or that first job placement. CEC staff and partners embrace a philosophy that encompasses the bigger picture—one that is notable for its forward vision.

Coming to consensus on this philosophy took lots of intentional work and communication. A school administrator stated that "we have educated our business community on what it takes to support lasting change." As if to prove her point, a plant manager put it this way: "We have to take the perspective that with CEC, we are seeding the field. We're not looking for major outcomes just yet. Overtime, as fewer kids drop out of our schools, more kids will graduate and hopefully stay in Newnan. It takes time to seed change."

The instructional staff at CEC are not only comfortable with their reconceptualized mission, they embrace it. The following quote is fairly typical of responses we received. "Our number one goal is to provide a supply of workers for the economy—people who can be productive at their jobs. We aim to employ and keep these graduates on the job, staying with the company and moving up within the company."

One of the most intriguing findings from our interviews in Coweta and elsewhere is how positively students react to a reconceptualized educational process that intentionally places education in the center of an economic development strategy. When asked how CEC differs from her base school, one student's reply reflects the value from her perspective for tightening the linkage between school and work. "Teachers and staff don't let you slack off. They push you. They show you all of your options, you know, in school and in the work world. It's an

[73] Several other indirect benefits were referenced during our interviews. These include: **Duplication reduction**: Because students can earn both secondary and postsecondary credits at the same time, tax payers win since the schools are not duplicating services. **Strengthened linkages**: The new superintendent cited as one of the benefits of the partnership the fact that she immediately had a network with postsecondary institutions, and links to financial resources, human resources, and the business community**. Enhanced quality of life**: Employers noted that as employees skills go up, they can pay them more. As wages go up and those dollars circulate throughout the community, given the multiplier effect, the general quality of life goes up**. Carry over to other grade levels**: For example, an outgrowth of the deliberations surrounding CEC led to smaller classes at the elementary level and lower teacher/student ratios.

education hub to better the economy. The kids are graduating with technical credentials and are getting jobs. It creates so many opportunities."

WIN, WIN, WIN

The advantages gained by graduates of reconceptualized educational initiatives that offer career building skill development and seamless transitions to higher education and employment are significant. Indeed, the life-long effects on graduates and their families can be profound. However, it is important to recognize that initiatives like CEC benefit more than the individual students who attend them.

Such approaches offer employers a means for recruitment and training of new employees, a stronger pool of job candidates, upgraded skills for existing employees, and improved retention. Economic development agencies and government officials gain as well since the model helps ensure the vitality and growth of the local and regional economy by helping employers and supporting key economic sectors. The general quality of life within the community is enhanced as employment and individual wages go up, smart growth takes place, the tax base increases, and economic vitality is robust. To put it simply, "It's a win-win-win."

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Low-Income and Welfare Client Priorities: Patterns of Earnings and Welfare Receipt for Workforce Investment Act Participants

Peter R. Mueser and David W. Stevens

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1. INTRODUCTION

The Workforce Investment Act of 1998 (WIA) represented a major overhaul of job training services in the U.S, replacing the Job Training Partnership Act (JTPA), which had been in effect since the 1980s. It altered administrative structures at both the state and local level, mandated changes in the way services were provided to individuals, and, perhaps most significantly, required that programs meet newly-designed performance standards. All states were required to implement WIA by July 2000, although a small number implemented the act as early as July 1999.

A primary goal of the program is to improve employment outcomes for disadvantaged individuals, moving individuals and their families toward self-sufficiency and reducing reliance on government subsidized programs. A large number of studies have attempted to examine the impact of such training programs, and there is an important experimental study that examines JTPA.[74] Although performance measures required under WIA are available, given its recent implementation, analyses examining outcomes from WIA participants are much more limited. One experimental study has been designed to compare alternative counseling approaches under WIA, although it is still in progress.[75]

We are not aware of any random assignment study, even at the design stage, that will allow a comprehensive evaluation of the impact of WIA on participant employment outcomes. One may question the extent to which nonexperimental designs are valid in providing meaningful evaluations of program outcomes. There is an active literature that attempts to develop and test alternatives to experimental design.[76] Even if such concerns could be addressed, there are other difficulties in estimating WIA program effects. Under WIA, states and local areas have much latitude in the design of their job service and training programs, so effects are very likely to differ across areas.

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[74] Daniel Friedlander, David H. Greenberg and Philip K. Robins, "Evaluating Government Training Programs for the Economically Dsadvantaged." *American Economic Review* 35(4, December 1997):1809-1890; and Larry L. Orr et al., *Does Training for the Disadvantaged Work? Evidence from the National JTPA Study*. Washington, DC: Urban Institute Press, 1996.

[75] Paul Decker and Irma Perez-Johnson, "What Can We Expect Under Personal Reemployment Training Accounts? A Discussion Based on Findings from the Individual Training Account Experiment, Reemployment Bonus Demonstration and Other Evaluations." Paper presented at the USDOL 2003 National Research Conference.

[76] Rajeev H. Dehejia and Sadek Wahba, "Propensity Score-Matching Methods for Nonexperimental Causal Studies." *The Review of Economics and Statistics* 84 (February 2002): 151-161; Kenneth Troske, Peter R. Mueser and Alexey Gorislavsky, "Using State Administrative Data to Measure Program Performance." Draft, 2003; and Jeffrey Smith and Petra Todd, "Does Matching Overcome LaLonde's Critique of Nonexperimental Estimators." *Journal of Econometrics*, forthcoming.

This paper identifies observed patterns of earnings and welfare receipt for WIA exiters in six states by type of service received. Our approach examines quarterly earnings over a four-year period, including two years prior to and one year following the exit year. Since all measures are calculated on the same sample of participants, changes in earnings or welfare receipt represent actual experiences of these individuals. On the other hand, it is important to recognize that observed changes are not necessarily due to program impact. It has long been recognized that the decision to participate in a program selects individuals at particular points in their employment history. Decisions to exit WIA may also be selective. Without a comparison group with which to compare these patterns, we cannot separate out actual program effects from variation that would have occurred in the absence of the program.[77]

The analysis here focuses on Program Year 2000 (July 2000-June 2001) WIA Title I-B Adult and Dislocated Worker exit flows. Although recruiting channels differ across states and local areas, those classified as Adults are disproportionately low-skilled individuals, often unemployed or with unstable jobs and low pay. In contrast, Dislocated Workers are often recruited by WIA staff when plants close and they generally have much higher skill levels and greater prior earnings.

We divided individuals between those who are coded as receiving Training services and those who do not. While there is some latitude in how such services are defined, generally any classroom or on-the-job training activity that takes more than a few days must be classified as Training. Although training programs often last several months, few extend for as much as a year. In contrast to Training, "Core" and "Intensive" services include most job search and job readiness programs, various kinds of employment counseling, in addition to a host of programs of very short duration. We chose not to distinguish Core and Intensive services because states often differ in how these services are defined.

The six states from which we have data are Florida, Georgia, Illinois, Maryland, Missouri and Texas. Although the current analyses combine results in all states, we also make some reference to the separate state estimates where these are of interest. Status descriptors are drawn from the Workforce Investment Act Standardized Record (WIASRD) data file provided by each of the ADARE project states. Section 2 describes the data that were assembled to prepare the tabulations. Section 3 presents and interprets the results. Section 4 provides a brief conclusion.

[77] Kevin Hollenbeck, Christopher King, and Daniel Schroeder ("WIA Intensive and Training Service Net Impact Estimates," paper presented at the USDOL 2003 National Research Conference) provide preliminary analyses that attempt to identify the impacts of WIA in our states using a matching methodology to construct a comparison group from those receiving less intensive services.

2. DATA SOURCES AND PROCESSING

Data Sources

The base data for WIA client information derive from the Workforce Investment Act Standardized Record (WIASRD) file, listing WIA exiters in PY2000 (July 2000-June 2001), provided to each of the ADARE project partners by the WIA administrative entity in the state. Among the ADARE project states, Florida and Texas were voluntary early implementers of the Workforce Investment Act of 1998. This means that the 2000 WIA Program Year covered in this report was the *second* year of WIA reporting for Florida and Texas but only the *first* year of such reporting for Georgia, Illinois, Maryland, and Missouri.

In order to examine the labor market experience of WIA clients, the WIASRD data were merged by Social Security number to Unemployment Insurance wage record data maintained by the state. The wage record data provide total earnings in each quarter for each employee in the state who is in a job overseen by the state's Unemployment Insurance system. These records include the overwhelming majority of earnings received by residents in the state, although it does not include earnings from self-employment, informal or illegal employment, or employment in a small number of exempt jobs. It also omits any earnings obtained by residents working outside the state. A partial exception is that, in the case of Missouri, wage record data for both Missouri and Kansas are included in the analysis. Among the states in the study, Missouri contains the only major city, Kansas City, for which a substantial portion of residents are employed outside the state, and these individuals are employed in Kansas. Although St. Louis is also on a state border, very few of its residents work in Illinois.

In each state, the WIASRD data were also merged with state administrative records identifying receipt of Temporary Assistance for Needy Families (TANF) cash payments. We have not identified as recipients those individuals who received only in-kind benefits, such as Medicaid, childcare support, or related benefits. In each case, except that of Illinois, all individuals in households receiving such cash payments were classified as "recipients." This means that a small number of individuals identified as household members who were not themselves eligible for TANF payments are included. Excluding such individuals would not have influenced our results. Our analysis also includes individuals who were dependents in families receiving TANF, although again the number of such individuals is very small and has no material impact on our results. In the case of Illinois, our analysis is limited to female payees receiving TANF cash payments in the single-parent program, so all males as well as dependents are omitted. In a separate analysis, we examined the impact of this selection for Missouri and found that such selection did not alter results in any important way.

All the TANF information is coded by quarter, so an individual is identified as a recipient in any quarter in which TANF payments were received. All these TANF indicators derive from data sources used to administer the TANF program in the state, not from the variables on the WIASRD database. In addition to greater accuracy, the measure we use has the advantage that it can be traced for an extended period—in the case here, for a full four years spanning the WIA participation year.

Data Processing

WIASRD data element 303 *Date of WIA Exit* was used to ensure that only exit dates between July 1, 2000 and June 30, 2001 were included for the Adult and Dislocated Worker populations. This includes 'hard' exits, where the relevant agency explicitly chose to code an individual as completing or leaving the program, and 'soft' exits, where the participant is define as exiting because 90 days elapsed since the last recorded service.

WIASRD data elements 304 *Adult (Local)* and 305 *Dislocated Worker (Local)* were used to select the two sub-populations of interest.[78] WIASRD data element 333 *Date of First Training Service* was used to assign an individual to the Training sub-population. Any Adult or Dislocated Worker with a valid *Date of First Training Service* was assigned to the Training Services sub-population. The remaining clients were assigned to the Core or Intensive Services only sub-population. These steps resulted in the assignment of each person to one of the two mutually exclusive categories of WIA services—Core or Intensive, and Training.

3. WIA CLIENT OUTCOMES

In the analysis here, we have combined data from Florida, Georgia, Illinois, Maryland, Missouri, and Texas. The total population consists of 31,282 Adult and 23,516 Dislocated Worker WIA clients, which is the total universe of participants who exited during Program Year 2000. For all quarters in the period beginning two years prior to the program year through the year following the program year (1998:3 through 2002:2), we plot employment, earnings and TANF receipt for the full set of individuals in the specified category. If no wage record data matches for an individual in a given quarter, that individual is coded as not employed.

Patterns of Employment and Earnings for Adult Participants

Figure 1, which graphs employment of Adults participating in Core and Intensive services, and those participating in Training, provides a useful window into the employment experiences of WIA clients. The white bar shows that in the two years prior to the program year, levels of employment are between 53 and 56 percent. In the first quarter of the program year, employment increases above prior levels,

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[78] Duplication is permitted and does occur, but the number of duplicated cases is very small. Youth, statewide activities supported by the 15 percent provision in the federal legislation, including Displaced Homemakers, Rapid Response, and National Emergency Grant funded services to clients, are not included.

increasing each quarter, approaching 74 percent in the last quarter of the program year. In the subsequent year, employment declines somewhat but is still over 62 percent in the last quarter. It is clear that participation in the program is associated with substantial gains in employment, but the employment increment partly dissipates following the program year. The pattern for Adults receiving Training services (striped bar) shows a very similar pattern.

The trend for earnings for those employed is indicated in Figure 2.[79] Focusing first on those receiving Core and Intensive services (square mark), we see that during the program year, earnings do not increase much initially, but do increase modestly toward the end of the program year. Notably, these gains continue into the following year. Average quarterly earnings in the two prior years are $3,123, and they increase by 22 percent to $3,814 in the year following participation. Not only are clients getting jobs following their WIA participation, but they are getting better jobs.[80]

The growth in earnings for those who participate in training (triangle mark) is much greater. If we examine the prior earnings for these individuals, they are somewhat lower than those who receive only Core or Intensive services, but they increase much more in proportional terms. Quarterly earnings in the two years prior to the program year average only $2,791, which increases a remarkable 69 percent in the year after participation.

One obvious question is whether there are important differences across states. Figure 3 presents quarterly earnings for employed Adult clients receiving Training services in our six states. We see there are differences in the levels of earnings in each of the states, and that growth in earnings differs somewhat by state. On the other hand, the basic pattern is remarkably similar across states: There is little growth in earnings prior to program participation and substantial net growth beginning in the participation year. Although we do not present disaggregated statistics by state in what follows, in each case we have tabulated results separately, and the basic patterns are similar across states.

Patterns of Employment and Earnings for Dislocated Workers

Figure 4 shows employment and earnings for those classified as Dislocated Workers. For those who participated only in Core or Intensive services, as might be anticipated,

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[79] Earnings are calculated each quarter for the set of individuals employed in that quarter. In order to obtain unconditional mean earnings, the reported earnings can be multiplied by employment rates in Figure 1. Since employment, and earnings for those employed tend to follow similar patterns, this product measure shows the same pattern, somewhat accentuated, as do Figures 1 and 2.

[80] All earnings are reported in current dollars, and therefore do not take account of inflation. Basic patterns would not be altered substantially by price adjustments, given modest levels of inflation over this period.

there is a decline in earnings in the year prior to the program year, reflecting the loss of jobs. Those receiving Training Services differ in important ways, as their employment declines by much more than those receiving Core or Intensive Services, but then their employment returns to similar levels.

Differences between Core and Intensive service participants and those in Training are highlighted by patterns of earnings for those who are employed (Figure 5). Training participants have slightly lower earnings initially, and experience substantially larger declines prior to the program year. Apparently, the loss of high paying jobs is particularly critical for those who move into Training. Earnings for both groups, but especially those in Training, increase by the end of the program year. Between the first quarter of our series and the first quarter of PY2000, their earnings drop by 24%, as compared to the 15% drop experienced by those not receiving Training services. However, interestingly, in the post-participation period, their earnings experience an almost complete (99.8%) recovery as compared to the initial year of our series. This improves on the 92.6% recovery experienced by those receiving only Core or Intensive Services.

TANF Use for Adults and Dislocated Workers

Figure 6 shows that TANF participation is near 10 percent at the beginning of our time period for Adults in both service categories. This rate begins to rise in the year prior to WIA participation and continues a steady if modest increase through the first quarter of PY2000. However, beginning in the second quarter of the program year, this rate declines sharply and continues to do so throughout the survey period, ending at below 7% for those receiving Core or Intensive services and dropping to a remarkable 4.3% for those in the Training cohort.

Figure 7 shows that Dislocated Workers are very unlikely to participate in TANF, as participation rates are under 2 percent in all cases. We observe a downward trend in these rates, with participation less than 1 percent at the end of our period.

4. CONCLUSION

We find that adults have large employment gains associated with participation in WIA, whether they receive core and intensive, or training services. Training recipients have particularly large earnings gains. Following losses, employment and earnings of dislocated workers largely recover, especially for those in training. Adult TANF receipt declines, especially for those in training activities, dislocated workers are very unlikely to receive TANF. Despite some differences in the detailed patterns, similarities between states in basic patterns are striking.

FIGURE 1
Employment for WIA Exiters July 2000 - June 2001
Adult Clients Receiving Core & Intensive, or Training Services

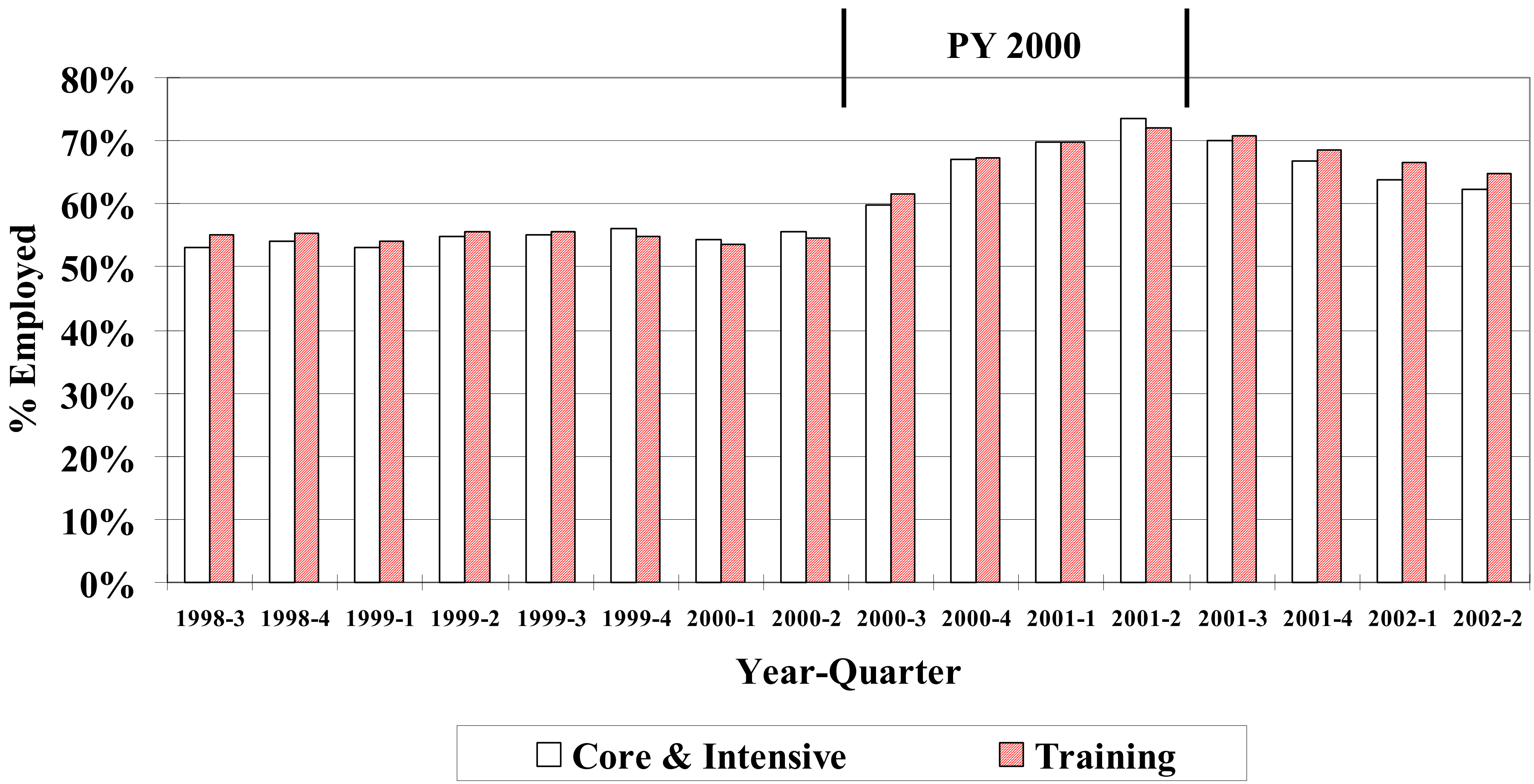


FIGURE 2
Quarterly Earnings for Employed WIA Exiters July 2000 - June 2001
Adult Clients Receiving Core & Intensive, or Training Services

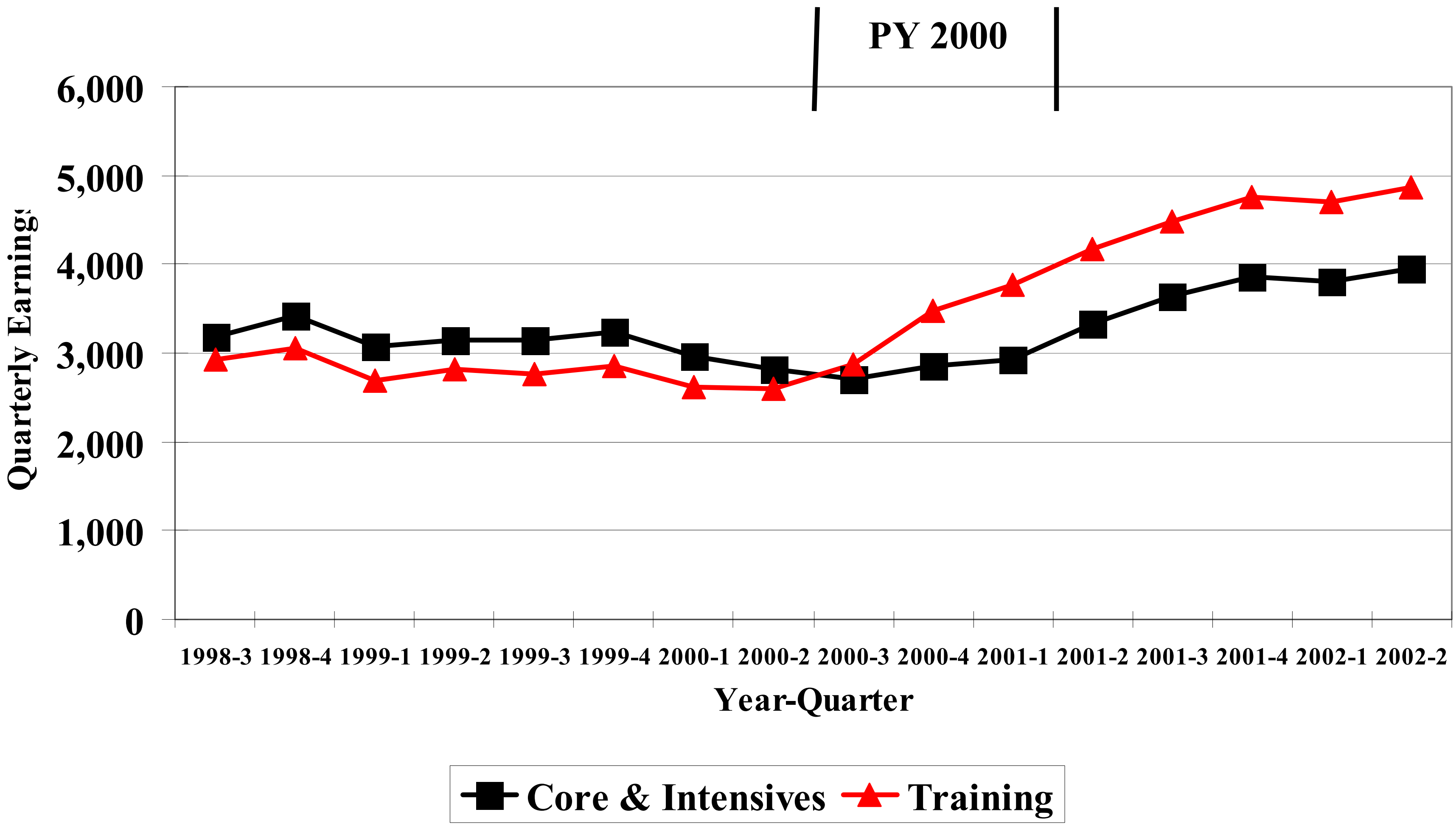


FIGURE 3
Quarterly Earnings for Employed WIA Exiters July 2000 - June 2001
Adult Clients Receiving Training Services by State

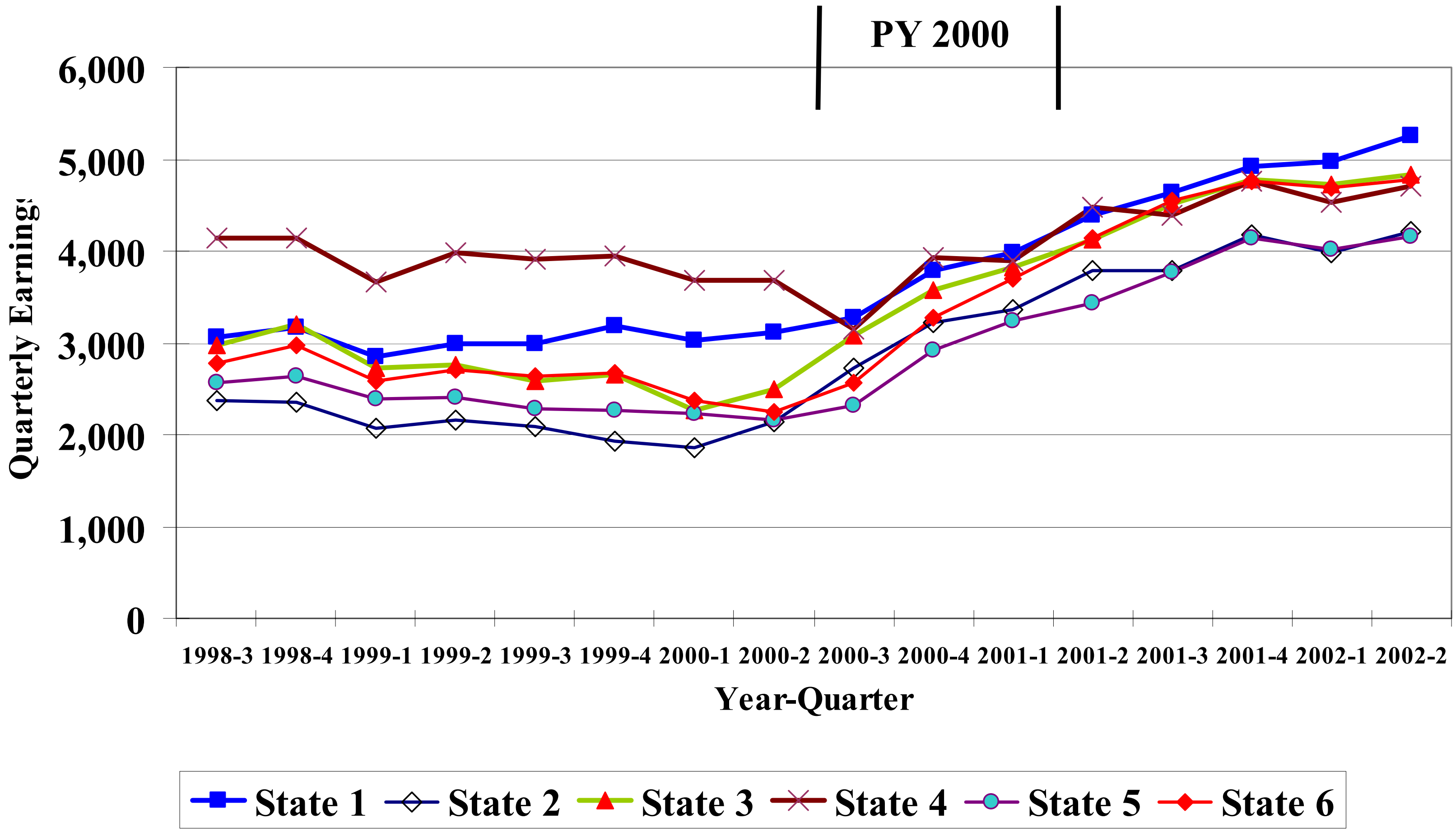


FIGURE 4
Employment for WIA Exiters July 2000 - June 2001
Dislocated Worker Clients Receiving Core & Intensive, or Training Services

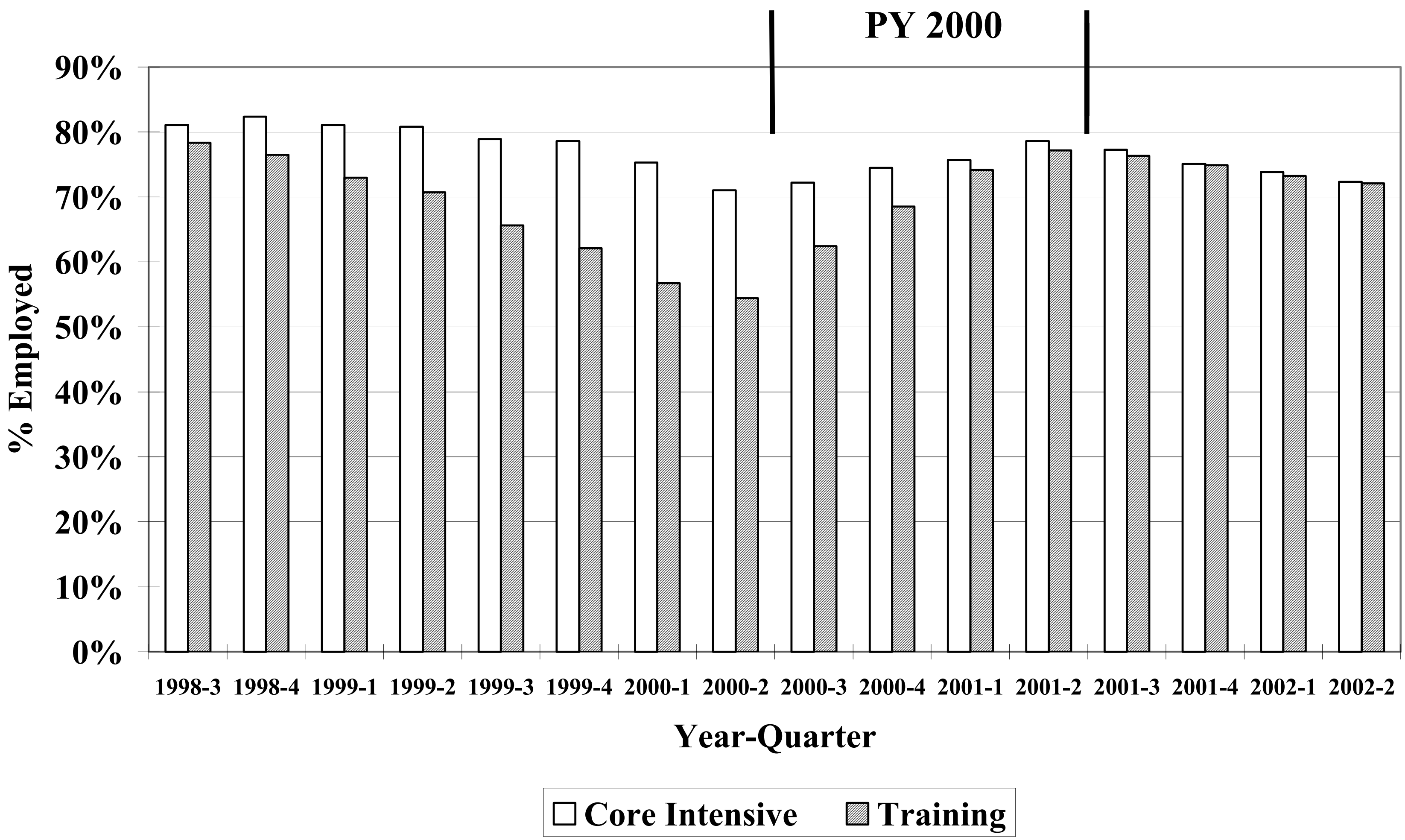


FIGURE 5
Quarterly Earnings for Employed WIA Exiters July 2000 - June 2001
Dislocated Worker Clients Receiving Core & Intensive, or Training Services

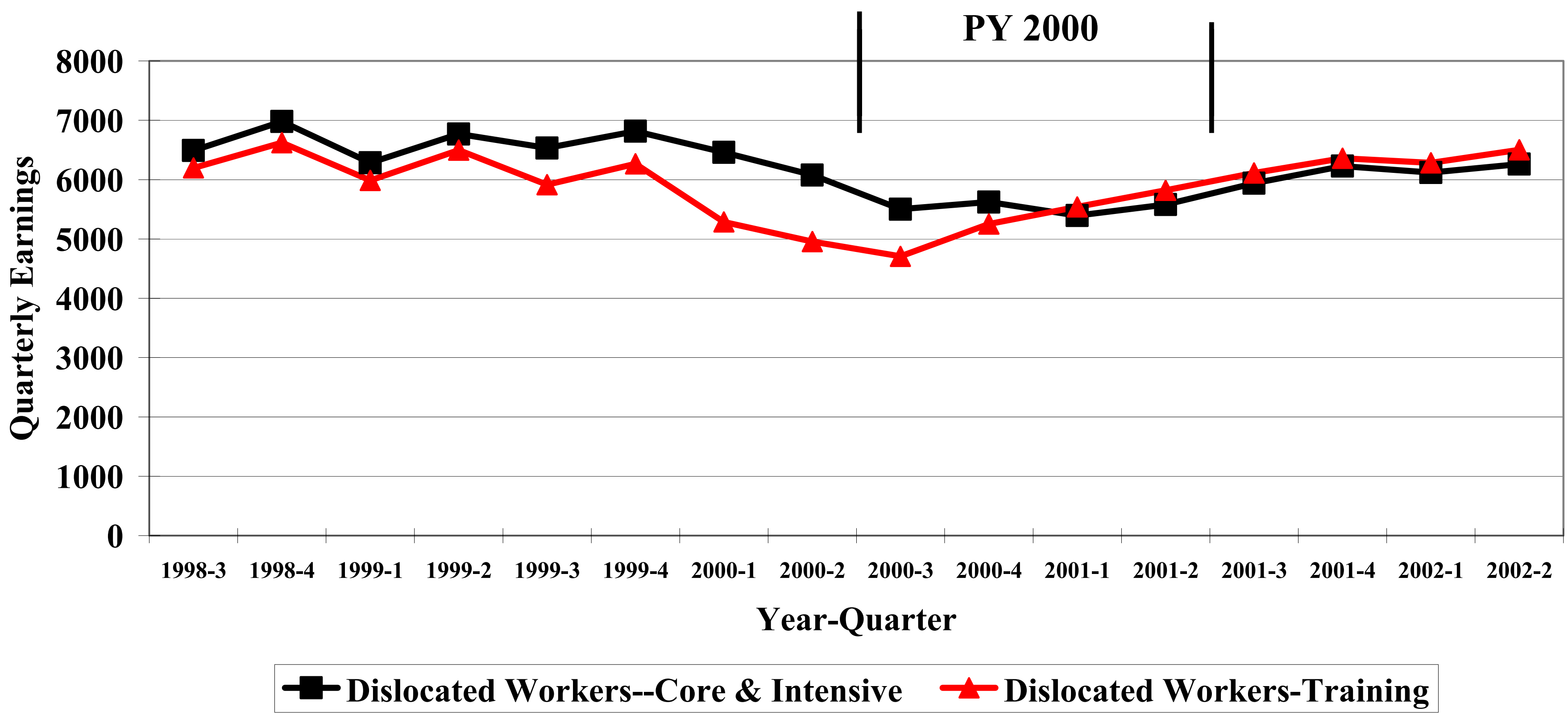


FIGURE 6
TANF Receipt for WIA Exiters July 2000 - June 2001
Adult Clients Receiving Core & Intensive, or Training Services

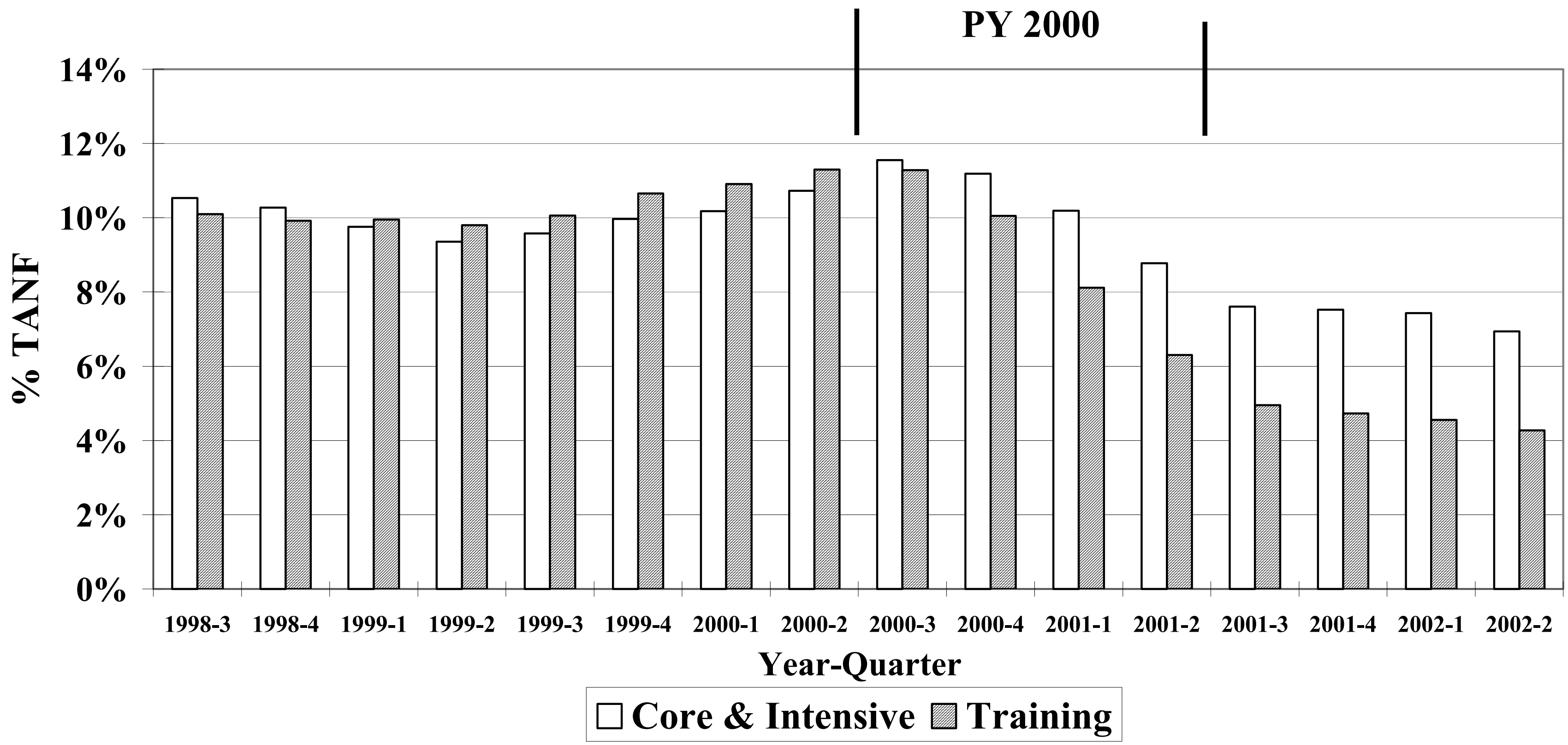
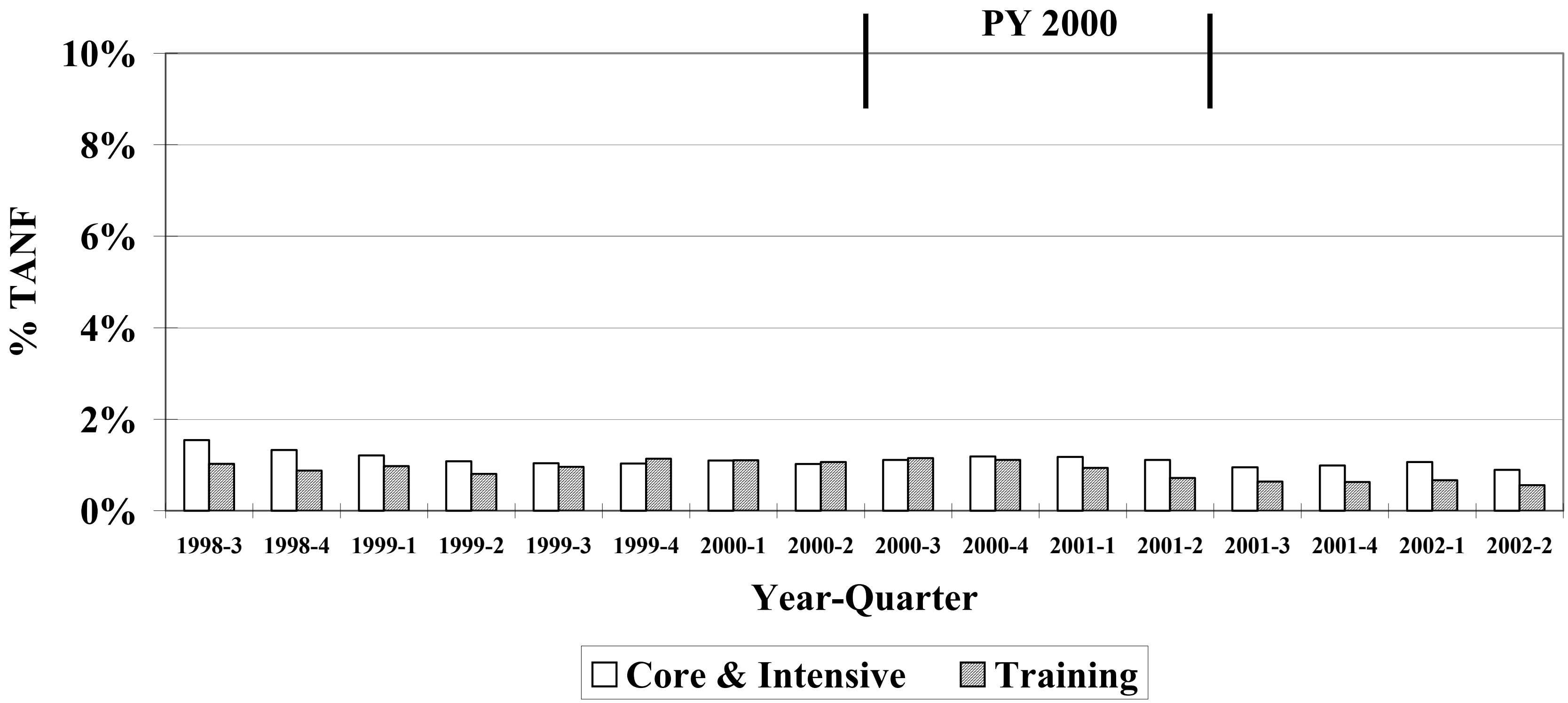


FIGURE 7
TANF Receipt for WIA Exiters July 2000 - June 2001
Dislocated Worker Clients Receiving Core & Intensive, or Training Services



The Participation of Older Workers in Employment and Training Administration Programs: An Overview

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DOL/ETA

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The following document is a series of tables and analysis concerning the status of older workers in ETA programs. Older workers, for this purpose, are defined as active labor market participants at or above the age of 55. This document has been prepared for a Special Populations panel for the Employment and Training Administration's 2003 National Research Conference. A collateral benefit of this document is also the showcasing of ETA's current administrative data capabilities. The data for all but one of the tables are taken from internally available ETA data repositories.

Data tables using JTPA/WIA participant files come from the Six State (Texas, Florida, Missouri, Maryland, Illinois, Georgia) Administrative Data Research and Evaluation (ADARE) alliance Grant K-6558-8-00-80-60. Data were taken from PY 1995-PY2000. The data tables that highlight older workers participation in the employment service come from the U.S. Department of Labor (USDOL) – Employment Service Programs ETA 9002 Quarterly reports. Data were taken from PY1992-PY 2000. For the employment service program data, we are limited to state aggregated data only. The tables dealing with unemployment insurance recipients come from the unpublished benefit accuracy measurement (BAM) data repository housed in the Office of Workforce Security (OWS) of DOL's Employment and Training Administration. The BAM data cover calendar years 1991-2001. Data for the final table are taken from the searchable data archive at the Bureau of Labor Statistics website (www.bls.gov). Data used to adjust average weekly wages and weekly UI benefit amounts for inflation were taken from this site as well.

This paper will be broken up into six sections. The first section discusses the data sources used for the graphical analysis. The second section presents a review of the recent literature concerning older workers. The third section presents and analyzes the graphs produced from the ADARE data. The fourth section presents and discusses the graphs produced from the ETA 9002 data and the Bureau of Labor Statistics. The fifth section exhibits and comments on the graphs produced using the unpublished BAM data. The paper then concludes with recommendations from the author concerning future research about older workers and their role in the 21st century labor market. A technical appendix will appear at the end of the document.

Section #1: Data Sources

ADARE – Administrative Data Research and Evaluation

ETA has been funding administrative data research on all workers in seven states: Maryland, Missouri, Texas, Florida, Georgia, Illinois, and Washington. These detailed longitudinal data on individuals are maintained confidentially by remaining in the hands of state officials at state universities. These longitudinal data sets include UI wage records, JTPA/WIA participant files, TANF records, and Perkins/Voc Ed data. Currently, they are adding UI claims data and employment service records to the data sets. All data sets cover a minimum of six years with some states having access to data up to eleven years.

The ADARE data set has an advantage in that it can be sorted by age, sex, industry, state, and a host of other factors. Currently, the ADARE data set is being modeled to answer critical questions for which the Department needs answers. The seven ADARE state partners are executing analytical research papers to address questions concerning the current WIA reauthorization effort, unemployment insurance, low-income TANF recipients, and special populations including older workers and the disabled.

Employment Service ETA 9002 Data

The ETA 9002 system houses all the data for Employment Service (ES) programs from PY1991-PY2000. The data can be sorted by quarter and by state. The fourth quarter national program year summary compiles ES data for the whole program year. The data can only be obtained through authorized access via the ETA intranet. The unit of measure for the ETA 9002 data is the ES applicant. Applicants are broken down and categorized by over 50 data elements. Data element categories include:

1. Race
2. Sex
3. Age
4. Employment status
5. UI eligibility
6. Education level
7. Disabled status
8. Dislocated worker status
9. Veterans status

An annual report of ETA 9002 data exists as well. The purpose of the Annual Report is to share data from the quarterly ETA 9002 reports and other sources for the period of July 1999 through June 2000 (PY 1999). This report includes state-by-state labor exchange activities and outcomes, as well as a national summary. The report includes data describing services and outcomes of states public labor exchange programs, displays items focusing on the emerging electronic labor exchange, and includes a discussion of reemployment services. The data are based on quarterly ETA 9002 reports submitted by states to the Employment and Training Administration.

The Benefit Accuracy Measurement (BAM) Data System

The BAM data system is the mechanism for intensively reviewing UI payments to determine if they were made to eligible claimants and, if so, whether payments were made in the proper amounts. Each case selected for BAM is an original payment for a specific week of unemployment referred to as the "key week." Each key week is investigated to verify that all information pertaining to eligibility and payments is treated in conformity with State written law and policy. The data obtained for the investigations can and are used to draw inferences about the claimant population as a whole. The BAM investigation involves gathering data longitudinally linked by key identifier about the claimants and claims sampled for entry into the automated BAM database. The BAM database holds records back to 1988 and contains 83 data elements per individual record. The BAM database can only be accessed by request from OWS personnel in the Division of Performance Management.

Section #2 – Literature Review

This review discusses the relevant literature concerning the current labor market situation of older workers. It begins with a basic discussion of older worker labor force demographics and the impending retirement of the baby-boomers. Next, given these demographics, some general and specific labor force implications are introduced. The review then details both the private sector and retirement system response to the demographic situation of older workers. The review ends with a treatment of policy implications concerning older workers and the unemployment insurance program.

Demographics

The United States General Accounting Office (GAO) details the effects of the impending retirement of the unusually large "baby boom" generation, comprised of those individuals born between 1946 and 1964. According to the GAO, the number of older workers will grow substantially over the next two decades, and they will become an increasingly significant proportion of all workers. The GAO study cites the Current

Population Survey (CPS) in saying that in the year 2000 18.4 million workers were in the labor force, a number that the Bureau of Labor Statistics (BLS) projects to swell to over 31 million workers by 2015. This expected increase is a consequence both of the aging of the baby boom generation and a general trend in greater labor force participation among older persons. Thirty percent of all persons over age 55 participated in the labor force in the year 2000, and according to BLS projections, this percentage is expected to rise to 37% by 2015. Also, GAO states that older workers are employed in a diverse group of occupations but are more likely than younger workers to be white-collar managers or professionals. GAO projections suggest that older workers will become an increasing proportion of some occupations. For example, from 2000 to 2008 the percent of teachers older than age 55 will increase from 13% to 19% and the percent of nurses and related occupations older than age 55 will increase from 12% to 18%. Due to an increase in full-time employment and a change in the composition of the older workforce toward white-collar jobs, older workers have experienced substantial real earnings increases from 1989 to 1999 compared with younger workers. Over this period, earnings increased by an aggregate 11% for workers age 55 to 74 compared with a 2% gain for workers 40 to 54. Finally, older workers are less likely than younger workers to lose a job; however, when they do they are less likely than younger workers to find employment. Fifty-seven percent of older workers who lose their jobs retire, partially or fully, following a job loss. The GAO asserts that once older workers fully retire, most do not re-enter the labor force even for part-time work.[1]

General Labor Force Implications

[1] The United States General Accounting Office (GAO). *Older Workers: Demographic Trends Pose Challenges for Employers and Workers.* November 2001. GAO-02-085.

Quinn (1998) points out that labor force participation rates among older Americans are no longer declining. Many more older men and women are working today than pre-1985 trends would have predicted. Quinn analyzes retirement patterns in the 1990's and finds that many Americans withdraw from the labor market gradually, often utilizing bridge jobs between full-time career employment and complete labor force withdrawal. Bridge employment, according to Quinn, is work between the career job and complete retirement. Quinn estimates that a minimum of 49% of women and 34% of men engage in bridge employment and that the great majority of bridge employment involves fewer hours per week and less compensation per hour than the career job.[2]

Quinn, Burkhauser, and Myers (1990) assert that while an abrupt and complete transition from full-time work is still the most common avenue to retirement, a variety of other paths are taken. A crucial concept in their research is that of the career job. The career job is the one in which a worker spends the bulk of their working life, usually working full-time. If transition from the career job to retirement is not immediate, it may involve a reduction in hours to part-time work on the career job. Alternatively, there may be an exit from the career job to full or part-time work on another job, which most often is not in the same industry and occupation.[3]

Specific Labor Force Implications

Arlene Dohm (2000) details the effects of the retirement of the baby-boomers on particular occupations and industries. Dohm uses Current Population Survey (CPS) data

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[2] Quinn, Joseph. 1999. "New Paths to Retirement" In *Forecasting Retirement Needs and Retirement Wealth,* Brett Hammond, Olivia Mitchell and Anna Rappaport, ed. Philadelphia, PA:University of Pennsylvania Press.

[3] Quinn, Joseph F., Richard V. Burkhauser, and Daniel A. Myers. 1990. *Passing the Torch: The Influence of Economic Incentives on Work and Retirement*. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.

on occupation and age from 1998 to 1999 to base her analysis. According to Dohm, the industry that will be most affected by baby-boomer retirements is educational services. Occupations such as special education teachers, teacher's aides, educational administrators, elementary school teachers, and secondary school teachers will be the most affected. Forty-seven to sixty-six percent of workers aged 45 and over will be leaving these occupations by 2008. People in this industry generally retire because of pensions that often provide full coverage for qualified employees after 30 years of service. Also, a slowdown in hiring in the 1980s and early 1990s rose the average age of teaching professions and left fewer workers to move into vacant slots. Transportation industries such as railroads, bus service, urban transit, air transportation, trucking, and water transportation will be hard hit as well. The reasons for this include the relatively high age requirements for operating vehicles and other modes of transportation, high wages and low turnover rates in the highly unionized railroad and airline industries, and a large number of part-time workers, especially in bus and taxicab services, occupation often preferred by older workers.

Another industry that will be strongly affected according to Dohm will be the health services industry. In particular, registered nurses (62.6%) and licensed practical nurses (59.1%) are expected to leave the hospital industry in the largest numbers by 2008. Other healthcare occupations such as physicians (37.2%), dentists (40.3%), and psychologists (36.9%) will be affected as well. For a number of occupations, however, the attrition generated by the upcoming retirements may be the preferred mechanism to reduce the size of the occupation in the face of declining demand. Farmers, bookkeepers, sewing machine operators, and other occupations face declining prospects due to productivity improvements or declining U.S. production.[4]

Private Sector Response

The Committee for Economic Development (1999) (CED) asserts that society's goal should be increased work opportunities and incentives for older Americans that meet the needs of these workers and their employers. According to CED, older Americans who want to work face numerous obstacles: pension plans that strongly discourage them from working, workplace attitudes and practices that hinder their employment, federal regulations that inhibit flexible work arrangements, and sometimes unrealistic expectations on the part of workers themselves. CED also maintains that employer attitudes and policies must change if older workers are to remain in the workforce longer. Businesses have demonstrated a preference for early retirement to make room for younger workers. This preference, though, is a relic from a bygone era of labor surpluses; it will not be sustainable when labor becomes scarce. A stagnant labor supply will force many employers to rethink their attitudes toward older workers and reverse policies that inhibit their employment.

Some of the major findings of the CED study include:

1. Americans are retiring earlier and living longer, healthier lives. The retirement span has increased by 5 years for male workers and four years for female workers since 1965.
2. The workforce is aging. In 1950, there were seven working-age persons for every person age 65 and older in the United States; by 2030 there will be fewer than three.
3. These two trends will cause tighter labor markets and lower national growth due in particular to the exploding costs of our old-age entitlement programs.
4. Older Americans face multiple barriers to employment including financial disincentives to work, workplace discrimination, and inadequate training.
5. Disincentives to employers hiring older workers include that fact that older workers often fail to maintain and upgrade their skills and older workers can cost more than younger workers due to practices related to earnings, health insurance, and pensions.

[4] Dohm, Arlene. 2000. Gauging the labor force effects of retiring baby-boomers. *Monthly Labor Review*. July 2000. U.S. Department of Labor: Bureau of Labor Statistics.

6. Some older workers face discrimination in the work place and job market. Older workers who believe they are likely to face discrimination are less inclined to remain in the workforce. [5]

Retirement System Response

Purcell (2000) discusses possible changes to both the public and private retirement systems due to the retirement of the "baby boom" generation. Purcell pays particular attention to rising plan eligibility ages and introducing "phased retirement" plans. In terms of rising plan eligibility ages, Purcell concentrates on the Social Security system.

The rules that govern eligibility for Social Security benefits can have a substantial influence on workers' decisions about when to retire. Empirical evidence, according to Purcell, indicates that more retirements occur at age 62, the earliest age at which reduced retired worker benefits are available and at age 65, the earliest age at which full-retired worker benefits are available, than at other ages. The Social Security Amendments of 1983 mandated a gradual increase in the age at which individuals are eligible for full retirement benefits from its current level of 65 years to 67 years in 2022. As a result, the actuarial reduction in Social Security benefits for those who retire at age 62 will increase from 20% to 30%, creating a financial disincentive to delay receipt of Social Security and continue working. Another important development, according to Purcell, was the recent amendment to the Social Security Act to repeal the earnings test for beneficiaries who are 65 or older. In 2000, the earnings test was eliminated for people at full retirement age. Unfortunately, for Social Security Recipients who are under the age of 65, their benefits will be reduced by $1 for each $2 of earnings in excess of $10,080.

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[5] Committee for Economic Development. 1999. *New Opportunities for Older Workers.* Washington, D.C. : Committee for Economic Development.

Purcell argues that as members of the baby-boom generation begin retiring, millions of skilled and experienced workers will exit the labor force. As this occurs, employers may find it necessary to alter their employment practices and pension plans to induce some of those who would ordinarily retire completely to remain on the job, perhaps on a part-time or part-year schedule. Purcell refers to this process as phased retirement. Advocates of phased retirement contend that more pension-eligible individuals would choose to continue working if employers could offer them the opportunity to continue working if employers could offer them the opportunity to collect pension benefits while remaining on the employer's payroll. Some employers are calling on Congress to amend the tax code and the Employee Retirement Income Security Act (ERISA) to allow employers greater flexibility in designing phased retirement programs for their employees. One proposed amendment would permit pension in-service distributions to employees who have not reached the pension plan's normal retirement age. This, employers say, would allow them to offer older employees the chance to cut back their work schedules to part-time, while supplementing their reduced salaries with pension income. Another proposed amendment would allow in-service pension distributions to begin when a participant has reached the earliest of the plan's normal retirement age or the completion of 30 years of service. This amendment, according to Purcell, would promote continued employment among older workers who would otherwise have chosen to retire (if given the choice between full-time employment and taking early retirement).[6]

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[6] Purcell, Patrick J., 2000.Older workers: employment and retirement trends. *Monthly Labor Review*. July 2000. U.S. Department of Labor: Bureau of Labor Statistics.

Policy Implications: Unemployment Insurance

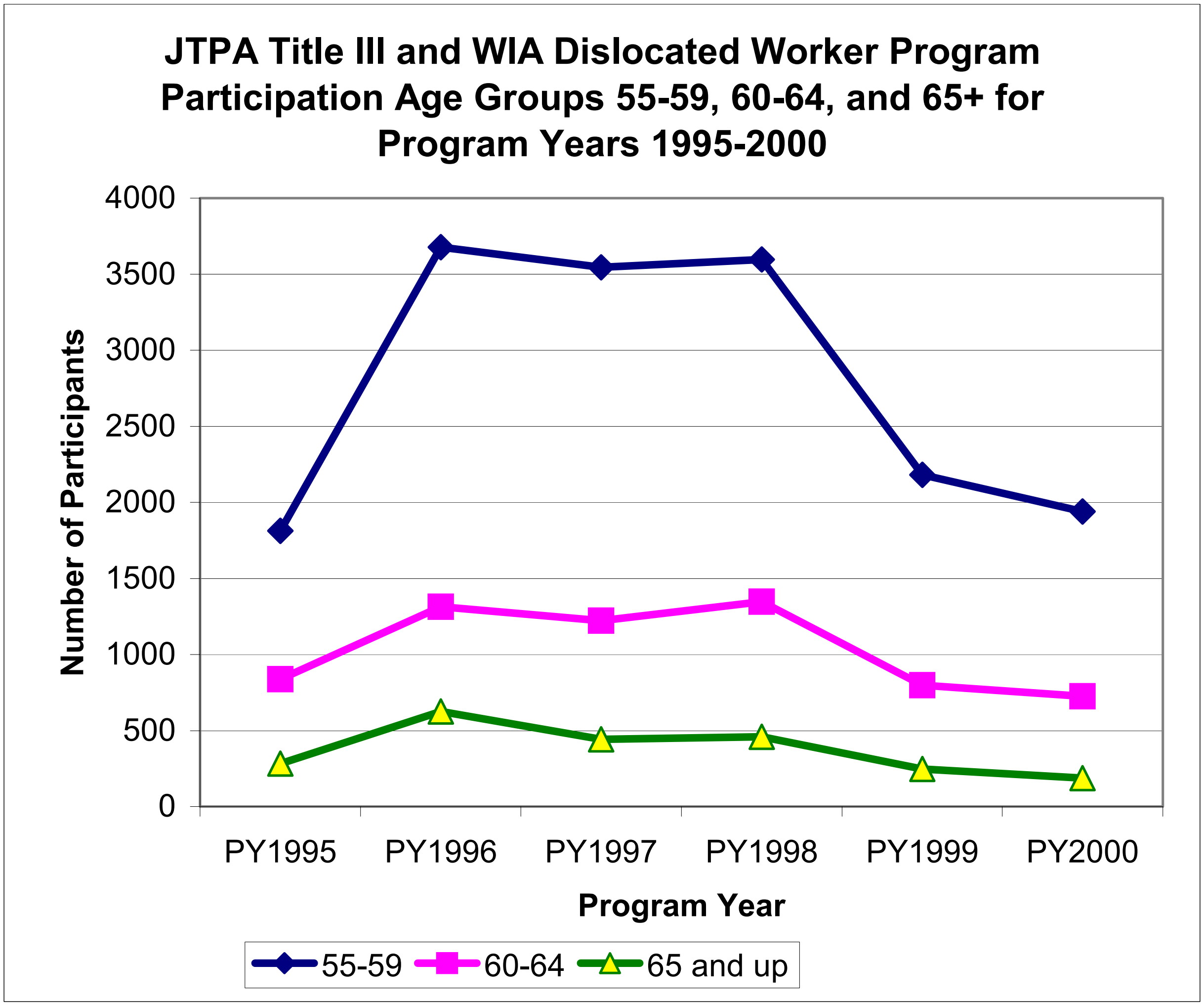
O'Leary and Wandner (2000) stress that in taking account of economic security for older workers, considerable attention should be given to unemployment insurance (UI) as a source of income security and as a potential influence on work incentives. Demographic patterns in U.S. labor markets at the end of the twentieth century suggest that it would be wise to investigate and develop policies to encourage the continued labor market participation of older workers. The authors cite a recent survey sponsored by the American Association of Retired Persons (AARP) that found that four-fifths of all workers born between 1946 and 1964 intend to continue working after retirement. Also, employer groups are increasingly concerned about maintaining labor market participation of older workers, given the small labor force cohorts that will follow.

The authors believe that changes in UI rules concerning initial eligibility, continuing eligibility, wage replacement, and partial benefits should all be examined to evaluate effects on the likely employment patterns of older workers. UI features most relevant to older workers are concentrated in the areas of self-employment, part-time worker, seasonal work, and agricultural work. In short, the authors believe that as society tries to retain older workers in the labor force, the current and potential role of UI as both a built-in stabilizer of aggregate expenditure and as an influence on work incentives for older workers needs to be examined.[7]

[7] O'Leary, Christopher J., and Stephen A. Wandner. 2000. *Unemployment Compensation and Older Workers.* Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.

Section #3 – ADARE Graphs

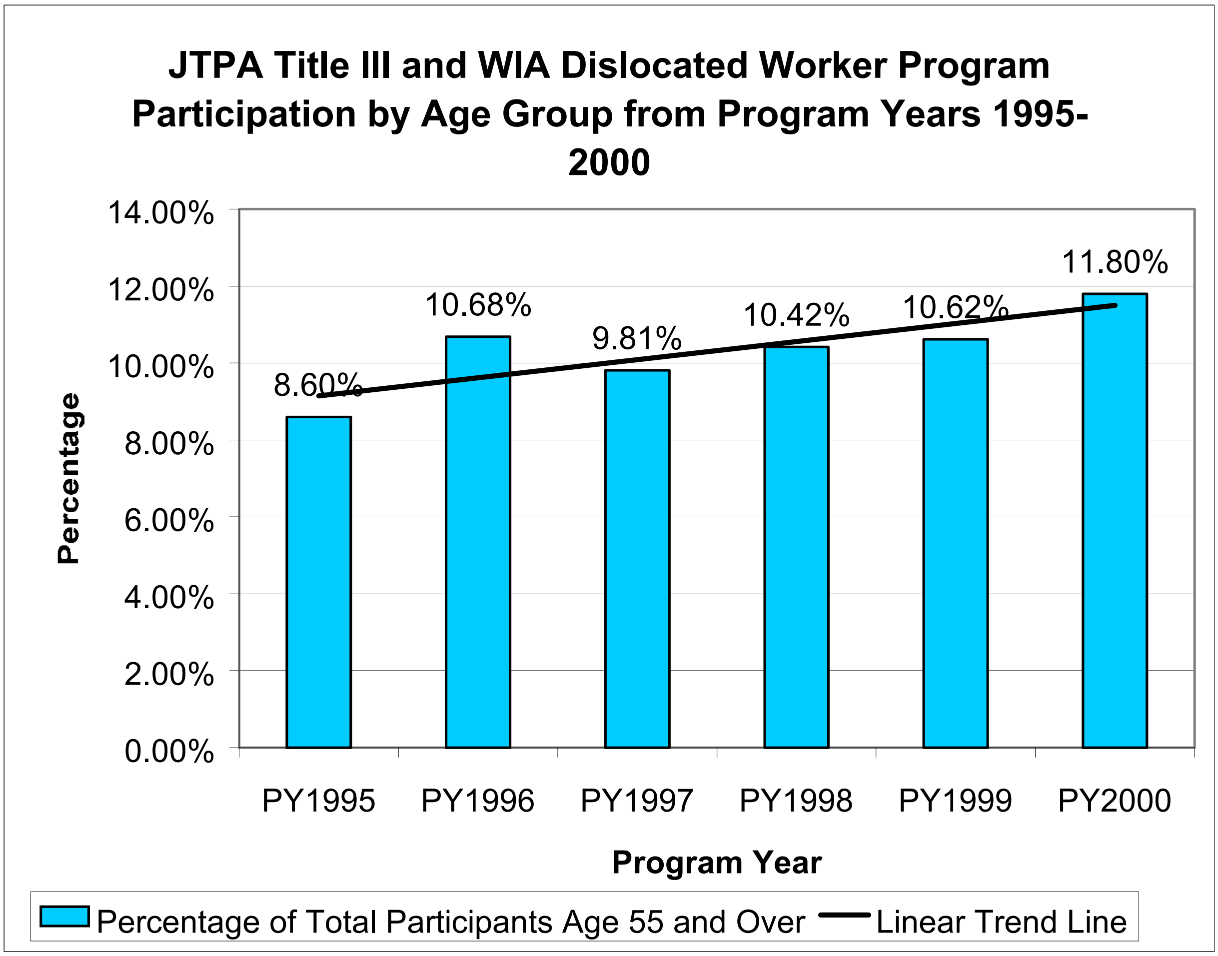
Graph 1



Graph 1 Summary

Graph 1 describes JTPA Title III and WIA Dislocated worker program participation for the age groups 55-59, 60-64, and 65+. The data were taken from four of the six states in the ADARE alliance. These states include Florida, Texas, Maryland, and Missouri. The dislocated worker category was used because, from JTPA to WIA, the definition of a dislocated worker stayed the same. The most interesting characteristic of this graph is the three-year spike in program participation in the 55-59 cohort over program years 1996-1998. Age group 60-64 also exhibits a similar increase over these same years but not to the magnitude of the 55-59 cohort.

Graph 2

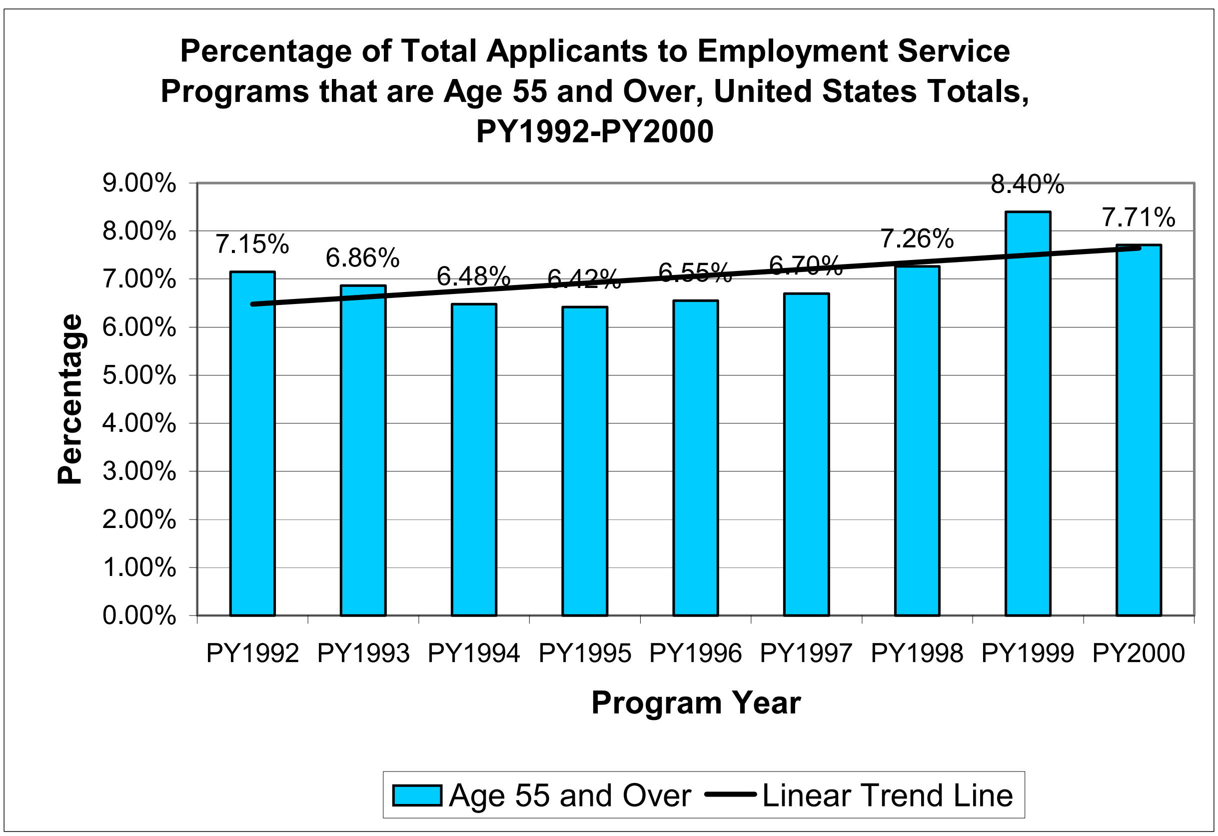


Graph 2 Summary

This graph again shows JTPA Title III and WIA Dislocated Worker program participation but from a different perspective. Here, older workers are aggregated into a 55+ category and compared as a percentage to all other participants in the dislocated worker program. In viewing the linear trend line, it is clear that the number of older workers, as a percentage of all participants in the dislocated worker program, is increasing from PY 1995-PY 2000. It can be inferred from viewing graph 2 in the context of graph 1, that from the program years 1996-1998 a general increase in participation in the dislocated worker program occurred. This is because given the spike in older workers participation during these years, one did not see a concomitant rise in their overall program participation relevant to other age categories.

Section #4 – Employment Service and Bureau of Labor Statistics Graphs

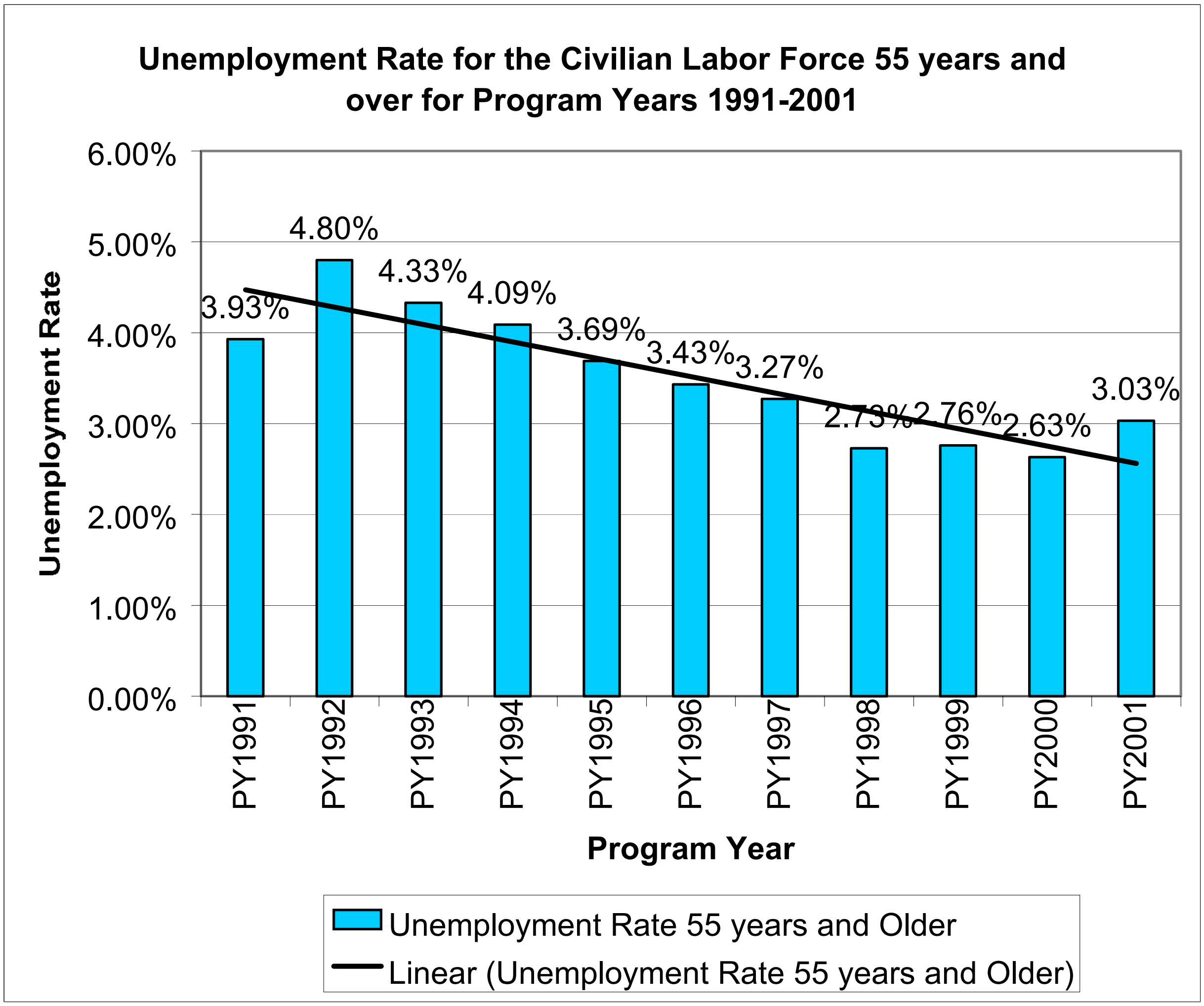
Graph 3



Graph 3 Summary

Graph 3 shows the percentage of total applicants to the Employment Service that were age 55 and over for the program years 1992-2000. Relative to the other age groups, older worker participation in the employment service has generally increased. A noteworthy characteristic of graph 3 is the trough in participation from PY 1993-PY 1997. A possible explanation of this trough could be that given the economic prosperity of the middle 1990's, older workers had less of a need for the labor exchange relative to other age cohorts.

Graph 4

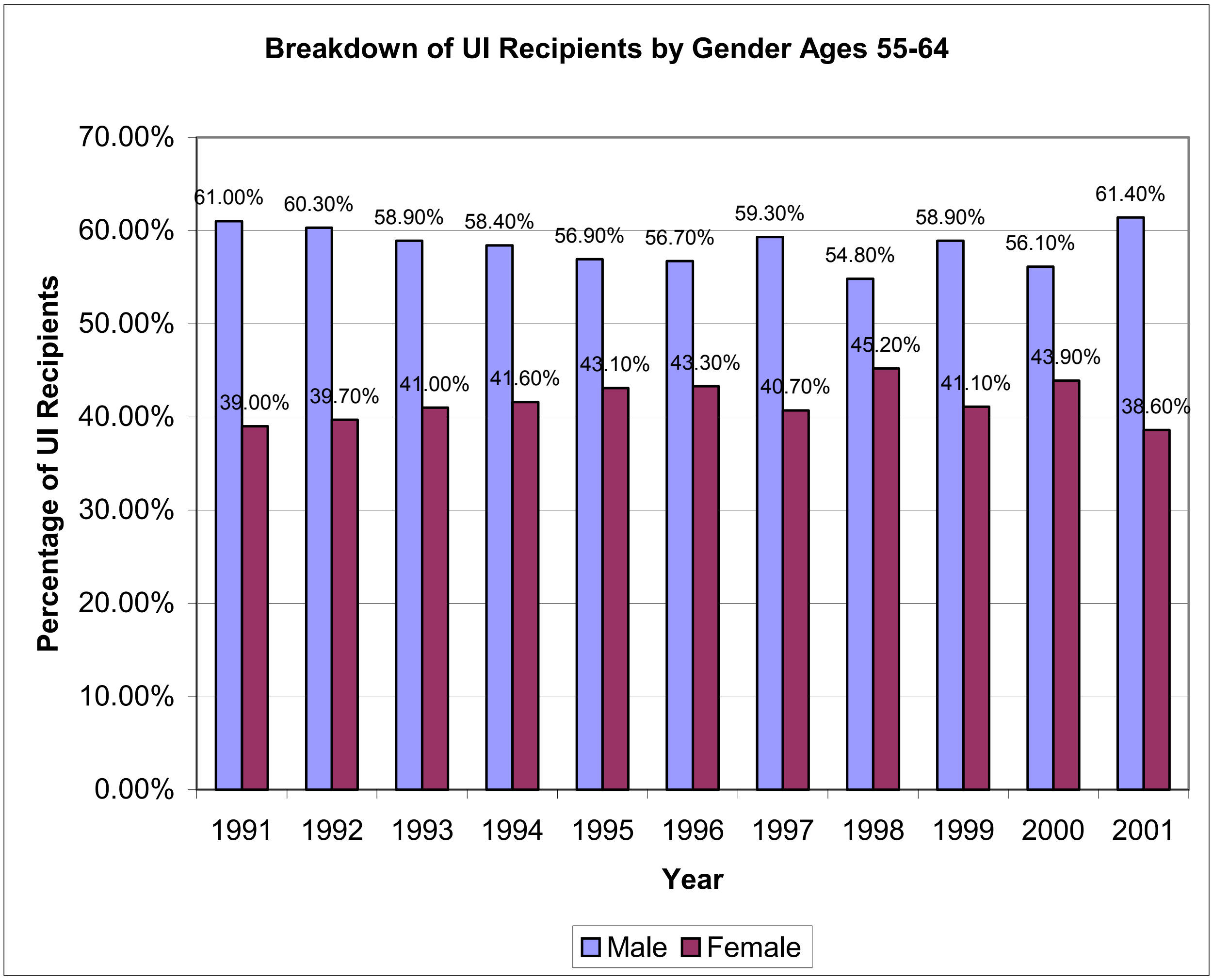


Graph 4 Summary

Graph #4 is the basic unemployment rate for the civilian labor force 55 years and older for program years 1991-2001. This graph clearly shows that older workers in the labor force enjoyed continuing job security throughout the 1990's. During program years 1998-2000, unemployment rates dipped below 3% for older workers. These unemployment rates for older workers were the lowest in the recorded history of unemployment figures for this cohort.

Section 5: BAM Data Graphs

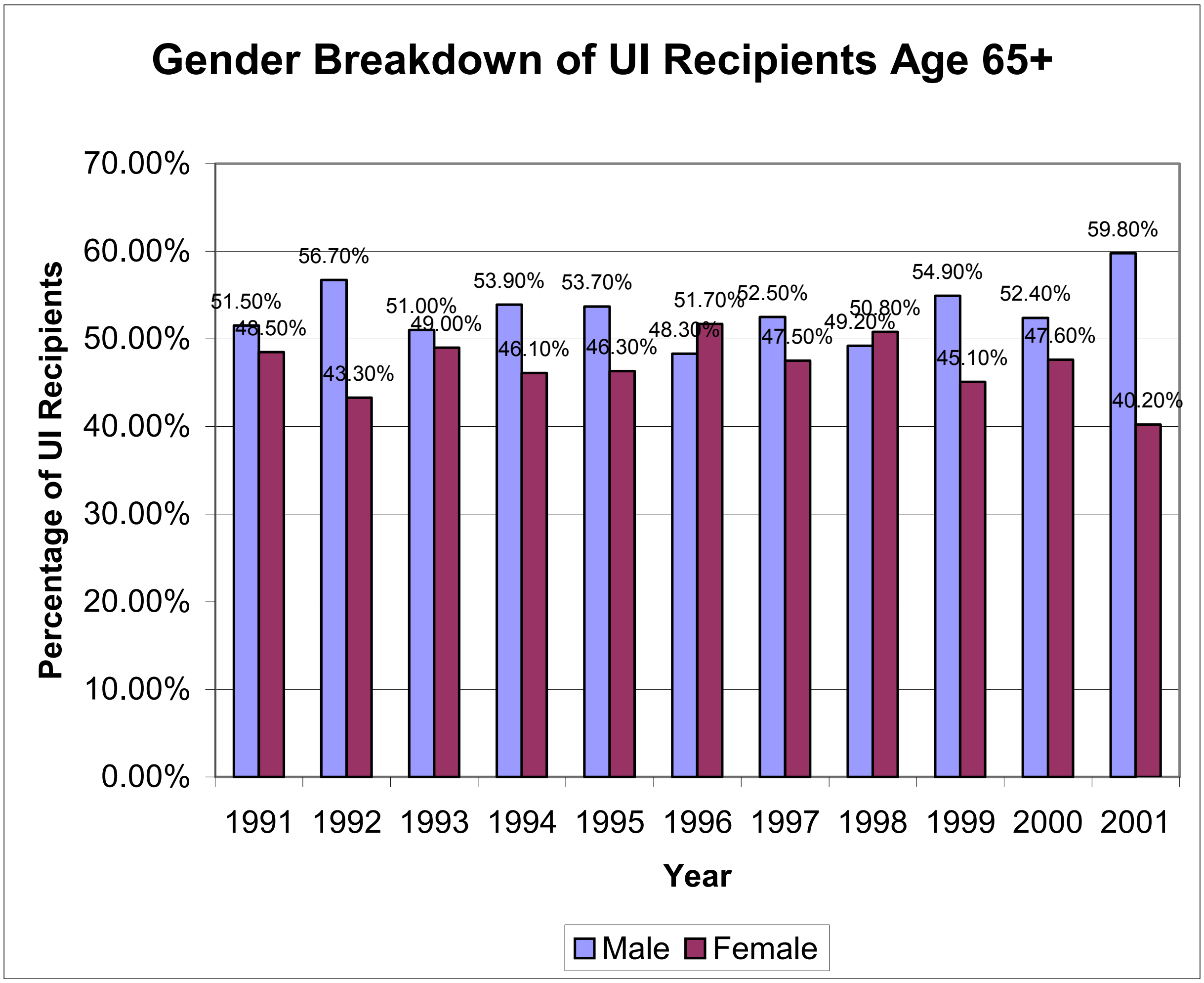
Graph 5



Graph 5 Summary

Graph 5 shows the gender breakdown of unemployment insurance (UI) recipients for the age group 55-64. It is clear that more male older workers are receiving UI relative to female workers. A possible explanation for this difference could be that, traditionally, males have held the household's full-time job. Because these males hold the primary job for the household, they would be more readily eligible to receive UI benefits. Another interesting characteristic of this graph is that the largest male/female difference is seen in years of relative economic downturn (1991 & 2001).

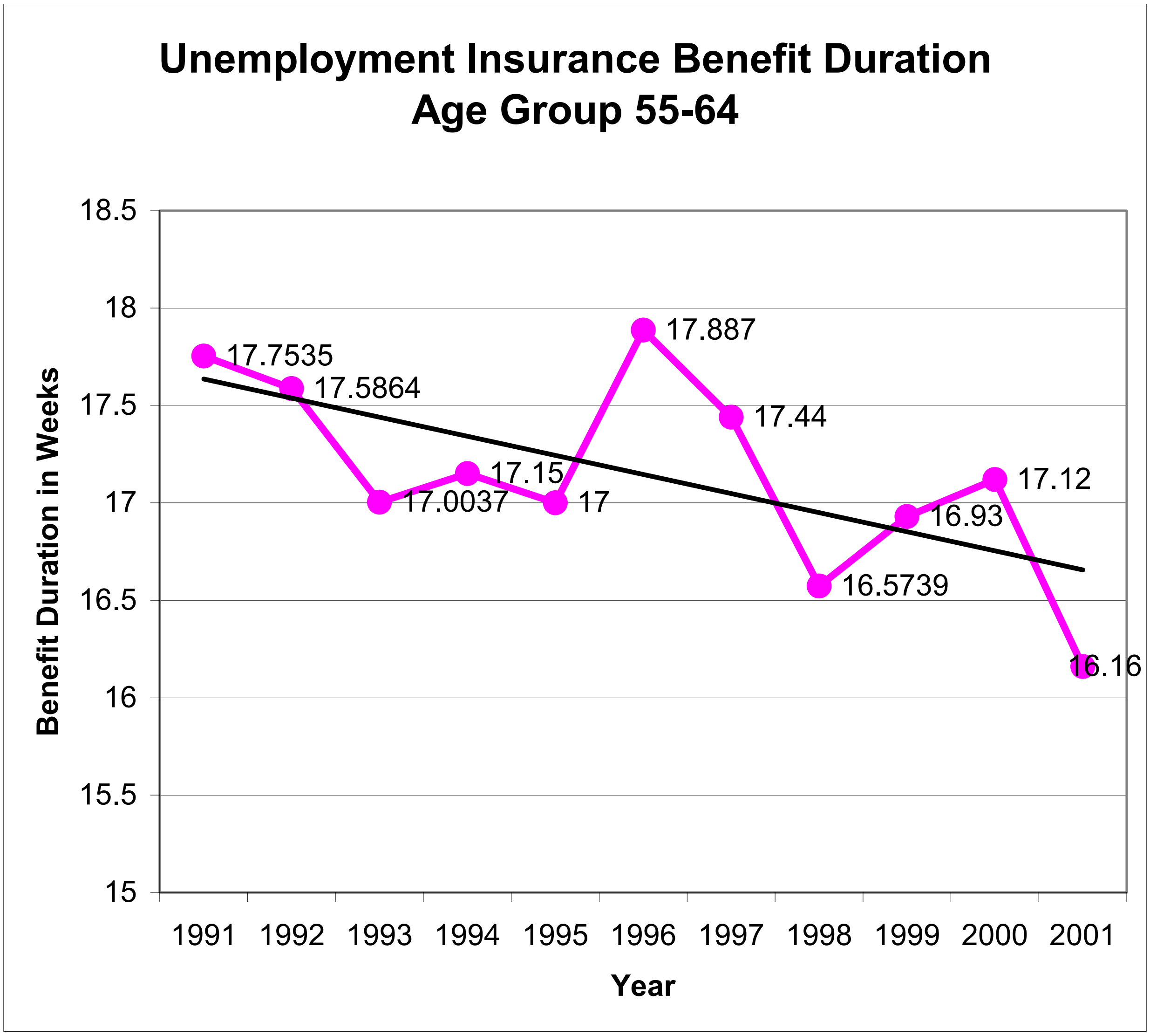
Graph 6



Graph 6 Summary

Graph 6 shows the gender breakdown for UI recipients for the age group 65 years and older. In this graph, a much more even distribution exists between males and females. A possible explanation of this could be that the primary male wage earners of the household have mostly retired by this age. Another explanation could be that women generally live longer than men so there exists more of them to collect UI at this age level.

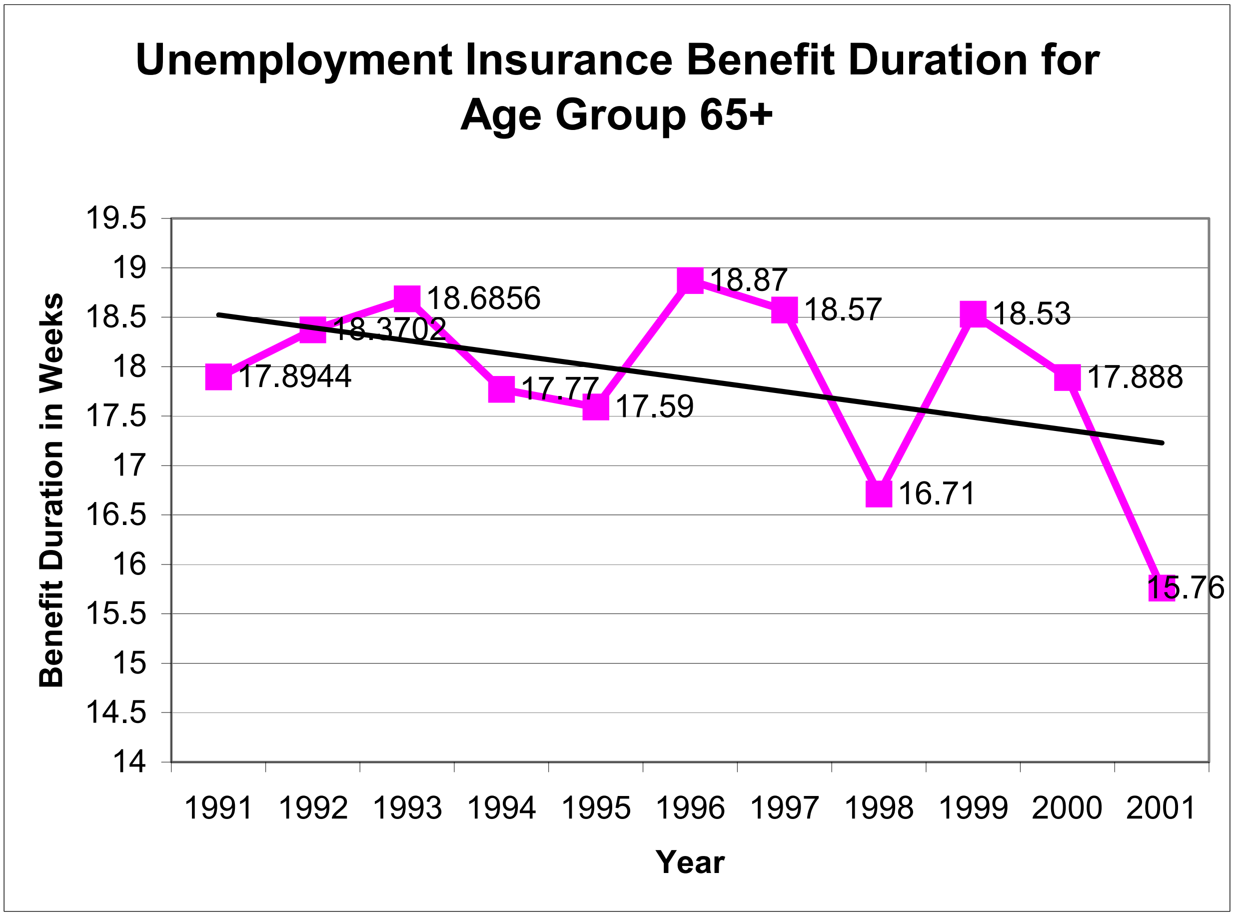
Graph 7



Graph 7 Summary

Graph 7 shows the duration of UI benefits in weeks for the age group 55-64. The trend line shows a general downward movement mirrored by the success of the economy during the 1990's.

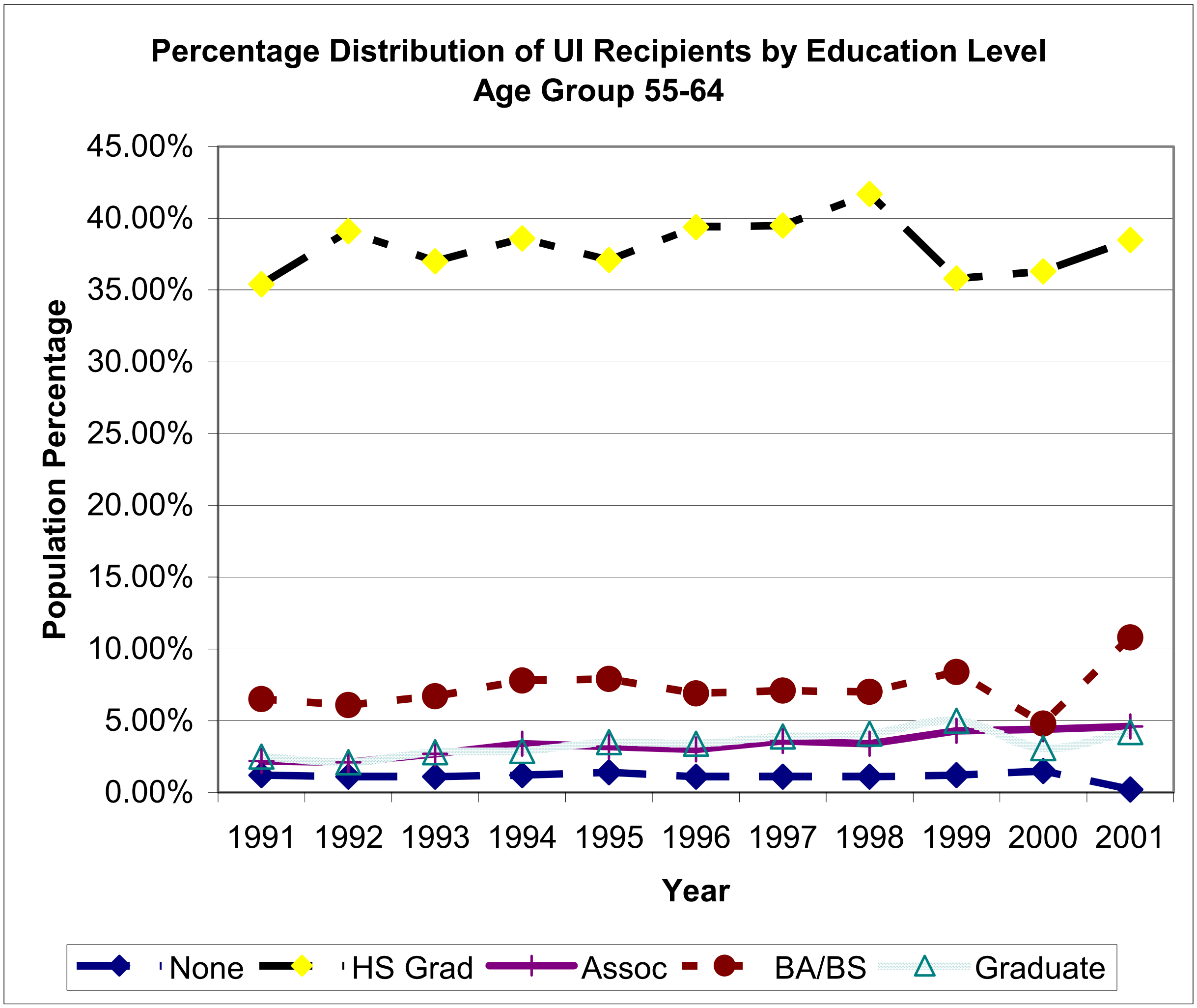
Graph 8



Graph 8 Summary

Graph 8 shows unemployment insurance benefit duration for the age group 65 and over. Other than for calendar years 1998 and 2001, UI benefit duration for the 65+ age group has been consistently high. A possible explanation for this could be age discrimination against the oldest of the older workers in job search. Another explanation could be a functional disconnect in current “high-tech” job search techniques for older workers.

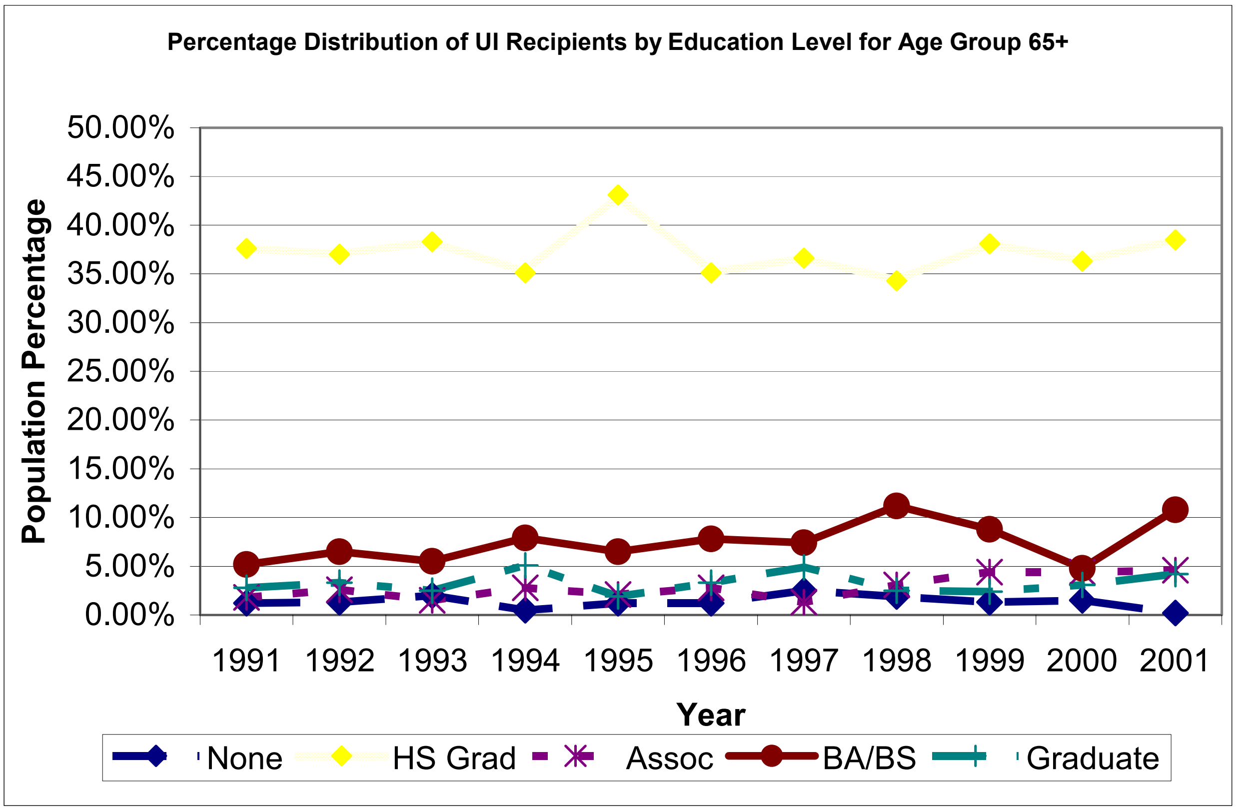
Graph 9



Graph 9 Summary

Graph 9 shows the percentage distribution of UI recipients by education level for the age group 55-64. From this graph we can reasonably infer general population education levels for this age group. An important characteristics of this graph is that UI recipients 55-64 with less than a high school education has become virtually nil by CY2001. This could mean that either 55-64 year olds without a HS education are just not applying for UI or that 55-64 year old UI recipients without a HS education have become virtually nonexistent. Another important characteristic of this graph is that the percentage of UI recipients in the 55-64 age group in the BA/BS, associates, and graduate degree categories at least doubled from CY 1991-CY 2001.

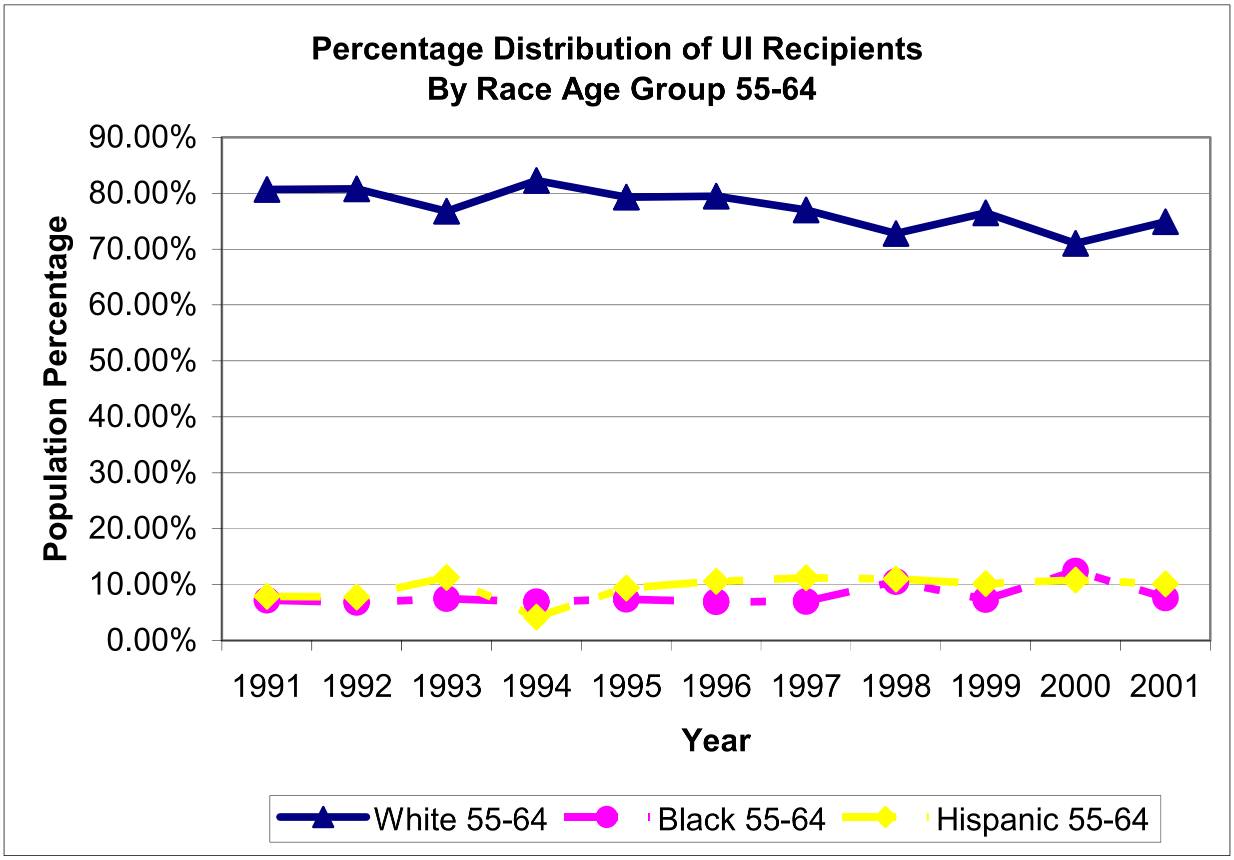
Graph 10



Graph 10 Summary

Graph 10 shows the percentage distribution of UI recipients by Education level for the age group 65 and over. From this graph we can reasonably infer general population education levels for this age group. An important characteristics of this graph is that UI recipients 65 and over with less than a high school education has become virtually nil by CY2001. Another important characteristic of this graph is that the percentage of UI recipients in the 65+ age group in the BA/BS, associates, and graduate degree categories at least doubled from CY 1991-CY 2001. The HS grad category, although showing a spike in 1995, remained fairly steady state in the upper 30% range.

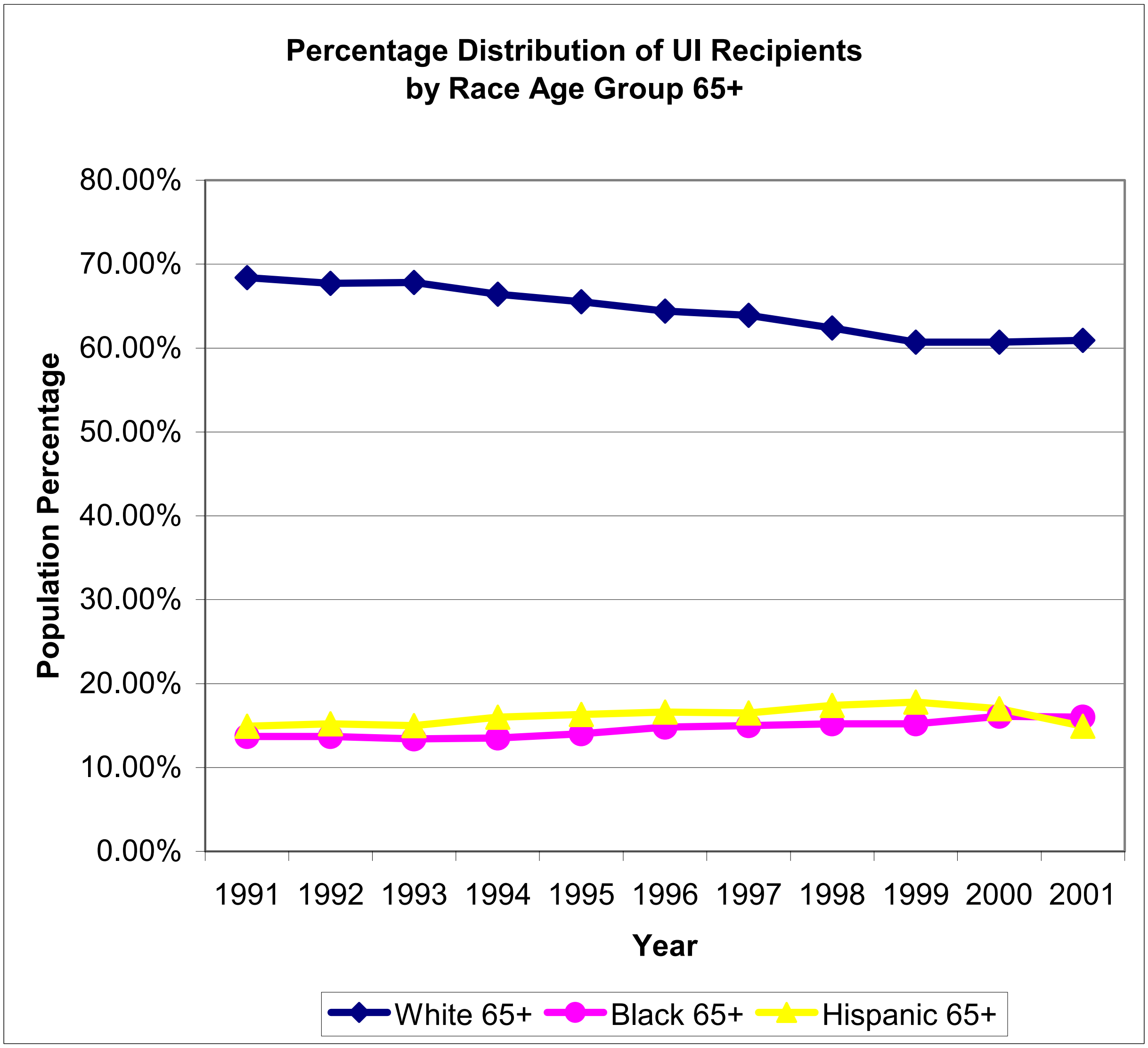
Graph 11



Graph 11 Summary

Graph 11 shows the percentage distribution of UI recipients by race for the age group 55-64 from CY 1991-2001. From this graph, we can reasonably infer general racial distribution for the age group 55-64 for this time period. The Black and Hispanic categories remained fairly stable, slightly increasing during this period while the white category slightly decreased during the same period.

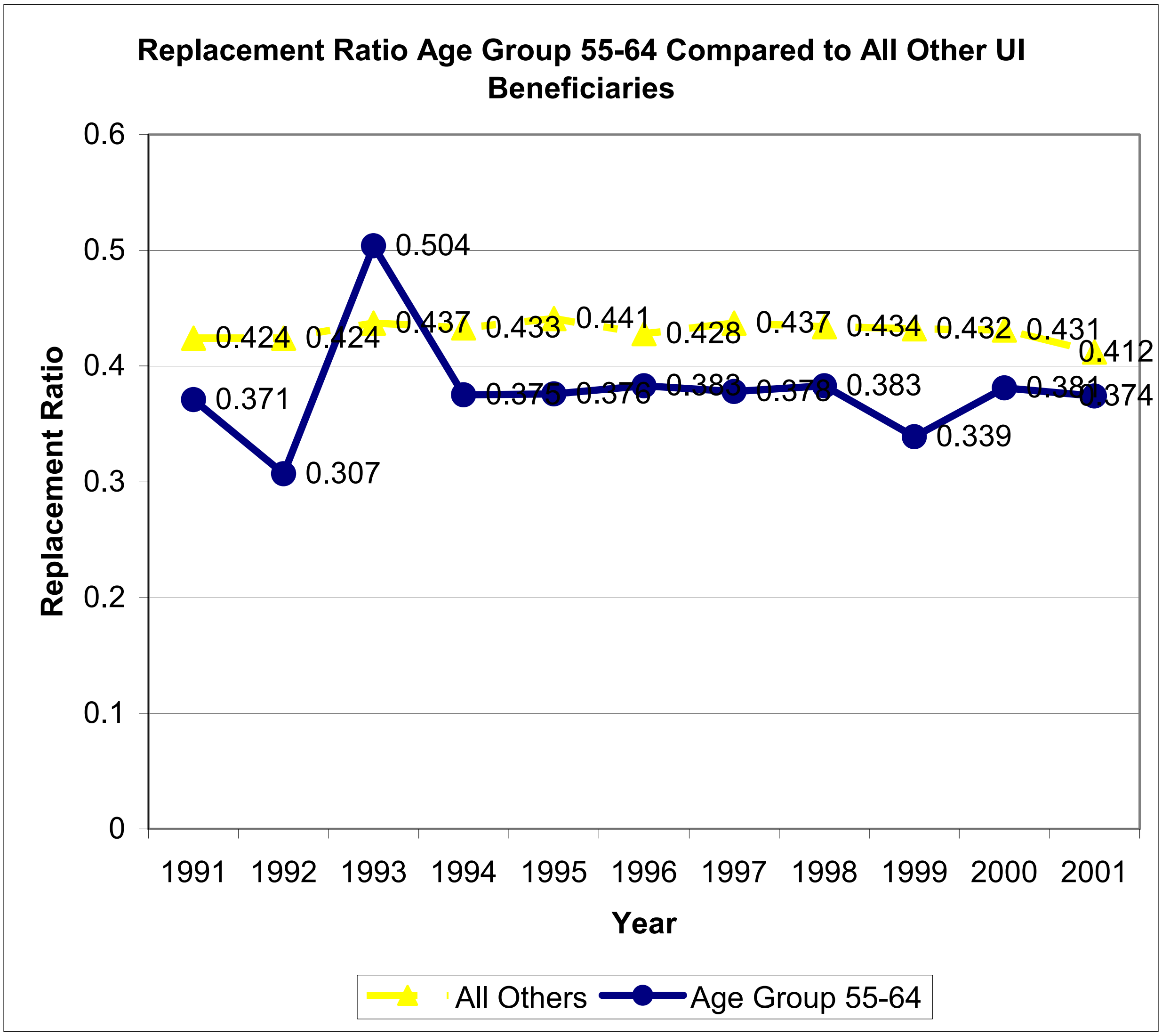
Graph12



Graph 12 Summary

Graph 12 shows the percentage distribution of UI recipients by race for the age group 65 and over from CY 1991- CY 2001. From this graph, we can reasonably infer a general racial distribution for the age group 65 and over for this time period. The Black and Hispanic categories remained fairly stable slightly increasing from CY 1991-CY 2001. The white category showed a significant decrease during the same period.

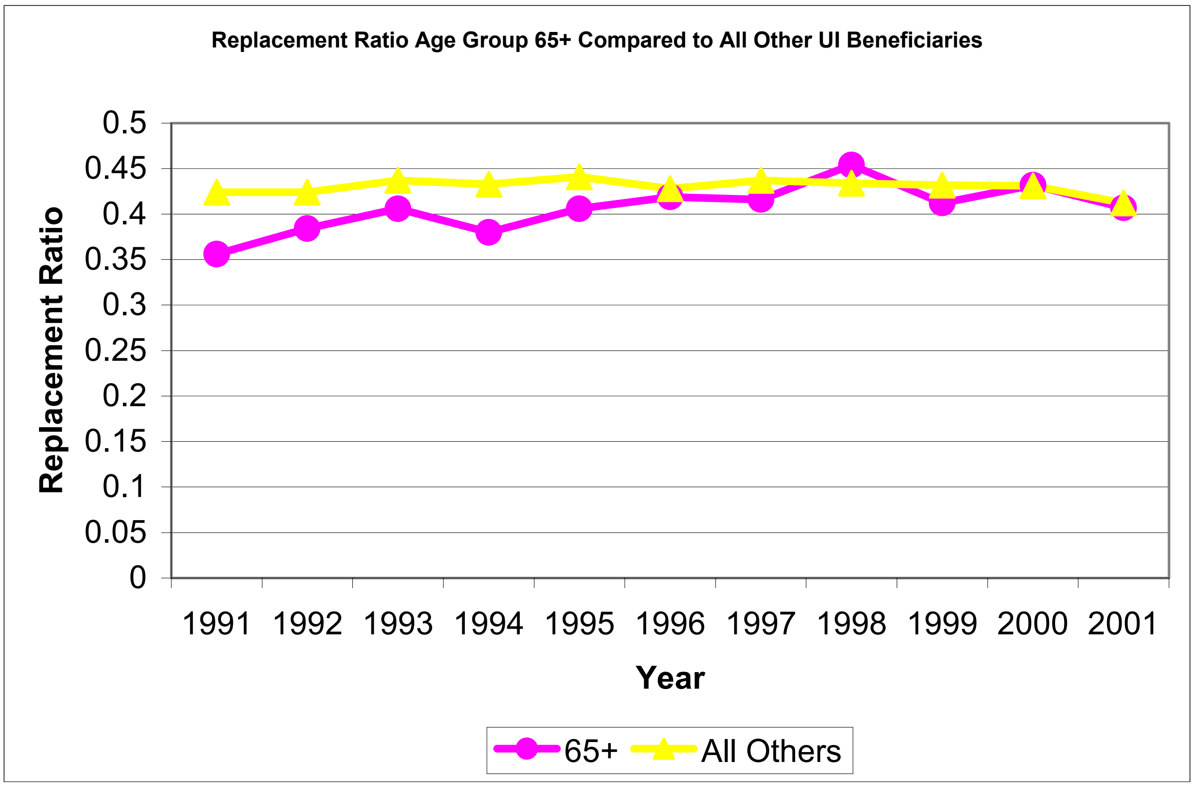
Graph 13



Graph 13 Summary

Graph 13 shows the replacement ratio for the age group 55-64 compared to all other UI beneficiaries for CY 1991- CY 2001. The replacement ratio is defined as the ratio of average weekly wages to weekly unemployment insurance benefits. A ratio of .30 would mean that the UI recipients benefit replaces 30% of what his/her previous average weekly wage was. This graph clearly shows that older workers in the 55-64 age range have a lower replacement rate than other UI recipients. A possible explanation for this could be that older workers in this age range are at the peak of their earning curves hence UI does not "replace" a large percentage of their incomes.

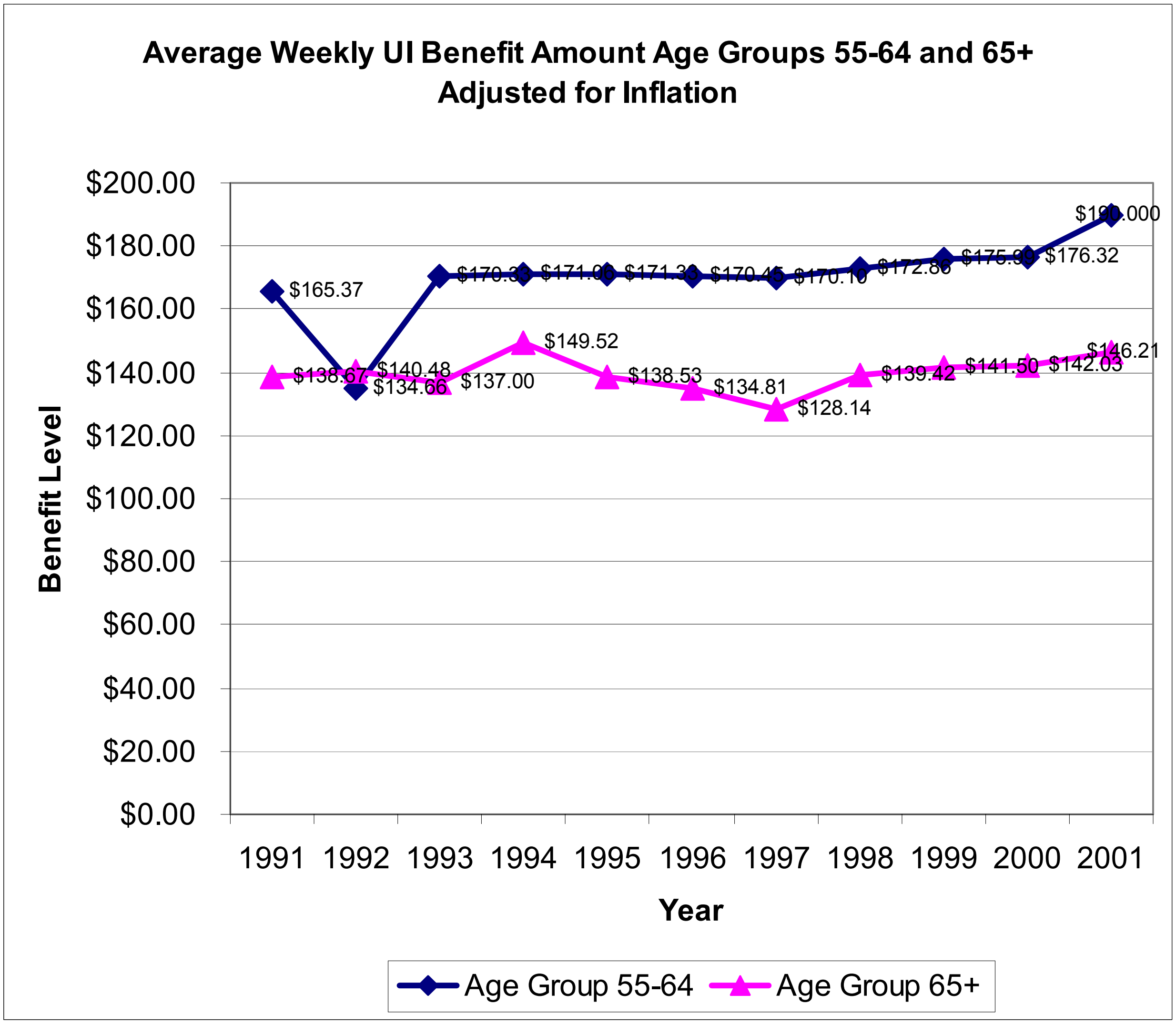
Graph 14



Graph 14 Summary

Graph 14 shows the replacement ratio for the age group 65 and over compared to all other UI beneficiaries for CY 1991-CY 2001. Replacement ratios of the age group 65 and over generally lagged behind other UI beneficiaries until CY 1996 when the ratios tended to converge.

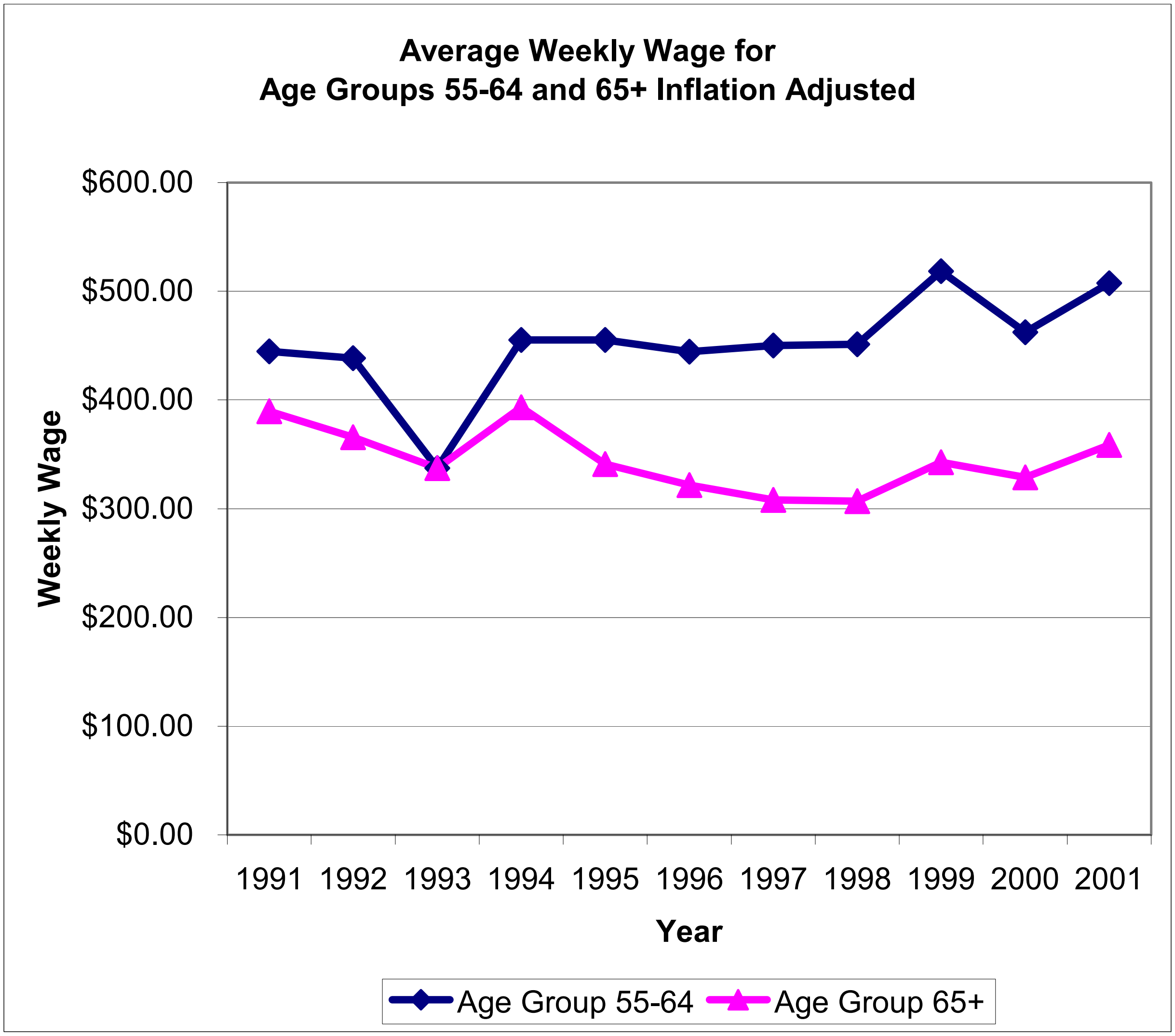
Graph 15



Graph 15 Summary

Graph 15 shows the average weekly UI benefit amount for UI recipients in the 55-64 and 65 and over age group for calendar years 1991-2001. These figures are adjusted for inflation using 1991 as the base year. Benefit levels in real dollars generally remained the same for the 65 and over category. Benefit levels went up almost 20% for the 55-64 age category during the same period. At least for the 55-64 age group, increased benefit levels mirror the labor market success of this age group during the 1990's.

Graph 16



Graph 16 Summary

Graph 16 details the average weekly wages, inflation adjusted, for the age groups 55-64 and 65 and over for the calendar years 1991-2001. These figures are adjusted for inflation using 1991 as the base year. Average weekly wages for the 55-64 age group have increased over 10 percent during this time period after inflation adjustment. The same measure for the age group 65 and over shows a slight decrease during this period.

A possible explanation for the drop in average weekly wages for the oldest of the older workers could be higher rates of final retirement or the pickup of post retirement bridge employment at a lower wage level.

Conclusions:

An important dilemma facing America's workforce as we proceed into the 21st century will be the loss of human capital associated with the retirement of the baby-boom generation. That is to say that, as baby boomers retire from the labor force, they will take their lifetimes of accumulated skills, knowledge and expertise with them out of the labor force. This problem is especially exacerbated by the fact that most of these older workers may take part-time low skill jobs after initial retirement that "bridge" the gap between initial and final full retirement from the labor force. I argue that this dilemma is a dysfunction of the labor market. Certain labor market externalities such as outdated pension rules, employer retirement systems, social security rules, unemployment insurance, and length of the workweek may create an "exit effect" that drives older workers from the labor market. The implications of this question for labor market research are many. Some of these research questions may include:

1. Given the current retirement landscape, are older workers exiting the labor force at a higher rate than in previous years?
2. Is there a relationship between pension rules, social security rules, unemployment insurance rules, length of the workweek, and older worker's decision to exit primary employment?
3. If older workers retirement decisions are shaped by incentives created by the retirement landscape what can be done to identify and ameliorate this problem?

One of the ways in which we can examine this issue is to examine ways in which barriers in the retirement landscape can be alleviated or removed. A research demonstration that tests multiple incentive systems that create incentives for older workers to stay in the labor market should merit some attention.

For example, one of the primary reasons older workers leave the workforce for retirement is the length of the workweek. Many older workers take part-time "bridge jobs" after retirement from their primary employment. These older workers do not wish to continue the full-time schedule but still wish to continue working in the labor market. Many older workers, if given the opportunity, would scale down their labor force attachment to part-time status while retaining their current job with their career employer. A research demonstration could be constructed that tests this assumption in the marketplace. Under such a demonstration, employers would be offered a subsidy to construct job-sharing contracts for two older workers seeking retirement. Each set of two older workers would "share" one 40 hour per week job. Participating employers would be obligated to continue the job-sharing agreement for one year and could continue the arrangement after the demonstration is over. This demonstration would be run as a classical experiment with a treatment and control group. The treatment group would be the "job sharing" older workers while the control group would be a similar set of retiring older workers not offered the subsidy. The potential benefits of such a demonstration would be enormous. These might include increased tax revenue, decreased receipt of Social Security, increased productivity for the employer, and increased labor force attachment of older workers in America's workforce.

In short, we need to begin researching now on how to keep older workers in productive areas of the labor market where their wealth of knowledge, experience, and skills are not underutilized. The potential benefits to society could be enormous. Likewise, the potential costs of inaction could be equally as enormous.

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Technical Appendix

Technical Notes pertaining to JTPA Title III/WIA Dislocated Worker Graphs

I. The data from these graphs were taken from the Six-State (Texas, Florida, Missouri, Maryland, Illinois, Georgia) Administrative Data Research Alliance Grant K-6558-8-00-80-60.

II. The states providing data for this exercise were Texas, Maryland, Florida, and Missouri

III. Data were based on longitudinal data from these states for Dislocated workers only because the definition from JTPA to WIA remained the same during the program years considered.
   a. The definition of a dislocated worker remained the same from JTPA to WIA
   b. Changes in definitions between JTPA and WIA can create problems for longitudinal data analysis though because under JTPA an adult was defined as being both 21 years and older and economically disadvantaged. Under the WIA, an adult is defined as being over 18 years of age.

IV. This analysis can be extended to adults and youth, however, because the six state research alliance site partners actually house the data, they have the ability to sort JTPA records under the WIA definition and make estimates so that, with data uniformity, valid conclusions could be made concerning Adults and Youth.

V. Given the various JTPA/WIA data elements, a wide variety of analyses could be executed including, for example, participation in JTPA/WIA of welfare recipients.

VI. The linear trend line present in each of the JTPA/WIA graphs is a linear regression line calculated using the least-squares method.

Technical Notes pertaining to the Employment Service Program and Bureau of Labor Statistics Graphs

I. The data from these graphs were taken from the US Department of Labor-Employment Service Programs ETA 9002 Quarterly Reports PY1992-PY2000.

II. The data in the ETA 9002 quarterly reports are based on aggregate data taken from each of the states.

III. For each age category the age of the applicant is the age at which the application to the Employment Service was received.

IV. It is understood that the Employment Service is currently precipitating changes to some of these definitions and discontinuing others. However, the definitions for all data presented in these graphs fall under ET Handbook NO. 406.

V. The linear trend line present in each of the ES graphs is a linear regression line calculated using the least-squares method.

Technical Notes pertaining to the Benefit Accuracy Measurement (BAM) Graphs

I. The data from these graphs were taken from the US Department of Labor-Office of Workforce Security Benefit Accuracy Measurement database CY1991-CY2000.
II. The inflation adjustment done in graphs 15 & 16 use 1991 as a base year.
III. The linear trend line present in graphs 7 & 8 is a linear regression line calculated using the least-squares method.

The Role of One-Stop Career Centers in Serving Welfare Recipients in 2002

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I. INTRODUCTION

Public assistance recipients have historically been an important target group for employment and training programs, but the types of services and programs available have varied depending on federal and state legislation, policies and funding. With the passage in 1996 of federal welfare reform legislation in the *Personal Responsibility and Work Opportunity Reconciliation Act* (PRWORA), and the passage of the *Workforce Investment Act* (WIA) in 1998, the role of workforce development programs in serving welfare recipients—and other individuals—has changed considerably.

The Temporary Assistance for Needy Families (TANF) authorized by PRWORA dramatically changed the nation's welfare system, particularly by emphasizing work and employment activities. Welfare benefit time limits were also instituted under TANF, adding to the urgency some clients and case managers feel about helping individuals move quickly into employment. The increased work focus suggests that more welfare recipients might seek services through the workforce development system.

A major component of the revamped workforce investment system under WIA has been the development of a nationwide network of local One-Stop Career Centers, through which workers and employers can access all work-related services and information. Many different federal funding sources are available to provide employment-related services. Some funding is restricted by eligibility criteria that determine who can be served (e.g., intensive training funded under WIA, work-related services funded by Welfare-to-Work grants and TANF block grant funds).

Other funding is available to all individuals currently working as well as those seeking work (e.g., WIA core services and Wagner-Peyser funded employment services). At the local level, all of these funding streams—and others—may be used to fund One-Stop Center operations.

This paper examines how welfare recipients are being served through the workforce development system, particularly the One-Stop Centers. The important changes that have occurred in both the workforce development system and the welfare system make this exploration especially timely.

WIA and One-Stop Centers: An Overview

WIA is the primary federal legislation governing employment and training-related programs. The broad intent of WIA, which replaced the *Job Training Partnership Act* (JTPA) of 1982, is to improve overall national economic productivity and competitiveness by simultaneously investing in developing and upgrading the skills of the nation's workforce and responding appropriately to the changing labor needs of employers. How these two objectives—developing worker skills and serving employer needs—are balanced defines the types of workforce investment systems that are now operating around the nation.

The WIA legislation includes several provisions that together are changing the nation's employment and training system. WIA calls for streamlined services through comprehensive One-Stop Career Centers; enhanced customer choice in selecting training programs; greater universal access to services; increased emphasis on work, rather than training, for those who already have employment skills; enhanced local flexibility; increased private-sector involvement through new local boards; maximum use of information technology; and refocused youth programs that emphasize long-term and year-round youth development. Most of these features already existed in many localities before 1998, but WIA now requires them nationwide.

Defining Workforce Development and Workforce Investment. The term "workforce development" is fairly recent, used since the mid-1990s to convey an expanding mission of federal employment and training policy that aims both to provide employment services or skills training to workers seeking services and to address the broader objective of improving the overall functioning of the workforce itself. Thus, WIA is more than just the latest employment and training legislation; it is the legislative mechanism for operationalizing this broader concept of workforce development. As such, WIA reflects the assumption that in order to improve the overall quality of the workforce, the nation's employment and training investments should go beyond job training, that all resources and programs related to skills or employment should be coordinated, and that the modernized workforce investment system should be more responsive to the needs of the private business sector as well as make available a full range of labor market services to all workers who seek them (i.e., universal services).

Therefore, in addition to repealing and replacing JTPA, WIA also amended legislation related to the Employment Service (ES) and had provisions regarding coordination of other work-related programs, including vocational rehabilitation and adult education. As noted below, the role of the Wagner-Peyser Act's Employment Service (ES) in the evolving workforce development system is as central as the adult, youth, and dislocated worker programs authorized by WIA (and previously by JTPA).

One-Stop Centers' Role in the Workforce Investment System. To enhance these various objectives—universal services to workers and businesses, a better trained workforce, and improved coordination among programs—WIA also mandated a system of One-Stop Centers nationwide. The One-Stop Career Center system is a main component of the employment and training service delivery; and welfare recipients, like other workers and potential workers, can access various services through the local Centers. Each local workforce investment system is to have networks of partnering agencies and programs and streamline the way customers (i.e., workers, potential workers, and employers) access services. At least one physical One-Stop Center must operate in each local workforce investment area designated by the Governor, and that Center must ensure that all available services from partnering programs are accessible to customers—either on site at the Center or through other institutional arrangements. Other arrangements could, for example, include "virtual" information about programs and services using computer-assisted technology, or setting up appointments with representatives of other agencies who have regularly scheduled hours at the One-Stop.

Thus, the network of physical One-Stop Centers is the most concrete component of the workforce investment system. Other aspects of the system include computer-based technology to access program information and services ("virtual" One-Stops to access labor market, career, and job information), individual training accounts for self-directed access to skills training, and coordination with partnering programs and agencies located elsewhere.

There is no single One-Stop service delivery model. Local workforce boards and elected officials have wide latitude in designing their local delivery system, including deciding on the types of physical One-Stop Centers they operate and whether there are other service delivery efforts as well. Nor do all physical One-Stop Centers necessarily offer the same mix or range of services or have the same partners on-site. Some One-Stop Centers have been developed around the Wagner-Peyser ES program, which has had a universal labor-exchange service mission since 1933; others have evolved mainly from the adult training and employment services that had been central under JTPA; and some Centers are a full merger of both the Wagner-Peyser and adult WIA programs. To some extent the variation across One-Stops in how they developed may influence the amount of emphasis or priority placed on services to employers and businesses, economic development, and job skills development and training.

One-Stop Partners. Local workforce investment boards (WIBs) have wide latitude in deciding what programs and services are offered at that Center, and the WIBs along with local partnering agencies decide how much of the services through various programs are offered at the One-Stop Center versus at other locations. The mix of One-Stop partners, the extent to which partners provide a full range of services at the One-Stop, and the degree to which partnering programs are fully integrated or function independently vary across Centers.

WIA specified certain mandatory One-Stop Partners, and suggested a number of additional optional partners, as noted in Table I.1. In addition, states can add other mandated partners. According to DOL information, about half the states have designated TANF programs as mandatory partners. If an agency or organization is a mandatory One-Stop partner, it means that at a minimum—just as with other mandatory One-Stop partners—individuals should be able to access complete information at the One Stop Center about its programs and services and how to access those services.

TABLE I.1
Required and Optional Partners in One-Stop Centers

Required Partners

- Adult, Dislocated Worker, and Youth Activities under WIA
- Employment Service under Wagner-Peyser Act
- Adult Education
- Postsecondary Vocational Education under Perkins Act
- Vocational Rehabilitation
- Welfare-to-Work Grant-funded Programs
- Title V of the Older Americans Act
- Trade Adjustment Assistance
- NAFTA Transitional Adjustment Assistance
- Veterans Employment and Training Programs
- Community Services Block Grant
- U.S. Department of Housing and Urban Development (HUD) Employment and Training Programs
- Unemployment Insurance

Optional Partners Specifically Noted in the Legislation

- Temporary Assistance for Needy Families
- Food Stamps Employment and Training Program
- National and Community Service Act programs (e.g., Americorps)
- Any other appropriate federal, State, or local programs (e.g., transportation, child care, community colleges, and economic development)

The specific details of the TANF mandated role differ across states. For example, in some states, the TANF-work program is a mandatory One-Stop partner, while in other states the entire TANF program (i.e., cash assistance as well as the work program) is the mandated partner. On the other end of the continuum, TANF intake and eligibility determination as well as the TANF work program might physically occur at the One-Stop

Center. As discussed in sections below, in most localities the linkages fall somewhere in between these extremes.

One-Stop Operators. Each local area (i.e., the workforce investment area, as designated by the Governor) must have at least one physical "full service" One-Stop Center, and a One-Stop "operator" is designated by the local Workforce Investment Board (WIB) to oversee day-to-day functioning of the Center. The legislation specifies that organizations eligible to be One-Stop operators include:

- Postsecondary educational institutions
- Local Employment Service offices
- Community-based organizations
- For-profit organizations
- Government agencies
- Others

Neither the WIB nor its administrative entity can directly provide services or operate a One-Stop Center; instead One-Stop Center Operators must be selected competitively by the WIB. There are a few exceptions. For example, if there are no viable competitive alternatives, the WIB could select a particular operator. The move toward more privatization of public services is an important change in job training. Although most private industry councils (PICs) which oversaw JTPA also contracted out most, if not all service delivery, they had the discretion to decide how to deliver services, including whether to operate any programs or deliver services directly.

One-Stop Funding. Appropriations for adult, youth, and dislocated worker programs are authorized under WIA, and the level of appropriated funds are similar to what had previously been appropriated under JTPA for similar purposes. However, Congress did not appropriate any additional funds for the One-Stop system or for training or employment services. The expectation is that resources from the adult, youth and dislocated programs as well as from pre-existing programs, such as the Wagner-Peyser Act's Employment Service and other partnering programs and agencies, would be used to operate a coordinated system of employment-related services offered through the One-Stop Centers.

Individual Training Accounts. Congress specified that to the maximum extent possible, WIA-funded job training should be provided only to those who lack adequate skills to obtain employment, and that training must be provided through a voucher-type mechanism called Individual Training Accounts (ITAs). Under JTPA, much of the job training was contracted to training providers or programs. If funds are limited, the legislation specified that priority should be given to recipients of public assistance and other low-income individuals for intensive services and training services.

One-Stop Centers Visited as Part of this Study

As part of this study, the extent and nature of service to welfare recipients through seven One-Stop Centers are addressed: Asheville, North Carolina; Burlington, Vermont; Hayward, California; Kansas City, Missouri; Nashville, Tennessee; Oakland, California; and Philadelphia, Pennsylvania. The objective of the exploratory visits was to understand how welfare recipients are served though these One-Stops (the name of each Center and the local TANF and WIA agencies for each Center are listed in Table I.2). The seven sites were purposively selected mainly to obtain geographic diversity, and no attempt was made to include sites that served high proportions of welfare recipients. While this is not a random sample of sites, these seven localities may be typical in many ways of other One-Stops. However, since the sites were not selected to be representative of all One-Stop Centers, care should be taken in generalizing results from this small sample of sites, especially given the extensive flexibility states and localities have in structuring local arrangements.[1]

The next section provides a summary of the interaction of welfare agencies and workforce development programs based on existing literature, discussions with several representatives of key national organizations, and review of national workforce development program data. The operations and delivery of services to welfare recipients in the selected local One-Stop Centers are described in Section III.

[1] Appendix A provides detailed information on each of the One-Stop Centers visited.

TABLE I.2
One-Stop Centers Visited

Locality	One-Stop Center	Local WIA Agency	Local TANF Agency
Ashville, NC	Mountain Area Joblink Career Center	Mountain Area Workforce Development Board	Buncombe County Department of Social Services
Burlington, VT	Burlington Career Resource Center	Vermont Department of Employment and Training	Vermont Department of Prevention, Assistance, Transition, and Health Access (PATH), Burlington District Office
Nashville, TN	Nashville Career Advancement Center/Davidson County Career Center	Middle Tennessee Workforce Investment Board/Nashville Career Advancement Center	Tennessee Department of Human Services, Davidson County Office
Philadelphia, PA	Philadelphia County Team Pennsylvania CareerLink	Philadelphia Workforce Development Corporation	Philadelphia County Assistance Office
Hayward, CA	Eden Area One-Stop Career Center	Alameda County Social Services Agency, Department of Workforce and Human Services, Workforce Investment Board Division	Alameda County Social Services Agency, Department of Workforce and Human Services, CalWORKS Division
Oakland, CA	Oakland Career Center East	City of Oakland Workforce Investment Board	Alameda County Social Services Agency, Department of Workforce and Human Services, CalWORKS Division
Kansas City, MO	Central Kansas City One Stop Career Center	Greater Kansas City Full Employment Council	Missouri Department of Social Services, Division of Family Services, Jackson County DFS Office

II. THE INTERACTION OF WORKFORCE DEVELOPMENT PROGRAMS AND WELFARE RECIPIENTS

Since the 1960s, federal employment and training programs have had various mandates and priorities, although two overall objectives have remained paramount: helping workers seeking jobs, and serving employers and businesses in meeting their need for labor. Programmatic priorities about targeting services to specific populations, such as the economically disadvantaged or the unemployed, versus providing services to all job seekers and all employers (i.e., universal services) have periodically shifted. Similarly, the priority placed on skills development and the balance between skills training and basic labor exchange (e.g., job placement and job matching) has also varied over time.

Until 1998, the major programs were funded under JTPA, and these programs along with the ES represented the main general resources for skills training and job placement services. In addition, employment and training programs and agencies have had formal and informal roles in welfare-specific employment programs. This chapter examines trends in services to welfare recipients, the historic role of employment and training programs in serving the welfare population, and summarizes key issues related to coordination and interaction between the two systems.

Welfare Recipients in JTPA and the ES

Welfare recipients' participation in JTPA and ES in the 1990s provides a general sense of the extent to which workforce development programs have served welfare recipients. While a new data reporting system is available for WIA, a number of states have not yet submitted data files to DOL and some data inconsistencies were identified for many other states in the first annual files; therefore, those data are not used in this report. Presumably, the general pattern of services to welfare recipients has remained similar since the inception of WIA.[2]

JTPA. Welfare recipients were served under all three of the major components of JTPA: adult programs (Title II-A), dislocated worker programs (Title III), and youth programs (Title II-C). Based on data extracted from the JTPA Standardized Program Information Report (SPIR) system, the following two charts show the number of JTPA terminees[3] on welfare during program years (PY) 1993 to 1999, in aggregate numbers (Chart II.1) and as a percent of all JTPA terminees (Chart II.2).[4]

In general, the total number of all persons participating in JTPA programs declined by about 13 percent between 1993 and 1999. The number of welfare recipients in JTPA, though, declined by a much greater number; 55 percent over the same period—from 100,000 to 46,000. Similarly, welfare recipients gradually represented a smaller share of all JTPA participants, although Title II-A programs continued to serve the most TANF (or AFDC) recipients. In 1993, about one-fifth of all JTPA participants (i.e., terminees) were AFDC recipients—including about one-third of Title II-A adult program participants. By 1999, only about 10 percent of all JTPA participants were on TANF (or AFDC), including about 20 percent of Title II-A participants.

[2] Appendix B provides more detailed JTPA data on the state level.
[3] The reporting convention used in JTPA was to report the individuals once they terminate from the system. Since all individuals terminate, this is generally considered an accurate estimate of the number of participants.
[4] Data were not available for Program Year 1999 for 6 states that were early implementers of the Workforce Investment Act. For those states, we estimated PY 1999 data by assuming that the number of terminees changed by the same percentage as for all other states combined.

A main reason for the decline in the number of welfare recipients in JTPA was probably the shift in resources from the adult and youth programs to dislocated worker programs. As shown in Charts II.1 and II.2, welfare recipients were never a major factor

CHART II.1
JTPA Terminees who were Receiving Welfare, by Title, 1993-1999

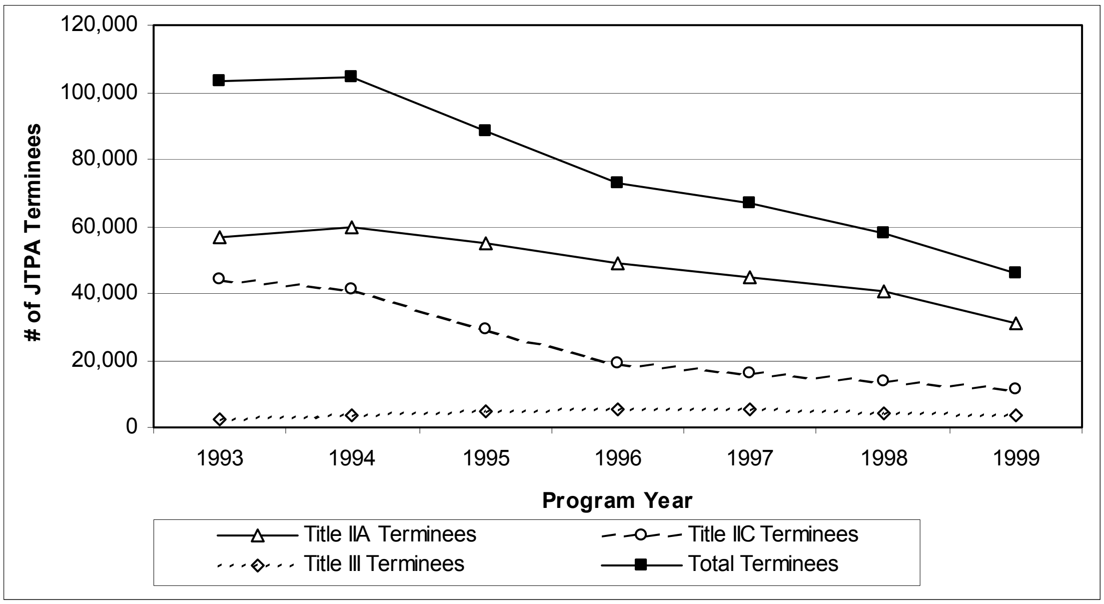
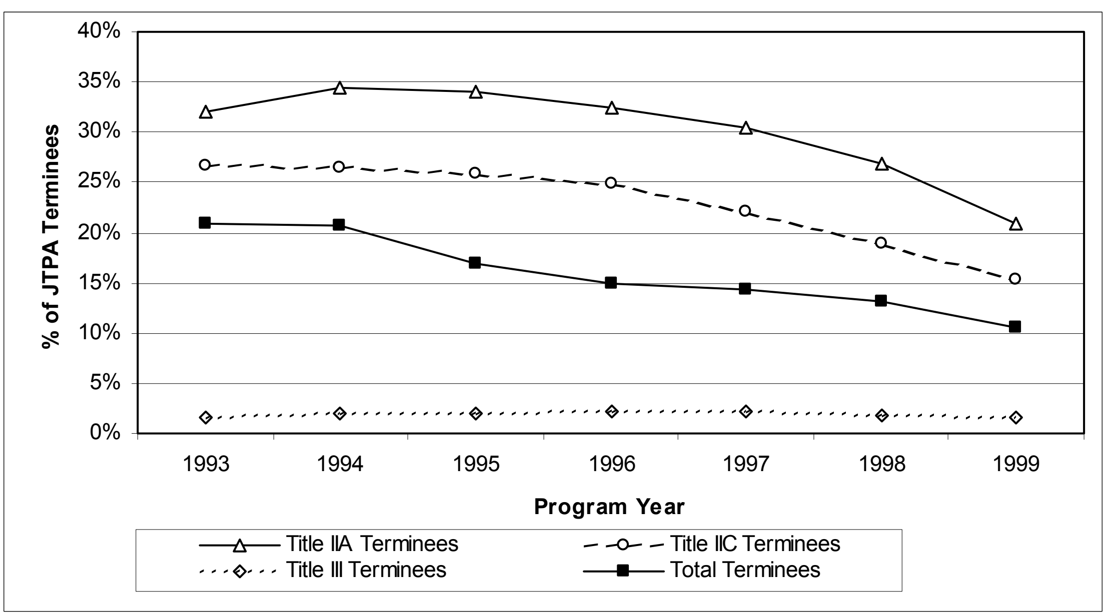


CHART II.2
Percent of JTPA Terminees who were Receiving Welfare, By Title, 1993-1999

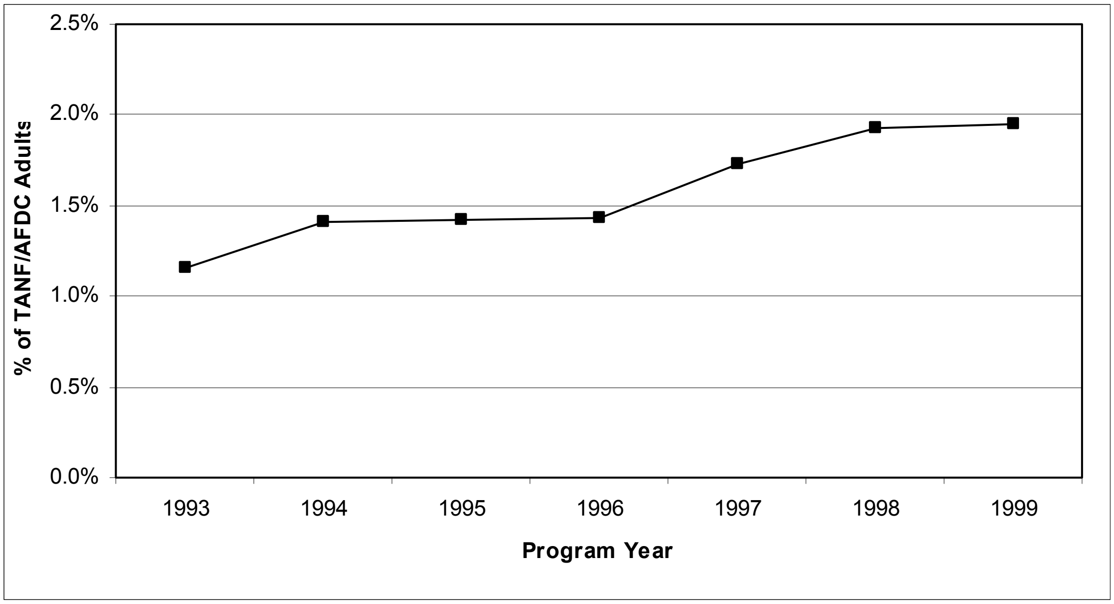


in the Title III dislocated worker program, and over the 1993-1999 period, the proportion of dislocated workers served who were welfare recipients never exceeded 2.2 percent. While the reduction in number of welfare recipients in JTPA is similar to the nation's welfare caseload decline, one would not necessarily have expected this decline in JTPA since the proportion of all welfare recipients historically served by JTPA had been so low. That is, despite the welfare caseload declines, there were still many welfare recipients who could potentially have been served by JTPA.

In fact, the Title II-A program always served significantly more welfare recipients than the other two titles, but as can be seen in Chart II.2, welfare recipients' share of the total served in Title II-A first increased but then declined between PY 1993 and PY 1999. Their share rose from 32 percent of Title II-A terminees in PY 1993 to 34 percent in PY 1994; their share then declined in each subsequent year, reaching 21 percent in PY 1999. The number of Title II-A welfare terminees declined from about 57,000 in PY 1993 to fewer than 31,000 in PY 1999.

Chart II.3 illustrates an important point that is central to understanding the interaction and relationship between workforce development programs and TANF programs: although welfare recipients comprised a fairly significant percentage (20 to 30 percent) of all participants in employment and training programs, they still represented only a very small portion of the nation's welfare recipients. That is, between PY 1993 and PY 1999, fewer than two percent of adults on welfare were enrolled in JTPA each year. Interestingly, the proportion rose slightly between 1993 and 1999, mainly because although the number of welfare recipients enrolled in JTPA fell over this period, the total number of TANF recipients declined by a greater percentage.

CHART II.3
Percent of Welfare Parents who were Participating in JTPA Programs, 1993-1999



The Employment Service. In addition to JTPA, the local ES/Job Service is the other major workforce development program through which welfare recipients may obtain employment assistance. Chart II.4 thus shows the number of ES registrants receiving any type of public assistance over the period 1993-2000.[5] Several important observations can be made from this chart.

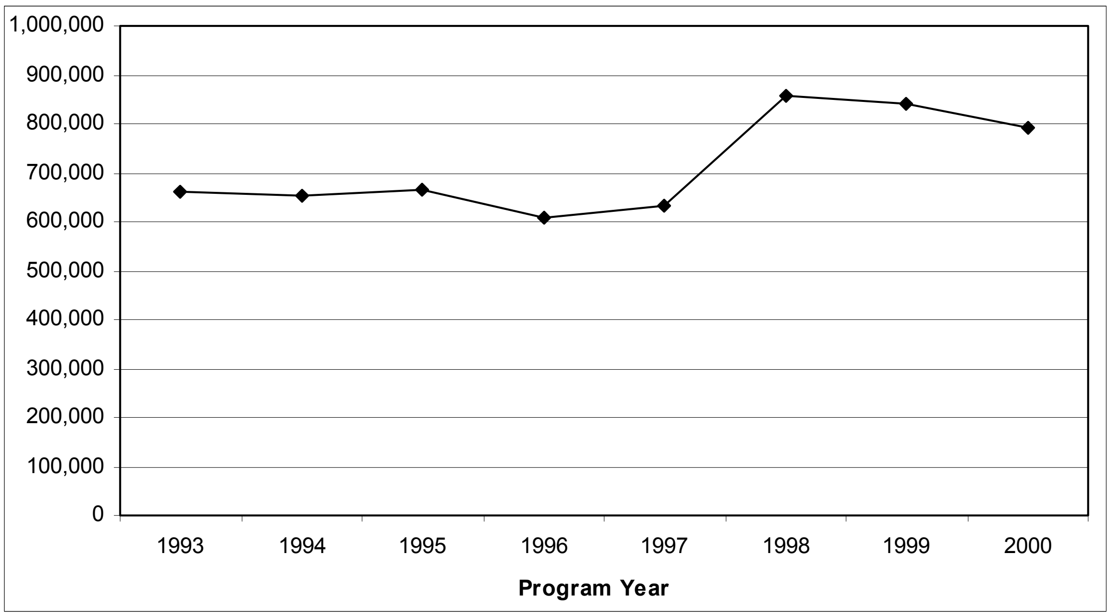
First, as in JTPA, only a small proportion of public assistance adults register with the ES.[6] While more public assistance recipients were in the ES than in JTPA and

[5] Unlike the JTPA reporting system which distinguished welfare recipients by the type of benefit program from which they receive cash benefits, the ES reports all public assistance recipients in the aggregate rather than by each program (i.e., TANF, food stamps, and state general assistance). Appendix C includes national and state ES data from ETA 9002A Quarterly Reports.

[6] We estimate that about 6-10 of percent public assistance recipients may register with the ES. This is based on the following: about 700,000 persons who were registered with the ES in 1993 were reported as "public assistance," compared to about 10-12 million adults on TANF, food stamps, or General Assistance.

while a larger share of all public assistance recipients were registered with ES, in 2000 they represented only about 5 percent of all ES registrants (a bit higher than in 1993 when 3 percent of ES registrants were on public assistance).

CHART II.4
ES Registrants who were Receiving Welfare (GA, FS, or TANF/AFDC), 1993-2000



In addition, total ES registrants declined between 1993 and 2000 by about 20 percent—from about 21 million to about 17 million, reflecting federal budget reductions. However, the number of public assistance recipients registered with the ES actually increased by about 20 percent over the same period (from about 650,000 in 1993 to about 800,000 in 2000). It is possible that the number registering with the ES increased as a result of state welfare reform policies in the late 1990s that strengthened work requirements and mandated more active job search activities.

In FY2000, about 800,000 ES registrants were "public assistance" out of 8 million on TANF, food stamps or General Assistance.

In summary, welfare recipients have enrolled in both the ES and JTPA programs. While there were substantially more public assistance clients in the ES than in JTPA throughout the 1990s, they comprised a much larger proportion of all JTPA participants--about 20 percent of all JTPA terminees in 1999 and 35 percent of Title II-A terminees were TANF recipients. Approximately 5 percent of all ES registrants were TANF recipients. In addition, it appears that the number of welfare recipients registered with the ES increased by about 20 percent during the 1990s, while the number in JTPA declined by about 50 percent.[7] The welfare population represents a greater share of customers in JTPA than the customers in the ES, but in either case those enrolled represent just a small portion of the total adults on welfare.

The decline in welfare recipients' use of JTPA and the rise in the ES probably also was affected by the changes in welfare policies and philosophies in most states, from emphasis on human capital (i.e., training) to immediate employment (i.e., "work first"). It is not clear yet, though, how this will translate into the WIA arena. Some welfare recipients may continue to use the ES for basic job services, although presumably some will also turn to One-Stops for WIA core services. To the extent that all ES/Wagner Peyser services are collocated at the One-Stop and some welfare-related services are also there, welfare recipients may use ES services at that location. If welfare agencies increase their focus on training and upgrading, more TANF recipients may seek and qualify for intensive services under WIA than has been true in the past few years. The next sections examine more closely the changes in the welfare-workforce interaction prior to and under TANF, WIA, and the One-Stop System.

[7] It was not possible in this study to determine what services they received or service effectiveness.

Historic Role of Employment Agencies' Services to Welfare Recipients

The role that One-Stops play in providing services to welfare recipients reflects the changing federal policies regarding both systems, the historic interaction and relationship between the workforce development system and the welfare system before WIA and PRWORA/TANF legislation was enacted, and the more recent relationships around WtW and state welfare reform efforts. It is useful to summarize what is known about the relationship and interaction between these two systems generally, and different perspectives about that relationship.

Employment and training agencies and programs have had both direct and indirect roles and responsibilities for serving welfare recipients. One of the main programs targeted to welfare recipients and delivered by the employment and training system was the Work Incentive (WIN) program, created in 1967 to assist recipients of Aid to Families with Dependent Children (AFDC) to gain employment and to enforce the work requirement introduced at the same time. WIN was jointly administered at the federal level by the Department of Labor and the Department of Health and Human Services (formerly Health, Education, and Welfare). At the state and local level, the Employment Service (ES) and the welfare agency were mandated to operate the WIN program together—the ES staff handled employment services, and welfare social workers in a special staff unit of the welfare agency handled child care, family counseling, and other supportive services. In some places WIN was operated out of local ES offices, in others it was operated out of welfare offices, and in a few it was located within the job training agency. In all cases, personnel from both the employment agency and the welfare agency shared responsibility for delivering WIN services.

Beginning in the 1980s, when states were given the option under demonstration authority of operating the WIN program under a single (rather than dual) agency structure, many state welfare agencies chose to provide employment services directly. In some places the ES continued to provide employment services as in the past (but under subcontract to the welfare agency); in others the administrative entity for the Job Training Partnership Act (JTPA) had a contract from the welfare agency to provide services; and in some places the welfare agency operated their own in-house employment units.

In 1988, the Job Opportunities and Basic Skills (JOBS) Training program, authorized by the Family Support Act, replaced WIN. State welfare agencies were given full responsibility for administering the JOBS program. As during the WIN single-agency demonstration period, some welfare agencies operated their own JOBS program, some contracted with the ES or with the JTPA Private Industry Council (PIC) or the JTPA administrative agency, and a few contracted some JOBS services to other providers, such as community colleges or community-based organizations. [8]

New Roles and Arrangements under TANF and WIA

With the enactment of federal welfare reform legislation in 1996, the structure and institutional arrangements of welfare-employment programs became even more varied. States have wide latitude on how to use the federal TANF block grant, including deciding how much of the TANF funds should be devoted to work-related programs. Some states (e.g., Wisconsin and Utah) have combined the welfare and workforce development functions in one agency at the state level, as part of a broader effort to

[8] For a detailed description of the links between the two systems in 1997 see, Demetra Smith Nightingale, Russell Jones, Carolyn T. O'Brien and Kathleen Brennan, The Structural Link Between JTPA and State Welfare Reform Programs in 1997, The Urban Institute, prepared for the U.S. Department of Labor, Employment and Training Administration, 1997.

create a clear work-based transitional public assistance policy, consistent with the intent of the federal welfare reform law. It is also now quite common for welfare agencies to contract with several employment service providers, including non-profit organizations, other public institutions such as community colleges, and for-profit companies, to operate the TANF work programs. At the local level, One-Stop Centers and workforce investment agencies are often one of several providers of employment services to TANF recipients.

State-Level Interaction Between Workforce Development and TANF. The ES and WIA agencies and programs continue to be important collaborators with welfare agencies—either as a result of their being housed in the same department or agency at the state level, or as contractors to deliver TANF work services. More specifically, there is evidence that more states have integrated TANF and workforce development policies at the state level, and more TANF agencies are formally contracting with workforce agencies to deliver some TANF-work program services.

In a study of linkages between JTPA and state welfare programs, conducted in 1997—one year into the 1996 welfare reform changes and on the eve of the passage of WIA—the Urban Institute found substantial variation.[9] Utah and Wisconsin had integrated their welfare and workforce departments, and four other states had joint administration of the TANF work program and workforce development programs. All other states had less formal linkages, but much informal collaboration at the state level, varied coordination at the local level, and integration initiated by local administrators.

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[9] Demetra Smith Nightingale, Russell Jones, Carolyn T. O'Brien and Kathleen Brennan, The Structural Link Between JTPA and State Welfare Reform Programs in 1997, The Urban Institute, prepared for the U.S. Department of Labor, Employment and Training Administration, 1997.

Utah and Wisconsin are still the only states that are fully integrated at the state level, but a number of other states now also appear more integrated than they had been in 1997. Table II.1 summarizes the state-level linkages in 2002, based on information obtained from DOL federal and regional sources, state information maintained by national associations, and a review of state TANF and workforce development program Internet sites.[10] Most recently, major reorganizations in Ohio and Arizona have more closely integrated welfare and workforce programs in the same state department. In five other states—Connecticut, Florida, Michigan, New York, and Texas—the TANF-work programs and WIA are now located in the same overall department (even though the TANF cash program is in a separate department). This means that nine states now have substantially integrated TANF work activities and workforce activities at the state level (compared to six states with that degree of integration in 1997).

In addition to these nine fairly integrated states, it also appears that compared to 1997, more state welfare agencies in 2002 formally contract with the state workforce agency (20 states in 2002 compared to 16 states in 1997). In the remaining 22 states (down from 29 in 1997), there are no formal contractual or organizational linkages at the state level, but local contracting and coordination often exists because local administrators in these and other states have the authority to develop interagency linkages, even if they do not formally exist at the state level.

[10] The table simply describes the structural linkages at the state level and is descriptive only. It is not intended to measure the quality or effectiveness of the WIA-TANF relationship.

TABLE II.1
State-Level Organizational Linkages Between TANF and Workforce Development Programs

Type of Linkage	Description	States
Full Integration	TANF Cash, TANF Work and WIA are all administered by the same department and agency	Utah, Wisconsin
Departmental Integration	TANF and WIA are administered within the same department or interagency commision; but TANF Cash is administered by one agency or division, and TANF Work and WIA are administered by a different agency or division	Arizona, Ohio
Formal Work Integration	TANF Work and WIA are administered by different agencies within the same department or interagency commission; TANF Cash is in a different department	Connecticut, Florida, Michigan, New York, Texas
Formal Interaction	TANF Work and WIA are administered by agencies in different departments with formal transfer of TANF funds at the state level to operate all or part of TANF Work, or state TANF agency contracts directly with substate local WIB's or One-Stops	Delaware, New Hampshire, Pennsylvania, Missouri, Iowa, Nebraska, New Jersey, Oregon, Oklahoma, Tennessee, West Virginia, Minnesota, Georgia, Massachusetts, Hawaii, North Dakota, South Dakota, Vermont, Montana, Wyoming
Varied Local Interaction	TANF Work and WIA are administered by agencies in different departments at the state level, with few structural links at the state level aside from coordinating committees, MOU's, or task forces	California, Colorado, Idaho, Indiana, Maryland, North Carolina, Virginia, Washington, Alabama, Alaska, Arkansas, District of Columbia, Illinois, Kansas, Kentucky, Louisiana, Maine, Mississippi, Nevada, New Mexico, Rhode Island, South Carolina

Local-level Interaction Between Workforce Development and TANF. There is limited nationwide data about the extent to which local workforce programs in general and One-Stop Centers in particular interact with welfare agencies and programs. However, a study by the U.S. General Accounting Office (GAO) concludes that local interaction between welfare programs and One-Stop Centers appears to be increasing.

GAO conducted a survey of state WIA officials in late 2001 that revealed some degree of welfare-workforce coordination in nearly all states and an increase in coordination compared to the year 2000. According to the GAO survey, TANF funds supported One-Stops in 36 states, One-Stops had linked at least informally with the TANF program in 44 states, and TANF-work programs were colocated at One-Stops in 39 states.[11]

In some states and localities, the ES, WIB, or One-Stop Centers are contracted to deliver just some aspects of the TANF-work program (e.g., conduct work registration or organize job search workshops), while in other places the WIB or ES operates the entire TANF-work program. Regardless of whether the WIB or the ES has a formal contractual arrangement with the welfare agency, whether the welfare agency refers individuals for services, or whether TANF is a One-Stop partner, the universal services mission of the One-Stop system means that welfare recipients and former recipients, like other persons seeking employment services, can seek services in local ES or One-Stop offices on their own.

Coordination Issues

Despite the shared interest of the welfare and workforce systems in serving welfare recipients, the focus and responsibilities of each system create different challenges and different expectations of the other, which have persisted throughout much of their histories but may now be changing. How well the systems have dealt with these challenges is both a function of their perceptions of each other, and a function of different organizational missions and cultures, which vary in different localities.

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[11] Workforce Investment Act: States and Localities Increasingly Coordinate Services for TANF Clients, but Better Information Needed on Effective Approaches, U.S. General Accounting Office, GAO-02-696, July 2002.

Different Cultures, Different Expectations, and Growing Interdependence. Historically, federal welfare programs have been concerned principally with cash support. Although AFDC had some form of work requirement beginning in 1968, until the imposition of TANF's strict work participation requirements, only about one-third of adult welfare recipients were required to register for work-related services, and only about half of those received any employment services or training through the welfare agency's work program (i.e., WIN and then JOBS). While there are differences across localities, the general perception of welfare administrators and officials over the years has been that the workforce development system was not particularly concerned with serving welfare recipients or that programs were not very responsive to the needs of welfare recipients. Administrators and staff on the workforce development side, meanwhile, often perceived that welfare agencies and staff did not really emphasize employment and were more concerned with welfare procedures and requirements surrounding eligibility and cash payment accuracy. These long-standing perceptions reflect different priorities and missions and result in different perspectives of staff in each system.

For example, welfare agency staff may correctly assume that the workforce development programs and agencies are the primary source of publicly-funded employment services in their community. However, these programs have very limited resources. By some estimates, JTPA funding could only allow about 2 to 3 percent of eligible economically disadvantaged persons to be served.[12] The scarce resources meant that many who were eligible could not be served. Since there are no more resources in the workforce development system today than there were before WIA, it is fair to assume

[12] Pamela J. Loprest and Burt S. Barnow, "Estimating the Universe of Eligibles for Selected ETA Programs," The Urban Institute, Washington DC, 1993.

that no more individuals can receive services under these funding streams than in the past. Welfare staff, meanwhile, often note that many individuals they refer to local workforce development programs are not selected for programs because they do not meet some specified requirement (e.g., reading and math levels), or because they have more complex problems than other clients, which make it difficult for them to participate in the programs as designed. Workforce agencies lack the resources, and often the experience, to address the personal deficiencies or social service needs that many welfare recipients have that may hinder their successful participation in programs. In addition, the TANF emphasis in the late 1990s on immediate employment—rather than training or education first—sometimes made it less desirable to consider other employability development activities, that TANF staff and workforce program staff agreed might be helpful for achieving long-term goals.

New Coordination Challenges and Remaining Concerns. Coordination generally refers to situations where two or more organizations work together, through formal or informal arrangements, to meet one or more of the following goals: (1) improve the effectiveness of programs, (2) reduce program costs, (3) avoid unnecessary duplication of services, and/or (4) improve measured performance on outcomes of interest to program administrators.[13] The simplest form of coordination is the sharing of information across programs. Other forms of coordination include joint planning, coordinated referrals, and coordinated provision of services. The most complete form of coordination is program or service integration, where programs merge their funding and

[13]This definition was developed by DOL/ETA for use in an earlier study of local coordination of Job Training Partnership Act (JTPA) programs with other state and local programs: John Trutko, Lawrence Bailis, Burt Barnow, and Stephen French, An Assessment of the JTPA Role in State and Local Coordination Activities, prepared by James Bell Associates, Inc., for the U.S. Department of Labor, Research and Evaluation Report Series 91-D, 1991.

jointly conduct outreach, assessment, service provision, and job placement. In complete service integration, a client may receive a range of services from different programs in a "seamless" process, without repeated intake and registration procedures, waiting periods, or other administrative barriers.[14]

Some emerging literature suggests that interest in effective coordination between welfare and workforce systems is increasing. The literature on coordination between workforce development agencies and other state and local human service programs (including TANF agencies) identifies advantages both for program participants and for agencies.[15] For participants, coordination can result in better access to a wider range of services and a reduction in the barriers to accessing services. In addition, both welfare and workforce development agencies may benefit, by enhancing their ability to place program participants into jobs, being able to better track services and client outcomes, and by creating potential cost savings if duplicative efforts are eliminated.

There are also potential drawbacks to coordination. Disadvantages to the agencies appear to be generally more significant than disadvantages to the clients. The most significant disadvantage is generally the amount of time and effort required to plan and sustain successful coordination. Staff on both sides feel that meetings and other regular interagency communication are the unavoidable cost of coordinating services. Additional time spent completing paperwork required by different federal or state programs is also sometimes mentioned as a cost. Some disadvantages may be

[14]N. Pindus, R. Koralek, K. Martinson, and J. Trutko, Coordination and Integration of Welfare and Workforce Development Systems, The Urban Institute, prepared for the Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, 1999.

[15] For a full review of the literature on both advantages and disadvantages of coordination, and obstacles and mechanisms to promote coordination, see J. Trutko et al., *op. cit.,* 1991, and Karin Martinson, "*Literature Review on Service Coordination and Integration in the Welfare and Workforce Development Systems",* in Pindus et. al,. Coordination and Integration of Welfare and Workforce Development Systems, *op. cit.,* 2000.

ameliorated as agencies become more accustomed to dealing with one another and as the time needed to sustain coordination is reduced.

The recent GAO study mentioned earlier surveyed all 50 states to determine the level of coordination between TANF programs and One-Stop Career Centers. GAO reports that states are increasingly interested in coordinating across programs, that coordination has in fact increased, but that many of the challenges noted above remain, a number of which are specific to the TANF and workforce programs and cannot be resolved easily at the local level.[16] According to GAO, nearly all states reported some coordination at the state or local level, from informal information sharing or periodic referrals, to formal memoranda of understanding, shared intake, or integrated case management. TANF funds are used to support One-Stops in 36 states, and TANF is one of the three largest funding sources for One-Stop Centers in 15 states.

According to GAO, state decisions about coordination depend on several factors, including the expertise residing in different staffs, the geographic areas covered by TANF programs and One-Stops, space availability, and the size of the welfare caseload. Some TANF agencies, for example, operate in state-owned facilities throughout the state or under long-term leases, making collocation with One-Stops not an option. Some state officials also believe that welfare clients needed a higher level of supervision and more structured assistance than can be provided in One-Stop Centers, even if some TANF staff are collocated there.

GAO also found that in many states, welfare and workforce development administrators continued to grapple with issues that are known to make coordination

[16] Workforce Investment Act: Coordination between TANF Programs and One-Stop Centers in Increasing, but Challenges Remain, U.S. General Accounting Office, GAO-02-500T, March 12, 2002.

difficult, such as different definitions and reporting requirements across programs. Information sharing is especially challenging for welfare programs because of confidentiality restrictions and the deliberate separation of data systems, although some states are attempting to overcome this problem. For instance, Connecticut developed a self-sufficiency wage standard that could be applied for reporting entry level wages and objectives in both programs.

Recent conversations with national interest groups and stakeholders conducted for this report reinforce GAO's conclusions that the interest in coordination is growing, but also further highlight the differing views on how much and what sort of coordination is occurring.[17] Whatever the level of coordination, states and localities are still in the early stages of implementing WIA and only beginning to understand the best strategies to support the goals of welfare reform in the context of reform of WIA. States are therefore particularly advocating that they be permitted continued flexibility in both systems, so they can identify strategies that best reflect state and local conditions and that will support their programs as they attempt to respond to individual client needs.

For example, there is general agreement that the two funding streams should remain separate, but differing approaches in the states on whether major funding decisions for welfare employment programs should reside at the state level or at the local level and how responsibility should be distributed between TANF agencies and WIA agencies or WIBs. There are also differing views on the extent to which some TANF funds should be dedicated to the One-Stop system to ensure services to welfare recipients. Many in the WIA community feel that their system continues to be funded at

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[17] Informal discussions were held with representatives of the National Governors Association, Association of Public Human Service Agencies, the National Association of Counties, and the National Association of Workforce Development Professionals.

levels far below what would be required to serve all welfare recipients eligible for services through One-Stops, and that some TANF funds—or more TANF funds—could be used to support employment and training activities for welfare recipients. Many in the TANF community feel a large portion of TANF funds are already devoted to work activities, and are concerned TANF agencies may have to reduce that funding given recent fiscal constraints in many states.

Concern about the content of services provided to welfare recipients through the One-Stop system is also complex, and centers around the WIA restrictions on One-Stops providing direct services and the related issue of whether the One-Stop system can adequately serve individuals with multiple barriers to employment and complex service needs. For example, there is concern in both the WIA and TANF communities that the loss of Welfare-to-Work (WtW) grant funds will not be replaced by other funding and the WIBs and One-Stop Centers will have very limited resources to develop services and programs for harder-to-serve populations. In addition, the WtW grants program, enacted by Congress in 1997, by many accounts encouraged workforce agencies to develop new strategies to serve the types of individuals who may constitute increasing portions of the welfare population. As TANF recipients move into jobs and off the welfare rolls, workforce programs will need to be prepared to address the variety of challenges that will bring these individuals back to the workforce programs for services, perhaps as laid-off or dislocated workers and not as TANF recipients.

Welfare officials express continuing concern about what they perceive to be a very strong business focus of some One-Stops, which they worry may not be sensitive to the needs of low income women with a range of personal challenges as well as family responsibilities. Welfare officials would also like One-Stop services to be more "TANF-friendly," in particular making the sequencing of services sufficiently flexible to provide easy access to training opportunities at appropriate times.

In some states and localities, mechanisms for expanded collaborative efforts between TANF and workforce development agencies were jump-started by the implementation of the WtW Grants program. DOL was responsible for distributing $3 billion over two years to grantees operating programs to help the hardest-to-employ TANF recipients move into jobs. By law, about three-fourths of the WtW grant funds were allocated by formula to states, specifically to a state agency designated by the Governor (usually the workforce development or employment security agency). The state agency in turn passed 85 percent directly to local WIBs, and retained 15 percent for discretionary purposes and programs. One-fourth of the federal funds went to other grantees who were selected by DOL through a competitive grant application process. Most competitive grantees were either local WIBs or non-profit organizations. All WtW grantees were given five years to spend their funds, meaning that by 2004 all grants will have expired. Although WtW grant-funded programs are now winding down, in some localities the grants may leave in place a set of relationships, interagency planning groups, or improved mutual understanding about respective resources and how to serve individuals with a variety of challenges or programs.[18]

Conclusion

Welfare—especially the TANF work program—could be an important partner in the emerging One-Stop system, but a number of challenges remain. Some of these

[18] Demetra S. Nightingale, Nancy Pindus, and John Trutko. *The Implementation of Welfare-to-Work Grant Programs.* Washington, DC: The Urban Institute, 2002.

challenges are common to many federally-funded programs that have different legislative roots, different objectives, and different administrative requirements. As GAO points out, some challenges (such as fiscal reporting inconsistencies) could be resolved at the federal level. However, the role that One-Stop Centers play in serving welfare recipients and the role that TANF agencies play in the One-Stop system derive from differences in the level of devolution of the two programs within a state and historic relationships between the two systems at the state and local level. As the GAO report notes, as states and localities have begun to recognize the shared goals of the workforce and welfare systems, they are developing new ways to interact, but "…these changes, like all culture changes, will take time."

To understand the interaction between TANF and One-Stops better, the next chapter describes how welfare recipients were being served in a sample of One-Stop Centers in 2002.

III. SERVICES TO WELFARE RECIPIENTS IN ONE-STOP CENTERS

The enactment of PRWORA, with its emphasis on time-limited welfare benefits, "work first," and moving large numbers of TANF recipients off the welfare rolls into full-time, unsubsidized employment, created interest in expanding the use of the workforce development system to assist the welfare population in transitioning to work. There are a variety of work-related services currently available through local One-Stop Centers relevant to the varied needs of welfare populations. Such services may be provided through formal collaborative arrangements between the welfare agency and the workforce development agency or One-Stop Center. Alternatively, welfare recipients may seek services through the One-Stop Centers in their communities just as others in the general public do.

Visits to seven sites around the country suggest that the extent to which local One-Stop Centers serve welfare recipients varies considerably, as do the nature of services provided and the interaction between welfare agencies and One-Stops. The extent and intensity of collaboration between the two systems in the localities visited falls along a continuum. At one end of the continuum are sites with both structural and financial ties and formal service delivery components in the One-Stop Centers that are dedicated to welfare clients. At the other end of the continuum, there are One-Stop Centers with no formal organizational or financial linkage with the welfare agency – though even in these sites welfare recipients access services available at the One-Stop. In between are sites where there are varying types of operational linkages, often involving TANF agency staff outstationed at the One-Stop or frequent referral of welfare recipients for employment and other services readily available at the One-Stop. Regardless of whether there are contracts for delivery of services or more informal arrangements for referral and/or collocation of staff, across the seven sites, welfare recipients are receiving a variety of services through the One-Stop Centers.

Despite historic differences in approaches between the two systems and the evolving nature of One-Stops themselves, in most sites visited there is a formal interaction at the administrative level between the welfare agency or its parent agency and the local WIB, and in most sites the One-Stop Center provides one or more formal components of the TANF agency's work program. But the type of structural linkage does not necessarily correlate with the degree to which welfare recipients are served at the One-Stop, the nature or intensity of the services, or the extent to which welfare customers are integrated with other client populations in the service delivery system.

To understand the nature of services to welfare recipients through these One-Stop Centers, the sites are described in the sections that follow across the following dimensions:[19]

- One-Stop administering agency and partners;
- ongoing management of the One-Stops;
- characteristics of the area served by the One-Stop and proximity to the TANF local office;
- staffing arrangements;
- types of agreements between One-Stops and TANF agencies; and
- the services that welfare recipients receive through One-Stop Centers (level and types of service, amount and degree of integration with general customer population).

[19] Appendix A provides detailed information on each of the One-Stop Centers visited.

One-Stop Features and Key Partners

The lead agency responsible for establishing each of the One-Stop Centers visited is the local workforce investment agency, and that agency selects One-Stop Center operators. As discussed in greater detail later in this chapter, TANF agencies have some level of involvement in operations in all seven of workforce systems and collocate (or outstation) TANF staff at most of the One-Stops. In each of the centers visited, the Employment Service (ES) and Vocational Rehabilitation (VR) agencies have a physical presence, and, in varying combinations across the seven sites, other local partnering agencies also provide some services for customers in the One-Stop Centers, including community colleges, local community action agencies, economic development agencies, Job Corps, and other public programs and non-profit organizations serving disadvantaged or special needs populations (e.g., youth, veterans, older workers, disabled individuals, low-income students). In two centers visited (Hayward and Philadelphia), the local Chambers of Commerce and the local housing authority or HUD office are also formal partners in the One-Stop. In one, the family court system is involved.

The Hayward One-Stop Center is unique in that it is operated by an administrative division of the Alameda County Social Services Agency (SSA), and the Alameda County WIA administrative entity is another separate division within that same department. Staff in the WIA division, along with the workforce investment board, designed the One-Stop system. The Hayward One-Stop Center operated by another SSA division is organizationally separate from the WIA division, although both the One-Stop director and the WIA administrator report up the SSA channels to the county SSA director.

The JobLink Career Center in Asheville provides an example of the types of agencies that have formally agreed (under a Memorandum of Understanding signed by all agencies) to outstation staff and make services available at the One-Stop: the Mountain Area Workforce Development Board (the local WIA agency); the North Carolina Department of Social Services (the TANF agency); the Employment Security Commission of North Carolina (providing ES services and unemployment insurance); the Asheville-Buncombe Technical Community College; the North Carolina Vocational Rehabilitation agency; the Schenck Job Corps Center, the Opportunity Corporation of Buncombe/Madison, and Services for the Blind. In larger sites, the One-Stop may partner with a number of providers for similar services. For example, Hayward partners include four community colleges or adult learning schools, and Philadelphia has more than one partner offering literacy services.

Each of the sites visited is a comprehensive career center and several work in tandem with satellite or specialized centers. In some sites, other centers handle specialized services (Oakland) or target special populations (e.g., mini-centers operated directly at public housing projects in Philadelphia). Each comprehensive--that is, full service--center offers a range of services to the general public (see Appendix A for a cross-site comparison of services available through the seven One-Stop Centers). All centers visited offer some form of job club and/or computer-based job search service, and all have a job information or "resource" room open to the public that includes labor market information, job openings lists (computerized job banks and hard copy listings), career information, and usually computers for short-term use (e.g., to prepare a resume). For example, the Nashville Career Advancement Center offers the following: (1) a full-service resource center (which includes Internet access to on-line career services, fax machines, telephone, labor market information (LMI)); (2) employment services (including local and national job searches, help with resume development, resume posting, and help with job search); and (3) assessment and job training services (including skills assessment, career workshops, and information and referral to education and training providers, and payment for training, generally in the form of Individual Training Accounts or ITAs).

Each center has some services, partners, or facilities on-site that make it fairly unique. In Philadelphia, for example, two employers (ARAMARK and United Parcel Service) have permanent on-site recruiting offices, and 25 percent of the visitors to the One-Stop come for these services. The Philadelphia One-Stop Center also hosts a job fair every third Wednesday, coordinated with its partners. Several One-Stop Centers make rooms available for partners and contractors to use for routinely scheduled classes and workshops, such as literacy training, education or skills testing, resume writing and job search, and GED or skills upgrading. Some One-Stop Centers feature "rapid response" services on site to help workers affected by plant closings or mass layoffs. For example, the Hayward Center has "therapy" rooms, initially set up to allow confidential counseling sessions with rapid-response staff. Also, as a member of the EastBay Works consortium (of over 100 organizations and three workforce boards), Hayward One-Stop customers can access on-line (or in person) any one of the 14 One-Stops in Alameda and Contra Costa counties and obtain services that might be unique to another One-Stop or geographic area. The EastBay

Works Internet-based card swipe system, “Smartware,” allows the centers to track activities usage as well.

While each of the centers visited provides a range of comprehensive services, their priorities and missions differ, as do their involvement with the welfare system. A good example is Nashville. In 1997, the One-Stop Center administrators designed and implemented Nashville’s DOL-funded Welfare-to-Work (WtW) grant program. The WtW program facilitated a dramatic shift and expansion of services for welfare clients within the One-Stop Center by contracting with a number of non-profit agencies to implement the Pathways model for case management of hard-to-employ welfare recipients (developed by Project Match in Chicago and implemented under their guidance). However, a change in administration and reconsideration of the mission of the One-Stop has prompted the center to shift again toward serving the needs of employers more directly, for which it feels best equipped, and therefore, shift away from intensive case management and related services to welfare recipients. As of July 2001, the welfare agency no longer contracted with the One-Stop for any discrete or core services for its clients, although several other TANF service partners continue to serve TANF recipients at the One-Stop.

Ongoing Management of the One-Stop

Each One-Stop Center has a director who oversees day-to-day operations of the facility. In each center visited, this individual has line authority over personnel on the payroll of that center operator (e.g., workers who staff the career resource units), but does not have direct line authority over individuals working for other partnering organizations. Usually some type of management committee of partners meets periodically to discuss operations, resolve outstanding issues/problems, and develop plans for enhancing One-Stop operations. For example, in Asheville, a "management team" consisting of key management staff from each of the partnering organizations is responsible for providing direction and oversight for JobLink Career Center. This group typically meets quarterly to make sure services provided through the One-Stop are meeting the needs of the customers, to resolve problems, and to plan for future development of the One-Stop. Administrators and staff at the seven centers also report substantial informal communication and problem-solving among managers and staff of partnering agencies located at the One-Stop Center.

One-Stop Locations and Proximity to Welfare Offices

To some extent the location of One-Stop Centers and the level of on-site participation by partnering agencies reflects the size of the community and the scale and responsibilities of different agencies. In general, the geographic areas covered by One-Stop Centers do not necessarily correspond to the areas covered by other partners, including the local welfare agency. Each of the seven One-Stop Centers interacts with just one local or county welfare agency, although in some cases the welfare agency may work with more than one One-Stop Center. Appendix A provides a more detailed cross-site comparison of the location and several other key characteristics of the seven One-Stops visited.

Geographic Areas and Center Location. Geographic areas served by the One-Stop Centers visited range from a single city or portions of a city to multi-county areas. Some One-Stop Centers also operate satellite centers to serve individuals in outlying areas. All centers in this study are located in fairly populated areas – four of the

One-Stops serve areas with population in excess of 300,000 persons (e.g., Kansas City, Nashville, Oakland, and Philadelphia) and the other three serve local areas with population less than 300,000 persons (Asheville, Burlington, and Hayward). Three of the centers (Asheville, Burlington, and Nashville) also serve surrounding rural areas. The One-Stop Centers in Asheville and Burlington serve single county areas, while the Nashville One-Stop is the full-service center for a larger, four-county area, with additional satellite offices. The size of the local population and the TANF population in the areas served varies substantially—for example, Buncombe County (the county served by the Asheville One-Stop) has a population of about 200,000 residents and an active TANF caseload of about 400, while the four-county area served by the Nashville One-Stop system covers an area with a population of about 850,000 residents and an active TANF caseload of about 8,000.

All seven One-Stops are located in areas accessible by public transportation. The Asheville, Burlington, Hayward, Kansas City, Oakland and Philadelphia career centers are all located in central downtown areas. The Nashville One-Stop is located in a commercial park that is easily accessible by bus from the downtown area. The Hayward Career Center, located in the main county social services building, is one of 14 One-Stops in the EastBay Works consortium, serving all of Alameda and Contra Costa counties. While service areas for each center in the consortium are discrete, career center customers may link electronically to services in any one of the 14 centers.

The Employment Services (ES) is included in One-Stop Centers in various ways. In some places, the only ES services in the localities are provided at One-Stop Centers (Burlington, Kansas City, and Nashville). In other places, the local ES office is not physically located at the One-Stop Center, but is nearby (in Asheville the ES office is located about two blocks from One-Stop Center). In several places, there may be a separate ES office as well as a ES unit collocated at the One-Stop Center to register individuals (with the ES) and provide job search assistance, and to provide information about applying for Unemployment Insurance. In the Oakland area, for instance, there are several full-service One-Stop Centers, each of which includes substantial ES involvement, and the ES also operates an additional office where regular Wagner-Peyser services are offered.

Proximity to Welfare Offices. Proximity to welfare offices varies across the seven sites. The space in which the Asheville One-Stop Center is located is leased from the TANF agency and the building also serves as the headquarters for the local TANF program. All TANF recipients come to this same building to apply for and receive public assistance benefits, which facilitates involvement of TANF recipients in services available through Asheville's One-Stop Center. In Hayward, the One-Stop is located in the same building as the welfare office, and as described above, is operated by a division of the local welfare agency. In Philadelphia, separate One-Stop Centers are assigned to work with specific welfare offices. For historic reasons the One-Stop Center visited for this study is assigned to work with a welfare office located within about a 10-minute walk although there is another TANF office located in the same building as the One-Stop. The Burlington and Nashville TANF offices are located several miles from the One-Stop facility. In both localities, welfare recipients would need to use public transportation or have their own private means of transportation (e.g., a car or ride from a family member or friend) to travel between the One-Stop Center and the local TANF office. Burlington, Nashville and Asheville also serve surrounding rural areas – hence, accessibility to the One-Stop Center for the welfare population may vary within the wider service area. In Kansas City, the welfare office is about 1.5 miles from the One-Stop, which also serves surrounding county areas with satellite offices. Finally, the Oakland One-Stop is on a main bus route from the nearest county welfare office.

Staffing Arrangements

In developing its requirements for One-Stop delivery of services under WIA legislation, DOL extended considerable flexibility to states and localities in determining the design of the local systems (e.g., with respect to location, partners included, client flow, and day-to-day operations of One-Stop Centers). The flexibility and discretion extended to states and localities is reflected in the substantial variation that we observed in the way services are delivered. Staffing arrangements are one expression of that variation.

The number of staff in One-Stop Centers in part depends on the size of the local population served but also in part on the nature and mode of service delivery (e.g., electronic linkage versus on-site staff-administered services). Thus, the two smallest study sites (Asheville and Burlington) have about 20 staff each. The other five One-Stop Centers in our sample had between 42 staff (Philadelphia) and 125 staff (Oakland). The staff located at the One-Stop Centers includes employees from several different agencies, especially those officially employed by the One-Stop Operator (usually with WIA funding).

In six of the seven agencies visited (except Philadelphia), staff from the TANF agency are either collocated in a One-Stop Center or outstationed for some regular portion of their time or to provide episodic services. In Asheville, for example, where both the TANF and WIA agencies are headquartered in the building that houses the One-Stop Center, staff from the two agencies work in separate areas of the building, but one TANF worker is located within the One-Stop Center and delivers specialized case management services to TANF recipients as needed. Other One-Stop partners operate elsewhere in other community locations in Asheville, though each partner outstations small numbers of staff at the One-Stop on a full-time (ES/UI, community college, and Job Corp) or part-time (VR, community action corporation, and Services for the Blind) basis.

In Burlington, WIA and ES staff are headquartered in the One-Stop building. The TANF agency (located at a facility a few miles from the One-Stop) outstations four workers at the One-Stop to provide case management services for the small portion of the caseload receiving services routinely at the One-Stop -- principal earners in two-parent TANF families and a small number of job-ready TANF recipients who volunteer for work or are approaching the time limit. TANF funds also pay for a One-Stop case manager to provide job retention services as part of the recently implemented "Job Keeper" initiative. Other One-Stop partners—Vocational Rehabilitation, Vermont Associates (serving older workers), the Vermont Student Assistance Corporation (providing student loans), and the Vermont Center for Independent Living (providing services for disabled individuals)—are located elsewhere, but outstation small numbers of staff at the One-Stop on either a full- or part-time basis.

In Nashville, WIA and ES staff are all co-located at One-Stop Center. Though TANF workers are located elsewhere in the local welfare office, the TANF agency outstations a TANF case manager at the One-Stop to ensure that One-Stop users are aware of and can easily access TANF and other types of assistance for which they are eligible. Similarly, in Oakland, the welfare agency outstations staff part-time to provide case management, crisis intervention, and special counseling. In Kansas City, the welfare agency outstations three “intensive case managers” to address TANF support issues (e.g., child care, domestic violence services), and other partners also outstation staff at the One-Stop. FEC (the lead agency for the Kansas City One-stop) also outstations its staff at TANF offices, making them, in effect, satellite One-Stop Centers for career readiness and job matching services.

In Hayward, where the One-Stop Center is operated by a division of the Social Services Agency (SSA), most One-Stop staff are SSA employees, operating job clubs, staffing the “resource room,” and coordinating with other One-Stop partners and with the SSA staff in the TANF units located in a different part of the building. ES staff is also located at the One-Stop, but organizationally report to an ES supervisor, not to the One-Stop director. Other One-Stop partners include a number of community-based providers for specialized services, such as language assistance, and continued case monitoring, most of whom use One-Stop conference rooms on regularly scheduled bases.

Finally, in Philadelphia, all partners except the welfare office outstation some staff at the One-Stop. Welfare recipients may receive other services (such as workshops) directly from contractors using career center space.

Agreements Between One-Stops and TANF Agencies

The interaction between One-Stop Centers and TANF agencies usually is specified in a formal memorandum of understanding (MOU) or an interagency agreement. If the agreement between the agencies involves transfer of funds to the One-Stop (e.g., to rent for space occupied by outstationed staff or for services rendered), then a contract is negotiated either in addition to or in place of a MOU. Table III.1 provides an overview of collaborative arrangements between the One-Stop centers and TANF agencies.

A state or local memorandum of understanding takes different forms. The MOU may be enacted at the state-level between the two relevant agencies (as is the case in Kansas City and Asheville). A model MOU may be developed at the state level (between the state TANF and workforce development agencies) and then crafted to fit the local situation. Alternatively, the agreement may be strictly developed at the local level between the One-Stop Center and the local TANF agency (and other partnering agencies).

TABLE III.1: INTERACTION BETWEEN ONE-STOPS AND TANF

One-Stop Site	Signed MOU?	TANF Staff[1] Co-Located/Outstationed	Description of Collaborative Arrangement
Asheville, NC	Yes	Yes	✓ 2-year "resource sharing agreement" among partners to serve employment and training objectives of each agency (TANF is one of these partners). Partners locate staff at One-Stop and provide resources to maintain staff (i.e., salary, fringe benefits, supplies, furniture, equipment, travel, and training). County & WIA pay for rent, utilities, parking maintenance, and computer system/IT.
Burlington, VT	Yes	Yes	✓ State TANF agency contracts with state Department of Employment and Training for One-Stop TANF services: assessment, case management, job search, work activity assignments (e.g., Community Work Experience Program, education and training), and support services for principal earners in 2-parent families, single parents nearing time limit, and Food Stamp applicants and recipients.
Hayward, CA	Yes	Yes	✓TANF (CalWORKS) funds career development and employment counselors in One Stop; and provides \$1200/client/quarter (up to \$87,500). Two-year contracts. ✓Employment Information Services at One-Stop, funded by TANF provides recipients nearing time limit One-Stop orientation.
Kansas City, MO	Yes	Yes	✓State TANF agency developed a 5-year MOU with The Full Employment Council, Inc. (KC WIA Agency) with broad coordination guidelines, and annual contracts with financial details. ✓TANF provides funding (~500K) for FEC staff positions to serve TANF recipients, including job readiness workshops, job placement assistance, and post-employment retention)
Nashville, TN	Yes	Yes	✓Joint memorandum written by state TANF director and state director of employment and training. ✓One-Stop contract to provide case management and employment services for TANF recipients ended July 2001. TANF agency contracts directly with three intermediary service contractors (formerly contracted by the One-Stop) to provide services. These and other providers use the One-Stop in serving TANF recipients
Oakland, CA	Yes	Yes	✓MOU with with county TANF agency is resource sharing agreement, with One-Stop billing quarterly for services per TANF participant served per quarter. TANF staff outstationed at One-Stop on regular basis to provide case management, crisis support, and general information as needed ✓New Employment Information Services (See Hayward).
Philadelphia, PA	Yes[2]	No	✓Local TANF agency is not a paying partner of the 1-stop and does not have formal agreement for outstationing of TANF staff at 1-stop or referral of TANF recipients to 1-stop. ✓County TANF Director sits on consortium responsible to the WIB to review broader business plans, services, approve spending and sites, and meets monthly to review operations.

[1] TANF staff physically in the One-Stop, whether permanently co-located outstationed for scheduled times, are typically performing work-related functions, but some TANF staff are outstationed to attend to eligibility and benefit issues.
[2] MOU is limited to special initiatives to provider retention services and placement services for job-ready TANF recipients – no formal agreement or regular flow of TANF recipients to the One-Stop for services.

Such MOUs will identify specific roles and responsibilities of each One-Stop partner, particularly relating to co-location of staff and types of services to be provided for the target population (i.e., TANF recipients). For example, the MOU implemented in Asheville is for a two-year period (through June 2003), and is a "resource sharing agreement" among partners "to co-occupy premises" of the JobLink Career Center "to more effectively serve the employment and training objectives of each of the agencies." The partnering agencies agree to co-locate staff at the Asheville JobLink Center, with (1) WIA, the TANF agency, the local community college, ES, and Job Corps agreeing to locate full-time staff at the center; and (2) Vocational Rehabilitation and Services for the Blind agreeing to locate part-time staff at the center. In Asheville, each partnering agency provides the resources necessary to maintain staff at the career center (including paying for salary, fringe benefits, furniture, supplies, telephone, travel, and training). The county government pays for costs related to ongoing operation of the One-Stop, including personnel costs of career center staff, rent, utilities, parking maintenance, and computer system costs (with Job Corps picking up its proportional share of cost for space occupied by the Job Corps recruitment office). Finally, each partnering agency in the Asheville site must give 30 days advance notice of plans to terminate the MOU.

The MOU covering One-Stop services to welfare recipients in Kansas City is a five-year contractual agreement between the Missouri Department of Social Services and the Kansas City Full Employment Council, Inc. (FEC), with yearly contract amounts tied to the state budget, which detail levels of funding and services to be provided. Similar to

Asheville, the Kansas City contract covers costs of services provided by One-stops for TANF recipients, such as job clubs, job search, work experience, internships and training, and related support services.

In Vermont, the state TANF agency and the state Department of Employment and Training have historically worked jointly to develop state policies and programs for the employment of welfare recipients. But the state contract between the two agencies uses the One-Stop in Burlington to provide assessment, case management, job search assistance and assignment to work activities and support services for two groups of TANF recipients: principal earners in TANF two-parent recipient and applicant families, and single parents reaching their time limits. The employment service needs of other TANF recipients are arranged by welfare staff in the local welfare office.

In Philadelphia, the county TANF director is a member of an interagency consortium responsible to the WIB for reviewing One-Stop business plans, approving spending and sites and reviewing operations monthly. However, the welfare agency is not a paying partner in the One-Stop Center visited and does not outstation staff at the One-Stop. Rather, the welfare agency contracts directly with specific service providers for a variety of training and work-related services as part of their TANF work requirement, and some of those providers use One-Stop services and information resources. While few welfare recipients reportedly seek employment and training services on their own through the One-Stop, the welfare agency funds the ES, which operates at the One-Stop, to provide post-employment retention services and placement services for job-ready TANF recipients.

In Hayward, a two-year contract between the local WIB and the Alameda County Social Services Agency (SSA) uses TANF dollars to pay for a separate unit of career development counselors within the One-Stop and provides an additional $1,200 per client per quarter reimbursement (up to $87,500 per year) for employment services provided to the TANF population. The Alameda SSA also contributes $130,000 annually to the Oakland PIC's One-Stop Center, and as in Hayward, that One-One Stop is reimbursed quarterly for participants served.

Services Provided for Welfare Recipients at One-Stop Centers

As suggested by the varied institutional descriptions just presented, the seven One-Stop Centers visited provide services to welfare recipients in different ways, ranging from basic core and intensive services available to the general public, to specific services designated just for TANF recipients. In most One-Stop Centers, staff provides services to TANF recipients at various points during their involvement in TANF, as specified by the interagency agreement or contract (i.e., during the application process, while individuals are receiving benefits, and in some cases, after individuals enter the labor market and terminate receipt of TANF benefits). At all the centers visited, no matter how minimal the formal arrangement is between the welfare and workforce development systems for serving TANF recipients through the One-Stop, administrators from both systems reported that many TANF recipients were likely to visit the One-Stop at least at some point during their tenure on TANF.

Precise data on numbers of TANF recipients served at the seven One-Stops are not generally available,[20] although One-Stop and TANF administrators provided rough estimates of One-Stop usage by welfare recipients as a percentage of total customers. Table III.2 provides an overview of estimates of TANF recipients as a percentage of One-Stop users and a description of the typical types of services TANF recipients obtain at One-Stop Centers in the seven sites. In the five sites for which estimates were provided, One-Stop administrators indicate that TANF recipients account for between 10 percent (Asheville) and 25 percent (Burlington, Nashville, and Hayward) of all individuals served by the One-Stop Centers. In Asheville, when individuals receiving food stamps and other adult welfare services are included with TANF recipients, One-Stop administrators estimate that this group accounts for between one-third and 40 percent of all users (and represent the largest group of One-stop users).

Staff in some sites note, however, that some issues may affect patterns of use of One-Stop services by TANF recipients. For example, the "work first" orientation of TANF and need for TANF recipients to meet work requirements makes labor exchange services and labor market information available through One-Stop resource rooms especially relevant to TANF recipients. However, the constraints imposed by TANF work requirements (i.e., limiting time available to attend education or training) and limits on duration of training make it difficult for many TANF recipients to utilize ITAs and other WIA training services until they have secured a job.

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[20] One-Stop center staff indicated that collecting such data is often difficult because of the nature of how services are made available to TANF recipients and to the general public. Staff noted that they make a concerted effort to make it easy for welfare recipients to use their services and are reluctant to ask them to provide any more personal information that is necessary. Staff in at least one site expressed reluctance to stigmatize users by identifying their welfare recipiency. Users of resource rooms and other facility resources may sign-in at the time they use services, but details about whether an individual is or is not a TANF recipient is generally not recorded on such logs.

TABLE III.2: ESTIMATES OF NUMBER OF TANF RECIPIENTS SERVED AND TYPES OF SERVICES RECEIVED AT ONE-STOPS

One-Stop Site	Est. of TANF Recipients as % of One-Stop Users	Principal Services for TANF Recipients at One-Stop
Asheville, NC	10%[1]	✓TANF clients required to register with dedicated ES staff at One-Stop; new recipients visit One-Stop twice, to learn about resources and use computer job search, during mandatory 2-week job readiness workshop at community college; all job-ready TANF recipients attend job club along with other One-Stop participants, and use other job search services (e.g., resource room, workshops, assistance from job club counselors); Job Club counselors track and monitor compliance with TANF work requirements; and WIA staff refer to training. TANF worker in Career Center for case management as needed. In WtW program TANF worker refers to job club and other One-Stop services.
Burlington, VT	25%	✓Assessment, case management, job search assistance and work assignments for principal earners in two-parent families and single parents who volunteer or are reaching time limits, by TANF case managers outstationed at One-Stop. New program uses TANF funds for case manager to provide job retention services to TANF recipients. Other TANF recipients' employment needs arranged at TANF office.
Hayward, CA	20-30%[2]	✓Career Development Unit (with TANF dollars) provides case management, triage welfare recipients to job clubs at the One Stop, or at CBOs contracted for specialized services and continued case monitoring. TANF reimburses $1,200 per TANF client receiving employment services (resource room, job search, one-week mandatory job club for TANF recipients, counseling, community service assignments, other). ✓ "Employment Information Services" orient TANF recipients nearing time limit about One-Stop. ES staff at One-Stop can register TANF recipients and provide job search.
Kansas City, MO	15%	✓DSS contracts for job club, job search, work experience, internships, training, and support services; outstations three case managers to address TANF support issues (e.g., child care, domestic violence). FEC outstations staff at TANF offices, creating mini-satellite offices, for career readiness and job matching services. WtW program at One-Stop refers to classes and other services at One-Stop.
Nashville, TN	25%	✓WtW program (using Project Match intensive case management model) is ending, though WtW Pathways specialist still provides intensive case management and home visits to some TANF recipients. TANF agency ended contractual relationship with One-Stop for employment services in July 2001 (except special transportation and support services historically provided by workforce development system). TANF recipients likely to be brought to One-Stop during TANF orientation, job readiness workshops, or for labor market information (LMI). TANF agency outstations case manager at One-Stop to ensure users can access services for which they are eligible.
Oakland, CA	N/A	✓TANF staff outstationed part-time to provide services to TANF participants. No Job Club at One-Stop. New "Employment Information Services" initiative for TANF recipients raching time limit. WtW program had major outreach program through One-Stop, but most WtW education and training services delivered elsewhere. ES staff at One-Stops can register welfare recipients and provide job search assistance. ✓"Employment Information Services" (See Hayward)
Philadelphia, PA	N/A	✓Two initiatives contracted directly to and run by ES at the One-Stop provide: (1) post-employment retention services; and (2) assessment, career development, LMI and placement services for job-ready TANF recipients. Other employment services provided by contractors through welfare agency; no TANF staff at One-Stop.

[1]When Food Stamp and other DSS adult welfare referrals are included with TANF recipients, the estimate increases to 33-40 percent of all one-stop users.
[2]Estimates include TANF and General Assistance recipients.

Regular One-Stop Services. Some TANF recipients may, and reportedly often do, make use of the regular core and intensive services available at One-Stops just as anyone from the general public might. While One-Stops generally maintain counts on daily use of resource rooms and other One-stop services, sign-in procedures do not typically ask whether customers are TANF recipients – hence, no firm counts on use of One-Stop Centers by TANF recipients are available (independent of referrals made through TANF and other agencies).

Indirect Services at One-Stops by Other TANF Contractors. Welfare recipients sometimes receive services at One-Stop Centers indirectly as a result of the participation in other programs in their communities. For example, in Nashville, until July 2001, the WIA agency (located at One-Stop) in Nashville had been contracted by the TANF agency to provide soft skills training, job search assistance, and post-employment counseling for TANF recipients. Since then, the TANF agency has contracted with other providers for these services. However, although systematic data are not maintained on usage of One-Stop services by TANF recipients, TANF and One-Stop administrators indicate that most TANF recipients still visit the One-Stop at some point during their time on TANF -- either as part of orientation, during job readiness workshops offered by other local vendors, or for ongoing use of labor exchange resources. Staff report that TANF recipients are particularly likely to also use One-Stop services when they are actively engaged in searching for a job. Service providers under contract with the TANF agency still bring participants to the One-Stop one or two times per week to learn about and use the core One-Stop services, attend workshops, and meet with ES counselors. The One-Stop is the also local contractor (for the state) to deliver certain transportation and work-related support services (e.g., dental, optical, other work-related medical services, and uniforms) to TANF recipients -- a continuation of an historical relationship with the workforce development system. Other partners located at the One-Stop provide services for subgroups within the TANF population: (1) VR outstations staff at the One-Stop to provide direct client services for TANF recipients; (2) the Job Corps outstations staff at the One-Stop to provide information about the Job Corps and facilitate the application process; and (3) a WtW Pathways specialist provides intensive case management for TANF recipients at the One-Stop, as well as home visits. Finally, the TANF agency still outstations a TANF case manager at the One-Stop to help ensure that One-Stop users are aware of services available through the welfare agency.

In Philadelphia, the Career Development Unit located at the local welfare office provides employability planning services to welfare recipients and refers individuals to various employment programs in the community. Local ES staff is located in the local welfare office to help individuals register with the ES. While the TANF agency is not a paying partner in the general One-Stop operation, the TANF agency contracts with the ES for two other initiatives delivered by ES staff on-site at the One-Stop. One new program is the "Returners' Initiative," that provides post-employment case management, including visits to employers to aid in job retention. The other contract with the ES, the "New Directions" initiative, refers job-ready welfare clients for up to 60 days of assessment, career development, workshops, referral to GED or other education opportunities, LMI, and placement services using the facilities in the One-Stop. Clients must call in daily and come in for services at least once a week or be sanctioned. In addition to these special initiatives, some TANF intake workers may routinely inform clients about CareerLink services available.

Direct Services for TANF Recipients. Where One-Stops have formal arrangements with TANF agencies to serve welfare recipients, the activities are generally designed to inform participants about the variety of services available through the One-Stop system, then to provide employment and training-related services tailored to each individual's specific needs (especially related to finding a job). These formal arrangements vary across study sites in intensity of services and breadth of population served.

In Asheville, all TANF recipients are required to register for the ES at the One-Stop (with one ES staff person dedicated in the One-Stop Center solely for that purpose) and virtually all TANF recipients determined to be job-ready and unable to secure a job attend a Job Club at the One-Stop and use other One-Stop services (e.g., the resource room and workshops offered by the One-Stop). Asheville's JobLink Career Center provides a good example of the several points at which TANF recipients receive services at the One-Stop:

- All TANF applicants must see an ES worker (outstationed at JobLink) during the application process for TANF benefits. This involves a short interview to determine if the applicant is job-ready, register the individual with the ES, and make certain the individual is aware of the various services and resources available through the ES.

- New TANF adult recipients visit the JobLink as a group twice during a 2-week mandatory job readiness workshop taught at a nearby community college to become familiar with One-Stop resources, ongoing workshops, and other partners and services available through the One-Stop, and to use JobLink computers to search for potential job openings.

- TANF recipients who have not secured a job are mandated to check in daily in-person (or by telephone if on an interview or other job search activity) with a Job Club counselor. The Job Club, open to the general public from 8:30-4:00 weekdays, is operated by case workers outstationed from a local community college, so welfare recipients are mixed in with others but account for most Job Club participants. Job Club counselors provide mostly individual placement assistance; participants use databases, fax machines, telephones, and other resources to structure their job search and go out on interviews. Job Club counselors track individual progress and monitor compliance with TANF work requirements. Some Job Club participants attend GED preparation classes at JobLink two mornings per week.

- TANF recipients may walk in and use JobLink Career Center facilities (particularly the Resource Room), as anyone from the general public might. TANF recipients may also go to the WIA office at the JobLink to obtain information and receive referrals for short-term training (though strict enforcement of work requirements make it difficult for most TANF recipients to attend long-term training until after they have secured a job).

The Hayward and Kansas City One-Stop Centers also provide a range of services explicitly for TANF recipients. Both operate a mandatory one-week job readiness class or job club for TANF recipients. Staff in Hayward note that the CalWORKS (TANF) job club at the One Stop Center is distinct from others at that center and tailored to special needs many TANF recipients (e.g., more soft skills training than other One-Stop customers). The Hayward One-Stop also administers the mandatory unpaid CalWORKS community service assignment for those recipients who do not find jobs. In 2002, the Hayward One-Stop became the lead agency for a new voluntary Employment Information Services (EIS) program to provide welfare recipients who are "timing out" of TANF with detailed information and an orientation about services available through the One-Stop Centers, particularly the universal core services and intensive training options. The EIS is also offered at the Oakland One-Stop Centers visited. Oakland administrators are especially concerned with approaching time limits for the many individuals who have not participated in an employment program. Because of space constraints, there is no job club for TANF participants at the Oakland One-Stop, and the primary services specifically for TANF recipients are provided through the WtW-grant funded program or through referral to programs operated by community-based organizations, with supportive assistance and help with resume writing and interviewing skills provided by CalWORKS staff outstationed at the One-Stop.

Role of ES in Providing Services to TANF Clients at One-Stops

In general, the ES serves TANF recipients in One-Stop Centers by registering them for ES services and making computerized job listings (e.g., America's Job Bank) and other LMI available to assist TANF recipients with job search and placement. In Burlington, the ES is part of the lead agency (the Vermont Department of Employment and Training) operating the One-Stop Center, and hence, locates ES workers at the One-Stop and provides the full range of ES services at the center. In Nashville, the ES has 12 of its staff located at the One-Stop to provide the full range of ES services to TANF recipients and the general public. In Asheville, where the ES is headquartered two blocks from the One-Stop Center, the ES outstations one worker at the One-Stop Center to determine job readiness of TANF applicants and register TANF applicants with the ES as part of their fulfillment of the TANF work requirement, and provide general information about the availability of ES services. In addition, the One-Stop resource room maintains an electronic link to job listings maintained by ES.

In other sites the ES offers more extensive or specialized services to TANF recipients. In Kansas City, for example, the ES is located at the One-Stop and is under contract with the Department of Family Services to provide a range of services (registration, job search, counseling, job club, classroom training and support services) to "able-bodied" Food Stamp beneficiaries and some TANF recipients. In Philadelphia, TANF recipients register with the ES electronically, but, as described earlier, the welfare agency also contracts with the ES to provide retention and placement services at the One-Stop for TANF recipients. In addition to applying for unemployment insurance at intake, TANF recipients may attend weekly Employment Information Services meetings run by the ES (or get one-on-one assistance), as part of the new initiative described above.

Role of the Welfare-to-Work (WtW) Grants at One-Stops

The role of WtW in serving TANF recipients through One-Stops is gradually winding down (in Asheville, Nashville, Kansas City, and Oakland) or ended (Burlington, Hayward, and Philadelphia). In Asheville, a TANF worker at the One-Stop Center determines whether TANF recipients referred to a two-week job readiness workshop (held at the One-Stop Center) are 70- or 30-percent WtW eligible. This same TANF worker also conducts an intake interview with the small numbers of non-custodial parents (NCP) referred from the courts and the local child support enforcement agency, determines WtW eligibility, refers NCPs to a two-week job readiness workshop or job club, provides transportation vouchers, assesses, and (as appropriate) refers NCPs to other available support services. In Kansas City, the WtW program operates out of the One-Stop with one WtW staff person who assigns those referred from the welfare agency to orientation, classes and other services. The Oakland PIC (the operator of the One-

Stop) trained workers to do outreach under the PIC's WtW grants, though the site reported that few used the career center's services because they tended to be in school or training through the WtW program.

The Nashville One-Stop Center has operated a WtW program using the Project Match Pathways model. Although the program is scheduled to terminate in 2002 and will not be picked up by the TANF agency, the experience offers lessons in collaboration that may be particularly applicable to serving welfare or other disadvantaged populations who may require a combination of service providers with different expertise. In response to very poor referral rates at the start of the grant, the WIB partnered the One-Stop with community-based organizations so that staff at the One-Stop Center could provide administrative and technical support and funding for paid work experience slots, while staff at the CBOs, presumably in closer touch with hard-to-serve individuals, could provide case management services and employment preparation. The arrangement increased referrals dramatically.

Conclusions

The site visits provided an opportunity to begin to explore the similarities and differences in the structure of One-Stop Centers and the ways in which WIA, TANF, ES, and other agencies collaborate to provide services to TANF recipients making the often-difficult transition from welfare to full-time, unsubsidized work. The One-Stop system represents one of a variety of avenues available at the local level to provide TANF recipients with the services they need to make that transition. Welfare recipients may (and often do) take advantage of the same services that are generally available to the public through the One-Stop system (e.g., LMI available in career resource rooms, workshops regularly run by the One-Stop to enhance job seeking skills). One-Stops may also host activities and services (e.g., job readiness workshops, job clubs) that are specially designed to serve TANF applicants or recipients and move them quickly along the pathway toward employment.

Despite the differences we observed in the One-Stop systems in the seven localities, each brings together a range of services that are particularly relevant to enhancing TANF recipients understanding of the labor market and to facilitating the job search and placement process. According to many TANF administrators and staff, among the most important potential benefits of partnering with One-Stops are that such partnerships can contribute to increased knowledge and use of employment and training-related services by TANF applicants and recipients. One-Stops can make it easier for TANF recipients to obtain the expertise, services, and resources available through the workforce development system (e.g., knowledge of and linkages to employers, expertise in job search methods, and capabilities to assess client employment readiness and needs). In addition, the One-Stop environment facilitates awareness of services available through other One-Stop partners and can make it easier for TANF recipients to take advantage of such services (e.g., VR, links to community colleges, specialized services available through CBOs).

As the preceding site observations attest, the ways in which TANF recipients are served through the One-Stops studied are varied. One-Stops are evolving and refining their service delivery strategies, and their relationships with TANF agencies are evolving, reflecting the flexibility extended by DOL to states and localities in designing their local workforce systems and in responding to local needs, and also the evolving nature of welfare reform. Organizational arrangements that determine the way in which TANF recipients are served are themselves varied and, importantly, do not predict the intensity of services or density of use by welfare recipients. Thus, the TANF director in Philadelphia sits on the consortium that oversees the operation of the workforce system, but the welfare agency formally uses the One-Stop only as a venue for its contract with the ES for special services for portions of its caseload. The TANF agency in Nashville has ended its principal contractual relationship with the One-Stop work employment services, but TANF recipients continue to receive core services through the One-Stop and continue to comprise a substantial portion of all One-Stop users.

The experiences of the One-Stops visited also suggest lessons for improving services for welfare recipients. As evidenced by the often separate programs for welfare recipients, such as job clubs, workshops or counseling rooms dedicated to providing services for welfare recipients, many welfare recipients may need different or enhanced services, such as increased soft skills training. While some One-Stops are sensitive to the potential for stigmatization that might arise from identifying welfare receipt in application procedures, others have also attempted to make accommodations for different needs of welfare recipients. Greater sensitivity on the part of the workforce development system to both special needs and avoidance of stigma may help to reduce some of the frustration reported in the past by both systems as they have attempted to work with each other. In the sites that are co-located with the welfare office, family-friendly designs including on-site child care could make participation in the One-Stop by welfare recipients significantly easier. Work requirements and limits on receipt of training services, especially long-term training, limit the ability of welfare participants to take advantage of training-related services. However, One-Stop Centers may facilitate access to such training services, especially once TANF recipients begin working. One-Stops may also attend to retention services, including intensive case management, which are proving increasingly important to newly-employed welfare recipients. Finally, One-Stop partners can learn to capitalize on their special expertise and rely on other partners or other providers within the context of the One-Stop for services for which they are less equipped. This has proven especially helpful in dealing with disadvantaged populations, where, for example, community-based organizations with greater access and perceived legitimacy can provide the route in to services, and One-Stop partners can provide the technical support or specialized training necessary for individuals to advance.

IV. IMPLICATIONS

The increasing interaction between welfare and workforce development agencies means that there are arrangements in place to expand the services to welfare recipients, former recipients, and low-income working parents through the One-Stop system. The implementation of WIA on the heels of welfare reform, as well as the experience of serving welfare recipients through the WtW grant-funded programs, have afforded WIBs and One-Stops the opportunity to gain valuable knowledge in how to deliver intensive services to special populations.

But there are even fewer resources to serve welfare recipients under WIA than there were under JTPA, when only about 2 percent of eligible individuals received services. If WIA intensive services are expected to serve an increasing number of welfare recipients, and if they are to build on their current base of knowledge and partnerships, several strategies ought to be added to the thinking of policymakers and program planners.

First, if the workforce investment system is expected to increase their emphasis on welfare recipients and also maintain services to other groups, the WIA and One-Stops will need more resources than they currently receive. The resource constraints at the service delivery level are likely to become more serious in the next two years for two reasons. WtW grants, which have been a major source of funding for services to welfare recipients in many local areas, are ending. At the same time, state TANF agencies no longer have substantial discretionary resources. Caseloads in many states have risen, meaning more of the TANF block grant must be used for benefit payments, and some state policymakers are facing hard choices about whether they can continue to fund some special employment initiatives that had been developed with TANF discretionary funds.

Although differences in philosophies between welfare and workforce systems remain, there are clear indications (from the literature and from discussions with representatives of various groups) that both welfare and workforce officials are eager to collaborate and each could expand services with more funding. Specifically, whatever the differences in missions and emphases, welfare agencies will continue to look to the One-Stop Centers, at a minimum, to expose welfare recipients to the resources available through the centers, including training and education as well as access to labor market information, job search resources and other assistance in identifying jobs.

Second, policymakers may want to consider a new grants program to expand upon the WtW grant program experience, focusing on not only welfare recipients, but former recipients and low-wage working parents in general. Through the implementation of welfare reform and the WtW Grants program, many WIBs and One-Stop Centers have gained new programmatic expertise about addressing the needs of special populations, especially the hard-to-employ. The WtW grant initiative played an important role in developing new models for the workforce development system to serve individuals with multiple barriers to employment, and in expanding the participation of community-based organizations and faith-based organizations within the workforce development system at the local level. It is important that that expertise not be lost with the expiration of WtW.

Third, policymakers and local program planners may want to consider ways to encourage ongoing services to former welfare recipients. Staff and administrators in both the welfare and workforce development systems are increasingly aware of the need to address the challenges of job retention for low-wage workers in general and for those with multiple barriers, particularly as the economy has softened from its unprecedented run in the 1990s. The Employment Information Services initiative in Alameda County is an example of how welfare recipients nearing their time limits can receive an intensive orientation to the One-Stop system and the range of services available to all workers in the community. WIA initiatives and programs for incumbent workers (e.g., skills upgrading, workplace-based education or training, refresher training) might similarly consider modifications that might be appropriate for former welfare recipients who are newly employed.

This limited exploratory study suggests several directions for further study. Although our review of seven sites provided a glimpse into important variations in program models, the review also reinforced our sense that there are differences that require more in-depth exploration in a greater variety of settings in order to understand how they affect the relationship between welfare and One-Stops and the delivery of services to welfare recipients. There may be differences in access to services in rural areas, in areas in which welfare policy is less devolved to the local level and therefore planning across systems may be somewhat more complicated, and differences in program philosophies that play a role in how and what services are delivered through the One-Stop and to what effect. The continuing reference in the literature and in current conversations with policymakers and stakeholders to the challenges in working across the two systems, paired with our observations that the two systems are poised and eager to work together, suggest that we need a more precise understanding of how geography and other jurisdictional issues play a role, and what service allocation and service strategies have been used in different settings to satisfy the objectives of both systems to serve welfare recipients and other disadvantaged populations with continuing need for services.

APPENDIX A:

CROSS-SITE COMPARISON OF ONE-STOP CAREER CENTER FEATURES

AND SERVICES FOR WELFARE RECIPIENTS

TABLE A.1: CROSS-SITE COMPARISON OF ONE-STOP CAREER CENTER FEATURES AND SERVICES FOR WELFARE RECIPIENTS

LOCATION	ASHEVILLE, NC	BURLINGTON, VT	HAYWARD, CA	KANSAS CITY, MO	NASHVILLE, TN	OAKLAND, CA	PHILADELPHIA, PA
Job Center Name	Joblink Career Center	Burlington Career Resource Center	Eden Area One Stop Career Center	Central Kansas City Missouri Career Center	Nashville Career Advancement Center	Oakland Career Center	Team Pennsylvania Careerlink
Agency Operating One-Stop Center	Mountain Area Workforce Development Board	Vermont Department of Employment and Training (DET)	Department of Workforce Development (part of Alameda Co. Social Services)	The Full Employment Council, Inc. (FEC)	Nashville Career Advancement Center (a division of Mayor's office)	Oakland Private Industry Council, Inc.	Philadelphia Workforce Development Corporation
Area Served by One-Stop	Buncombe County	Chittenden County (but serve some residents of nearby Franklin & Grand Isle Counties)	"South County": Castro Valley, Hayward, San Leandro and San Lorenzo	"Urban core" of Kansas City (but serve some residents elsewhere in Jackson County)	Davidson County (includes Nashville) and 3 surrounding counties (Wilson, Rutherford and Trousdale)	City of Oakland	City of Philadelphia (north portion of central city)
Characteristics of the Service Area	One mid-sized city (Asheville) and several smaller rural towns	One mid-sized city (Burlington) and several smaller rural towns	Urban area adjacent to Silicon Valley	Urban	Major city (Nashville), but also rural areas in 3 outlying counties	Urban	Urban
Description of Physical Location of One-Stop	Downtown Asheville, in same building as TANF agency. WIA, WtW, & some TANF staff in 1-Stop; ES located about 2 blocks from 1-Stop	Downtown Burlington. WIA &ES co-located at 1-Stop; county's TANF office located about 5 miles from 1-Stop	Career Center co-located with county welfare department, sharing employment and training facilities in 1-stop.	One-Stop located in downtown Kansas City. WtW & ES located at One-Stop; county TANF office located about 1.5 miles from 1-stop.	Commercial park (accessible by bus from downtown). DHS office located several miles away and not easily accessible to 1-stop.	Central downtown location. WIA, ES, Vocational Rehabilitation, WtW, some TANF staff part-time at One-Stop	One-Stop centrally located in city; 1-stop serves TANF office located several blocks way

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Year One-Stop Established	1998	1999	1999 (co-location since July 2001, integrated into DSS July 2002)	1997 (system emerged during the 1990's)	Workforce services at current site for many years (but major renovation 3 years ago)	Opened in 1993; at current site since 1998	1999
Est. Service Area 2000 Population	206,330	146,571	297,662	~350,000	847,982	399,484	1.5 million
Est. TANF Caseload 2002 (Excluding Child-only Cases)	393	~600	~2,800 total cases, ~1,880 total adults (March '02)	6,100	8,000 (6,500 have active work requirement)	~9,200 total cases, ~6,200 total adults (March '02)	**N/A**
Nature of Agreement Between One-Stop and Local TANF Agency	Memorandum of Understanding establishes roles of each partner (TANF is one of these partners); key aspects of MOU: -2-year agreement (7/1/01-6/30/03) -A" resource sharing agreement" among partners to serve employment and training objectives of each agency -MOU specifies that partnering agencies co-locate and maintain staff (i.e., pay for salary, fringe benefits, supplies, furniture, equipment, travel,	-At the state level, the TANF dept. (Prevention, Assistance, Transition, and Health Access – PATH) has contracted with the state DET for provision of assessment, case management, job search assistance, work activities (e.g., Community Work Experience Program [CWEP], education and training), and support services for principal earners in TANF two-parent families and single parents timing out, and for Food Stamp applicants	-One-Stop is division of Social Services Agency and Career Center Staff report to SSA. -TANF (CalWORKS) funds career development unit and employment counselors in One Stop; plus provides $1200/client/ quarter (up to $87,500), though actual costs considerably higher and not fully reimbursed. -Contract extension every 2 years	-The Missouri TANF agency (Department of Social Services – Division of Family Services) developed a 5-year MOU with FEC establishing broad guidelines of coordination, and year-by-year contracts (tied to the state budget) spelling out financial details of the relationship. - TANF provides funding (~500K) for FEC staff positions to serve TANF recipients, including providing job readiness workshops, job	-Joint memorandum written by state TANF director and state director of employment and training -One-Stop ended its contractual relationship in July 2001 to provide case management and employment services for TANF recipients -The Nashville TANF agency continues to contract directly with three contractors to provide these services -- Catholic Charities, YMCA and The Pencil Foundation.	-MOU with County Social Services Agency (SSA), pays $130,000 in resource sharing agreement and services billed per participant per quarter -TANF staff outstationed at One-Stop on regular basis to provide case management, crisis support	-Local TANF agency is not a paying partner of the 1-stop and does not have formal agreement for outstationing of TANF staff at 1-stop or referral of TANF recipients to 1-stop (each local welfare agency has discretion to determine extent of collaboration with local one-stops) -County TANF Director sits on consortium responsible to the WIB to review broader business plans, services, approve spending and sites, and meets monthly to review operations

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	and training) at One-Stop - county and WIA will pay for rent, utilities.	and recipients -Agreement specifies scope of services, payment		placement assistance, and post-employment retenti			

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Staffing Arrangement for One-Stop (Including Shared Staff with TANF Program)	-About15 Career Center workers, plus 5 part-time outstationed workers from other agencies staff the 1-Stop Center -WIA, WtW, & TANF agencies staff are located in the same building that houses One-Stop Career Center (though TANF staff not considered part of 1-stop) -Other partners are headquartered in other locations, but outstation staff at One-Stop either full-time (ES/UI, community college, Job Corp) or part-time (VR, Job Corps, CAC, and Services for the Blind)	-About 16 staff at the Career Resource Center, including 2 WIA case managers; 1 DVOT; 4 customer service representatives; 1 employment career counselor; 1 clerical; 2 employer representatives; 2 supervisors; and One-Stop director -TANF outstations 4 workers at One-Stop for case management services for principal earners in 2-parent families and other job-ready volunteers -WIA and ES staff located at Career Resource Center - Other One-Stop partners are headquartered in other locations, but outstation staff at One-Stop	- About 82 total (including 24 part-time partners' staff)]-Includes about 35 CalWORKS employment counselors; 4 Career Center managers; and Career Development and Job Development teams - DSS and EDD outstation staff at the one-stop for some time (e.g., 2 days per week) - DSS: Employment Counselors for triage to Job Clubs, principally at One Stop, or to CBO for special service (e.g., language problem), and continued case monitoring, while client receives services in one stop or other provider -All partners outstation some staff at One Stop for varying time commitments	-About 100 total staff at the One-Stop (includes about 70 FEC staff and outstationed staff from other partners) - TANF agency outstations three "intensive case managers" at 1-Stop to deal with support issues (e.g., child care assistance, domestic violence services) -Most partners have a staff member outstationed at the one-stop, across the street, or at the One-Stop on a rotating basis - FEC locates staff at main and local TANF offices (making them satellite one-stop offices) for career readiness and job matching services - The ES office and staff are located at the One-stop	-About 60 staff work at the One-Stop -Substantial number of WIA and ES staff located at the One-Stop -One TANF staff case manager is outstationed at One-stop (paid for by TANF) to ensure that One-stop users can avail themselves of income benefits programs for which they are eligible	-Staff of 125 (includes intake, -senior career counselors, LMI coordinator, workshop and training coordinators (job search, resumes, money smart), data entry, business services, job developers for WtW and Title I) - About 75% of staff on site, 25% outstationed - DSS and EDD outstation staff at the one-stop for some time (e.g., 2 days per week) - DSS: Crisis workers, Employment Counselors	-42 Career Center workers, including: corporate partners (8 staff), ES (20), WIA (9) -No TANF staff outstationed or co-located at one-stop

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Overview of Services Available to the General Public Through the One-Stop	-Main services available include: (1) job placement assistance (local job listings, Internet job listings, ES/UI representative, job seeking skills workshops, youth services); (2) career development services (job club, pre-employment certification, job training/ITAs, OJT); (3) computer resource center (access to computers for job search, career exploration, resume preparation; keyboarding and Microsoft tutorials; library of books and resources on job seeking and retention skills); (4) career planning (individual/group career guidance, career assessment, aptitude testing)	-Main services available include: (1) job placement assistance (local job listings, Internet job listings, ES/UI representative, job seeking skills workshops, youth services); (2) job training and career development services; (3) labor market information and range of computerized resources (access to computers for job search, career exploration, resume preparation; library of books and resources on job seeking and retention skills); (4) career planning (individual/group career guidance, career assessment, aptitude testing)	-Universal services plus veterans, older workers, disabled, welfare, youth, Job Corps, dislocated workers -Employer services include rapid response for plant closings/layoffs, and job fairs. -Internet-based card swipe system (Smartware) tracks activities usage and grants access to any center in EastBay Works consortium -Staff are available to assist in job search -Universal Job Club -Resource room/career library, job search assistance; computer lab for job search, resumes, training, phone banks, fax machine (20 general access computers, EDD computers for DMV, UI and employer job search, 8 dedicated to LMI services, others for workshops, training, PowerPoint orientation.	Main services available including: (1) resource room (with local and Internet job listings, job postings and referrals, local labor market information, computers and fax machine); (2) assessment services; (3) descriptions of and referrals to education and training providers; (4) financial assistance workshops (to inform customers about TANF and other assistance programs; (5) unemployment insurance filing	Main services available include: (1) full-service resource center (Internet access to online career services, fax machines, telephone, LMI); (2) employment services (local and national job searchers, help with resume development, resume posting, help with job search); and (3) assessment and job training services (skills assessment, career workshops, information and referral services on education and training options	- Career center resource rooms; computer lab with CalJOBS (computerized job matching service) - UI application - DSS Crisis Support - -Access to EastBay Works consortium through Internet-based card swipe system (Smartware)	Main services: (1) electronic job listings from web-based databases and community-based providers; (2) web-based information on career planning, assessment resources including ABLE testing and common intake; (3) job search workshops, resume preparation and screening; (4) help in skills assessment and career planning; (5) information on education and training and financial and other support services -Several routinely scheduled classes, run by contractors -- workshops for resume writing and job search skills -One-stop hosts a job fair 1 time/month -1/4 of one-stop users come for ARAMARK and UPS recruitment and orientation workshops

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Overview of Services Available to TANF Recipients at One-Stop	-TANF recipients may use core and intensive services generally available to the public (e.g., resource room, training services, etc.) -All TANF applicants see Employment Security Commission worker at One-Stop for short interview to determine if applicant is job-ready, register for ES, and learn about services available through ES and One-Stop Career Center -During ASPIRE (Additional Support for People in Retraining and Employment) 2-week job readiness workshop (attended by new job-ready TANF participants & volunteers), participants visit One-Stop twice for several hours to learn of available services and begin	-TANF recipients may use core and intensive services generally available to the public (e.g., resource room, training services, etc.) -TANF program contracts with DET (on statewide basis) to assess and case manage all principal earning parents (PEPs) in 2 parent households (about 1/10 of TANF caseload). DET develops family matrix and family development plan to guide services for PEPs. -The PEP in all 2-parent applicants (and some single parents) are required to report to the One-Stop within 2 days of TANF application for up to 4 weeks of job search -If not placed in jobs, One-Stop is responsible for coordinating and developing workplacements	Above plus (1) employment counseling services, (2) mandatory week-long 30-hour separate CalWORKS job club (more soft skills training than general clients), plus (3) three-week networking job search assistance, (4) if no job, mandatory unpaid community service assignment, or (5) voluntary unpaid work experience (for those on cash assistance 18-24 months), (6) job development (job club, job fairs, email distribution, catalog of hot jobs), (7) workshops (interviewing, resumes, career counseling) -Voluntary "Employment Information Services" started in August for cases timing out, to reintegrate clients into One Stop universal and	All of the above plus (1) career and employment planning; (2) a week-long, 40-hour job readiness class (covering interviewing, resumes, attitude); (3) up to four-week (30-hour/week) job search/job development/job matching services; (4) as needed, three-month paid work experience assignments for skills development; (5) paid internships and on-the-job training with employers, often with a commitment to hire; (6) up to $350 in funds for work-related expenses (e.g., childcare, supplies) as well as vouchers for housing and other needs; (7) retention incentive payments to customers ($300 for 30 days employment; $1800 for 9 months	-TANF recipients may use core and intensive services generally available to the public (e.g., resource room, training services, etc.) -WIA agency (located at One-Stop) was contractor until July 2001 to provide soft skills training, job search assistance, and post employment counseling for TANF recipients. -Since July 2001, other contractors have taken over from WIA providing these services for TANF recipients, but contractors still bring participants to the One-Stop 1-2 times per week to learn about and use the core One-Stop services, attend workshops, meet with ES counselors -TANF agency outstations case manager to One-Stop for TANF services.	All of the above plus (1) WtW services: support services, access to unpaid internships, OJT with 50% wage reimbursements, Adult Schools and Junior Colleges, ESL, office skills, medical assistance, job development, retention specialist services with regular follow-up to six months; (2) CalWORKS (Employment Information Services for clients timing out: resumes, emailing, and interviewing skills; (3) DSS employment counselor 2 days/wk for benefit issues, childcare and transportation assistance, ancillary expense payments, case management; (4) UI staff assist with UI registration, benefits	-No formal flow of TANF recipients to one-stop, though TANF recipients may use one-stop just as anyone else in the public -TANF Career Development Unit (at TANF office) provides employability planning and referral to most employment services (thereby bypassing one-stop) -Some TANF intake workers routinely inform clients about one-stop services and location -To encourage TANF recipients use of 1-stop services, one-stop regularly sends flyers (via e-mail/ and fax) to welfare districts and other partners about upcoming job fairs, employer recruitment activities, and its calendar of events.

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	job search -If not employed after ASPIRE, most job-ready TANF recipients attend daily Job Club at One-Stop to meet work requirements – they typically receive help with job leads, coaching from counselors on effective job search techniques, and use LMI and other resources generally available at One-Stop -Though constrained by work requirements and limits on training, small numbers of TANF recipients go to WIA office to obtain information about and referrals for short-term training	for PEPs (including work, education and training, CWEP, and other subsidized work) -When single parent near the end of their time limits, TANF programs refers individuals to 4-week job readiness/job search workshop held at the One-Stop; participants see DET case manager at least once a week; workshop participants receive help with job search and are expected to make between 7-10 contacts/week with employers.	intensive services. Includes Caretaker Training Initiative, administered by Oakland PIC, for unskilled licensed practical nurses to train up to RN. -University-based evaluation in progress (employer, client satisfaction, employment rate) -Two rooms and one of four units dedicated to TANF and GA	employment); (8) nine months of formal post-employment follow-up and 12 additional months of informal follow-up, with job search and matching if needed	-One-stop is local contractor to state to provide special transportation and work-related support services		

LOCATION	ASHEVILLE, NC	BURLINGTON, VT	HAYWARD, CA	KANSAS CITY, MO	NASHVILLE, TN	OAKLAND, CA	PHILADELPHIA, PA
Estimates of Number/Percent of TANF Recipients Receiving Services Through One-Stop	-All adult TANF recipients at least visit and are registered for ES at One-Stop -Virtually all TANF recipients determined to be job-ready and unable to secure a job attend Job Club at One-Stop and use other One-Stop services (e.g., resource room and workshops offered by One-Stop)	-Staff indicated that almost all TANF recipients will at least visit the One-Stop at some point -An estimated ¼ to 1/3 of TANF recipients are enrolled in activities at the One-Stop (e.g., case management, help with job search, 4-week job readiness workshop or attend Job Keepers)	-About 170 CalWORKS clients served per quarter -Average caseload of 135 (staff reported)	- All non-exempt adult TANF applicants recipients must report to the One-Stop for job search - Staff estimates that 70% of TANF recipients use 1-stop at some point; -Between 600-700 TANF recipients were served at the One-Stop in 2001, representing about1/10 of the adult TANF cases in the service area	-Most TANF recipients visit One-Stop (once or twice a week) to look for a job -Not tracking exact numbers of welfare recipients served by One-Stop	-Many do not use Oakland PIC because community colleges or CBOs do direct placement	-TANF recipients not formally referred to one-stop, though may hear about one-stop through TANF agency or word-of-mouth; and use one-stop as general public does)
Estimate of TANF Recipients as a % of All One-Stop Users	-TANF recipients estimated at 10% of those served by One-Stop -TANF, FS, and other adult services – estimated at 33-40% of one-stop users	-TANF recipients estimated at 25% of those served by One-Stop	-20-30% are on CalWORKS or GA (staff estimate; difficult to track because SmartWare is self-declaration)	-TANF recipients estimated at 15% of those served by One-Stop	-TANF recipients estimated at 25% of those served by One-Stop	N/A	-Small percentage -- number of recorded visits by TANF recipients from 7/00 to 6/01 was 116 (1%) of total 9,907 visits

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Role of ES at One-Stop	-ES headquartered 2 blocks from One-Stop, but outstations 1 worker at One-Stop to register and determine job readiness of TANF applicants; also provides information about ES services -One-Stop resource room has electronic link to job listings maintained by ES	-ES is part of DET -- so ES workers co-located at one-stop and provide full-range of ES services at one-stop	-As part of intake, clients apply for UI directly with EDD staff - An Employment Service Information Group meets weekly, on a voluntary basis – one-on-one meetings can be arranged individually	-ES co-located at One-Stop, and hence, the full-range of ES services are available at 1-Stop -ES has contract with DFS to provide services to TANF recipients; DFS refers "able-bodied" individuals, mostly Food Stamps but including TANF, recipients to ES for services (e.g., registration, job search, counseling, job clubs, & support services such as transportation)	-ES has staff (12) co-located at One-Stop, and hence, the full-range of ES services are available at the One-Stop	-ES has workers outstationed at One-Stop to answer questions about UI; ES operates separate One-Stop at another location	-ES has 20 staff located at one-stop (including 4 veterans' representatives) -One-stop serves as a full-service ES office, including registration, job readiness workshops, resume preparation, help with job leads and placement; employers also come on site for recruitment activities

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Role of WtW grants program in One-Stop	-Outstationed DSS worker at the One-Stop certifies whether TANF recipients referred to ASPIRE are WtW eligible – classify individuals as 70 or 30 percent eligible so state can pay for services under WtW program -Outstationed DSS worker at One-Stop receives referrals of non-custodial parents from court and child support enforcement; interviews NCPs; determines WtW eligibility; refers individuals to ASPIRE workshop and job club, and provides help with transportation	-No role – WtW program no longer operational.	WtW Retention program ended June 2002. Had three contractors (Hayward Adult School, Vallecitos Center for Employment and Training, and Eden I and R; Veterans stress counseling still operating	-WtW program operates out of the One-Stop -- site serves both competitive and formula individuals -DFS workers refer eligible persons to the WtW worker at the One-Stop, who assigns them to orientation, classes, and other WtW services	-The Nashville One-Stop ran a WtW program using the Project Match Pathways model, which is ending in 2002 and will not be picked up by the TANF agency -The WtW Pathways specialist provides intensive case management and home visits to TANF recipients -WtW provided opportunity to collaborate with CBOs serving WtW/TANF recipients, increasing referrals to WtW program	-Oakland PIC has competitive and formula WtW grants, 600 current participants - Trained outreach workers to do WtW applications, included bonus payments of $50/enrollment, $50 for 6 month retention, $100 for 1 year retention - Problems merging CalWorks and WtW rules, also too many eligibles - Most WtWs don't use career services because they are in school/training and those organizations help with placement	-No role – WtW program no longer operational.

LOCATION	ASHEVILLE, NC	BURLINGTON, VT	HAYWARD, CA	KANSAS CITY, MO	NASHVILLE, TN	OAKLAND, CA	PHILADELPHIA, PA
Management of One-Stop	-Management Team consisting of key management staff within partnering agencies responsible for providing direction and oversight that One-Stop services are meeting customers needs -Management Team typically meets quarterly to plan and resolve problems/issues that arise; also issues often resolved through informal discussions of center managers/staff	-TANF involved from beginning in planning of One-Stop; planning group of about 20-30 individuals (including representatives of DET and TANF) met about 6 times -Planning group that originally met monthly in getting One-Stop off the ground, now meets about every 2 months to discuss organization, changes, and problems.	- Four managers at the Career Center - While CalWORKS staff are under SSA and co-located with them, there is still traditional organization separation - CBO contracting is done for the whole county -Eastbay Works has an internet tracking system for 14 Career Centers	-Weekly meetings of managers of all agencies within the One-Stop -Monthly LINC meetings with citizens, employers, participants, and workers -Weekly meetings between One-Stop staff and DFS on-site staff -Monthly meetings of DFS staff with One-Stop staff in satellite offices	-Close relationship between TANF and workforce system at state and local levels: TANF agency represented on state and local WIBs during PRWORA and WIA implementation; TANF agency heavily involved in the creation of the local One-Stop; TANF trained all WIA staff in TANF issues	-Eastbay Works has an internet tracking system for 14 Career Centers	-TANF agency not formally involved in management of one-stop -Weekly meetings of 1-stop management team includes 1-stop director, WIA director, ES manager, and ES supervisor -Monthly one-stop partner meetings (all partners) held to discuss one-stop operations
Misc. issues re interface between TANF and One-Stop	-TANF and One-Stop staff perceive (1) that TANF clients and TANF administrators may be better aware of various services available through One-Stop because located in same building (2) referral of TANF recipients to other services at the One-Stop is easier and	-DET brings workforce development expertise to serving TANF recipients -- knowledge of employers, job search methods, and ability to assess job readiness -One-Stop makes other useful services readily available for	-Colocation has been critical factor in both TANF agency focus on One Stop and in stemming what would otherwise be 50-75% attrition rate in referrals (drop off rate to Job Club was huge, now nearly non-existent). Facilitates childcare in the building.	-Co-location of TANF and One-Stop workers leads to daily informal interaction and closer coordination -Co-location saves time for customers, since job preparation and case management services at the same office	-Early issues, potential policy conflicts worked out at state level. For example, TN, not a "work first" state, allows anyone with less than 9th grade education level to engage in training activities, therefore defined core services and intensive services so that TANF	- WIB committed to serving poor and disadvantaged, but no performance standards tied to welfare.	-Some have suggested need for outstationing TANF staff at one-stop, but TANF views outstationing TANF as drain on scarce resources. TANF agency not satisfied with past contracts with ES to serve TANF recipients, so TANF relies on own contractors to for employment and training services

LOCATION	ASHEVILLE, NC	BURLINGTON, VT	HAYWARD, CA	KANSAS CITY, MO	NASHVILLE, TN	OAKLAND, CA	PHILADELPHIA, PA
	recipients are more likely to show up for services because they are in the same office building (3) by being located in the same building as the One-Stop, DSS case managers can informally talk with One-Stop staff and check to see if TANF recipients are showing up for One-Stop services – so partnering facilitates tracking and feedback of information	TANF recipients – for example, referrals to VR for more in-depth assessment of disabilities are easier because a VR worker is outstationed at the One-Stop	-Relationship between Employment Counselors (TANF) and One stop generally good but issues still being ironed out.		assessments would count as WIA assessment to satisfy WIA performance standards -WIA longer-term training was incompatible with TANF needs, so shorter-term and demand occupation training was developed to serve TANF customers.		-TANF agency has no future plans to outstation TANF staff at 1-stops or to make financial contribution to 1-stop operations -Local one-stop director eager to provide services for TANF recipients -- views one-stop as offering state of the art services relevant to needs of TANF recipients (e.g., Internet access to jobs, job readiness training, specialized employer recruitments, and more)

APPENDIX B:

WELFARE RECIPIENTS SERVED THROUGH JTPA, BY STATE

TABLE B.1

TOTAL NUMBER OF JTPA TERMINEES (TITLES II-A, II-C, AND III)

State	Project Year							Percentage Change
	1993	1994	1995	1996	1997	1998	1999	
Alabama	9,763	7,836	6,936	6,848	7,532	7,893	5,250	**(46.2%)**
Alaska	799	930	1,052	909	1,126	1,383	1,580	**97.7%**
Arizona	6,459	6,856	6,368	6,499	5,979	6,649	6,287	**(2.7%)**
Arkansas	7,380	5,480	5,331	5,668	6,163	4,126	4,507	**(38.9%)**
California	51,575	58,965	62,480	66,437	63,250	61,773	63,559	**23.2%**
Colorado	7,225	6,742	7,247	5,899	5,124	5,137	4,525	**(37.4%)**
Connecticut	5,640	4,957	4,273	6,212	6,282	6,814	8,333	**47.7%**
Delaware	1,720	1,214	1,280	1,175	1,162	1,233	1,029	**(40.2%)**
District of Columbia	530	1,363	842	1,247	794	839	1,508	**184.5%**
Florida	22,714	22,987	22,772	21,224	18,336	22,807	22,503	**(0.9%)**
Georgia	12,151	12,584	18,391	15,610	16,877	12,749	10,271	**(15.5%)**
Hawaii	1,285	2,226	1,878	1,847	2,661	3,222	3,215	**150.2%**
Idaho	1,769	1,745	1,697	1,892	2,133	2,107	2,137	**20.8%**
Illinois	24,825	24,172	27,434	19,619	17,552	16,102	15,895	**(36.0%)**
Indiana	8,282	7,803	10,147	8,799	9,126	7,485	7,382	**(10.9%)**
Iowa	4,766	4,168	2,751	3,022	2,797	2,180	2,001	**(58.0%)**
Kansas	2,794	2,318	3,576	3,407	3,642	2,407	2,255	**(19.3%)**
Kentucky	9,041	8,085	6,017	5,261	5,381	6,643	6,496	**(28.1%)**
Louisiana	14,242	15,193	11,662	10,550	11,025	9,675	11,804	**(17.1%)**
Maine	2,459	2,349	2,348	2,668	2,505	2,522	2,379	**(3.3%)**
Maryland	12,395	14,734	14,768	10,643	12,157	11,919	10,595	**(14.5%)**
Massachusetts	19,328	17,013	14,856	12,121	12,454	9,843	7,991	**(58.7%)**
Michigan	22,253	20,882	14,139	14,351	12,416	13,514	12,495	**(43.9%)**
Minnesota	8,409	10,434	8,048	5,550	5,737	5,656	6,028	**(28.3%)**
Mississippi	9,879	9,366	9,011	9,364	9,457	9,821	10,556	**6.9%**
Missouri	11,390	10,584	9,943	8,664	8,293	8,224	9,690	**(14.9%)**
Montana	1,927	1,615	1,551	1,244	1,285	773	1,114	**(42.2%)**
Nebraska	1,858	1,595	1,218	1,012	1,106	1,075	1,187	**(36.1%)**
Nevada	2,204	2,601	2,535	2,729	3,215	3,231	2,514	**14.1%**
New Hampshire	2,373	2,666	1,542	1,782	1,378	1,181	1,425	**(39.9%)**
New Jersey	11,705	15,944	28,118	22,851	18,235	11,896	12,653	**8.1%**
New Mexico	2,876	2,966	2,541	2,741	3,370	3,671	4,615	**60.5%**
New York	21,846	27,752	26,441	33,597	33,578	28,984	22,258	**1.9%**
North Carolina	10,125	9,876	8,453	8,031	7,957	8,020	5,681	**(43.9%)**
North Dakota	1,014	1,200	1,192	1,050	1,599	858	955	**(5.8%)**
Ohio	19,637	17,677	19,842	15,121	14,607	14,782	14,767	**(24.8%)**
Oklahoma	5,016	4,569	4,806	6,201	3,573	1,968	2,503	**(50.1%)**
Oregon	6,693	6,995	7,850	6,554	5,969	5,954	4,946	**(26.1%)**
Pennsylvania	24,825	26,261	26,808	25,292	22,769	20,634	20,161	**(18.8%)**
Puerto Rico	5,751	4,528	14,303	13,605	13,401	15,470	11,171	**94.2%**
Rhode Island	2,466	3,219	2,421	2,992	2,229	1,794	1,307	**(47.0%)**
South Carolina	8,328	9,036	10,897	12,153	9,375	8,090	10,192	**22.4%**
South Dakota	2,073	2,559	2,714	1,900	2,247	2,178	2,274	**9.7%**
Tennessee	6,692	7,642	8,193	7,664	7,739	5,523	10,598	**58.4%**
Texas	39,295	38,527	35,550	30,419	28,941	30,738	30,132	**(23.3%)**
Utah	2,325	2,127	1,987	1,442	1,289	1,309	1,273	**(45.2%)**
Vermont	2,112	1,964	1,624	883	853	890	890	**(57.9%)**
Virginia	10,925	11,026	9,512	9,559	9,559	8,269	7,968	**(27.1%)**
Washington	8,773	10,583	11,444	10,956	12,399	12,051	11,257	**28.3%**
West Virginia	6,983	6,052	5,777	4,014	2,945	4,468	5,075	**(27.3%)**
Wisconsin	10,133	9,299	8,196	6,763	6,503	5,923	7,362	**(27.3%)**
Wyoming	730	621	719	763	651	538	900	**23.3%**
U.S. Total	497,758	504,929	521,481	486,804	466,733	442,991	435,449	**(12.5%)**

TABLE B.2
NUMBER OF JTPA TERMINEES (TITLES II-A, II-C, AND III)
WHO ARE RECEIVING WELFARE

State	Project Year							Percentage Change
	1993	1994	1995	1996	1997	1998	1999	
Alabama	1,557	1,109	842	651	446	347	201	**(87.1%)**
Alaska	189	257	230	222	337	314	274	**45.0%**
Arizona	1,025	1,227	997	1,093	823	701	569	**(44.5%)**
Arkansas	1,123	778	466	396	342	270	231	**(79.4%)**
California	11,517	12,657	12,564	12,113	11,035	9,493	7,981	**(30.7%)**
Colorado	1,672	1,636	1,414	1,172	916	637	494	**(70.5%)**
Connecticut	1,178	909	640	567	704	699	615	**(47.8%)**
Delaware	415	304	262	234	165	127	95	**(77.1%)**
District of Columbia	54	264	170	215	161	148	220	**307.4%**
Florida	5,727	5,563	4,614	3,381	2,939	3,394	2,651	**(53.7%)**
Georgia	2,038	2,125	2,122	1,303	1,239	1,498	1,295	**(36.5%)**
Hawaii	182	212	248	265	474	554	499	**174.2%**
Idaho	288	286	246	214	210	103	52	**(81.9%)**
Illinois	4,759	5,074	3,944	3,012	3,100	2,342	1,539	**(67.7%)**
Indiana	1,390	1,249	1,041	760	701	622	488	**(64.9%)**
Iowa	1,014	927	597	481	388	344	307	**(69.7%)**
Kansas	611	485	595	544	424	214	135	**(77.9%)**
Kentucky	1,840	1,594	1,226	838	852	956	741	**(59.7%)**
Louisiana	3,066	3,298	2,044	1,703	1,663	1,124	1,200	**(60.9%)**
Maine	479	450	391	378	279	238	241	**(49.7%)**
Maryland	3,125	3,099	2,419	1,090	1,675	1,649	1,437	**(54.0%)**
Massachusetts	3,140	3,351	2,599	1,579	1,717	1,570	882	**(71.9%)**
Michigan	5,162	5,251	2,586	2,143	1,796	1,566	855	**(83.4%)**
Minnesota	2,034	2,378	1,795	1,200	1,250	964	1,057	**(48.0%)**
Mississippi	1,650	1,280	993	691	651	402	266	**(83.9%)**
Missouri	1,789	1,791	1,515	1,487	1,373	1,228	904	**(49.5%)**
Montana	384	329	297	195	225	131	208	**(45.8%)**
Nebraska	474	444	248	225	211	173	203	**(57.2%)**
Nevada	299	357	550	479	476	314	119	**(60.2%)**
New Hampshire	507	619	357	212	189	94	113	**(77.7%)**
New Jersey	2,708	2,982	2,495	1,914	1,837	1,639	1,197	**(55.8%)**
New Mexico	445	485	404	515	514	527	603	**35.5%**
New York	4,636	5,793	4,821	5,427	4,604	3,681	2,353	**(49.2%)**
North Carolina	2,199	2,296	1,832	1,614	1,507	1,197	690	**(68.6%)**
North Dakota	152	147	156	113	96	68	50	**(67.1%)**
Ohio	5,653	4,938	4,355	3,185	3,192	2,771	2,107	**(62.7%)**
Oklahoma	942	707	763	502	409	245	181	**(80.8%)**
Oregon	1,068	1,075	926	606	452	362	313	**(70.7%)**
Pennsylvania	8,046	8,547	8,718	7,359	5,717	5,711	4,421	**(45.0%)**
Puerto Rico	41	111	378	326	811	847	556	**1256.1%**
Rhode Island	480	639	387	404	421	378	152	**(68.3%)**
South Carolina	1,378	1,213	1,165	977	782	498	383	**(72.2%)**
South Dakota	286	326	304	258	231	149	103	**(64.0%)**
Tennessee	2,107	2,920	2,057	1,774	1,060	618	1,079	**(48.8%)**
Texas	6,331	5,714	4,743	3,847	3,179	2,757	2,166	**(65.8%)**
Utah	473	358	307	211	191	227	176	**(62.8%)**
Vermont	263	305	269	153	121	150	119	**(54.9%)**
Virginia	1,796	1,657	1,404	1,145	1,037	754	496	**(72.4%)**
Washington	1,909	2,055	1,893	1,727	2,012	1,577	1,141	**(40.2%)**
West Virginia	1,575	1,527	1,157	721	607	748	898	**(43.0%)**
Wisconsin	2,292	2,202	1,941	1,315	1,009	855	645	**(71.9%)**
Wyoming	61	0	146	165	73	33	0	**(100.0%)**
U.S. Total	103,529	104,391	88,633	73,101	66,623	58,008	45,700	**(55.9%)**

TABLE B.3

PERCENT OF JTPA TERMINEES (TITLES II-A, II-C, AND III) WHO ARE RECEIVING WELFARE

State	Project Year							Change in Percent	Percentage Change
	1993	1994	1995	1996	1997	1998	1999		
Alabama	15.9%	14.2%	12.1%	9.5%	5.9%	4.4%	3.8%	**-12.1%**	**(76.0%)**
Alaska	23.7%	27.6%	21.9%	24.4%	29.9%	22.7%	17.3%	**-6.3%**	**(26.7%)**
Arizona	15.9%	17.9%	15.7%	16.8%	13.8%	10.5%	9.1%	**-6.8%**	**(43.0%)**
Arkansas	15.2%	14.2%	8.7%	7.0%	5.5%	6.5%	5.1%	**-10.1%**	**(66.3%)**
California	22.3%	21.5%	20.1%	18.2%	17.4%	15.4%	12.6%	**-9.8%**	**(43.8%)**
Colorado	23.1%	24.3%	19.5%	19.9%	17.9%	12.4%	10.9%	**-12.2%**	**(52.8%)**
Connecticut	20.9%	18.3%	15.0%	9.1%	11.2%	10.3%	7.4%	**-13.5%**	**(64.7%)**
Delaware	24.1%	25.0%	20.5%	19.9%	14.2%	10.3%	9.2%	**-14.9%**	**(61.7%)**
District of Columbia	10.2%	19.4%	20.2%	17.2%	20.3%	17.6%	14.6%	**+4.4%**	**43.2%**
Florida	25.2%	24.2%	20.3%	15.9%	16.0%	14.9%	11.8%	**-13.4%**	**(53.3%)**
Georgia	16.8%	16.9%	11.5%	8.3%	7.3%	11.7%	12.6%	**-4.2%**	**(24.8%)**
Hawaii	14.2%	9.5%	13.2%	14.3%	17.8%	17.2%	15.5%	**+1.4%**	**9.6%**
Idaho	16.3%	16.4%	14.5%	11.3%	9.8%	4.9%	2.4%	**-13.8%**	**(85.1%)**
Illinois	19.2%	21.0%	14.4%	15.4%	17.7%	14.5%	9.7%	**-9.5%**	**(49.5%)**
Indiana	16.8%	16.0%	10.3%	8.6%	7.7%	8.3%	6.6%	**-10.2%**	**(60.6%)**
Iowa	21.3%	22.2%	21.7%	15.9%	13.9%	15.8%	15.3%	**-5.9%**	**(27.9%)**
Kansas	21.9%	20.9%	16.6%	16.0%	11.6%	8.9%	6.0%	**-15.9%**	**(72.6%)**
Kentucky	20.4%	19.7%	20.4%	15.9%	15.8%	14.4%	11.4%	**-8.9%**	**(44.0%)**
Louisiana	21.5%	21.7%	17.5%	16.1%	15.1%	11.6%	10.2%	**-11.4%**	**(52.8%)**
Maine	19.5%	19.2%	16.7%	14.2%	11.1%	9.4%	10.1%	**-9.3%**	**(48.0%)**
Maryland	25.2%	21.0%	16.4%	10.2%	13.8%	13.8%	13.6%	**-11.6%**	**(46.2%)**
Massachusetts	16.2%	19.7%	17.5%	13.0%	13.8%	16.0%	11.0%	**-5.2%**	**(32.1%)**
Michigan	23.2%	25.1%	18.3%	14.9%	14.5%	11.6%	6.8%	**-16.4%**	**(70.5%)**
Minnesota	24.2%	22.8%	22.3%	21.6%	21.8%	17.0%	17.5%	**-6.7%**	**(27.5%)**
Mississippi	16.7%	13.7%	11.0%	7.4%	6.9%	4.1%	2.5%	**-14.2%**	**(84.9%)**
Missouri	15.7%	16.9%	15.2%	17.2%	16.6%	14.9%	9.3%	**-6.4%**	**(40.6%)**
Montana	19.9%	20.4%	19.1%	15.7%	17.5%	16.9%	18.7%	**-1.3%**	**(6.3%)**
Nebraska	25.5%	27.8%	20.4%	22.2%	19.1%	16.1%	17.1%	**-8.4%**	**(33.0%)**
Nevada	13.6%	13.7%	21.7%	17.6%	14.8%	9.7%	4.7%	**-8.8%**	**(65.1%)**
New Hampshire	21.4%	23.2%	23.2%	11.9%	13.7%	8.0%	7.9%	**-13.4%**	**(62.9%)**
New Jersey	23.1%	18.7%	8.9%	8.4%	10.1%	13.8%	9.5%	**-13.7%**	**(59.1%)**
New Mexico	15.5%	16.4%	15.9%	18.8%	15.3%	14.4%	13.1%	**-2.4%**	**(15.6%)**
New York	21.2%	20.9%	18.2%	16.2%	13.7%	12.7%	10.6%	**-10.6%**	**(50.2%)**
North Carolina	21.7%	23.2%	21.7%	20.1%	18.9%	14.9%	12.1%	**-9.6%**	**(44.1%)**
North Dakota	15.0%	12.3%	13.1%	10.8%	6.0%	7.9%	5.2%	**-9.8%**	**(65.1%)**
Ohio	28.8%	27.9%	21.9%	21.1%	21.9%	18.7%	14.3%	**-14.5%**	**(50.4%)**
Oklahoma	18.8%	15.5%	15.9%	8.1%	11.4%	12.4%	7.2%	**-11.5%**	**(61.5%)**
Oregon	16.0%	15.4%	11.8%	9.2%	7.6%	6.1%	6.3%	**-9.6%**	**(60.3%)**
Pennsylvania	32.4%	32.5%	32.5%	29.1%	25.1%	27.7%	21.9%	**-10.5%**	**(32.3%)**
Puerto Rico	0.7%	2.5%	2.6%	2.4%	6.1%	5.5%	5.0%	**+4.3%**	**598.1%**
Rhode Island	19.5%	19.9%	16.0%	13.5%	18.9%	21.1%	11.6%	**-7.8%**	**(40.3%)**
South Carolina	16.5%	13.4%	10.7%	8.0%	8.3%	6.2%	3.8%	**-12.8%**	**(77.3%)**
South Dakota	13.8%	12.7%	11.2%	13.6%	10.3%	6.8%	4.5%	**-9.3%**	**(67.2%)**
Tennessee	31.5%	38.2%	25.1%	23.1%	13.7%	11.2%	10.2%	**-21.3%**	**(67.7%)**
Texas	16.1%	14.8%	13.3%	12.6%	11.0%	9.0%	7.2%	**-8.9%**	**(55.4%)**
Utah	20.3%	16.8%	15.5%	14.6%	14.8%	17.3%	13.8%	**-6.5%**	**(32.2%)**
Vermont	12.5%	15.5%	16.6%	17.3%	14.2%	16.9%	13.3%	**+0.9%**	**7.1%**
Virginia	16.4%	15.0%	14.8%	12.0%	10.8%	9.1%	6.2%	**-10.2%**	**(62.1%)**
Washington	21.8%	19.4%	16.5%	15.8%	16.2%	13.1%	10.1%	**-11.6%**	**(53.4%)**
West Virginia	22.6%	25.2%	20.0%	18.0%	20.6%	16.7%	17.7%	**-4.9%**	**(21.5%)**
Wisconsin	22.6%	23.7%	23.7%	19.4%	15.5%	14.4%	8.8%	**-13.9%**	**(61.3%)**
Wyoming	8.4%	0.0%	20.3%	21.6%	11.2%	6.1%	0.0%	**-8.4%**	**(100.0%)**
U.S. Total	20.8%	20.7%	17.0%	15.0%	14.3%	13.1%	10.5%	**-10.3%**	**(49.5%)**

TABLE B.4

TOTAL NUMBER OF TANF/AFDC ADULTS

State	Fiscal Year[1]							Percentage
	1994	1995	1996	1997	1998	1999	2000	Change
Alabama	46,786	39,709	33,453	28,046	16,753	12,848	12,007	**(74.3%)**
Alaska	17,978	17,190	16,737	16,382	14,026	11,175	11,273	**(37.3%)**
Arizona	83,685	77,877	68,843	59,057	37,854	29,709	26,924	**(67.8%)**
Arkansas	25,608	22,974	20,842	19,105	11,140	8,480	9,381	**(63.4%)**
California	1,077,327	1,091,920	1,059,093	967,933	789,221	652,685	393,069	**(63.5%)**
Colorado	49,913	44,862	39,801	31,143	20,917	13,345	9,095	**(81.8%)**
Connecticut	70,389	72,900	69,128	66,425	53,708	33,243	25,136	**(64.3%)**
Delaware	11,532	10,347	9,806	9,408	6,890	5,277	5,738	**(50.2%)**
District of Columbia	29,850	28,731	28,325	25,668	24,421	19,533	16,284	**(45.4%)**
Florida	266,843	244,935	213,835	170,455	91,462	60,916	41,492	**(84.5%)**
Georgia	153,515	147,075	131,579	102,724	63,325	46,996	41,305	**(73.1%)**
Hawaii	26,984	28,650	28,793	27,763	20,009	18,871	17,323	**(35.8%)**
Idaho	9,787	9,859	9,051	6,215	1,487	791	547	**(94.4%)**
Illinois	292,120	281,858	257,749	222,464	197,784	129,495	85,324	**(70.8%)**
Indiana	91,513	76,821	56,765	44,127	40,871	43,536	35,318	**(61.4%)**
Iowa	49,967	44,535	38,719	34,320	29,398	24,442	22,121	**(55.7%)**
Kansas	36,054	32,128	26,407	20,505	13,518	11,877	11,367	**(68.5%)**
Kentucky	92,032	79,733	70,471	63,788	49,964	36,403	31,537	**(65.7%)**
Louisiana	88,321	100,394	95,186	81,969	47,018	35,395	22,259	**(74.8%)**
Maine	31,258	28,823	26,567	23,758	17,843	15,062	11,667	**(62.7%)**
Maryland	91,802	91,843	82,180	65,540	47,126	36,769	24,716	**(73.1%)**
Massachusetts	141,602	125,377	108,387	96,616	68,779	50,934	37,442	**(73.6%)**
Michigan	292,847	258,144	223,462	188,786	142,126	88,626	70,536	**(75.9%)**
Minnesota	81,217	76,601	70,999	64,217	59,869	46,609	44,733	**(44.9%)**
Mississippi	55,504	49,424	42,647	34,576	18,130	11,166	8,960	**(83.9%)**
Missouri	112,314	101,503	89,683	74,647	60,482	46,839	45,727	**(59.3%)**
Montana	15,650	15,073	13,766	12,112	9,732	6,103	7,157	**(54.3%)**
Nebraska	18,460	16,705	15,390	14,491	14,359	12,656	8,473	**(54.1%)**
Nevada	14,806	15,571	13,392	9,316	10,056	6,729	5,008	**(66.2%)**
New Hampshire	14,172	12,768	10,794	9,007	6,346	6,560	5,673	**(60.0%)**
New Jersey	139,162	132,687	120,084	104,829	79,156	57,978	42,645	**(69.4%)**
New Mexico	46,376	47,209	46,144	36,842	27,254	33,746	28,815	**(37.9%)**
New York	569,851	572,880	533,053	470,270	415,330	348,435	299,977	**(47.4%)**
North Carolina	141,869	131,775	111,889	100,712	66,176	41,942	29,942	**(78.9%)**
North Dakota	7,265	6,187	5,608	4,556	3,415	3,069	3,729	**(48.7%)**
Ohio	296,241	253,558	211,702	200,107	145,191	104,742	84,016	**(71.6%)**
Oklahoma	52,944	49,150	39,632	30,959	22,375	17,531	10,165	**(80.8%)**
Oregon	49,152	43,176	34,866	25,814	21,303	18,122	15,306	**(68.9%)**
Pennsylvania	261,611	249,617	226,564	185,454	155,904	112,531	82,404	**(68.5%)**
Puerto Rico	75,355	69,671	63,943	58,908	3,640	50,638	36,148	**(52.0%)**
Rhode Island	27,673	26,631	24,995	23,005	23,337	20,632	18,158	**(34.4%)**
South Carolina	48,392	42,868	38,850	31,379	22,179	13,154	10,635	**(78.0%)**
South Dakota	7,063	6,088	5,667	4,399	3,130	2,183	1,645	**(76.7%)**
Tennessee	124,447	111,423	102,442	72,156	51,279	53,651	56,764	**(54.4%)**
Texas	307,071	284,952	258,177	234,221	150,289	108,470	116,455	**(62.1%)**
Utah	21,598	19,454	17,105	14,394	14,627	9,674	8,082	**(62.6%)**
Vermont	13,705	13,406	12,401	11,284	9,863	8,483	7,478	**(45.4%)**
Virginia	78,096	72,377	61,788	48,770	49,838	30,996	25,045	**(67.9%)**
Washington	135,205	131,908	125,046	116,577	95,463	77,102	62,316	**(53.9%)**
West Virginia	54,800	48,838	43,208	37,308	27,954	15,414	13,103	**(76.1%)**
Wisconsin	114,005	81,169	61,094	44,479	17,677	10,978	7,366	**(93.5%)**
Wyoming	6,805	5,844	4,807	3,109	953	525	294	**(95.7%)**
U.S. Total	5,968,525	5,645,196	5,120,917	4,450,098	3,390,946	2,663,066	2,048,079	**(65.7%)**

[1] A project year begins on July 1st of the fiscal year. Therefore, the fiscal year most closely corresponding to Project Year 1993 is Fiscal Year 1994, Fiscal Year 1995 for Project Year 1994, and so on.

TABLE B.5

NUMBER OF WELFARE PARENTS WHO ARE PARTICIPATING IN JTPA PROGRAMS (TITLES II-A, II-C, AND III)

State	Project Year							Percentage
	1993	1994	1995	1996	1997	1998	1999	Change
Alabama	1,340	1,031	783	625	436	335	193	**(85.6%)**
Alaska	162	230	213	207	326	300	258	**59.3%**
Arizona	835	963	874	973	713	604	515	**(38.3%)**
Arkansas	677	568	367	348	316	228	202	**(70.2%)**
California	7,171	8,137	9,241	9,533	8,812	7,536	6,192	**(13.7%)**
Colorado	1,496	1,468	1,294	1,115	870	604	460	**(69.3%)**
Connecticut	776	655	533	499	643	644	567	**(26.9%)**
Delaware	272	279	250	217	141	93	84	**(69.1%)**
District of Columbia	50	238	168	197	143	145	207	**314.0%**
Florida	4,125	4,546	3,711	3,062	2,684	3,163	2,453	**(40.5%)**
Georgia	1,760	1,858	1,908	1,182	1,119	1,283	1,149	**(34.7%)**
Hawaii	167	179	221	248	422	498	465	**178.4%**
Idaho	252	245	219	199	198	99	49	**(80.6%)**
Illinois	1,746	3,355	2,980	2,495	2,767	2,128	1,378	**(21.1%)**
Indiana	1,080	1,007	858	683	623	562	436	**(59.6%)**
Iowa	234	567	477	442	373	335	296	**26.5%**
Kansas	495	434	549	512	398	206	125	**(74.7%)**
Kentucky	1,059	1,151	983	749	768	912	703	**(33.7%)**
Louisiana	1,739	2,028	1,344	1,338	1,363	939	1,009	**(42.0%)**
Maine	415	382	327	321	242	208	204	**(50.8%)**
Maryland	2,517	2,564	2,041	924	1,526	1,548	1,341	**(46.7%)**
Massachusetts	2,353	2,549	2,236	1,401	1,580	1,506	824	**(65.0%)**
Michigan	3,589	4,003	2,208	1,876	1,626	1,386	742	**(79.3%)**
Minnesota	1,729	1,978	1,623	1,125	1,158	907	991	**(42.7%)**
Mississippi	1,178	845	686	550	517	306	201	**(82.9%)**
Missouri	1,459	1,528	1,401	1,397	1,315	1,181	834	**(42.8%)**
Montana	205	235	249	172	195	126	192	**(6.3%)**
Nebraska	372	345	228	213	190	158	185	**(50.3%)**
Nevada	244	322	524	463	457	300	113	**(53.7%)**
New Hampshire	412	548	297	172	154	53	70	**(83.0%)**
New Jersey	1,258	2,257	2,201	1,756	1,667	1,543	1,124	**(10.7%)**
New Mexico	153	253	300	459	454	444	532	**247.7%**
New York	2,776	4,285	3,802	4,699	3,971	3,089	1,979	**(28.7%)**
North Carolina	745	1,376	1,369	1,334	1,308	1,057	605	**(18.8%)**
North Dakota	137	137	150	107	93	63	43	**(68.6%)**
Ohio	4,332	3,722	3,448	2,822	2,864	2,494	1,846	**(57.4%)**
Oklahoma	596	527	603	457	382	239	176	**(70.5%)**
Oregon	411	797	738	539	395	317	284	**(30.9%)**
Pennsylvania	5,995	7,449	7,998	6,977	5,437	5,487	4,230	**(29.4%)**
Puerto Rico	16	72	201	247	536	633	412	**2475.0%**
Rhode Island	310	468	333	359	352	304	128	**(58.7%)**
South Carolina	1,006	912	976	870	716	459	347	**(65.5%)**
South Dakota	266	251	266	241	209	134	92	**(65.4%)**
Tennessee	1,469	2,436	1,851	1,635	956	530	933	**(36.5%)**
Texas	4,569	4,590	4,014	3,398	2,838	2,471	1,920	**(58.0%)**
Utah	431	326	290	193	181	222	172	**(60.2%)**
Vermont	197	213	207	123	91	119	92	**(53.3%)**
Virginia	1,474	1,375	1,265	1,055	967	700	447	**(69.7%)**
Washington	653	1,399	1,514	1,446	1,658	1,295	886	**35.7%**
West Virginia	1,207	1,265	899	675	582	724	882	**(26.9%)**
Wisconsin	874	1,651	1,546	1,100	866	740	465	**(46.8%)**
Wyoming	61	0	134	158	67	30	0	**(100.0%)**
U.S. Total	68,845	79,344	72,898	63,888	58,665	51,387	40,032	**(41.9%)**

TABLE B.6

PERCENT OF WELFARE PARENTS WHO ARE PARTICIPATING IN JTPA PROGRAMS (TITLES II-A, II-C, AND III)

State	Project Year							Change in Percent	Percentage Change
	1993	1994	1995	1996	1997	1998	1999		
Alabama	2.9%	2.6%	2.3%	2.2%	2.6%	2.6%	1.6%	**-1.3%**	**(43.9%)**
Alaska	0.9%	1.3%	1.3%	1.3%	2.3%	2.7%	2.3%	**+1.4%**	**154.0%**
Arizona	1.0%	1.2%	1.3%	1.6%	1.9%	2.0%	1.9%	**+0.9%**	**91.7%**
Arkansas	2.6%	2.5%	1.8%	1.8%	2.8%	2.7%	2.2%	**-0.5%**	**(18.6%)**
California	0.7%	0.7%	0.9%	1.0%	1.1%	1.2%	1.6%	**+0.9%**	**136.7%**
Colorado	3.0%	3.3%	3.3%	3.6%	4.2%	4.5%	5.1%	**+2.1%**	**68.8%**
Connecticut	1.1%	0.9%	0.8%	0.8%	1.2%	1.9%	2.3%	**+1.2%**	**104.6%**
Delaware	2.4%	2.7%	2.5%	2.3%	2.0%	1.8%	1.5%	**-0.9%**	**(37.9%)**
District of Columbia	0.2%	0.8%	0.6%	0.8%	0.6%	0.7%	1.3%	**+1.1%**	**658.9%**
Florida	1.5%	1.9%	1.7%	1.8%	2.9%	5.2%	5.9%	**+4.4%**	**282.4%**
Georgia	1.1%	1.3%	1.5%	1.2%	1.8%	2.7%	2.8%	**+1.6%**	**142.6%**
Hawaii	0.6%	0.6%	0.8%	0.9%	2.1%	2.6%	2.7%	**+2.1%**	**333.7%**
Idaho	2.6%	2.5%	2.4%	3.2%	13.3%	12.5%	9.0%	**+6.4%**	**247.9%**
Illinois	0.6%	1.2%	1.2%	1.1%	1.4%	1.6%	1.6%	**+1.0%**	**170.2%**
Indiana	1.2%	1.3%	1.5%	1.5%	1.5%	1.3%	1.2%	**+0.1%**	**4.6%**
Iowa	0.5%	1.3%	1.2%	1.3%	1.3%	1.4%	1.3%	**+0.9%**	**185.7%**
Kansas	1.4%	1.4%	2.1%	2.5%	2.9%	1.7%	1.1%	**-0.3%**	**(19.9%)**
Kentucky	1.2%	1.4%	1.4%	1.2%	1.5%	2.5%	2.2%	**+1.1%**	**93.6%**
Louisiana	2.0%	2.0%	1.4%	1.6%	2.9%	2.7%	4.5%	**+2.6%**	**130.2%**
Maine	1.3%	1.3%	1.2%	1.4%	1.4%	1.4%	1.7%	**+0.4%**	**31.7%**
Maryland	2.7%	2.8%	2.5%	1.4%	3.2%	4.2%	5.4%	**+2.7%**	**97.9%**
Massachusetts	1.7%	2.0%	2.1%	1.5%	2.3%	3.0%	2.2%	**+0.5%**	**32.4%**
Michigan	1.2%	1.6%	1.0%	1.0%	1.1%	1.6%	1.1%	**-0.2%**	**(14.2%)**
Minnesota	2.1%	2.6%	2.3%	1.8%	1.9%	1.9%	2.2%	**+0.1%**	**4.1%**
Mississippi	2.1%	1.7%	1.6%	1.6%	2.9%	2.7%	2.2%	**+0.1%**	**5.7%**
Missouri	1.3%	1.5%	1.6%	1.9%	2.2%	2.5%	1.8%	**+0.5%**	**40.4%**
Montana	1.3%	1.6%	1.8%	1.4%	2.0%	2.1%	2.7%	**+1.4%**	**104.8%**
Nebraska	2.0%	2.1%	1.5%	1.5%	1.3%	1.2%	2.2%	**+0.2%**	**8.4%**
Nevada	1.6%	2.1%	3.9%	5.0%	4.5%	4.5%	2.3%	**+0.6%**	**36.9%**
New Hampshire	2.9%	4.3%	2.8%	1.9%	2.4%	0.8%	1.2%	**-1.7%**	**(57.6%)**
New Jersey	0.9%	1.7%	1.8%	1.7%	2.1%	2.7%	2.6%	**+1.7%**	**191.6%**
New Mexico	0.3%	0.5%	0.7%	1.2%	1.7%	1.3%	1.8%	**+1.5%**	**459.6%**
New York	0.5%	0.7%	0.7%	1.0%	1.0%	0.9%	0.7%	**+0.2%**	**35.4%**
North Carolina	0.5%	1.0%	1.2%	1.3%	2.0%	2.5%	2.0%	**+1.5%**	**284.8%**
North Dakota	1.9%	2.2%	2.7%	2.3%	2.7%	2.1%	1.2%	**-0.7%**	**(38.9%)**
Ohio	1.5%	1.5%	1.6%	1.4%	2.0%	2.4%	2.2%	**+0.7%**	**50.3%**
Oklahoma	1.1%	1.1%	1.5%	1.5%	1.7%	1.4%	1.7%	**+0.6%**	**53.8%**
Oregon	0.8%	1.8%	2.1%	2.1%	1.9%	1.7%	1.9%	**+1.0%**	**121.9%**
Pennsylvania	2.3%	3.0%	3.5%	3.8%	3.5%	4.9%	5.1%	**+2.8%**	**124.0%**
Puerto Rico	0.0%	0.1%	0.3%	0.4%	14.7%	1.3%	1.1%	**+1.1%**	**.**
Rhode Island	1.1%	1.8%	1.3%	1.6%	1.5%	1.5%	0.7%	**-0.4%**	**(37.1%)**
South Carolina	2.1%	2.1%	2.5%	2.8%	3.2%	3.5%	3.3%	**+1.2%**	**57.0%**
South Dakota	3.8%	4.1%	4.7%	5.5%	6.7%	6.1%	5.6%	**+1.8%**	**48.5%**
Tennessee	1.2%	2.2%	1.8%	2.3%	1.9%	1.0%	1.6%	**+0.5%**	**39.2%**
Texas	1.5%	1.6%	1.6%	1.5%	1.9%	2.3%	1.6%	**+0.2%**	**10.8%**
Utah	2.0%	1.7%	1.7%	1.3%	1.2%	2.3%	2.1%	**+0.1%**	**6.4%**
Vermont	1.4%	1.6%	1.7%	1.1%	0.9%	1.4%	1.2%	**-0.2%**	**(14.5%)**
Virginia	1.9%	1.9%	2.0%	2.2%	1.9%	2.3%	1.8%	**-0.1%**	**(5.4%)**
Washington	0.5%	1.1%	1.2%	1.2%	1.7%	1.7%	1.4%	**+0.9%**	**194.4%**
West Virginia	2.2%	2.6%	2.1%	1.8%	2.1%	4.7%	6.7%	**+4.5%**	**205.6%**
Wisconsin	0.8%	2.0%	2.5%	2.5%	4.9%	6.7%	6.3%	**+5.5%**	**723.5%**
Wyoming	0.9%	0.0%	2.8%	5.1%	7.0%	5.7%	0.0%	**-0.9%**	**(100.0%)**
U.S. Total	1.2%	1.4%	1.4%	1.4%	1.7%	1.9%	2.0%	**+0.8%**	**69.5%**

TABLE B.7

PERCENT OF JTPA TERMINEES (TITLES II-A, II-C, AND III) ON WELFARE WHO ARE ALSO PARTICIPATING IN JOBS

State	Project Year							Change in Percent	Percentage Change
	1993	1994	1995	1996	1997	1998	1999		
Alabama	40.7%	33.7%	33.3%	31.8%	32.7%	33.4%	41.3%	**+0.6%**	**1.4%**
Alaska	32.8%	30.0%	34.3%	32.0%	30.3%	23.9%	33.2%	**+0.4%**	**1.2%**
Arizona	18.3%	13.6%	20.3%	31.4%	34.1%	34.7%	37.3%	**+18.9%**	**103.1%**
Arkansas	12.6%	15.3%	7.7%	9.8%	7.0%	10.0%	16.0%	**+3.5%**	**27.6%**
California	15.2%	14.5%	19.4%	24.0%	19.3%	21.3%	28.6%	**+13.3%**	**87.5%**
Colorado	32.4%	36.5%	39.7%	42.0%	44.1%	27.0%	18.8%	**-13.5%**	**(41.8%)**
Connecticut	25.0%	0.0%	22.7%	14.6%	28.6%	33.8%	24.9%	**-0.2%**	**(0.7%)**
Delaware	48.9%	47.7%	41.2%	37.6%	23.0%	9.4%	1.1%	**-47.9%**	**(97.8%)**
District of Columbia	20.4%	42.0%	31.2%	9.3%	7.5%	6.1%	17.3%	**-3.1%**	**(15.2%)**
Florida	18.3%	21.8%	19.9%	24.1%	26.8%	29.3%	29.1%	**+10.8%**	**58.9%**
Georgia	16.4%	12.1%	18.3%	21.4%	16.3%	0.3%	4.6%	**-11.8%**	**(72.2%)**
Hawaii	13.7%	14.6%	19.0%	17.0%	13.1%	11.6%	9.2%	**-4.5%**	**(32.9%)**
Idaho	28.5%	26.6%	24.0%	29.9%	26.7%	19.4%	17.3%	**-11.2%**	**(39.2%)**
Illinois	58.7%	57.4%	52.7%	47.4%	54.8%	36.5%	22.6%	**-36.1%**	**(61.5%)**
Indiana	33.5%	34.3%	22.0%	17.0%	15.0%	17.7%	17.7%	**-15.9%**	**(47.3%)**
Iowa	28.2%	31.5%	40.2%	53.0%	53.9%	63.1%	25.4%	**-2.8%**	**(9.9%)**
Kansas	48.6%	56.9%	60.0%	41.5%	44.1%	46.3%	35.6%	**-13.1%**	**(26.9%)**
Kentucky	22.8%	31.2%	38.3%	48.1%	48.0%	40.2%	39.8%	**+17.0%**	**74.6%**
Louisiana	22.1%	27.6%	27.0%	33.1%	30.1%	25.5%	19.3%	**-2.9%**	**(12.9%)**
Maine	60.5%	33.8%	34.0%	31.2%	28.7%	24.4%	23.2%	**-37.3%**	**(61.6%)**
Maryland	78.0%	75.4%	74.6%	63.7%	56.1%	38.0%	33.2%	**-44.8%**	**(57.4%)**
Massachusetts	68.4%	71.0%	81.7%	88.2%	90.7%	94.1%	93.0%	**+24.6%**	**35.9%**
Michigan	34.1%	41.1%	36.0%	26.3%	27.4%	20.7%	24.6%	**-9.5%**	**(28.0%)**
Minnesota	41.8%	41.0%	42.0%	44.4%	49.7%	59.1%	79.5%	**+37.7%**	**90.2%**
Mississippi	21.3%	21.1%	17.4%	17.4%	27.6%	25.9%	10.5%	**-10.8%**	**(50.7%)**
Missouri	25.9%	23.4%	31.2%	36.2%	34.9%	35.7%	28.8%	**+2.9%**	**11.1%**
Montana	43.5%	48.0%	47.1%	45.1%	44.4%	38.9%	41.8%	**-1.7%**	**(3.8%)**
Nebraska	39.9%	35.4%	32.3%	29.8%	31.8%	22.5%	24.1%	**-15.7%**	**(39.5%)**
Nevada	15.7%	23.0%	37.5%	39.2%	50.2%	54.8%	52.9%	**+37.2%**	**236.8%**
New Hampshire	66.9%	72.4%	66.1%	67.0%	69.8%	39.4%	46.0%	**-20.8%**	**(31.2%)**
New Jersey	65.4%	71.4%	79.1%	79.0%	84.3%	92.0%	93.4%	**+28.0%**	**42.9%**
New Mexico	9.2%	18.1%	31.7%	46.4%	40.7%	32.1%	27.7%	**+18.5%**	**200.6%**
New York	44.8%	42.0%	41.0%	25.2%	32.3%	26.0%	27.4%	**-17.4%**	**(38.9%)**
North Carolina	24.0%	30.3%	33.8%	32.9%	30.3%	31.7%	27.0%	**+3.0%**	**12.5%**
North Dakota	57.2%	45.6%	48.7%	65.5%	52.1%	51.5%	54.0%	**-3.2%**	**(5.7%)**
Ohio	32.4%	35.3%	38.1%	45.1%	45.7%	48.2%	40.8%	**+8.4%**	**25.9%**
Oklahoma	34.6%	34.4%	27.4%	21.3%	21.3%	18.4%	25.4%	**-9.2%**	**(26.6%)**
Oregon	49.7%	48.0%	47.6%	55.1%	50.9%	44.5%	56.9%	**+7.1%**	**14.4%**
Pennsylvania	25.4%	23.5%	22.4%	27.1%	22.0%	15.5%	15.5%	**-9.9%**	**(39.0%)**
Puerto Rico	0.0%	2.7%	2.9%	3.7%	6.5%	7.3%	2.9%	**+2.9%**	**.**
Rhode Island	17.3%	16.9%	16.3%	11.6%	2.9%	2.1%	0.0%	**-17.3%**	**(100.0%)**
South Carolina	20.5%	18.0%	18.2%	10.8%	19.1%	22.7%	15.7%	**-4.8%**	**(23.4%)**
South Dakota	72.0%	57.7%	64.8%	68.2%	39.0%	0.0%	0.0%	**-72.0%**	**(100.0%)**
Tennessee	0.0%	39.7%	79.6%	83.9%	69.3%	58.1%	56.2%	**+56.1%**	**.**
Texas	17.9%	25.4%	30.8%	37.0%	42.7%	36.2%	35.8%	**+17.9%**	**100.3%**
Utah	30.7%	27.4%	37.5%	41.2%	53.4%	42.7%	42.6%	**+11.9%**	**38.8%**
Vermont	41.1%	23.0%	32.3%	32.0%	33.1%	27.3%	26.4%	**-14.6%**	**(35.6%)**
Virginia	31.5%	28.7%	35.2%	34.5%	34.1%	43.8%	47.6%	**+16.1%**	**51.0%**
Washington	35.2%	41.8%	50.0%	56.3%	47.5%	43.7%	40.5%	**+5.3%**	**15.0%**
West Virginia	24.9%	23.9%	18.6%	28.0%	25.7%	30.5%	47.8%	**+22.9%**	**91.9%**
Wisconsin	43.4%	49.7%	50.9%	61.2%	65.9%	30.1%	0.0%	**-43.4%**	**(100.0%)**
Wyoming	36.1%	.	42.5%	52.1%	69.9%	69.7%	.	**.**	**.**
U.S. Total	29.4%	32.4%	34.6%	35.2%	35.2%	31.2%	31.1%	**+1.7%**	**5.9%**

APPENDIX C:

WELFARE RECIPIENTS SERVED THROUGH EMPLOYMENT SERVICE / JOB SERVICE, BY STATE

TABLE C.1

TOTAL NUMBER OF ES REGISTRANTS

State	Project Year								Percentage
	1993	1994	1995	1996	1997	1998	1999	2000	Change
Alabama	466,337	459,497	453,380	451,836	467,932	464,260	452,443	450,824	**(3.3%)**
Alaska	108,060	111,316	102,013	97,809	88,324	81,875	70,997	62,459	**(42.2%)**
Arizona	356,027	330,494	293,244	286,149	260,425	248,849	232,286	219,839	**(38.3%)**
Arkansas	312,159	298,212	275,574	275,977	260,876	245,580	229,965	226,371	**(27.5%)**
California	1,505,052	1,186,067	1,041,640	1,038,948	1,122,583	978,463	918,731	1,046,562	**(30.5%)**
Colorado	303,767	287,409	267,167	256,880	251,833	227,948	209,274	194,905	**(35.8%)**
Connecticut	255,634	239,093	206,388	197,747	180,542	152,439	148,720	139,112	**(45.6%)**
Delaware	41,110	42,183	40,885	40,921	42,351	41,641	35,602	32,989	**(19.8%)**
District of Columbia	94,175	90,271	80,733	70,321	67,853	60,662	49,835	29,894	**(68.3%)**
Florida	1,329,191	1,274,398	1,247,309	1,114,157	1,210,218	1,297,725	1,304,286	975,074	**(26.6%)**
Georgia	639,888	624,799	601,469	591,775	605,697	598,869	576,660	554,056	**(13.4%)**
Hawaii	95,375	64,070	69,443	78,830	83,344	80,099	67,483	66,719	**(30.0%)**
Idaho	155,411	145,534	142,133	145,126	147,976	173,037	158,809	160,474	**3.3%**
Illinois	961,114	855,333	710,077	683,315	678,700	627,320	581,290	560,850	**(41.6%)**
Indiana	401,404	370,291	340,750	316,436	298,609	273,912	285,734	324,742	**(19.1%)**
Iowa	292,581	288,118	279,200	263,621	257,373	241,400	213,929	215,792	**(26.2%)**
Kansas	201,091	198,133	194,499	179,252	152,526	143,325	135,121	127,346	**(36.7%)**
Kentucky	473,846	433,532	428,314	397,830	388,081	368,188	343,445	305,761	**(35.5%)**
Louisiana	356,957	355,985	343,255	319,394	313,113	298,570	296,569	305,732	**(14.4%)**
Maine	144,344	132,626	128,894	121,748	118,226	64,373	65,608	63,576	**(56.0%)**
Maryland	287,542	267,428	264,452	271,961	272,499	251,700	208,755	171,866	**(40.2%)**
Massachusetts	298,710	237,707	207,729	178,912	135,481	130,909	119,177	103,025	**(65.5%)**
Michigan[1]	598,396	556,888	529,582	517,113	525,200	512,003	493,040	572,305	**(4.4%)**
Minnesota	315,698	295,995	265,448	238,286	225,720	234,094	197,771	150,520	**(52.3%)**
Mississippi	341,041	326,573	310,318	319,138	319,954	340,764	291,551	290,875	**(14.7%)**
Missouri	602,517	606,986	654,206	641,969	609,955	605,870	582,310	563,633	**(6.5%)**
Montana	112,510	105,171	105,862	101,069	93,860	84,357	76,711	77,706	**(30.9%)**
Nebraska	116,701	118,078	114,423	109,254	110,810	105,096	99,868	94,895	**(18.7%)**
Nevada	106,034	108,748	93,126	89,420	89,099	84,017	77,445	68,892	**(35.0%)**
New Hampshire	68,404	60,972	52,205	46,680	41,656	37,898	36,022	32,932	**(51.9%)**
New Jersey	456,867	276,956	279,084	307,892	329,972	351,065	357,644	355,270	**(22.2%)**
New Mexico	150,973	156,516	150,002	144,539	152,621	156,917	157,185	146,820	**(2.8%)**
New York	1,223,987	1,015,516	874,234	1,017,324	1,022,597	927,936	798,006	753,511	**(38.4%)**
North Carolina	767,913	778,752	780,905	783,835	786,482	780,048	761,612	760,148	**(1.0%)**
North Dakota	96,440	94,238	86,870	88,305	88,527	89,894	91,601	91,464	**(5.2%)**
Ohio	606,082	536,775	570,429	687,569	702,360	712,934	757,688	774,218	**27.7%**
Oklahoma	294,031	295,808	278,031	270,982	259,788	243,099	248,920	235,845	**(19.8%)**
Oregon	374,096	370,467	361,467	392,907	410,270	483,607	426,778	429,786	**14.9%**
Pennsylvania[1]	676,276	629,366	598,506	584,415	593,554	578,639	557,208	465,629	**(31.1%)**
Puerto Rico	214,291	221,619	232,687	227,193	269,904	236,222	265,726	204,972	**(4.3%)**
Rhode Island	71,480	68,889	60,965	53,486	55,413	65,266	72,541	72,361	**1.2%**
South Carolina	412,824	432,647	427,779	423,289	406,031	393,855	352,085	345,450	**(16.3%)**
South Dakota	96,792	97,809	98,990	99,222	98,488	95,814	91,069	87,989	**(9.1%)**
Tennessee	456,416	440,057	394,593	393,809	429,327	327,698	394,878	392,246	**(14.1%)**
Texas	1,804,990	1,731,158	1,643,411	1,561,313	1,507,593	1,428,553	1,393,007	1,446,371	**(19.9%)**
Utah	225,007	232,100	245,635	256,253	244,407	246,556	265,304	291,649	**29.6%**
Vermont	76,680	73,496	70,291	68,561	70,046	67,131	60,762	45,881	**(40.2%)**
Virginia	530,858	505,494	466,123	231,553	438,544	433,672	394,284	374,410	**(29.5%)**
Washington	415,037	426,843	421,397	420,366	444,520	593,970	650,209	643,931	**55.2%**
West Virginia	209,957	198,442	198,840	201,058	195,071	210,450	195,890	196,826	**(6.3%)**
Wisconsin	373,241	367,899	384,337	378,845	391,176	380,115	347,788	339,184	**(9.1%)**
Wyoming	79,405	78,428	76,688	73,756	74,019	70,704	65,718	57,167	**(28.0%)**
U.S. Total	20,954,719	19,501,182	18,544,982	18,108,346	18,391,526	17,929,388	17,265,340	16,700,854	**(20.3%)**

[1] Due to data irregularities, ES data for Michigan and Pennsylvania prior to 1999 were extrapolated backwards using 1999 data and the year-to-year percentage change from 1999 totals for the remaining 48 states.

TABLE C.2

NUMBER OF ES REGISTRANTS WHO ARE RECEIVING WELFARE (TANF/AFDC, FS, or GA)

State	Project Year								Percentage
	1993	1994	1995	1996	1997	1998	1999	2000	Change
Alabama	1,790	1,224	957	618	871	7,501	13,166	11,982	**569.4%**
Alaska	371	598	1,003	1,727	1,928	1,483	1,281	1,287	**246.9%**
Arizona	11,824	8,794	5,935	4,649	3,573	2,401	1,606	1,190	**(89.9%)**
Arkansas	739	420	300	260	323	711	849	837	**13.3%**
California	32,898	29,425	51,900	63,675	92,559	86,072	49,759	58,596	**78.1%**
Colorado	2,116	1,839	1,287	1,002	1,139	3,709	4,490	5,438	**157.0%**
Connecticut	38,681	38,169	32,899	21,947	13,356	2,395	15,674	12,385	**(68.0%)**
Delaware	2	0	0	0	0	770	217	89	**4350.0%**
District of Columbia	2,275	2,468	2,175	1,900	4,758	8,621	5,185	1,328	**(41.6%)**
Florida	3,385	1,465	315	125	252	65	1	0	**(100.0%)**
Georgia	23,498	27,420	28,050	13,266	17,649	66,317	52,136	55,029	**134.2%**
Hawaii	4,749	2,426	3,196	4,524	5,722	5,241	4,406	4,844	**2.0%**
Idaho	997	826	727	714	561	1,552	2,021	2,341	**134.8%**
Illinois	74,810	56,241	46,767	19,102	18,211	12,606	23,486	16,378	**(78.1%)**
Indiana	1,302	1,210	1,174	831	461	1,465	45,574	70,059	**5280.9%**
Iowa	12,571	18,255	17,128	11,764	11,157	27,207	24,229	22,130	**76.0%**
Kansas	3,324	3,255	3,152	3,080	1,316	1,389	757	560	**(83.2%)**
Kentucky	6,242	8,303	4,107	3,517	3,613	31,133	24,050	3,687	**(40.9%)**
Louisiana	1,345	1,434	1,422	1,125	1,259	1,677	2,364	1,196	**(11.1%)**
Maine	505	529	428	381	285	499	540	922	**82.6%**
Maryland	2,483	1,973	1,472	1,783	1,021	4,937	4,499	2,881	**16.0%**
Massachusetts	1,086	526	359	174	1,258	2,490	6,612	3,469	**219.4%**
Michigan[1]	4,606	4,547	4,653	4,259	4,412	5,996	5,863	6,698	**45.4%**
Minnesota	8,724	7,590	7,180	4,669	4,443	3,889	2,617	128	**(98.5%)**
Mississippi	28,993	28,034	27,688	27,829	26,514	77,083	36,498	32,051	**10.5%**
Missouri	196,051	214,004	219,440	219,678	216,304	209,348	202,597	193,413	**(1.3%)**
Montana	386	311	201	132	113	111	23	8	**(97.9%)**
Nebraska	2,753	2,406	1,835	1,685	1,887	1,701	1,489	1,428	**(48.1%)**
Nevada	93	149	173	162	674	3,512	4,361	4,374	**4603.2%**
New Hampshire	1,906	1,940	492	73	220	2,349	2,234	1,729	**(9.3%)**
New Jersey	21,799	18,798	22,393	22,638	19,528	67,469	96,105	83,087	**281.2%**
New Mexico	1,021	1,538	1,415	1,460	3,021	5,556	5,272	3,136	**207.1%**
New York	28,105	33,944	22,082	23,453	23,734	27,924	29,326	32,379	**15.2%**
North Carolina	3,681	4,805	2,035	824	753	1,544	3,642	3,889	**5.7%**
North Dakota	7,205	7,382	6,115	5,456	4,536	4,344	3,230	4,518	**(37.3%)**
Ohio	20,232	20,518	40,963	39,937	39,628	39,969	36,996	31,271	**54.6%**
Oklahoma	7,840	8,821	7,949	7,918	7,426	8,667	10,405	8,574	**9.4%**
Oregon	3,599	7,976	8,851	11,206	8,511	6,388	6,786	5,558	**54.4%**
Pennsylvania[1]	14,052	13,874	14,197	12,993	13,461	18,293	17,888	12,301	**(12.5%)**
Puerto Rico	5,258	6,900	12,517	12,996	11,544	3,563	15,753	20,205	**284.3%**
Rhode Island	875	740	357	166	288	582	901	1,729	**97.6%**
South Carolina	1,187	497	216	108	14	1,146	560	239	**(79.9%)**
South Dakota	4,485	4,557	4,483	4,341	4,054	4,114	4,105	3,465	**(22.7%)**
Tennessee	508	458	299	191	128	3,894	9,544	8,036	**1481.9%**
Texas	10,555	363	312	106	42	33,305	29,779	27,649	**162.0%**
Utah	1,119	1,006	894	1,035	1,353	3,964	4,838	6,443	**475.8%**
Vermont	50	32	35	26	17	18	12	10	**(80.0%)**
Virginia	8,898	9,724	14,468	7,509	14,295	14,128	10,365	8,018	**(9.9%)**
Washington	7,981	8,589	10,379	19,933	22,448	18,422	3,687	4,804	**(39.8%)**
West Virginia	21,668	18,692	17,039	15,552	14,299	16,835	9,740	7,671	**(64.6%)**
Wisconsin	18,450	15,502	11,958	6,322	2,445	1,228	649	444	**(97.6%)**
Wyoming	626	826	1,098	1,139	4,576	3,194	1,601	1,121	**79.1%**
U.S. Total	659,699	651,323	666,470	609,959	631,940	858,777	839,768	791,004	**19.9%**

TABLE C.3

PERCENT OF ES REGISTRANTS WHO ARE RECEIVING WELFARE (TANF/AFDC, FS, or GA)

State	Project Year								Change in	Percentage
	1993	1994	1995	1996	1997	1998	1999	2000	Percent	Change
Alabama	0.4%	0.3%	0.2%	0.1%	0.2%	1.6%	2.9%	2.7%	**+2.3%**	**592.4%**
Alaska	0.3%	0.5%	1.0%	1.8%	2.2%	1.8%	1.8%	2.1%	**+1.7%**	**500.2%**
Arizona	3.3%	2.7%	2.0%	1.6%	1.4%	1.0%	0.7%	0.5%	**-2.8%**	**(83.7%)**
Arkansas	0.2%	0.1%	0.1%	0.1%	0.1%	0.3%	0.4%	0.4%	**+0.1%**	**56.2%**
California	2.2%	2.5%	5.0%	6.1%	8.2%	8.8%	5.4%	5.6%	**+3.4%**	**156.1%**
Colorado	0.7%	0.6%	0.5%	0.4%	0.5%	1.6%	2.1%	2.8%	**+2.1%**	**300.5%**
Connecticut	15.1%	16.0%	15.9%	11.1%	7.4%	1.6%	10.5%	8.9%	**-6.2%**	**(41.2%)**
Delaware	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	0.6%	0.3%	**+0.3%**	**5445.5%**
District of Columbia	2.4%	2.7%	2.7%	2.7%	7.0%	14.2%	10.4%	4.4%	**+2.0%**	**83.9%**
Florida	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**-0.3%**	**(100.0%)**
Georgia	3.7%	4.4%	4.7%	2.2%	2.9%	11.1%	9.0%	9.9%	**+6.3%**	**170.5%**
Hawaii	5.0%	3.8%	4.6%	5.7%	6.9%	6.5%	6.5%	7.3%	**+2.3%**	**45.8%**
Idaho	0.6%	0.6%	0.5%	0.5%	0.4%	0.9%	1.3%	1.5%	**+0.8%**	**127.4%**
Illinois	7.8%	6.6%	6.6%	2.8%	2.7%	2.0%	4.0%	2.9%	**-4.9%**	**(62.5%)**
Indiana	0.3%	0.3%	0.3%	0.3%	0.2%	0.5%	15.9%	21.6%	**+21.2%**	**6551.1%**
Iowa	4.3%	6.3%	6.1%	4.5%	4.3%	11.3%	11.3%	10.3%	**+6.0%**	**138.7%**
Kansas	1.7%	1.6%	1.6%	1.7%	0.9%	1.0%	0.6%	0.4%	**-1.2%**	**(73.4%)**
Kentucky	1.3%	1.9%	1.0%	0.9%	0.9%	8.5%	7.0%	1.2%	**-0.1%**	**(8.5%)**
Louisiana	0.4%	0.4%	0.4%	0.4%	0.4%	0.6%	0.8%	0.4%	**+0.0%**	**3.8%**
Maine	0.3%	0.4%	0.3%	0.3%	0.2%	0.8%	0.8%	1.5%	**+1.1%**	**314.5%**
Maryland	0.9%	0.7%	0.6%	0.7%	0.4%	2.0%	2.2%	1.7%	**+0.8%**	**94.1%**
Massachusetts	0.4%	0.2%	0.2%	0.1%	0.9%	1.9%	5.5%	3.4%	**+3.0%**	**826.2%**
Michigan[1]	0.8%	0.8%	0.9%	0.8%	0.8%	1.2%	1.2%	1.2%	**+0.4%**	**52.1%**
Minnesota	2.8%	2.6%	2.7%	2.0%	2.0%	1.7%	1.3%	0.1%	**-2.7%**	**(96.9%)**
Mississippi	8.5%	8.6%	8.9%	8.7%	8.3%	22.6%	12.5%	11.0%	**+2.5%**	**29.6%**
Missouri	32.5%	35.3%	33.5%	34.2%	35.5%	34.6%	34.8%	34.3%	**+1.8%**	**5.5%**
Montana	0.3%	0.3%	0.2%	0.1%	0.1%	0.1%	0.0%	0.0%	**-0.3%**	**(97.0%)**
Nebraska	2.4%	2.0%	1.6%	1.5%	1.7%	1.6%	1.5%	1.5%	**-0.9%**	**(36.2%)**
Nevada	0.1%	0.1%	0.2%	0.2%	0.8%	4.2%	5.6%	6.3%	**+6.3%**	**7138.9%**
New Hampshire	2.8%	3.2%	0.9%	0.2%	0.5%	6.2%	6.2%	5.3%	**+2.5%**	**88.4%**
New Jersey	4.8%	6.8%	8.0%	7.4%	5.9%	19.2%	26.9%	23.4%	**+18.6%**	**390.1%**
New Mexico	0.7%	1.0%	0.9%	1.0%	2.0%	3.5%	3.4%	2.1%	**+1.5%**	**215.8%**
New York	2.3%	3.3%	2.5%	2.3%	2.3%	3.0%	3.7%	4.3%	**+2.0%**	**87.1%**
North Carolina	0.5%	0.6%	0.3%	0.1%	0.1%	0.2%	0.5%	0.5%	**+0.0%**	**6.7%**
North Dakota	7.5%	7.8%	7.0%	6.2%	5.1%	4.8%	3.5%	4.9%	**-2.5%**	**(33.9%)**
Ohio	3.3%	3.8%	7.2%	5.8%	5.6%	5.6%	4.9%	4.0%	**+0.7%**	**21.0%**
Oklahoma	2.7%	3.0%	2.9%	2.9%	2.9%	3.6%	4.2%	3.6%	**+1.0%**	**36.3%**
Oregon	1.0%	2.2%	2.4%	2.9%	2.1%	1.3%	1.6%	1.3%	**+0.3%**	**34.4%**
Pennsylvania[1]	2.1%	2.2%	2.4%	2.2%	2.3%	3.2%	3.2%	2.6%	**+0.6%**	**27.1%**
Puerto Rico	2.5%	3.1%	5.4%	5.7%	4.3%	1.5%	5.9%	9.9%	**+7.4%**	**301.7%**
Rhode Island	1.2%	1.1%	0.6%	0.3%	0.5%	0.9%	1.2%	2.4%	**+1.2%**	**95.2%**
South Carolina	0.3%	0.1%	0.1%	0.0%	0.0%	0.3%	0.2%	0.1%	**-0.2%**	**(75.9%)**
South Dakota	4.6%	4.7%	4.5%	4.4%	4.1%	4.3%	4.5%	3.9%	**-0.7%**	**(15.0%)**
Tennessee	0.1%	0.1%	0.1%	0.0%	0.0%	1.2%	2.4%	2.0%	**+1.9%**	**1740.7%**
Texas	0.6%	0.0%	0.0%	0.0%	0.0%	2.3%	2.1%	1.9%	**+1.3%**	**226.9%**
Utah	0.5%	0.4%	0.4%	0.4%	0.6%	1.6%	1.8%	2.2%	**+1.7%**	**344.2%**
Vermont	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**-0.0%**	**(66.6%)**
Virginia	1.7%	1.9%	3.1%	3.2%	3.3%	3.3%	2.6%	2.1%	**+0.5%**	**27.8%**
Washington	1.9%	2.0%	2.5%	4.7%	5.0%	3.1%	0.6%	0.7%	**-1.2%**	**(61.2%)**
West Virginia	10.3%	9.4%	8.6%	7.7%	7.3%	8.0%	5.0%	3.9%	**-6.4%**	**(62.2%)**
Wisconsin	4.9%	4.2%	3.1%	1.7%	0.6%	0.3%	0.2%	0.1%	**-4.8%**	**(97.4%)**
Wyoming	0.8%	1.1%	1.4%	1.5%	6.2%	4.5%	2.4%	2.0%	**+1.2%**	**148.7%**
U.S. Total	3.1%	3.3%	3.6%	3.4%	3.4%	4.8%	4.9%	4.7%	**+1.6%**	**50.4%**

FEDERAL REGISTER NOTICE

VOL. 68, NO.30

THURSDAY, FEBRUARY 13, 2003

Department of Labor

Employment & Training Administration

Office of Policy Development

Evaluation and Research;

Call for Papers

Biennial National Research

Conference on ‘‘Workforce Investment Issues in the United States’’

Washington, DC June 4–5, 2003

Summary: The Employment and Training Administration (ETA) of the U.S. Department of Labor (DOL) is the federal government agency responsible for implementing a national workforce investment and security system that enables workers and employers to compete and succeed in an ever changing economy. This task is accomplished through the provision of world class labor market information, labor exchange services, job search assistance, training, and unemployment insurance benefits. These programs assist in the management of the risks associated with unemployment, declining income and skill shortages. They help workers in their search for work and their efforts to upgrade their human capital. They help employers find new employees who meet their skill requirements and upgrade the skills of their incumbent workers. In 1998, the Workforce Investment Act, the nation's most comprehensive effort at streamlining and transforming public employment, job training and education programs and agencies into a system that meets the skill needs of today's economy, was passed. The implementation of the

Workforce Investment Act (WIA) of 1998 combines a variety of workforce development programs and initiatives under one umbrella—the One-Stop System—to effectively serve the needs of jobseekers, workers and employers in the changing workforce development environment at the onset of the 21st century economy. Under the provisions of the WIA, the Secretary of Labor is required every two years to prepare a five-year research plan for research, pilot and demonstration initiatives. This research plan reflects a strategic vision for research efforts based upon input from stakeholders in employment and training research, a review of recent efforts, an identification of areas where future research may be needed, and a review of possible research methodologies.

In light of major changes in the macro-economy that have taken place in the areas of technological transformation, increasing globalization and changing demographics over the recent years, and the resulting effects of rising workforce insecurity, the Employment and Training Administration will hold its second national research conference since the enactment of WIA. The conference will focus on issues related to trends, challenges and impacts of the macro-economy to workforce investment, significance of recent changes in workforce investment, workforce competitiveness in the global economy, changing business requirements, workforce security in our new economy, and major policy options to increase productivity by meeting the skill needs of business and promoting economic opportunities for the United States workforce. A plenary session is planned to discuss the soon-to-be published 2002–2007 plan and lay the groundwork for the 2004–2009 research plan. This is a call for empirical/ non-empirical papers related to workforce investment issues. ETA is seeking recently completed papers and papers that will be completed prior to the conference. We encourage contributions by researchers from academia, state or local agencies, business organizations, labor associations, research consulting firms and other relevant organizations. Possible topics may include, but are not limited to:

• Workforce Investment Act (program implementation and administration of adult, dislocated worker and youth programs; issues relating to WIA reauthorization).

• Skills Requirements of Employers (skills needed by employers in particular sectors and industries, the effect of new technologies, including the internet and e-commerce, on skill needs of employers).

• Changes in the Structure and Organization of Work (changes in tenure and the rise of contingent work arrangements).

• Effect of Contingent Work on Hiring Practices (the effect of hiring practices of employers and the job search behavior of individuals).

• Role of Intermediaries in the Labor Market (whether intermediaries offer new approaches and techniques that can be adapted by the public-sector employment and training community).

• Adaptability of the Unemployment Insurance Program to an evolving U.S. economy. (program administration, coverage, eligibility, benefit adequacy, benefit duration, recipiency, benefit financing, economic stabilization, special populations and changing work patterns).

• Changes in Wages and Compensation (effect of education on workers' earnings).

• Wages and Compensation Trends (recent trends in the receipt of benefits, including health insurance and retirement benefits) Interventions (employment and training intervention responses to wage and compensation trends).

• Impact of technology, Internet and Labor Market Information on labor exchange processes.

• Education—Workforce Training Continuum (appropriate roles of public K–12 and higher education integrated with Workforce Investment System).

Time and Place: The conference will be held from 1 p.m. to 5 p.m. on June 4, 2003 and from 9 a.m. to 4:30 p. m. on June 5, 2003 at the Holiday Inn, Capital Hill, 550 C Street, SW.,Washington, DC 20024.

Submission of Papers: All papers submitted will be reviewed by a panel of DOL experts in the workforce development arena and presenters will be notified if their papers are selected. Papers reporting on research and development, evaluation studies, pilot efforts, or applied practices are encouraged. Selected papers selected for the conference will be published as part of the ETA Occasional Paper Series. Travel and accommodation for invited presenters will be paid by the Employment and Training Administration. If interested, please submit your paper and abstract if possible in hard copy and diskette/CD (Word) by March 1, 2003. Papers should be doubled-spaced and single sided. You will be notified by April 4, 2003, if your paper is selected; you will have to confirm your attendance by April 15, 2001. Please send your papers and abstract to the logistical contractor for this contract, HMA Associates, Inc., 1680 Wisconsin Avenue, NW., 2nd Floor, Washington, DC, 20007, Attn: Peggie Edwards-Jefferies. She may be reached at 202–342–8258. We also encourage submitting abstracts for papers that have not yet been completed, but will be completed before the deadline for submission of papers.

Public Participation: This Conference is open to the public; there is no registration fee. For registration information, please send name, address, e-mail address, affiliation, and telephone number to H.M.A Associates, Inc., 1680 Wisconsin Avenue, NW., 2nd Floor, Washington, DC, 20007, Attn: Peggie Edwards-Jefferies or email them to hmaassociates.com.

Signed at Washington, DC, this 5th day of February.
Gerard F. Fiala,
Administrator, Office of Policy Development,
Evaluation and Research.

[FR Doc. 03–3559 Filed 2–12–03; 8:45 am]

2003 BIENNIAL NATIONAL RESEARCH CONFERENCE AGENDA

Wednesday, June 4th

12:30-1:15 Registration in *Columbia Foyer*

1:15-1:45 Opening Session in *Columbia Ballroom*

- Welcome/Greetings - Wayne Gordon
  Lead Manpower Analyst, Division of Research and Demonstration
- Introduction of Keynote Speaker - Maria K. Flynn
  Acting Administrator, Office of Policy Development Evaluation and Research
  Keynote Speaker - Emily Stover DeRocco
  Assistant Secretary, Employment and Training Administration
- Overview of Agenda – Wayne Gordon

1:45-2:00 PM Break in *Discovery II*

2:00-3:45 Concurrent Session I (Three Panels)

Panel 1 **Education-Workforce Training Continuum**
Room: Saturn/Venus
Panel Chair - Bill Sanders

<u>Building a Career Pathways System: Promising Practices of Community College-Centered Workforce Development</u>
Julian L. Alssid (Workforce Strategy Center)

<u>Connecting Business and the Wyoming Community College System: A Study of Employment Outcomes of 2001 Graduates of Wyoming Community Colleges</u>
Tom Gallagher, Sara Saulcy (Wyoming Department of Employment)

<u>Reconceptualizing Education as an Engine of Economic Development: A Case Study of the Central Educational Center</u>
Keith MacAllum, Amy Bell Johnson (Academy for Educational Development)

Panel 2 **Skills Requirements of Employers**
Room: Discovery I
Panel Chair – Dana Daugherty

<u>Exemplary Practices in High Skill USDOL H-1B Training Programs</u>
Burt S. Barnow (Johns Hopkins University), Joyce Kaiser (TTW Incorporated), John Trutko (Capitol Research)

The Role of Apprenticeship in the Development of the Information Technology Workforce: An Economic Perspective
John M. Aaron, Neill J. Hopkins (Workforce Development for the Computing Technology Industry Association)

Creating Effective Workforce Development Networks: Key Findings from an Evaluation of USDOL's Skills Shortages Demonstration Programs
Nancy Hewat (Public Policy Associate Inc.)

Panel 3 **One Stop Services: Current and Future**
Room: Columbia Ballroom
Panel Chair - Wayne Gordon

What Can We Expect Under Personal Reemployment Training Accounts? A Discussion Based on Findings from the Individual Training Account Experiment, Reemployment Bonus Demonstrations and other Evaluations
Paul Decker, Irma Perez-Johnson (Mathematica Policy Research, Inc.)

Considerations for States Planning Personal Reemployment Accounts
Christopher O'Leary, Randall W. Eberts (W.E. Upjohn Institute for Employment Research)

Project GATE (Growing America Through Entrepreneurship Demonstration Project)
Jacob Benus (IMPAQ International, LLC), Sheena McConnell (Mathematica Policy Research Inc.

An Evaluation of Public Labor Exchange Services in a One-Stop Environment
Lou Jacobson (Westat)

4:00-5:15 Concurrent Session II (Three Panels)

Panel 4 **Targeted Populations**
Room: Columbia Ballroom
Panel Chair - John Beverly

Medicaid and Employment of People with Disabilities: Findings from the National Survey of State Systems and Employment for People with Disabilities
Jennifer Sullivan, Susan Foley, Dana Scott Gilmore (Institute for Community Inclusion)

Older Workers Participation in Employment and Training Administration Programs
Jonathan Simonetta (U.S. Department of Labor)

Panel 5 **Performance Measures and Portable Credentials**
Room: Saturn/Venus
Panel Chair - Eric Johnson

Performance Management of US Training Programs
Burt S.Barnow, (Johns Hopkins University), Jeffrey A. Smith (University of Maryland)

Validated Portable Credentials: Why and How-Lessons from the Career Management Account Pilot Program
David J. Pass (Independant)

Panel 6 **Low Wage Workers**
Room: Discovery I
Panel Chair – Marilyn Shea

Interactions of Workers and Firms in the Low Wage Labor Market
Fredrik Andersson (U.S. Census Bureau), Harry J. Holzer, Julia I. Lane (The Urban Institute)

Employment Benefits and Work Supports for Disadvantaged Workers
Diane Baillargeon (SEEDCO)

5:30-7:00	Ice Breaker/Networking Session in *Discovery II*

Thursday, June 5th

8:30-10:15 Plenary Session-5 Year Research Plan in *Columbia Ballroom*
Burt S. Barnow (Johns Hopkins University)
Stephen Bell (The Urban Institute)
Jonathan Simonetta (U.S. Department of Labor)
Carl Van Horn (The Heldrich Center, Rutgers University)
Denise Pearson-Balik ((The Heldrich Center, Rutgers University)

10:15-10:30 AM Break in *Discovery II*

10:30-12:15 Concurrent Session I (Three Panels)

Panel 7 **Unemployment Insurance (UI)**
Room: Discovery I
Panel Chair - Cheryl Atkinson

Combining New Sources of Information on Pension Benefits with UI Wage Records: The 5500 File Project at the Census
Anja Decressin, Julia Lane, Kristin McCue, Martha Stinson (The Urban Institute)

UI Non-Mon Policies and Practices: How Do They Affect Program Participation?
Mike Fishman , Karen Gardiner, Mary Farrell (The Lewin Group), Burt Barnow (Johns Hopkins University), John Trutko (Capital Research Corporation)

How are States Using their $8 Billion Reed Act Funds?
Rich Hobbie (NASWA)

Panel 8 **Youth Services**
Room: Saturn/Venus
Panel Chair - Lorenzo Harrison

The Quantum Opportunity Program Demonstration: Implementation and Short Term Impacts
Myles Maxfield, Allen Schirm, Nuria Rodriguez-Planas (Mathematica Policy Research, Inc.)

Career Academies: Impact of Post Secondary Education and Employment
Jim Kemple, Rob Ivry (MDRC)

Working with Disadvantaged Youth: Thirty-Month Findings from the Evaluation of the Center for Employment Training (CET) Replication Sites
Cynthia Miller, Kristin E. Porter, Fred C. Doolittle, (MDRC), Johannes M. Bos, Fannie M. Tseng, Deana N. Tanguay, Mary P. Vencill (Berkeley Policy Associates)

Panel 9 **Administrative Data Research and Evaluation (ADARE)**
Project Studies
Room: Columbia Ballroom
Panel Chair - Jonathan Simonetta

Incremental Net Impacts of Participation in WIA Services
Kevin Hollenbeck (W.E. Upjohn Institute)

Occupations in Demand and Individual Training Accounts
Christopher King (Ray Marshall Center, University of Texas at Austin)

Analysis of WIA and Low Wage Workers
Peter Mueser (University of Missouri at Columbia)

WIA Benchmarking Tool
John Baj (Northern Illinois University), David Stevens (University of Baltimore, Jacob Francis Center)

12:15-1:30 Lunch in *Discovery II*

1:30-3:15 Concurrent Session II (Four Panels)

Panel 10 **Workforce Intermediaries and Industry Clusters**
Room: Discovery I

Panel Chair – Grace Kilbane

What Do Workforce Intermediaries Do?
Richard Kazis (Jobs for the Future)

Labor-Based Industry Clusters
David J. Peters (Missouri Economic Research Information Center)

Financing Workforce Intermediaries-Jobs for the Future
Jerry Rubin, Marlene B. Seltzer, Jack Mills (Jobs for the Future)

Panel 11 **Workforce Investment Act**
Room: Columbia Ballroom
Panel Chair – Delores Beran-Hal

The Relationship between the WIA and the Charitable Choice Initiative
April Bender (Partnerships for Quality)

A New WPRS Profiling Model for Michigan
Randall W. Eberts, Christopher O'Leary (W.E. Upjohn Institute for Employment Research)

Washington WIA Evaluation
Kevin Hollenbeck (W.E. Upjohn Institute for Employment Research)

Panel 12 **Temporary Assistance for Needy Families (TANF)**
Room: Saturn/Venus
Panel Chair – Dennis Lieberman

Impact of Various Criteria on Monetary Eligibility for Unemployment Insurance Benefits for TANF "Leavers"
Lester Coffey, Clive Glenn, Douglas M. Sanford Jr., Michael M. H. Ye, William F. Sullivan (Coffey Communications, LLC)

Former TANF Recipients' Monetary Eligibility for Unemployment Insurance Benefits: An Empirical Study
Lester Coffey, Clive Glenn, Douglas M. Sanford Jr., Michael M. H. Ye, William F. Sullivan (Coffey Communications, LLC)

The Role of One-Stop Career Centers in Serving Welfare Recipients in 2002
(Demetra Nightingale, Fredrica D. Kramer, Michael Enger (The Urban Institute), John Trutko (Capital Research Corporation), Burt Barnow (Johns Hopkins University)

Panel 13 **Labor Market Information and Low Wage Workers**
Room: Apollo (2nd Floor)

Panel Chair - Dave Mormon

Developing New Workforce Information Products: Employee Benefits in Washington State
Carolyn Cummins (Washington State Employment Security Department)

The Hard to Employ, TANF and WIA
John Heinberg (Policy Research and Evaluation)

Pathways to Work for Low Income Workers: The Effect of Work in the Temporary Help Industry
Julia Lane, Kelly S. Mikelson, Pat Sharkey, Doug Wissoker (The Urban Institute)

3:15-3:30 PM Break in *Discovery II*

3:30-5:15 Concurrent Session III (Three Panels)

Panel 14 Making Workforce Investment Programs More Effective
Room: Columbia Ballroom
Panel Chair – Marilyn Shea

What is the Value Added by Caseworkers?
Jeffrey A. Smith, Michael Lechner (IZA Bonn)

A Frontline Decision Support System for Georgia Career Centers
Randall W. Eberts, Chris O'Leary (W.E. Upjohn Institute for Employment Research)

Merging Cultural Differences and Professional Identities: Strategies for Maximizing Collaborative Efforts during the Implementation of the WIA
Sheila Fesko, Allison Cohen, Jaimie Ciulla Timmons (University of Massachusetts Boston)

Panel 15 Workforce Intermediaries
Room: Saturn/Venus
Panel Chair - Brent Orrell

Faith Based Organizations (FBO) Providing Employment and Training Services
Fredrica D. Kramer, Demetra Nightengale (The Urban Institute) John Trutko (Capitol Research) Burt Barnow (Johns Hopkins University)

A Theoretical Approach to Evaluating the Efficacy of Labor Market Intermediaries Providing Employment and Training Services And the Implications of Findings for Policy
John Harvey, Steve Gaither, Freddie John Martin (DAH Consulting, Inc.)

Key Findings on the Role of Intermediaries Under WIA

Bronwen Macro, Johanes Bos (Berkeley Policy Associates)

Panel 16 Employment & Training Research Sponsored by Other Agencies
Room: Discovery I
Panel Chair - Steve Wandner

Welfare to Work Housing Voucher Experiment: Interim Qualitative Findings
Greg Mills, Michelle Wood, Jennifer Turnham, Alvaro Cortes, Jenny Berrien (Abt Associates Inc.)

Institutional Linkages between the Workforce Investment and Welfare Systems in Employment Retention and Advancement Evaluation Sites
Karin Martinson, Barbara Goldman (MDRC)

Overview of the Market-Response Community College Initiative of the Office of Vocational and Adult Education (OVAE) U.S. Department of Education
Lou Jacobson (Westat)