



SOCIAL POLICY RESEARCH
ASSOCIATES

Evaluation of the Career Advancement Accounts Demonstration Project: An Implementation Study

Interim Report
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EXECUTIVE SUMMARY

This report presents interim findings from an implementation study of the Career Advancement Account (CAA) Demonstration Project, an effort to test a voucher-based, consumer-driven, self-guided approach to providing access to training for the U.S. workforce that contrasts with the approach used under the Workforce Investment Act (WIA) and other more regulated government-funded training program. The accounts provide \$3,000 annually for up to two years to individuals seeking job training as a means to secure employment.

As part of this study, Social Policy Research Associates (SPR) is examining the early stages of CAA demonstration project implementation in its eight participating states. This report describes how the states organized and implemented CAAs, what services were provided, and the overall level of account and expenditure activity, and offers a preliminary assessment of the overall project. It covers the period from spring 2007 until December 2008. A final report on the implementation and outcomes of the demonstration will follow this report.

In the fall of 2006, the U.S. Department of Labor, Employment and Training Administration (ETA) launched the CAA demonstration project to test a more streamlined training voucher, building off WIA's emphasis on streamlining training services, empowering customers, and relying on market-driven approaches to ensure accountability and performance. Taking the voucher approach exemplified by Individual Training Accounts (ITAs) one step further, workers are given an account of up to \$3,000 per year for up to two years, which they can use to pay for the tuition, books, and fees associated with the education or training services of their choice, so long as the training program leads to a portable, industry-recognized credential. Within these broad parameters, states have discretion to tailor the application of CAAs to their own needs.

Eight states either volunteered to participate in the CAA demonstration project or were selected for participation based on labor market needs. Initially, the three states that volunteered—Indiana, Pennsylvania, and Wyoming—planned to operate broadly-targeted programs and the five selected states—Georgia, Michigan, Minnesota, Missouri, and Ohio—were to target workers affected by recent dislocations in the automotive industry. However, because many dislocated automotive workers were eligible for benefits under the Trade Adjustment Assistance (TAA) program and the grant explicitly excluded such workers, the five “automotive states” discovered that they had to focus on a much broader array of target groups. ETA planned to provide \$3

million to each state, which the state was to supplement with an equivalent amount of leveraged funds.

This interim report addresses three broad research questions:

- How are CAAs being implemented?
- What is the extent to which the demonstration projects ensure customer choice?
- How do CAAs fit in to the larger array of workforce programs?

To address these questions, SPR site visitors conducted interviews with relevant staff members at each state grantee and at two Local Workforce Investment Areas (LWIAs) implementing the demonstration in that state. Exhibit ES-1 displays the areas visited.

**Exhibit ES-1
CAA Demonstration Sites Visited**

State	Local Area 1	Local Area 2
Georgia	Atlanta Regional Commission	Northwest Georgia
Indiana	Eastern Indiana	Northeast Indiana
Michigan	Macomb/St. Clair Counties	
Minnesota	Hennepin-Carver Counties	City of Minneapolis
Missouri	Kansas City and Vicinity	St. Charles County
Ohio	Clermont County	Northwest Ohio
Pennsylvania	Northwest Pennsylvania	Three Rivers (Pittsburgh and balance of Allegheny County)
Wyoming	(Wyoming is a single-LWIA state) Cheyenne Workforce Center Riverton Workforce Center	

SPR staff also thoroughly reviewed the grantees’ quarterly progress reports.

Organization and Implementation of the Demonstration

In part because states and local areas had diverse reasons for wanting to participate in the demonstration, the organization and structure of the demonstration varies substantially across the eight states and participating local areas, despite the existence of common Federal goals.

State and Local Objectives

Some states saw CAAs as a way to train workers who were not eligible for or were not being well served by WIA or other existing programs. Incumbent workers, who can only be served through WIA state reserve funds or formula funds with a waiver, were a common target group. Additionally, some states sought to use CAAs to improve connections with employers. Another

group of states saw CAAs as a path to serving workers who needed only a very specific skill or very short-term training to obtain re-employment. Some of these workers might not be interested in or eligible for training under the regular tiered WIA service designs. Yet another group of states, especially those who lost large amounts of dislocated worker funds under a 2007 Congressional rescission, viewed CAAs as a new opportunity to obtain more training money for their states. Exhibit ES-1 displays the states' objectives for the demonstration.

Exhibit ES-2
States' Primary Objectives in Participating in the Demonstration

	Serve Incumbent Workers	Provide Short-Term Training	Obtain Additional Funds
Georgia (Auto)	√	√	√
Indiana	√		√
Michigan (Auto)	√ (local option)	√	
Minnesota (Auto)	√		√
Missouri (Auto)	√	√	
Ohio (Auto)		√	√
Pennsylvania			√
Wyoming	√		

Structural/Policy Changes Occurring after the Beginning of the Demonstration

Many of the states encountered difficulty during the initial stages of CAA award and implementation. Some struggled to align CAAs with other structural and policy changes that were occurring within the state (or local areas), while others contended with the realization that the intended target group for CAAs may not provide a sufficient customer base for the demonstration. The automotive states had to shift target groups once it became apparent that nearly all auto workers were eligible for TAA. In some states, some local areas resisted participation; in the case of Missouri, local resistance caused the state to implement the demonstration statewide through state Employment Service (ES) staff. In other states, implementation was limited to a few participating LWIAs.

State and Local Roles in CAAs

Five of the participating states act primarily as overseers of the demonstration while devolving virtually all aspects of program administration to their locals. These five states are Indiana, Michigan, Minnesota, Pennsylvania, and Georgia. Indiana is fairly typical of this more decentralized model. The state defined the target groups, including dislocated and incumbent

workers, and basic eligibility (e.g., customers ineligible for ITAs). But after that, the state operated solely to provide technical assistance and oversight of the program. The remaining three states—Missouri, Ohio, and Wyoming—play a more active role in the administration of the program.

Leveraging Resources/Other Funding Sources

The state grantees had to use the Federal grant funds expended to leverage an equivalent amount of other funds. States took varied approaches to identifying and obtaining leveraged funds. Five states used actual dollars drawn from other sources to increase the overall pot of money available for CAAs in the state. Two of these states (Indiana and Ohio) used Rapid Response funds from their WIA dislocated worker funding as a match for the CAA funds. The third (Michigan) used WIA statewide activities funds. The fourth state (Wyoming) drew upon Wagner-Peyser, at least initially, but it later used money primarily from its general fund. The fifth state (Pennsylvania) used an array of sources for its leveraged funds. The remaining three states (Missouri, Georgia, and Minnesota) relied on in-kind contributions from various sources.

CAA's Relation to the Workforce System

All states (except Missouri, which uses ES staff) deliver their CAA accounts through their LWIAs. However, the states differ in the degree to which they integrate CAA service with existing WIA services. Michigan and Ohio integrate CAAs into existing workforce initiatives for dislocated workers as an alternative funding source. The remaining LWIA-delivery states and Missouri treated the CAA demonstration project as a more distinct program. In all cases, the states aligned the CAAs with their broad strategic workforce policies and goals.

Implementing the CAA Demonstration

States faced delays and other challenges in attempting to implement the demonstration as originally envisioned, and these challenges required alterations to their implementation plans, especially in the automotive states. States expanded target groups, undertook measures to overcome local resistance, made changes in the methods of selecting training vendors, and altered various plans to accommodate the changes in target groups. Acknowledging the necessity of these alterations, ETA offered the automotive states extensions to the period of performance and allowed them to increase the annual cap to \$6,000. These modifications were also available to the other states.

The grantees largely market CAAs through other workforce system programs and services. In nearly all the states, the LWIAs market CAAs through conventional mechanisms already in place in the One-Stop Career Centers; these mechanisms include the Center orientation, flyers, referrals from the intake desk, and case management. In addition, several Rapid Response teams

commonly inform dislocated workers about CAAs, and in three states, Unemployment Insurance claimants receive information about this training opportunity. Some marketing occurs directly with employers, especially for those states that emphasize service to incumbent workers.

SERVICES TO CAA CUSTOMERS

At the time of the Round 1 site visits, services provided to CAA customers were limited in many of the states, primarily because of significant delays in implementing the demonstration.¹ Nevertheless, some early patterns still emerged.

Eligibility Requirements

In addition to targeting certain groups of workers, the states had to specify eligibility criteria to enable staff to determine who would actually receive an account within the broad target groups. For their dislocated worker groups, the states are using criteria from WIA but modifying these criteria with other dislocated-worker eligibility criteria or further restrictions. In the other categories, eligibility requirements are somewhat more varied. Of the three states that are serving low-income adults, Pennsylvania and Wyoming developed specific income-based criteria in lieu of using WIA criteria. Some states also allowed local areas to add their own requirements.

The states and local areas supplemented their basic eligibility criteria with a number of additional requirements to achieve particular state or local goals, meet specific ETA grant requirements, or address implementation challenges. In some cases, these requirements are functionally equivalent to threshold eligibility requirements, while others are working requirements that function as part of the CAA decision-making process, coming into play as customers discuss their training interests, goals, and time frames with One-Stop Career Center staff. Most common is a requirement that recipients complete the training within the grant period. Although such a requirement is implicit for all the grantees, Georgia made it explicit, and Indiana and Macomb, Michigan, imposed two-year limitations to emphasize the importance of timeliness and conform to the grant period. Pennsylvania addressed the problem of timely completion in a different manner. It required CAA recipients to begin training within 90 days of eligibility determination. Several other grantees and local areas added additional requirements, such as residency and GED receipt.

¹ The services provided to CAA customers are reported on more fully in the evaluation's final report.

Training Services

A CAA-based training system is intended to expedite the movement of eligible customers into training as compared to the conventional core/intensive/training regimen under WIA. Although the grant prohibits requiring customers to receive pre-training core and intensive services, the states have wide latitude in determining what pre-training services may exist. Only one state explicitly requires potential CAA recipients to attend the same One-Stop Career Center orientation required of WIA participants. Two other states expect or encourage potential CAA recipients to go through the typical, local One-Stop Career Center front-end regimen.

There is considerable variety in the way in which the states and local areas use assessments or counseling as the basis of a training decision. Three states provide some level of preliminary assessment and guidance in the course of telling customers about the CAA. Three states offer preliminary assessment only if the customer requests it or is floundering in a self-directed mode. In all of these states, at least some CAA recipients are certain to pass through the WIA pre-training service tiers before they encounter the CAA because the CAA is closely integrated with general One-Stop Career Center operations. Four states recruited CAA recipients through the normal course of One-Stop Career Center operations. In these states, at least some customers received a CAA voucher after having gone through core and intensive services because these grantees primarily use CAAs as an alternative funding source rather than as a distinct service model.

The CAA demonstration intended to reduce the restrictions on customer choice of training, compared to the ITA. Nevertheless, the grant and grantee operating policies imposed the following restrictions on customer choice:

- The grant established the two-year duration and the \$3,000 per-year cap (which together yield a \$6,000 limit).
- The grant required all CAA training programs to yield a nationally-recognized certificate.
- States and LWIAs imposed restrictions on occupation choice, most commonly by restricting training to occupations in high-demand sectors or that are aligned with an economic sectoral strategy.
- While the grant prohibited the requirement that all vendors and programs be on the eligible training provider list, two states require use of the list but provide an expedited procedure for adding new vendors/programs to the list.

The CAA model was also intended to reduce the role that LWIA staff members play in making decisions about the customer's training. Five states clearly reduced the level of case manager activity and authority in these decisions. These states require or encourage locals to defer to the customer in virtually all aspects of decision-making. The other three states offer a more intensive counseling regimen. The evidence suggests that, with a few exceptions, front-line and

management approval of training plans occurs in less time than is the case with an ITA. The lower level of staff involvement extends to counseling during training and in placement assistance. Although none of the states requires any specific level of placement assistance, the One-Stop Career Centers inform the trainees about job-search workshops and the job matching system. Only one local site makes front-line staff as responsible for the employment outcomes of CAA recipients as they are for those of ITA recipients.

Coordination of programs is mixed. The CAA models generally coordinate with other programs, such as Pell or comparable state programs, to provide additional funding, and three states permit co-enrollment in WIA. Supportive services are generally not provided, as the grant precluded spending on such services. Three states and several local areas specifically preclude CAA receipt if the participant requires supportive services, expecting that such customers would receive ITAs.

Employer Involvement

Despite the growing importance of employer involvement in the workforce investment system, there is relatively little interaction with employers, with the exception of some training provided to incumbent workers. Only one state works with employers throughout the demonstration (i.e., design/implementation/employer-based training/hiring). Two other states reported that at least some of their LWIAs are actively marketing all trainees, including CAA recipients, to local employers.

Assessment of the CAA Demonstration's Early Implementation

Early CAA Activity

During the period from April 2007 through September 2008, the eight grantees offered 5,143 CAAs and established 4,522 accounts. Thus, of all the customers who were offered CAAs, approximately 88 percent actually enrolled in the program and established accounts. As will be described below, approximately 64 percent of these accounts had actual disbursements. Only 685 accounts had been closed as of September 2008; of these, 75 percent had exhausted the funds available.

As of September 2008, about \$10,000,000 had been obligated, and with the average account having \$3,833.² The total amount actually disbursed was \$3,890,425. Total spending, including leveraged funds, was \$8,461,034.

Assessment of the Demonstration

Reports from respondents indicate that the CAA demonstration has the following strengths and weaknesses.

- Strengths
 - The extra funds that come with CAAs are especially valuable to those local areas that have exhausted WIA funds.
 - Enhanced customer choice is important and highly beneficial for those customers who have already made good quality training decisions.
 - Increased access to training occurs as a result of simplified procedures and reduced prerequisites for training (core and intensive services).
 - CAAs, given the relatively low cap and simplified procedures, are well suited as a vehicle for short-term training.
- Weaknesses
 - Enhancing customer choice through reduced case management, though beneficial for some customers, may shortchange those who are very uncertain about their training decisions or those who make ill-informed decisions.
 - The relatively low cap is unattractive to those seeking longer-term training, and thus, it is an obstacle to reaching enrollment targets.
 - The absence of supportive services is a significant weakness (noted by both staff and participants), especially for those recipients without their own financial resources to pay for transportation to training, childcare, or other needs.

Comparisons to the ITA

The early findings suggest the following comparisons between CAAs and ITAs:

- Organization and implementation of the demonstration project:
 - The extent of local control over policy and operations is quite similar.

² This figure covers seven states. Wyoming, which initially implemented a very low-cost incumbent worker training in soft skills, was not included.

- CAAs commonly serve workers who are not typically served by ITAs. Already-employed workers, certain low-income participants, and dislocated workers needing short skill-enhancements received CAAs, and these groups are not widely served by ITAs.
- Although the grant allowed states to create an alternative delivery system, no grantee did so. CAA training in all cases is tightly integrated into the existing workforce delivery system (although in Missouri, delivery was through the ES rather than the LWIAs).
- Limitations on customer choice:
 - The CAA cap is lower than the ITA cap in nearly all of the areas visited.
 - The two-year duration is very widespread in the ITA system, so it is essentially the same as the CAA. However, as a result of delays in implementation (e.g., changes in target groups, overcoming LWIA resistance, and aligning the demonstration with other policy objectives), some customers will be able to access the full \$6,000 in a single year. Thus, in some local areas, these recipients may have had a less restrictive training grant, when considering both the cap and duration, than if they had received an ITA.
 - The requirement that all CAA recipients train in programs offering a nationally-recognized degree or certificate essentially parallels the WIA statutory requirement for a recognized certification, although the WIA requirement allows for locally established criteria, a theoretically more restrictive requirement.
- Customer services:
 - CAA models generally provide less case management than ITA systems.
 - Supportive services, which were proscribed by the grant, are not generally obtained by co-enrollment in WIA. In contrast, WIA makes those services an integral part of an ITA.

I. INTRODUCTION

This report presents interim findings from an implementation study of the Career Advancement Account (CAA) demonstration Project, an effort to test a voucher-based, consumer-driven, self-guided approach to providing access to training for the U.S. workforce as opposed to the more regulated approach under the Workforce Investment Act (WIA) or other government-funded training programs. The accounts provide \$3,000 annually for up to two years to individuals seeking job training as a means to secure employment.

As part of this study, Social Policy Research Associates (SPR) is examining the early stages of the CAA demonstration project implementation in its eight participating states. This report describes how the states organized and implemented CAAs, what services were provided, and the overall level of account and expenditure activity, and offers a preliminary assessment of the overall project. It covers the implementation period from spring 2007 until December 2008. A final report on the implementation and outcomes of the demonstration will follow.

Background on the CAA demonstration Project

Federally-funded, general purpose training programs have gone through several incarnations since enactment of the Manpower Development and Training Act in 1962. That initial legislation was succeeded by the Comprehensive Employment and Training Act and then the Job Training Partnership Act, also known as CETA and JTPA, respectively. In these earlier programs, staff played a significant role in organizing and implementing the training, and the programs themselves were regulated by a substantial number of rules and restrictions. However, WIA's 1998 enactment represented a change in how the public workforce investment system would administer job training. WIA aimed to increase the role of the marketplace in employment and training programs. As such, training policy moved from funding select training providers directly to issuing voucher-like individual training accounts (ITAs) that customers can use to procure training services from eligible training providers. This policy requires local workforce investment areas to use ITAs to provide training to adult and dislocated workers. It stems from a belief that customers should have a wider range of choices among training providers, increased competition between training providers for customers' patronage would create more quality training options, and ITAs would decrease government administrative costs.

Building off WIA's emphasis on streamlining training services, empowering customers, and relying on market-driven approaches to ensure accountability and performance, in 2006, President Bush proposed to enhance the marketplace assumptions of the ITA under WIA by using CAAs to provide most of the new Federal education and training funds for U.S. workers. Under this proposal, some funding would be drawn from One-Stop Career Centers or the public workforce system to establish CAAs for workers in need of assistance for workforce skill upgrading.

While this broad reform proposal did not make it through Congress, the Administration was interested in testing certain features of the training accounts. Consequently, the U.S. Department of Labor, Employment and Training Administration (ETA) launched the CAA demonstration project in the fall of 2006, to test the CAA training-voucher concept. Taking the voucher approach exemplified by ITAs one step further, workers are given an account of up to \$3,000 per year for up to two years, which they can use to procure education or training services of their choice (restricted to paying for tuition, books, or fees), so long as the training program leads to a portable, industry-recognized credential. Allowable types of training include, among others:

- Occupational skills training
- Skill upgrading or retraining
- Entrepreneurial training
- Educational activities leading to a high school diploma or its equivalent
- Customized training.

Reflecting the spirit of increasing individual access to Federal training funds and one of the key principles of President Bush's American Competitiveness Initiative—reducing administrative costs, CAAs differ from various Federal education and training funds serving disadvantaged adults in a variety of ways. For example, in contrast to Pell Grants, CAAs can be used for students who lack a high school degree or already have a post-secondary degree, are pursuing training less than half time, and are enrolled in short-term training courses that last 10 weeks or less. In addition, unlike with WIA, the Federal government does not stipulate that CAA recipients must fulfill any prerequisite activities, such as job searches for available employment, basic skill or interest assessments or career counseling in order to apply, nor does it require states and local areas to restrict access for recipients only to those training providers on the WIA eligible training provider list (ETPL). These policy decisions are left to the participating states to develop and implement. Further, CAA funds may not finance the provision of support services, such as transportation or childcare support nor counseling and guidance activities provided by a workforce professional. However, a customer may receive such services or assistance when funded from a different funding stream, such as Temporary Assistance for Needy Families

(TANF). Finally, project administration and management for the CAAs were restricted to five percent of a state's funding allotment.

Within these few parameters, states would have discretion to tailor the application of CAAs to their own needs. For example, they would need to establish systems for administering the funds, and establish targeting guidelines and eligibility criteria for participants or recipients of the CAAs. They may establish restrictions on where CAAs could be redeemed, such as using the ITA system's ETPL or otherwise meeting standards relating to outcomes or program quality, or they could limit occupational choice to programs that promise jobs in specific high-wage or high-growth industries. Finally, the Federal government did not specify the delivery system, so states and local areas could use their existing One-Stop Career Centers, community colleges, or establish another system in partnership with the private sector, to assist CAA holders in making informed training decisions and manage the program.

Eight states volunteered or were selected based on labor market needs to participate in the CAA demonstration project. Initially, the three volunteer states—Indiana, Pennsylvania, and Wyoming—planned to operate broadly-targeted programs, and the remaining five selected states—Georgia, Michigan, Minnesota, Missouri, and Ohio—were to target workers affected by recent dislocations in the automotive industry. However, even during the planning stages for the demonstration, the distinction between these two types of states became much less clear as the projects began to be implemented and were running. Specifically, the automotive states found that many of the workers affected by layoffs in the industries were certified as trade-affected, and thus were eligible for benefits under the Trade Adjustment Assistance (TAA) program. Federal policy guidance stipulates that these individuals (as with anyone who is TAA eligible) would not be eligible for CAAs because they are entitled to the training resources available through the TAA program. As a result, the initial automotive states are now focusing on a much broader array of target groups.

In terms of funding, ETA is providing \$1.5 million in grants to each state, subject to the provision that the states must match the grants with an equal amount of funding from other sources over a two-year period. In addition, due to the recent economic downturn beginning in 2008, ETA allotted further CAA funding to Minnesota, Missouri, and Ohio, who were in need of additional resources due to limited or exhausted WIA dislocated worker resources. ETA also allowed states to spend the total \$6,000 per recipient in one year (instead of limiting funding to \$3,000 a year per year for each individual) in order to facilitate the expenditure of funds. As such, total funding, including Federal and matched funds, was \$3 million per participating state and \$24 million for the grant as a whole. How the states went about applying this funding to create the program specific to their state's needs and within the very broad Federal policy

direction and timetable is the essential story of this report and will be discussed further in subsequent chapters.

Design of the Study

The research objectives of this report are to: 1) summarize the organization, implementation, and operation of CAAs in the participating states, and 2) detail the findings that have implications for continued effective workforce services. These two broad objectives give rise to a series of research questions that underlie our data collection.

- How are CAAs being implemented and operated within the participating states?
 - State versus local authority
 - Geographic dispersion
 - Timeliness
 - Target groups and eligibility requirements
- How does the CAA provide customer choice?
 - Explicit restrictions on training decisions
 - Level and intensity of staff assistance
 - Self-service tools
- How does CAA operate in tandem with the rest of the workforce investment system?
 - Recruitment and referral
 - Relationships with parties outside workforce system
 - Integration with other programs for services
 - Leveraging grant funds
- How does CAA compare to other state and federally funded job training funds?
 - Accessibility of training
 - Role of frontline staff
 - Supports for potential trainees

The first key research question examined in this interim report is how CAAs are being implemented within the participating states. Because ETA allowed for state-level variation in CAA policy direction and operations, understanding how each state has structured state versus local authority, or local control over program policy and implementation is critical. Of equal interest is whether states decided to implement the CAA demonstration statewide or to focus strategically on a limited number of local workforce areas. The study also aims to describe what groups of workers participating states targeted—whether they be job seekers, incumbent

workers, industry-specific workers, or skilled vs. unskilled workers—and their rationale for doing so.

A second research question, reflecting the key principles of CAA, seeks to describe the extent to which the state demonstration projects ensure customer choice. Evaluators examined the explicit restrictions states impose on CAA recipients' job training decisions, for example, by requiring the use of the ETPL, community colleges or other low-cost vendors, and the level and intensity of assistance that project staff provided to support informed choice of career paths and appropriate training in a reduced-intensity case management environment.

A third area of inquiry is how CAAs fit in to the larger array of workforce programs implemented in the participating states. The study observes how states conduct recruitment and referral activities—whether that be through existing program structures or new ones, how states develop and maintain linkages with parties outside the public workforce system—including relationships with employers and training vendors and the extent to which services CAA recipients may receive are integrated into existing programs. The latter question is critical to understanding how states that provide additional case management and support services reconcile funding them in the context of CAA administrative cost restrictions. Similarly, the study reviews how states leverage grant funds, including additional monies for the matching requirement, additional tuition support from other programs, employers or recipients, and any in-kind supportive services and case management from other programs.

Finally, the evaluation seeks to examine how the CAA demonstration project compares to similar public workforce training funds, such as WIA's ITA, in terms of streamlined access to training, target populations, user-friendliness for workers, training providers, and employers, the role of frontline staff in managing the process of CAA receipt, and the supports that recipients are able to access. Addressing these items may highlight the advantages and challenges that states have faced to date in implementing the demonstration project and any value added that CAAs offer workers and job seekers interested in job training.

Methodology

To examine these questions, the evaluation design includes two rounds of site visits to participating states and the examination of participants' initial employment outcomes. This interim report draws on data from the first round of three-day site visits to each of the participating states and one or two local areas conducted between April and December 2008. During site visits, SPR evaluators conducted in-depth, semi-structured interviews with system administrators, planners, management information system (MIS) staff, One-Stop Career Center directors in charge of project implementation, and front-line staff. In addition, to better understand the training decision process and services received from multiple perspectives, site

visitors reviewed case files and conducted focus groups or one-on-one interviews with CAA recipients and training providers at each of the local areas. Evaluators will conduct a second round of follow-up visits to participating states in summer and fall of 2009. Those visits and administrative data from the grantees detailing services and outcomes will form the basis for the project’s final report. Exhibit I-1 details the states and local areas visited during Round 1.

**Exhibit I-1:
CAA demonstration Sites Visited**

State	Local Area 1	Local Area 2
Georgia	Atlanta Regional Commission	Northwest Georgia
Indiana	Eastern Indiana	Northeast Indiana
Michigan	Macomb/St. Clair Counties	
Minnesota	Hennepin-Carver Counties	City of Minneapolis
Missouri	Kansas City and Vicinity	St. Charles County
Ohio	Clermont County	Northwest Ohio
Pennsylvania	Northwest Pennsylvania	Three Rivers (Pittsburgh and balance of Allegheny County)
Wyoming	Wyoming is a single-LWIA state Cheyenne Workforce Center Riverton Workforce Center	

The remainder of the first chapter provides background information for the eight states that are participating in the demonstration project. Chapter II describes the initial state goals for CAAs, the organization of the demonstration project, how CAAs relate to other skills training and economic development efforts, and administrative and funding issues surrounding the project. In Chapter III, we detail the implementation of CAAs at the state and local level and describe the extent to which states and locals needed to adapt their initial project plans to overcome the shortcomings of their early vision and meet emerging labor market needs. Following this, we describe the services available to job seekers and employers in Chapter IV. Finally, Chapter V summarizes project activity, including the number of offers and awards and project expenditures and disbursements, and assesses implementation through December 2008 by examining strengths and weaknesses of CAAs and comparing the CAA model to its ITA counterpart.

States Implementing CAAs

The conceptual framework for this evaluation considered a number of contextual factors that might influence the successful implementation of the demonstration project. Indeed, each state brings a number of organizational, system-level, and economic factors that frame the CAA

project. According to state and local respondents, three contextual factors greatly affected states' decisions to participate in the demonstration project and their implementation of CAAs. These factors have to do with funding, labor market conditions, and economic development strategies in place.

States came to the project with a range of funding situations. Some participating states and local areas noted that one motivation for participating in CAA was the opportunity to supplement their limited funding to provide employment and training services. For example, before participating in the CAA demonstration, Ohio faced a severe shortage of WIA funds because the state lost \$20 million of dislocated worker funds due to a Congressional rescission. Missouri faced daunting labor market conditions, also with limited financial resources. The state experienced an exponential increase in mass layoffs and sought to supplement National Emergency Grants with CAA training funds. Finally, Wyoming is a small state with minimal Federal funding. Even though unemployment is low, the Riverton Workforce Center had a waitlist for dislocated worker training. Thus, while extra funds may not have been the sole motivating factor in every state's decision to participate in CAA funding, many state and local respondents clearly mentioned its significance.

A second contextual factor affecting CAA planning and implementation has been state and local labor market conditions. Mirroring the economic challenges that the country is currently experiencing, seven of the eight participating states and their local areas have higher than usual unemployment rates and decreasing manufacturing employment, especially in the rapidly contracting automotive industry. This has greatly reduced the manufacturing employment opportunities and forced several states to focus on reemploying and retraining workers for more in-demand occupations in the technology, health care, retail and service, and education industries. Only Wyoming was not facing economic and labor-market hardships before participating in the CAA demonstration project. The state's vibrant mining and energy industries helped to keep unemployment rates low and created strong labor market demand, at least for skilled workers.

The third contextual factor is the extent to which CAA planning was designed to align the accounts with economic development strategies or broader workforce initiatives that were already in place within the states. Such strategies and initiatives are designed to focus all or most training resources on occupations and industries that are growing and are important for state and regional development. They have become quite common throughout the country, and most of the CAA grantees had already developed such initiatives by the time of their participation in the CAA demonstration.

Below, is a brief description of each participating state's workforce system, labor market contexts and pertinent local area conditions that influenced their decision to participate in the demonstration project and their ability to successfully implement the CAAs.

- **Georgia**—The state's manufacturing base, and especially automotive manufacturing located in the Atlanta metropolitan area, has declined steadily in recent years. A second factor that frames Georgia's participation in CAAs has to do with dwindling dislocated worker funding. A third motivation for participating in the CAA grant was to supplement workforce programs already in place. As such, Georgia chose two local areas that demonstrated promising performance in implementing workforce programming and also had some of the highest needs for workforce funds in the state.

Indiana—Indiana's workforce needs center around responding to declining manufacturing employment opportunities and retraining dislocated workers for high growth industries. In Indiana, these new opportunities vary regionally. For example, in Northeast Indiana, there is a large contingent of information technology and "advanced manufacturing" jobs with a critical shortage of skilled workers. In contrast, in Eastern Indiana, manufacturing jobs have generally been replaced by low-skill, low-wage employment. Thus, Indiana viewed participation in CAAs as an opportunity to augment existing economic development efforts, such as its Strategic Skills Initiative, and provide "just-in-time" training for incumbent workers and job seekers.

- **Michigan**—Perhaps the state most affected by the decline of the U.S. automotive industry, the unemployment rate in Michigan (9.6 percent at the time of the site visit in November 2008) is significantly higher than the national average. A major state policy initiative to address the devastating job loss is the No Worker Left Behind Act, implemented in 2007. Under this initiative, dislocated workers are eligible for training funds up to \$5,000 for up to two years to complete a certificate or degree program at any Michigan post-secondary institution. The state intended for CAAs to augment this program.
- **Minnesota**—In this state, the alignment of training with economic development goals is greatly supported by the recent merger of the economic development and workforce development agencies. The labor market has been adversely affected by the decline of the automotive industry, a major employer in the Twin Cities area. The state intended to use CAA demonstration funds to retrain affected workers in high growth industries, such as healthcare and computer technology. Despite the automotive closings, funding to assist dislocated workers is less of a problem in Minnesota than the other automotive states because the dislocated worker program receives state funds for dislocated worker services from its Unemployment Insurance (UI) payroll tax.
- **Missouri**—Similar to the above states, labor market conditions in Missouri have worsened as car manufacturers have closed plants and held layoffs. Respondents report that the number of mass layoffs more than tripled in 2008. The state has

requested several National Emergency Grants to address the dislocations and planned to use CAAs as an additional tool to serve displaced workers.

- **Ohio**—Manufacturing is a strong base of employment for Ohio’s workers, and 30 percent of this is related to automotive production, a major factor in the state’s application for the CAA grant. Despite extensive layoffs in that industry and other manufacturing, the state has lost dislocated worker funds to the Congressional rescission for PY 2007, so the CAA automotive grant was doubly attractive. The state integrated CAAs into its existing strategic plans, Turnaround Ohio and Advance Ohio, which emphasize dislocated worker transition to advanced manufacturing, health care/bio-sciences, and other growth areas in which the state economy is already strong.
- **Pennsylvania**—Pennsylvania prioritized workforce investment and the strategy of preparing the state’s workers for employment in high growth industries. As such, in 2005, the Governor’s Job Ready Pennsylvania program secured \$91 million in new state funds and leveraged \$2 billion to support the commonwealth’s workforce development and education systems. Efforts financed through these funding streams aim to increase worker access to post-secondary education and enhance the skills of high school graduates. Although Pennsylvania also faces substantial declines in manufacturing employment, the state elected to use its CAA funds to target low-income workers with some attachment to the labor force as a way to mobilize an under-employed or untapped resource to support its economic development goals.
- **Wyoming**—This state’s workforce structure and labor market conditions contrast sharply with those in the other CAA states. Wyoming is a single workforce area state with no local areas to interpret and adapt state policy. In addition, during the site visit, the state’s unemployment rate was 2.8 percent, much lower than the national average and the rates of other participating states. This low rate derives from very strong energy and mining industries that are facing a shortage of skilled workers to fill the growing number of jobs. Other growing industries include hospitality, healthcare, and education. To address this issue, Wyoming decided to participate in the CAA demonstration project to train incumbent workers and job seekers for supervisory and entry-level positions, respectively, in these industries.

As detailed above, facing similar economic conditions (with the exception of Wyoming), these eight states had diverse visions for how CAAs might contribute to workforce training. The five automotive states initially planned to use CAAs to serve dislocated workers from the auto industry, but this target group eventually had to expand to include other dislocated workers. Most of the states, regardless of their initial plans, believed CAAs would bolster statewide and local economic development activities. And finally, some states viewed CAAs as a source of funding to train a portion of the workforce that was not eligible or not a target population for other Federal or state training programs, such as workers with formal education degrees, more skills, or higher income, those interested in training part-time, and underemployed incumbent workers.

While this chapter detailed contextual factors that were in existence within the states as the demonstration project began and initial visions of how CAAs might contribute to the states' own strategic plans, the following chapters of the Interim Report describe how these plans and visions evolved over time.

II. ORGANIZATION OF THE DEMONSTRATION

Having laid the broad foundation for the development of the CAA demonstration in the previous chapter, in this chapter we describe how CAAs are organized within the eight participating states. In addition to the Federal goals, states and local areas often had multiple reasons for wanting to participate in the demonstration and, partially as a result, the organization and structure of the demonstration varied substantially across the eight states and participating local areas.

In this chapter, we first describe the various objectives states and local areas had for participating in the demonstration, and discuss changes that occurred in these objectives as they adjusted their initial designs. Next, we provide an overview of how the demonstration is organized across states and local areas, including state and local roles in developing CAA policies and procedures and the extent of geographic distribution of the project in each state. The chapter then moves on to discuss two key features of project organization: linkages to other state or local initiatives related to economic or workforce development, and the means by which states and local areas leveraged funds or tapped other funding sources in conjunction with CAAs. Following this, we describe the data and financial systems used to record participant information and manage grant funds.

State and Local Objectives for the Demonstration

Participating states and local areas cited a range of objectives for their participation in the CAA demonstration. Indeed, nearly all states cited multiple objectives for their participation. In some cases, states saw CAAs as a way to train workers who were not eligible or were not being well served by WIA or other existing programs. Incumbent workers, who can only be served through WIA state reserve funds or formula funds with a waiver, were a common target group.

Additionally, some states sought to use CAAs as a means to improve connections with employers. Another group of states saw CAAs as a path to serving workers who needed only a very specific skill or very short-term training to obtain re-employment. Some of these workers might not be eligible for training under the regular tiered WIA service designs. Yet another group of states, especially those who lost large amounts of dislocated worker funds under a Congressional rescission, viewed CAAs as a new opportunity to obtain more training money for

their states. Finally, five states initially agreed to participate to serve dislocated automotive workers. All these states expected major layoffs from the three large domestic manufacturers, their supply chains, and the communities in which the affected plants were located. Examples of each of these categories will be discussed below.

Incumbent Worker Training. Indiana strongly emphasized incumbent worker training. State staff noted that the demand for WIA formula-funded services, and particularly for training under WIA, easily met or exceeded the WIA dollars the state received. As a result, the state rarely could focus on providing services to incumbent workers. CAAs gave them such an opportunity. Staff in Northeast Indiana believed that such training would expand their overall role in their region's workforce investment system. Specifically, staff in this region sought to provide services to a group of individuals whose skills and experience were somewhat more advanced and not usually perceived to be a "typical" WIA customer (by which staff meant individuals with limited work histories or relatively low-level skills). Other states emphasizing incumbent worker training as a goal for CAAs were Wyoming, Missouri, and Georgia.

Employer Connection. Wyoming's incumbent worker training stressed a connection to employers. In this case, the state sought to help employers who were desperate to retain their qualified employees in this low unemployment state. However, as is described in the next chapter, the implementation of CAAs in Wyoming was somewhat problematic because their employer emphasis was largely incompatible with the intended customer-driven emphasis of CAAs. Despite this, connections with employers had strengthened because of the CAA demonstration.

Short-Term Training. Several states emphasized short-term or lower-cost training, but each had differing motivations. Missouri and Georgia staff emphasized the importance of CAAs as being well suited for those with short-term, work-related goals seeking to increase their skills. Primarily, this group is composed of incumbent workers, but both states considered that dislocated workers might also benefit. In Missouri, ultimately the majority of CAA recipients were dislocated workers. Missouri state staff felt that CAAs allowed low-skill, dislocated workers, who may not be a good fit for WIA because they would be less able to achieve positive performance on the common measures, to encounter training for the first time. The Atlanta Regional Commission, a local area in Georgia that needed additional resources to cope with the large closings at General Motors and Ford assembly plants, subsequently turned to a short-term emphasis when it broadened its project targets to incumbent workers, all dislocated workers, and adults.

In Ohio, state staff indicated that CAAs would also primarily benefit those whose needs for training were relatively short or low-cost. In large part, this objective is driven by the relatively high cost of training options in Ohio, which led to high caps for ITA awards (\$5,000 as

compared to the \$3,000 cap for CAAs) and meant that CAA recipients would not have sufficient funds for longer-term training. As a result, the lower cap placed on CAAs in part drove Ohio’s objective to use CAAs as a mechanism for funding short-term training for those with fewer skill deficits. A secondary objective in Ohio was that, by providing CAAs to those with fewer needs, it would allow case managers to spend more time with other customers who needed more intensive case management services. Finally, Ohio also had great need for additional dislocated worker funds because of an earlier Congressional rescission, and thus the CAA funds provided some additional training capacity.

Additional Funds and Flexibility/More Customer Choice. Still other states and local areas viewed CAAs as a new stream of funding that could be used to serve workers overall. While these states developed specific target groups and established eligibility criteria, these were somewhat secondary objectives. For example, in Pennsylvania, one staff member characterized CAAs as “another pot of money” that could benefit the state’s workers. As state staff developed their implementation plans, it was decided that a good use for the money would be to train certain low-income people who had some attachment to the workforce. Similarly, Georgia and both local areas participating in the demonstration, Atlanta and Northwest Georgia, indicated the primary reason for seeking CAA funding was to be able to provide more opportunities—more funds and a greater range of choice—to their workforce.

**Exhibit II-1:
States’ Primary Objectives in Participating in the Demonstration**

	Incumbent Workers	Short-Term Training	Additional Funds
Georgia (Auto)	√	√	√
Indiana	√		√
Michigan (Auto)	√ (local option)	√	
Minnesota (Auto)	√		√
Missouri (Auto)	√	√	
Ohio (Auto)		√	√
Pennsylvania			√
Wyoming	√		

Automotive Workers. Providing additional funds to serve dislocated automotive workers was a principal intent of the project, and grants have been provided to five states for this purpose. However, as discussed in the next section, such service was not feasible.

Exhibit II-1 summarizes the varying state objectives for participating in the demonstration, broken down into the key categories described above.

Structural and Policy Changes since the Demonstration Began

Given the objectives described above, states and local areas set out to organize the administration of the CAAs in various ways appropriate to the needs of their customers. However, many of the states encountered difficulty during the initial stages of CAA award and implementation, as they struggled to align CAAs within other structural and policy changes that were occurring within the state (or local area), or with the realization that the intended target community for CAAs may not provide a sufficient customer base for the demonstration.

Automotive States

Chief among these shifts was the realization among the “automotive states” that workers laid off from the automotive industry were almost universally designated as trade-affected and, thus, as eligible for the Trade Adjustment Assistance (TAA) program, which moved them beyond the scope of the grant. These five states were, therefore, forced to scramble to revise their eligibility criteria, which not only required identifying customers in need of CAA-funded training, but also meant new negotiations with ETA, which had awarded the funds originally to be targeted to the former automotive workers. Although ETA was flexible in these negotiations and allowed states to redefine their target populations for CAAs, in four of the five automotive states, this took substantial time because of the need to reorganize the demonstration, target it to different service groups than had been originally planned, and have the new plans reviewed and approved. This therefore delayed the actual implementation and offer of CAAs to individuals.

Although state officials in Minnesota quickly realized they needed to shift their focus to dislocated workers generally, those in Missouri and Ohio struggled to identify an alternative group. Ultimately, they determined that all dislocated workers would be targeted for CAAs.³ Ohio retained an automotive emphasis by also adding workers at risk of being laid off because of auto closings and other workers in communities affected by plant closings. Michigan and Georgia took longer to develop alternatives, thereby stalling implementation of the CAAs to individuals for many months. However, these difficulties had more to do with working out grant terms to coordinate the CAA with other training (Michigan) and data collection (Georgia). We provide further details on this shift in focus away from automotive workers and toward other potential customers in Chapter III.

³ In addition, Missouri used UI profiling to identify their dislocated workers since those likely to exhaust their benefits are defined by statute as dislocated workers. The state also targeted those who were denied TAA eligibility. In Ohio, those at risk of being laid off were also determined eligible for the awards.

Oversight

Yet another structural shift that affected the organization of the demonstration was a change in state level oversight and management staff. For example, in Indiana, the primary state staff person overseeing CAAs shifted jobs multiple times because of reorganizations. This often left locals without a key contact person of whom they could ask questions. Ultimately, this meant that locals made their own decisions, or were forced to make decisions with relatively little guidance from the state. This was consistent with the state's desire for local areas to tailor their decisions to their specific needs, but several local staff felt that in at least some circumstances more state involvement or assistance was needed.

Some structural changes occurred because some local leaders resisted the CAA concept in several states. For instance in Missouri, the lengthy delays in offering CAAs were due not only to lack of clarity about who was eligible even after it was determined that the state would not target former automotive workers, but also because there was some resistance among WIA staff to take part in the demonstration. Some local staff did not initially see how CAAs could be used effectively, and felt the program may be a threat to existing WIA programs and services. Hence, there was little push to make CAA offers to individuals. With no local implementation, the state shifted authority for CAAs to state Wagner-Peyser staff located in the One-Stop Career Centers. Once staff who were not associated with WIA were administering the program, the number of offers increased substantially, though this also coincided with the decision to allow all dislocated workers (not just those from the automotive industry) to be eligible for CAAs. Hence, the shift made by the state transferring administration from WIA staff to Wagner-Peyser staff, when coupled with the decisions to open eligibility to all dislocated workers, enabled the demonstration in Missouri to find its footing.

Extent of Implementation Geographically

As with the structure and organization of the demonstration, states varied widely in the extent to which CAAs were implemented throughout the entire state or only in certain regions within it. Of the eight states, half initially intended to implement the demonstration statewide, while the remaining half focused their efforts only in selected regions. Specifically, Michigan, Ohio, Pennsylvania, and Wyoming⁴ began the demonstration intending to provide CAAs in all Local Workforce Investment Areas (LWIAs). Of these, both Michigan and Pennsylvania did not end up implementing CAAs in all regions, despite their initial intent to do so. Somewhat in contrast,

⁴ Wyoming is a single-LWIA state, but operates in multiple counties and areas throughout the state. Hence, their inclusion as a statewide implementer is meant to convey that they intended all their areas to participate in the demonstration.

although Missouri initially targeted its efforts to only eight LWIAs, it subsequently expanded the focus to include all LWIAs, in conjunction with many of the changes described above. The remaining states, including Indiana, Minnesota, and Georgia planned to implement the demonstration only in selected LWIAs within their states and kept to this plan throughout the demonstration. Exhibit II-2 displays each state’s planned implementation within local areas and their actual organization as the demonstration evolved.

States Implementing in Selected Local Areas

Indiana funded four separate areas to participate in the demonstration. Indiana’s approach was to solicit proposals from its local areas to participate, and select from among those the LWIAs it thought could best implement the demonstration. Not all LWIAs submitted a proposal to participate, and according to state staff, some proposals stood out as superlative. As a result, the state asked two of the four LWIAs awarded funds to accept significantly more money and award far more CAAs than they had proposed. In one of these areas, the state doubled the amount requested, while in the other area the amount of funds was quadrupled. The state did this because it firmly believed these two areas were most likely to be able to implement the program and award CAAs in a timely manner. This belief was reaffirmed when the two LWIAs were indeed able to obligate the money within a short time.

Minnesota focused its efforts on two local areas in the Minneapolis metropolitan area, the city of Minneapolis and a suburban area serving the balance of Hennepin County and Carver County, in part because there was significant resistance to the demonstration in most other areas. Staff in many LWIAs in Minnesota, like their counterparts in Missouri, felt the CAAs were designed to reduce the need for WIA programs and services and, hence, felt little desire to participate. Indeed, the state spent some time persuading the two LWIAs to participate, eventually overcoming their similar concerns about the purpose of CAAs.

**Exhibit II-2:
Statewide versus Selected Local Area Implementation**

	Initial Participating Local Areas	Actual Participating Local Areas
Georgia	1. Atlanta 2. Northwest Region	1. Atlanta 2. Northwest Region
Indiana	Regions 1 (Northwest - Gary), 3 (Northeast - Fort Wayne), 6 (East Central - Muncie), and 11 (Southwest - Evansville)	Regions 1, 3, 6, 9 (Southeast - Columbus) and 11
Michigan	Statewide	9 of 25 LWIAs, though only 1 (Macomb/St. Clair) had awarded any CAAs by the time of our visit

	Initial Participating Local Areas	Actual Participating Local Areas
Minnesota	1. Minneapolis 2. Balance of Hennepin County/Carver County	1. Minneapolis 2. Balance of Hennepin County/Carver County
Missouri	8 LWIAs (Central, East Jackson County, Jefferson-Franklin, Kansas City, Northwest, St. Charles County, St. Louis County, and St. Louis City)	Statewide
Ohio	Statewide	Statewide
Pennsylvania	Statewide	6 LWIAs (Central Valley, Lancaster, Lehigh Valley, North Central, Northwest, Three Rivers)
Wyoming	Statewide	Statewide

Georgia’s participating local areas were selected by the state based on two criteria: the LWIAs’ need (based on the economic conditions and layoffs within the service region) and their ability to execute the demonstration (including their willingness to take part, having the structure in place to award and oversee the funds, and prior demonstrated performance in the WIA adult, youth, and dislocated worker programs). The two participating areas, Atlanta Regional (which is home to two closing automobile assembly plants) and Northwest Georgia (textiles), both have been significantly affected by layoffs in the recent past, and both have established strong performance records with their WIA clients. Further, these areas expressed the desire to participate, suggesting they were motivated to implement the program.

Although it is unclear whether statewide or targeted implementation is better, both Indiana and Minnesota, two of the three states implementing only in selected areas, were able to launch the demonstration and begin awarding CAAs quickly. Although Georgia was delayed in its implementation, this had little to do with its local areas, but instead had to do with lengthy negotiations between the state and ETA concerning the demonstration, as is described in Chapter III. In contrast, among the states implementing the demonstration statewide, only Wyoming was able to begin and award a substantial number of CAAs quickly, though even in this state only a small number of areas were very active in implementing the demonstration. Hence, focusing the demonstration on selected areas within states seemed a much quicker path to actually awarding CAAs, likely because the selected areas had demonstrated both their commitment to participating and their ability to award funds to recipients. Whether implementation in these areas was more effective or led to better outcomes than in those states in which implementation was more widespread is unclear, but will be a focus of the Final Report for this evaluation.

State Role in CAAs

States had varying levels of involvement in the management and administration of CAAs. Five of the participating states act primarily as the overseer of the demonstration while devolving virtually all aspects of the program to their locals. These five states are Indiana, Michigan, Minnesota, Pennsylvania, and Georgia. The remaining three states—Missouri, Ohio, and Wyoming—play a more active role in the administration of the program. Exhibit II-3 displays the states and whether they played an active role in administering CAAs or whether they provided only oversight of the local areas in their administration of the program.

**Exhibit II-3:
States' Role in Management/Administration of CAAs**

	Active Management	Oversight Only
Georgia		√
Indiana		√
Michigan		√
Minnesota		√
Missouri	√	
Ohio	√	
Pennsylvania		√
Wyoming	√	

States Devolving Control to Local Areas

Indiana is fairly typical of the more decentralized model. The state defined the target groups, including dislocated and incumbent workers, and basic eligibility (e.g., customers ineligible for ITAs). But after that, the state operated solely to provide technical assistance to and oversight of the program, and otherwise allowed the locals to customize their implementation plan in whatever way they deemed most suitable. Among the responsibilities yielded to the local areas are all on-the-ground activities, including:

- Developing the local plan
- Providing training to staff and determining the appropriate staffing for the demonstration
- Identifying appropriate industries to target (though the industries must be identified as in high demand by the state's Strategic Skills Initiative)
- Determining additional eligibility requirements
- Verifying funding

- Recruiting potential recipients
- Monitoring of the recipients' progress
- Monitoring the grants overall.

State officials clearly see their role as having selected areas they felt could capably implement the demonstration and otherwise sub-granting the funds to participating local areas that operate and supervise the program largely as they see fit. There are, however, significant differences among the states employing a decentralized model in the state role in financial management, which is discussed below.

States Playing Active Role in CAA Administration

The other three states—Wyoming, Missouri, and Ohio—retain more responsibility at the state level. In addition to the initial targeting, defining of objectives, and the ongoing technical assistance and oversight, these states centralize more operational and management responsibilities. But, each case is quite distinct. Wyoming is delivering the program through state staff, so the fundamental distinction between state and local is immediately blurred. With its single local area, the One-Stop Career Center staff are state employees and the central office conducts the policy, budgeting, and procedure development.

Similarly, Missouri's use of state Wagner-Peyser staff effectively centralized the key policy and administrative details of program implementation. Missouri's central office staff is responsible for marketing materials, training, and ongoing program management, while local staff are responsible for working with individuals in service delivery. Finally, state staff in Ohio, in addition to the standard set of state responsibilities in most of the states that delegate implementation to their LWIAs, retains additional authority. The state must approve CAA applications by electronic mail. State staff also developed most of the CAA policies to be implemented locally, including the cap for CAAs and the eligibility requirements, such that there is more uniformity in how recipients are funded across LWIAs in this state than in those in which the state plays a less active role. Local areas, however, still have a number of duties, which include developing the local implementation plan and policies, determining the amount of CAA funds obligated, determining any local eligibility criteria, and developing the intake process.

There is significant variation across states, then, in the role the state plays in monitoring and administering CAAs. Not surprisingly, in those five states in which state staff are less active, there tended to be greater variation among LWIAs in the manner in which the demonstration was implemented. Staff in these states viewed their role as one of oversight, rather than actively managing any of the activities that occur as part of the demonstration. In contrast, staff in three

states played a more active role in the demonstration, leading to more uniformity in how the demonstration was implemented.

Leveraging Resources/Other Funding Sources

A critical feature of the CAA demonstration is the requirement that states match federal funds, either with money drawn from other funding sources or with in-kind contributions of time or services provided by staff funded through other sources. Hence, each state needed to identify how they would match the funds provided by ETA to fund the demonstration. The advantage of using actual cash drawn from other sources enables states and local areas to award a greater number of accounts than could be awarded through federal dollars alone.

States took quite varied approaches in how they identified and obtained these matching funds. Five states used actual dollars drawn from other sources to increase the overall pot of money available for CAAs in the state. Two of these states (Indiana and Ohio) used Rapid Response funds from their WIA dislocated worker funding as a match for the CAA funds. The third (Michigan) used WIA statewide activities funds for its match. The fourth state (Wyoming) used money primarily from its state General Fund. The fifth state, Pennsylvania, used an array of sources for its matching funds. The remaining states used primarily in-kind contributions for their matching funds, though the degree to which these were documented in detail varies. One of these states (Minnesota) used Wagner-Peyser funds as an important contributor for matching funds. The remaining states used a broad array of resources to match CAA funds, drawing upon smaller amounts from a number of different funding sources. Exhibit II-4 displays the breakdown of states and the funds or resources they leveraged for the CAA demonstration.

**Exhibit II-4:
Type and Primary Sources of Leveraged Funds, by State**

	Dollars vs. In-Kind Contributions	Primary Sources
Georgia	Dollars In-Kind	HOPE grant, Pell grants Wagner-Peyser, Dislocated Worker
Indiana	Dollars	Rapid Response, 75% local match (initially)
Michigan	Dollars	WIA Statewide activities
Minnesota	Dollars In-Kind	State-funded dislocated worker program Wagner-Peyser, WIA Adult and Dislocated Worker programs
Missouri	In-Kind	Wagner-Peyser, Rapid Response, Business Services staff
Ohio	Dollars	Rapid Response

	Dollars vs. In-Kind Contributions	Primary Sources
Pennsylvania	Dollars	Unused WIA funds, EARN program, welfare funding, Pell grants, Vocational Rehabilitation, contributions from CAA recipients
Wyoming	Dollars	State General Fund, Wagner-Peyser

Leveraging Actual Funds

In Indiana, the state requested and received a waiver to convert Rapid Response funds (originally set aside from the dislocated worker program) to discretionary funds for incumbent worker training, and used this money to provide a 100 percent match at the state level. According to state staff, this was a straightforward way to meet the matching requirement. However, because the state wanted participating locals to be substantially invested in the demonstration, and to contribute something of their own to the funding, Indiana also required that regions provide a 75 percent match (either cash or in-kind contribution) of the local CAA grant (Missouri also initially required a local match, but abandoned it as part of a broader shift in CAA implementation. In an effort to assist local areas with this matching effort, the state received an additional waiver from ETA to use WIA adult and dislocated worker funding as discretionary funds, which enabled regions that had surplus funds in these programs to use them as part or all of their required local match.

Eastern Indiana was using these funds as the primary source of its matched contribution at the local level. Other smaller sources of funding came from customer and customer in-kind contributions, including documenting gas or other travel costs CAA recipients spent to attend training and purchases recipients made to prepare for training, such as books or uniforms required for their training. Additionally, the LWIA tried to document any employer contributions and employer tuition reimbursements.

In Northeast Indiana, locally matched funds were obtained through several sources. The primary source was through in-kind contributions from employers, which generally allowed their employees to attend training while on the payroll. Because 90 percent of recipients in this region were incumbent workers, this source provided the bulk of the locally matched funds.

Additionally, some WIA formula funds were used to support career counseling and participant follow-up. In a few cases, Pell grants were used as leveraged funds. Additionally, the local provider (Ivy Tech Community College) leveraged some of its operating resources to support training activities in the Computer Information Systems degree program. Northeast Indiana had less trouble meeting the matching requirement than did Eastern Indiana, largely because of the in-kind employer contributions it received. Ultimately, the state dropped the local matching requirement, and the local areas found that this change helped minimize administrative burden.

Like Indiana, Ohio also matched the federal award by using state Rapid Response funds. Because the state matched its \$1.5 million in funds from ETA with an equal amount from state Rapid Response funds, it was determined that fifty percent of each CAA would be financed by the CAA award and the remaining fifty percent would be charged to the Rapid Response funds, and any other project costs also would be allocated to both funding streams based upon this 50/50 distribution.

Michigan identified \$1.5 million in PY 2006 WIA statewide activities that had been earmarked for incumbent worker activities as its state match. These leveraged resources are to be utilized for administration and supportive services including skills assessments, workforce information, career guidance, and related core and intensive services for CAA recipients. These activities are much more intensive in Michigan than in most other states, because in this state staff were providing similar levels of support to CAA recipients as they provide to ITA recipients, because Michigan integrated CAAs into the rest of the workforce system as described below.

Pennsylvania leveraged funds from an array of sources, including unused WIA funds, funds from the local Employment and Advancement Retention Network (EARN) program, welfare funding, Pell grants, funds from the Office of Vocational Rehabilitation, and contributions from CAA recipients themselves.

Wyoming drew upon Wagner-Peyser, at least initially, as an important source of matching funds for the CAA demonstration. In addition, the state leveraged funds from its own General Fund which is largely based on a severance tax placed on the mineral industry. Because the General Fund is a two-year budget that has recently had surpluses, the state is now using solely these funds as a match for the demonstration.

Leveraging In-Kind Contributions

In Missouri, the state had originally required its eight participating local areas to provide matching funds through leveraged WIA funds. Thus, along with Indiana, this was the only state to require initially a local match for the funds. This effort was not successful, however, as virtually no CAAs were awarded. Thus, once the state decided to implement the program statewide, it ceased requiring matching funds from the local areas. Missouri only requires in-kind contributions of time from Wagner-Peyser staff, including front line staff in the One-Stop Career Centers, as well as in-kind contributions from Rapid Response staff, Business Services representatives, and others that might assist CAA recipients.

Leveraging from Multiple Sources

The final two states relied on a broad array of funding sources for their leveraged funds. In Georgia, for example, the state tapped (or, in some cases, is planning to tap) a number of sources for leveraged funds, including the state's Helping Outstanding Pupils Educationally (HOPE)

grant⁵, Pell Grants obtained by CAA recipients, and in-kind contributions from other state programs, such as Wagner-Peyser and the WIA dislocated worker program. Similarly, Minnesota used in-kind contributions from Wagner-Peyser as one source of matching funds, but it drew upon similar in-kind contributions from the WIA adult and dislocated worker program for some portion of the match. To determine the amount of in-kind matching funds, the state estimated the number of hours a customer spends in the local One-Stop Career Center Resource Room, then estimated the cost of those hours in Wagner-Peyser and WIA expenses. Additionally, some customers are co-enrolled in Wagner-Peyser and WIA and the services provided through these programs are applied by the state to the match. A final source of matching, however, was a state-specific dislocated worker program, which is funded through a tax levied on Minnesota employees. Cash was thus drawn from this state-funded and operated program to provide the remaining necessary matching funds.

CAA Relation to Other Skills Training

Two states, Michigan and Ohio, integrated CAAs, and service delivery within them, into already existing initiatives. The remaining states, however, viewed CAAs as a distinct new form of funding, although it could build upon other initiatives or programs already in place, and was aligned with their goals.

Integrating CAAs into Existing Initiatives

In Michigan, the CAA program was integrated almost entirely into the No Worker Left Behind initiative. In part, this led to delays in implementing the demonstration because the state needed to modify some of the requirements of CAAs in order to fit with No Worker Left Behind. Most important among these modifications was an increase in the cap for CAAs to \$5,000 (as opposed to the \$3,000 cap initially required by ETA). Michigan felt it was critical to increase this cap both because: 1) they believed most training needed by its workers would require this amount, and 2) the state intended for the initiative to be a unified face to the various training and workforce services within the state. In structuring CAAs in this way, Michigan ensured that CAA service delivery would be integrated with that of other programs under the No Worker Left Behind initiative.

Similarly, in Ohio, state staff noted that CAAs build on Advance Ohio, which is the state's current strategic planning for economic, workforce development, education, and training. In recent years, Ohio has been directing local workforce activity toward more regional approaches,

⁵ HOPE grants are funded from the state lottery. They are available to all Georgia residents for degree or certificate programs at public community colleges and universities.

including a number of industry-specific projects in the areas of business services, health care and advanced manufacturing. Given these existing efforts, state staff felt it was important to integrate CAAs into the existing system rather than treat the program as a stand-alone source of funding. In this way, staff felt CAAs could more easily be used when customers face challenges in other programs, such as ineligibility for WIA, or lack of funds under other programs. Though these two cases are not definitive, the delays experienced by Michigan and Ohio in implementing CAAs may suggest that attempting to integrate this program fully into existing initiatives may take longer than the alternative.

Establishing CAAs as a Separate Program

The remaining states did not integrate CAA service delivery into a broader initiative, though in many cases state and local staff felt the program was aligned with other efforts already in place. For example, in Indiana, CAAs were viewed as an entirely new funding stream. Locals were encouraged to use the program to fund workers who typically would not be served under WIA. Thus, the demonstration was explicitly viewed as a separate and distinct program. Despite this, however, both state and local staff linked eligibility for CAAs with the already existing Strategic Skills Initiative, which targets high demand occupations. Specifically, state staff wanted locals to use only those industries that were targeted under this initiative in determining eligibility for CAAs. Eastern Indiana used this initiative to identify four growth industries in which they wanted to focus training funded under CAAs, including agribusiness, life sciences (healthcare), advanced manufacturing, and transportation/logistics. Northeast Indiana targeted training within the information technology industry, another industry in the Strategic Skills Initiative. Additionally, local staff in this area viewed CAAs as a stepping-stone to Training Acceleration Grants, an already existing grant program funded by the state through a payroll tax that provides businesses in the state an opportunity to fund training for their workers. Thus, local staff viewed CAAs as a separate program, but built it around existing opportunities and services that were available in the area.

State staff in Pennsylvania saw CAAs as substantially related to the state's general push toward High Priority Occupations, which are defined as job categories that are in demand by employers, have higher skill needs, and are most likely to provide family sustaining wages.⁶ Although CAAs were viewed as a stand-alone program, state staff restricted locals to funding recipients who were interested in training within this list of occupations, much the same as training for

⁶ Pennsylvania has established a three-step process to define High Priority Occupations. Step 1 is an industry cluster analysis to identify sectors with the highest potential for growth. Step 2 includes occupational data analysis to create a baseline list of high-demand, higher-wage jobs within these clusters. Step 3 includes gathering expert input and regional factors to identify occupations likely to emerge upon economic development investment.

ITAs was restricted to High Priority Occupations as well. Despite this, however, CAAs were clearly viewed as a separate program, but one that was consistent with the direction in which state workforce efforts already were moving.

Similarly, in Georgia, one of the task forces of the Commission for a New Georgia identified several strategic existing and emerging industry clusters on which the state should focus its resources. Several different organizations within the state, including the Governor's office, local technical/community colleges, initiatives under the Unemployment Insurance system, and certificate-granting programs, are collaborating in an effort to provide workers the support they need to improve their skills and access workforce opportunities. CAAs are seen as a separate form of funding, but state and local staff views them as yet another means by which workers could access needed training and other services within these industry clusters. However, unlike in Indiana and Pennsylvania, Georgia only *encouraged*, rather than required, training in these industries.

Further, Minnesota viewed CAAs as a stand-alone program, but felt that it fit well with a larger state effort to provide training for incumbent workers. The state's Job Skills Partnership is a broad effort to increase training opportunities for incumbent workers, and state staff have sought a waiver from ETA to use up to 10 percent of the state's WIA Adult funds for such training. As such, CAAs are aligned within this broader effort.

Wyoming staff viewed CAAs as a unique new program that would allow them to serve employer customers better. Rather than try to integrate the program into existing services, CAAs were explicitly set up as a stand-alone program that enabled incumbent workers to receive training that was identified as critical by their employers. Most state and local staff noted that Wyoming typically receives the minimum level of funding under WIA and, as a result, often runs out of training funds early in a program year. Hence, CAAs represent an important new source of funds from which they can provide training to eligible recipients. Exhibit II-5 summarizes each state's approach to integrating CAAs or treating them as a stand-alone program.

**Exhibit II-5:
Integrated versus Stand-Alone CAAs**

	CAAs Integrated vs. Stand Alone	CAAs Related to Which Other Initiatives
Georgia	Stand-Alone	Emerging industry clusters
Indiana	Stand-Alone	Strategic Skills Initiative, Training Acceleration Grants
Michigan	Integrated	No Worker Left Behind
Minnesota	Stand-Alone	Job Skills Partnership
Missouri	Stand-Alone	

	CAAs Integrated vs. Stand Alone	CAAs Related to Which Other Initiatives
Ohio	Integrated	Advance Ohio
Pennsylvania	Stand-Alone	High Priority Occupations
Wyoming	Stand-Alone	

Data Systems

Five of the participating states used existing databases to track CAA awards and their recipients' progress. Two states developed entirely new databases for the demonstration. One additional state used a combination of existing databases and new ones developed explicitly for the demonstration. Exhibit II-6 displays the whether states used existing data systems to track CAA recipient service and fiscal data or whether they developed new systems to do so.

**Exhibit II-6:
Data Systems to Track Recipients and Fiscal Activity**

	Recipient/Service Data System	Fiscal Data System
Georgia	Existing (WIASRD reporting)	Existing
Indiana	Existing (TrackOne)	Existing
Michigan	Existing (One-Stop Mgmt. Info. System)	Existing
Minnesota	New (MS Access)	New (MS Access)
Missouri	Existing (Toolbox)	Two existing state systems (DESE, DWD)
Ohio	Existing (Sharing Career Opportunities and Training Info.)	Existing
Pennsylvania	New (MS Access)	New (MS Access)
Wyoming	Existing (Wyoming at Work)	New (MS Access)

Participants and Service Data

Existing Databases Retained to Maintain CAA Data

Six states used existing databases to record and track CAA recipients, including Georgia, Indiana, Michigan, Missouri, Ohio, and Wyoming. In Georgia, for example, the state and local areas use the statewide database in place for the Georgia Workforce System to track services. This system is operated by the state and includes all individuals receiving funding under WIA and, thus, contains all the elements necessary for Workforce Investment Act Standardized Record Data (WIASRD) reporting. In Georgia, although CAAs were seen as a new funding source and a stand-alone program, they were viewed as simply one more program within this

system. Hence, data elements to be collected were drawn from the existing system, and those overseeing the program relied upon this system to track CAA recipients.

Similarly, in Indiana, the state uses TrackOne, the web-based MIS used by other workforce programs within the state. Staff view the program as a stand-alone system, and the state's MIS staff described incorporating CAA reporting into the system as a "bolt-on," meaning that the data elements were included within the system, but not linked with any other program or source of funding. Because this effort was somewhat fully integrated there were numerous problems with the system and its use for CAAs. For example, state staff (even the MIS staff) were uncertain if TrackOne had separate specific reporting for CAA. LWIA staff complained that they cannot check their data for errors before submitting it to the state, and that they do not have access to it once uploaded. This made it very difficult to track customers within the system. As a result, in both local areas we visited, staff had created a separate system using Excel spreadsheets to track their recipients and monitor funding. Despite this, locals did report using the state-level system, as the state required this so that it could report to ETA on CAA activity statewide.

Missouri also used its existing state workforce database to track CAA recipients. Because the MIS, called Toolbox, had recently been developed, CAA is fully integrated into this system as opposed to being an "add on." LWIAs use Toolbox to input case management notes and track CAA recipients, similar to how they treat WIA customers. Most local staff reported that data entry and management within the new system was quite easy and allowed them to track their CAA recipients closely. Because CAAs were incorporated into the broader state database, staff can see co-enrollment and case notes from counselors in other programs, which has made the referral and management of recipients to other programs, such as WIA, much simpler. It has also made integrating the CAA demonstration into the workforce system much easier.

Ohio also used its existing state database system, Sharing Career Opportunities & Training Information, to collect CAA data. Because CAA information was integrated into the existing database, staff could record co-enrollment and referral to another program. Very few modifications were made to the existing database to incorporate CAAs, which was driven by the fact that Ohio wanted to integrate CAAs into the existing structure of workforce activities as much as possible.

Wyoming and Michigan also used their existing state MIS to manage and report on CAAs. In Michigan, state and local staff felt there would be little additional effort needed to meet the requirements for the grant. Thus, the state's One-Stop Management Information System was used for CAA recipients because it could accommodate the reporting requirements of the demonstration. Wyoming also uses Wyoming at Work, its existing MIS, which is also used for case management, oversight, and reporting for the state's WIA, Wagner-Peyser, and other workforce programs.

New Systems Developed to Maintain CAA Data

In contrast, two states developed new systems to manage their CAA data. In Minnesota, state officials considered using their existing MIS, but they determined that the differences between CAAs and existing workforce programs (at least in terms of their data requirements) were too great to make this effort worthwhile. Thus, state officials developed and distributed to the two participating LWIAs a Microsoft Access database that allows locals to collect, record, and manage data on CAA recipients and their accounts. To develop this system, the state simply used the data elements identified by ETA, and did not add any additional data elements to be recorded. Local officials enter the information into the database and use it for to help track recipients and the services they receive, and to produce reports summarizing the information across recipients.

Similarly, although Pennsylvania uses the state Comprehensive Workforce Development System for nearly all of its workforce programs, this system could not be modified sufficiently to accommodate the CAA data. Thus, in this state, too, officials developed a Microsoft Access database to record and manage data on CAA recipients. These data are entered at the local level and are uploaded to the state for its monitoring and report generation. The state adopted the elements recommended by ETA, but also added a few components of its own and modified others to make them more comparable to other workforce-system data. This was done so that the Access database could be used to compare CAA recipients to participants in other workforce programs.

Despite these accommodations for local management, a number of the implementing local areas maintained their own data systems, thus requiring duplicate entry. This was viewed as a cumbersome process and one that would pose a barrier were the program established as a long-term one. Several staff noted, however, that one of the primary reasons that there was duplicate data entry was because the program was short-term in nature. In other words, if CAAs were to be established as a permanent program, rather than as a demonstration, it was anticipated that the data systems put in place would be more streamlined and less duplicative. Thus, many of the concerns about data entry and the burden placed on staff to collect and maintain participant-level data derive from the very fact that this was a demonstration program and, thus, the data systems used were not fully integrated or heavily tested to ensure they could capture all relevant data with minimal burden. As but one example, as noted above staff in Indiana described the CAA data collection as a “bolt-on” and noted that it was created in this way to minimize the time needed to put it in place. Had the state viewed CAAs as a permanent program, staff indicated there would have been greater effort to integrate its data collection with those of existing programs.

The additional data collection or duplicative efforts in data entry by definition added some administrative cost to the demonstration, but few states or local areas mentioned this as a

significant barrier. Given that administrative costs were capped at five percent for the demonstration, state and local staff implemented systems that were designed to meet the reporting and tracking requirements with as minimal administrative cost as they could. Duplication of data entry, of course, adds burden for staff. In most cases this duplication was for fiscal data and tracking of CAA funds, rather than participant or service data. Further, staff indicated that this duplication of effort was similar to the procedures already in place for ITAs, such that staff were accustomed to this process and saw it not as an additional effort required for CAAs, but rather as being due to the voucher-based training that is common under WIA. In the next sections, we discuss fiscal tracking efforts in greater detail.

Fiscal Tracking

Efforts to track fiscal activity generally mirrored those to track participant and service data. Five of the six states that used existing systems to track participant activity also used existing systems to track fiscal activity, though in nearly all cases the financial and participant data systems were separate. Wyoming was the one state that used an existing participant and service data collection system but established a new fiscal tracking system. Further, the two states that developed new participant data systems—Minnesota and Pennsylvania—used these systems to track financial data for CAAs as well. The next section describes the state’s role in funding and fiscal management, and how this activity was recorded, in greater detail.

Funding and Fiscal Management

As noted in the section on state roles above, many of the states are not actively involved in managing CAAs. Rather they play a minimal role and provide primarily oversight, while locals are responsible for much of the management of the program. Given this, it is unsurprising that many of the states have only a cursory role in monitoring CAA funding.

States Yielding Management of Funds to Local Areas

Five of the states provide fiscal oversight, but they leave the actual management of funds to their local areas. For example, in Indiana, the state oversees the spending of CAAs through the routine monitoring of local areas that is required under WIA, but provides no daily oversight. Rather, each participating local area disseminates CAA funds and determines whether a potential recipient receives an account. Eastern Indiana uses a PeopleSoft-based program to track funds and individual awards, and to submit financial reports to the State. The CAA coordinator in this area is charged with approving each account and monitoring the funds on a routine basis. The funds are maintained by the local area, and when an account is awarded, the coordinator will obtain the invoice from a training provider and make payments according to that provider’s schedule or requirements. This system is exactly comparable to the one set up for ITAs within the region, so the area reported no problem in developing its system or monitoring. Similarly,

Northeast Indiana uses the same system to fund and monitor CAAs as they already had in place for ITAs. As in Eastern Indiana, the local area has complete control over the funds (with minimal state monitoring as oversight), with the Business Services Representative, who is in charge of CAAs in the region, reporting no problems in approving accounts, obtaining invoices and making payments to providers. To report on fiscal issues to ETA, the state provides an analyst who compiles data from each participating region, summarizes it, and submits the aggregated information to ETA.

State staff members are also relatively lightly involved in fiscal management in Minnesota. As noted above, this state plays a minimal role in CAA management generally. Thus, through the Access database the state developed to help manage CAAs, the state can monitor some basic information on what funds remain to be obligated, and how many CAAs have been awarded. Further, as in Indiana, the state uses a research staff person to analyze and summarize the financial data and submit fiscal reports to the federal government. But daily approval of CAAs and payments made to training providers is made by the local areas.

The state plays a similar role in Michigan. Here, participating LWIAs determine who will receive a CAA, and manage the funding and payment process, but they submit monthly fiscal reports to the state's Bureau of Finance and Administrative Services that detail the specific expenditures, and identify remaining funds available. The process works similarly in Georgia and Pennsylvania. Funds are allotted to the participating local areas, which then oversee and manage the awarding of accounts and payments to vendors.

States Playing Active Role in Management of Funds

The remaining states play a more active role in monitoring and managing CAA funds. For example, staff at the Missouri Department of Elementary and Secondary Education (DESE), the agency that also administers the Eligible Training Provider List (ETPL), have partnered with the Department of Workforce Development (DWD) to manage the list and fund training providers. Requests for approval of accounts are submitted from local Wagner-Peyser staff to DWD. Provided the chosen training vendor is on the ETPL, the training will be funded by DESE. When the training provider is not on the list, the DWD financial office funds them directly. Therefore, Missouri has two data systems in place to monitor payments. Since DESE is not integrated with the workforce-agency MIS, it sends the state data on the payments it has made. At the same time, DWD keeps a separate database of the training its financial department has funded. Although generally respondents reported few problems with this structure, some providers noted that, because CAAs were an entirely new funding source, they needed some additional clarification on whether invoicing would need to be modified or to whom to direct their questions and invoices. These providers did not report any substantial complications arising as a result of CAAs, however.

In Ohio, CAAs have been integrated into the general workforce system. As a result, the state’s Office of Research and Assessment Accountability monitors the CAA funds in the same manner that they monitor WIA funds. The state decided not to provide individual local areas with a specific allocation of funds from the state in advance. Rather, funding is allocated for individual recipients on a first-come, first-served basis. Invoices are submitted to the state, which approves the accounts and manages payment to providers.

Wyoming had developed a new financial tracking system for the CAA demonstration; this system was only weeks old as of the time of the site visit. It was developed using WIA general funds as a match with CAA funds, and it tracks data on the number of active contracts, the amount of the contract, the number of closed contracts, the amount paid out for each CAA, the number of applications yet to be approved, and the percent of funding paid out to date. The state’s Department of Workforce Services is responsible for overseeing funds, approving payments, and managing payments to providers. Most local areas still track their own expenditures quite carefully to ensure that an appropriate number of accounts are awarded and that they obligate all their funds. For example, in Riverton, case managers and the One-Stop Career Center supervisor are using a separate Excel spreadsheet to track funding within their area for CAAs. Although they do not control the awarding of individual accounts, they believe it is critical to track and monitor the total obligated and the amount remaining to be obligated in order to oversee the demonstration properly. Exhibit II-7 summarizes the states’ roles in overseeing funding and fiscal management of the CAA demonstration.

**Exhibit II-7:
States’ Role in Funding/Fiscal Management**

	Active Management	Oversight Only
Georgia		√
Indiana		√
Michigan		√
Minnesota		√
Missouri	√	
Ohio	√	
Pennsylvania		√
Wyoming	√	

Summary

As was noted throughout the chapter, there was substantial variation across states and local areas in the original design for the demonstration, and states’ and local areas’ roles varied considerably

along the dimensions described in the chapter. For example, states' and local areas' objectives for participating ranged from viewing the demonstration as a way to serve incumbent workers, to it being a means for making better connections with employers, or simply as a new opportunity to obtain funds that could be used to help their states' workers.

Several shifts in structure occurred almost immediately upon award of the CAA grant in some states. Chief among these was the realization among the "automotive states" that workers laid off from the automotive industry were almost universally being designated as trade-affected and, thus, as eligible for the TAA program. These states therefore had to modify their eligibility and target different workers than they had originally intended.

Of the eight states, half initially intended to implement the demonstration statewide, while the remaining half focused their efforts only in selected regions. Of the latter, one state was unsuccessful in its first efforts to implement and award CAAs and, in conjunction with a shift in the staff responsible for managing the CAAs, also shifted to allow CAA awards statewide.

States also varied in their level of involvement in the management of CAAs. Five of the participating states act primarily as the overseer of the demonstration while devolving virtually all aspects of the program to their locals. The remaining three states play a more active role in the administration of the program. Six of the participating states used existing databases to track CAA awards and their recipients' progress, while two states developed entirely new databases for the demonstration. Each of the states uses a separate system for fiscal tracking, though in five of the eight states the states or local areas used the fiscal tracking system already in place for ITAs.

Many of the states have only a cursory role in monitoring CAA funding. Six of the states do provide fiscal oversight, but they leave the actual management of funds to their local areas. The remaining states play a more active role in monitoring and managing CAA funds. States took quite varied approaches in how they identified and obtained the required matching funds. Five states used actual dollars drawn from other sources to increase the overall pot of money available for CAAs in the state. Two others used a mix of actual dollars and in-kind contributions. The final state used only in-kind contributions.

Finally, CAAs also were fit into the existing workforce structure to varying degrees. Two states integrated CAAs, and service delivery within them, into already existing initiatives. The remaining states, however, viewed s CAA system as a distinct new form of funding. Although it could build upon other initiatives or programs already in place, it was not to be integrated into them.

In the next chapter, we discuss the actual implementation of the CAA demonstration, identifying how the initial goals and objectives, and organization of the demonstration, were modified as states and local areas began to award CAAs.

III. IMPLEMENTATION OF THE CAA DEMONSTRATION

Introduction

This chapter focuses on how the CAA demonstration was implemented in the various states. It discusses the challenges states faced in attempting to implement the demonstration as originally envisioned, and how, in some states, this necessitated alterations to their implementation plans. In addition, this chapter discusses which groups of people were targeted for CAA participation and marketing strategies and challenges, with attention paid to states' roles in affecting local area decisions and practices.

Departures from Implementation Plan

Since the beginning of the CAA demonstration, there have been some changes to grantees' original implementation plans. Most of these modifications were grantee-specific and ETA-approved on a case-by-case basis, often in response to unexpected issues arising in individual states during the initial implementation phase. In the states facing unexpected obstacles, these challenges often resulted in delays to the implementation of the demonstration, such that some states began to award CAAs a full year later than the early implementing states.⁷ ETA also, however, made a few modifications that were available to all grantees. Some of the modifications made by ETA at the federal-level, while applicable to all states, were designed to mitigate challenges faced by the late implementing states.

Demonstration-wide Changes

The ETA offered all states an extension of 12 months to extend the CAA grant period until June 30, 2009. For the early implementation states, this allowed them to fund a second year of training for many existing CAA recipients, and to continue recruiting and funding new customers. In states that implemented late in the demonstration, most recipients enrolled during

⁷ Early implementing states—Indiana, Pennsylvania, and Wyoming—first established CAAs in the second quarter of 2007. Michigan and Missouri did not award any CAAs until the second quarter of 2008; Georgia began awarding CAAs in the third quarter of 2008. The other states—Minnesota and Ohio—implemented earlier in the demonstration, the third quarter of 2007, but their enrollments were low until modifications were made to their implementation plans.

the third quarter of 2008 or later. Thus, this extension was critical in allowing for these recipients to have sufficient time to spend the training funds that were obligated for them.

In addition to extending the grant period, ETA awarded a second round of funding to some of the demonstration states. The selection criteria ETA used to determine which states would receive additional funding were the state's need for additional resources, its ability to spend additional funds, and whether it had previous success in meeting grant outcomes. Thus, six of the eight demonstration states, including the three early implementation states (Indiana, Pennsylvania and Wyoming) and three states that implemented only after substantial delays (Minnesota, Missouri, and Ohio), were awarded additional funds.⁸ All of these states, except Minnesota, received \$1.5 million to match the first round of funds awarded; however, states were not required to provide leveraged resources for these funds as they had done previously.⁹

Partly in response to delayed implementation in many states, in August 2008, ETA allowed states to apply for a waiver to modify the yearly spending cap. The modification allowed for states to change spending limits from \$3,000 per year for two years to \$6,000 to be used over the course of the demonstration, even if all expenses occur within a single year. At the time of this report, six of the eight grantees had applied for the waiver to increase the funding cap, and an additional state reported in its latest quarterly report that it was weighing the option.¹⁰ Pennsylvania and Wyoming, two early implementing states, have not yet applied for a funding cap increase, in part, because they have already allocated a significant portion of their funds.

Changes to Implementation in Automotive-Focused States

Five of the eight states--Georgia, Michigan, Minnesota, Missouri, and Ohio--were chosen for the CAA demonstration because they were adversely impacted by automotive plant closures. Thus, the original implementation plans for these states focused on serving populations affected by these closures--dislocated and incumbent workers from major auto manufacturers, supplier companies, and the surrounding community. The CAA demonstration appealed to these states

⁸ The other two states that implemented after substantial delays were Georgia and Michigan.

⁹ According to an email from ETA, Minnesota was approved for up to \$1.5 million. However, as of December 2008, Minnesota had not determined the exact amount the state would request. ETA staff indicated that it was likely to be around \$500,000.

¹⁰ One of those states, Michigan, received a waiver to increase its yearly funding cap to \$5,000 per year, with a total cap over two years of \$10,000 per CAA recipient. This modification was made so that CAA funding would be in line with the funding for Michigan's statewide program "No Worker Left Behind." However, because Michigan implemented late in the demonstration, only one year of funding is available to CAA recipients.

specifically because of the devastating impact automotive plant closures had on their workforces. Thus, the states welcomed additional funding to serve these communities. However, these states quickly encountered some specific challenges in serving their targeted populations, and often these led to delays in implementation.

Changes in Targeted Groups. Soon after initial implementation, the automotive states had difficulties finding eligible people who were willing to enroll in CAA. The states found that many workers they planned to target for CAAs were, or might become, TAA eligible. Per ETA instruction, workers who receive TAA were not eligible for CAA, and those workers who were waiting for TAA certification did not want to jeopardize their future TAA funding to enroll in the CAA demonstration, because TAA offered significantly more benefits. In addition to challenges surrounding TAA eligibility, many automotive workers from the major manufacturers and some parts suppliers were offered generous buyout packages from employers that included re-training funds, which precluded them from participating in the CAA demonstration.

Thus, the automotive-focused states found this target group too narrow, and all of them petitioned ETA for approval to expand the industries from which to draw CAA recipients. For four of the five automotive states, ETA approved waivers to modify the targeted categories of potential CAA recipients.¹¹ Of those, Georgia, Missouri, and Ohio expanded CAA target populations to include dislocated and incumbent workers from all industries, and Minnesota focused specifically on dislocated workers from the manufacturing industry.

Changes to the Timeline of Implementation. As a result of the challenges posed by only targeting automotive industry-related workers, these states struggled with implementing in a timely fashion and had either very low or no enrollments in the first year of the demonstration. Two of the automotive states (Minnesota and Ohio) had implemented the demonstration early, but their enrollments were low until their target groups were expanded. Missouri began implementation in the second quarter of 2008, but had virtually no enrollments until modifications were made to expand the groups of eligible recipients.

Due to delayed or stalled implementation, the automotive states had limited time left in the demonstration to spend their CAA money. Therefore, all but one state applied to increase the funding cap to use \$6,000 of available funds in one year. The lone exception to this was Michigan; Michigan requested and received a waiver to increase the funding cap to \$5,000 a year for two years. These states also report increasing the intensity of enrollment efforts in order to spend their allotted funds before the end of June 2009. For all of these states, the number of

¹¹ At the time this report was written, Michigan was still awaiting approval from ETA to expand its targeted groups.

CAA recipients increased substantially during the third quarter of 2008, following the modifications to their implementation plans.

Changes to Implementation in Other States

The three non-automotive states -- Indiana, Pennsylvania, and Wyoming -- all implemented early in the demonstration, in the second quarter of 2007. Each of these states requested changes to their original implementation plans, but, for the most part, these changes were minor.

Pennsylvania and Wyoming modified their eligibility requirements to broaden the definition of low income in order to include people who earn more and expand the pool of eligible CAA recipients. Pennsylvania expanded eligibility from only those below the poverty level to those who earn up to 235% of the poverty level, which is what the state considers a self-sustaining wage. In Wyoming, the state eased the income ceiling from 200% of the Federal poverty level to 250% of the poverty level to be able to include Licensed Practical Nurses who wanted training to become Registered Nurses. Indiana ceased requiring the local areas to provide matching funds due to the burden it posed on the regions. As mentioned previously, Indiana applied for a modification in the third quarter of 2008 to increase the existing yearly funding cap to \$6,000, and Pennsylvania reported in its latest quarterly report, quarter ending September 2008, that it was considering the option. Wyoming decided not to apply because the state already allocated its first year of funding and wanted to remain consistent in its program over time.

However, Wyoming also faced some specific challenges with its implementation of the CAA demonstration and was forced to make some changes, beginning July 2008, to the types of training accounts it established. Originally, the state focused on employer-based CAA accounts and worked collaboratively with local area community colleges to recruit employers who in turn would provide CAA recipients. When such large-scale recruiting efforts took place, Wyoming had employers sign CAA contracts instead of entering into agreements with individual recipients. As part of these agreements, the colleges designed some programs specific to employer need and often these focused on soft-skills training that did not result in the attainment of a certificate, credential, or degree. However, these policies inconsistent with the demonstration principles originally outlined by ETA emphasizing customer choice, and required Wyoming to shift its focus to contract only with individual recipients. ETA also enforced the requirement that CAA recipients receive a certificate, credential, or degree as a result of their training. Thus, Wyoming had to modify its marketing strategies, the role training providers play in the recruitment process, and the ways in which they are able to tailor training programs to meet employer needs.

Implementation Delays Across Sites

In addition to stalls in implementation caused by challenges serving automotive workers, some states' implementations were delayed because of other issues at the federal, state, or local level.

At the federal-level, the problem was largely one of delays in Federal approval of modifications or other negotiated matters. Several state level issues also surfaced. And finally, there was resistance in some states from the local level. Each of these is described in turn.

Federal Negotiations. Four states were either waiting on guidance from, or were in negotiations with, ETA on CAA program issues.

- In Michigan, the state wanted to get the CAA demonstration aligned with the comprehensive statewide program No Worker Left Behind (NWLB), which necessitated agreeing on a definition of incumbent worker and raising the funding cap to equal the amount available under No Worker Left Behind initiative, which was \$5,000. These issues posed challenges to implementation, and it took some time to get ETA to approve the numerous plan revisions. Additionally, state staff reported that delays were exacerbated by working with different people at the federal level during each round of revisions.¹²
- In Pennsylvania, the state also said that federal-level turnover led to delays in receiving guidance from ETA about eligibility and, thus, the state was delayed in passing on this guidance to the local areas.
- In Georgia, negotiations over the use of administrative funds for data collection caused a delay in implementation. The state MIS did not have the capacity to collect all the types of customer data that ETA requested. However, the cost to alter the MIS to conform to ETA standards would have exceeded the CAA cap on administrative funds. As such, Georgia's implementation was delayed until an agreement could be reached because the state did not want to enroll people in CAAs until it was certain that data collection activities met ETA standards.
- In Indiana, state respondents said that, during the middle of the demonstration, the wait time to hear if the state's second year of funding was approved interrupted CAA marketing efforts.¹³
- In addition to the substantive negotiating and approval time, most of these states felt that turnover at the federal-level added to the delays.

State-Level Issues. In addition to its negotiating challenges, Pennsylvania had some difficulty with finding training within the cap that would fit into the state's new framework for emphasizing High Priority Occupations that were on the ETPL. Additionally, since the ITA training cap was significantly higher than the CAA cap, the local areas had trouble recruiting customers for CAAs. When the state realized that the local areas were not able to enroll customers in CAAs, the state determined that it needed to target short-term training for CAA

¹² Because Federal DOL staff were not interviewed as part of this project, it cannot be confirmed whether this was a significant issue. Hence, this viewpoint should be taken as just that – the view from one level of a multi-level initiative.

¹³ Because Federal DOL staff were not interviewed, it should be noted that this perhaps represents only one perspective and may not be shared by Federal DOL staff.

recipients, and thus, needed to add short-term training providers to the eligible training provider list to expand the training options for participants.¹⁴ These changes took a bit of time, further delaying implementation.

Local Resistance. Several states also noted that their implementations were somewhat harmed by resistance to the CAA demonstration on the part of certain local representatives. These states report that the local area staff had negative perceptions of the CAA demonstration and, as a result, they did not put the necessary effort behind program implementation and marketing.

- In Missouri, WIA staff members in the local One-Stop Career Centers were originally designated to administer CAAs. However, the state observed that the local WIA staff saw the demonstration as threatening their standing as WIA counselors, and thus the LWIAs did not fully support CAA implementation.¹⁵ Therefore, when the state received approval from ETA to expand the eligible participants from only automotive workers to dislocated and incumbent workers from all industries, the state also decided to implement the demonstration statewide using Wagner-Peyser staff. Following the designation of Wagner-Peyser staff as CAA case managers, the state claimed that WIA staff were able to see the value in the program and have since supported it fully. Local WIA staff cited the expansion of the program to other workers as the primary reason the program was able to successfully implement. Regardless of whether the reluctance of WIA staff to participate in the demonstration contributed to failure of the initial CAA design to take root, it was not the only reason for implementation delays.
- In Pennsylvania, local areas' cautious approach may have aggravated delays in implementation. Although the state told the local areas to be flexible in their CAA programming and move forward promptly, the local areas were wary of incomplete state guidance and feared that the state would later question their actions during monitoring. Therefore, the local areas waited for thorough clarification from the state on every issue before implementing the demonstration.
- According to interviews with state respondents, in Minnesota all of the LWIA directors were asked to participate in discussions of CAA implementation, but the state claimed it faced strong opposition from the LWIA directors to the demonstration. Therefore, the state said it had to spend a good portion of time convincing local areas to participate and reduced the number of participating local areas to just two. Even though the Wagner-Peyser staff members administer the demonstration in the participating One-Stop Career Centers, the state believed that the negative attitudes of the co-located WIA staff toward the CAA

¹⁴ As will be discussed in Chapter IV, Pennsylvania was one of the two states that required CAA training to be through providers on the ETPL. Thus, it was necessary for any potential training providers to be added to this list.

¹⁵ For their part, the local WIA staff contended that it was not so much reluctance on their part, but fatal flaws in the design of the program, as originally conceived, that made it impossible to implement successfully.

demonstration influenced the Wagner-Peyser staff and led them to resist fully promoting CAAs. State-level staff felt that this has been especially damaging to rates of co-enrollment with WIA.¹⁶

- In Ohio, the state asked each One-Stop Career Center to appoint a liaison to the state demonstration who would serve as a local advocate. However, the state notes that, in practice, the liaisons have not filled this role, instead deciding to focus more on administrative tasks. This may have initially limited marketing at the local level, as they were not active in promoting the CAA demonstration

Targeted Groups

As with the automotive states, the labor market conditions of each area influenced the states' decision about which groups of customers to target. At the time of the initial implementation plans for the CAA demonstration projects, most states were already facing significant economic hardships. By the time of most site visits from April to December 2008, conditions had only become more dismal.¹⁷ For most states, the weakest economic sector was manufacturing, with rising unemployment also occurring in the financial and service sectors in some states. As such, the states participating in the CAA demonstration saw an opportunity to access additional funding for their workforce, and were able to select demonstration target populations that fell in line with their particular economic needs and goals.

For all grantees, the states determine the target groups for the CAA demonstration; however, in most states the local areas are given some leeway in determining which sub-category of people to target within the broader category identified by the state. However, there is a sliding scale in the degree of influence local areas are allowed in selecting targeted groups of eligible participants. In Indiana, the local areas decide which type of customer to target and can even determine additional eligibility requirements that recipients must meet in order to receive funding. In Michigan and Wyoming, the local areas can choose to target a particular type of participant, usually incumbent and/or dislocated workers, as long as their eligibility complies with state requirements, and they do not develop their own additional eligibility requirements. In Georgia, Minnesota, and Pennsylvania, local areas can prioritize which groups of workers to focus on, but must enroll anyone eligible under state guidelines. In the remaining two states, Missouri and Ohio, local areas adhere to state eligibility requirements and do not necessarily target particular subsets of eligible recipients.

¹⁶ Because local staff were not interviewed in areas that did not implement CAAs, verification of the accuracy of these statements or the extent to which they posed an obstacle to further WIA participation was not possible.

¹⁷ Throughout the period, Wyoming had labor market conditions that were more favorable than the other states.

Types of Recipients

Across the eight states participating in the CAA demonstration, there are four broad categories of targeted workers identified. Targeted workers in four of the states (Indiana, Michigan, Minnesota, and Ohio) are dislocated and incumbent workers, with Ohio specifying that incumbent workers must be at-risk of layoff. Georgia and Wyoming target CAAs to all dislocated workers, incumbent workers, and low-income adults, though Wyoming requires that only *non-incumbent* CAA recipients be low income. Only Minnesota targets dislocated workers exclusively. Pennsylvania targets low-income adults. Exhibit III-1 summarizes the target groups identified in each state.

**Exhibit III-1:
Target Groups**

State	Type of Worker	Industry
Georgia	Dislocated Workers, Incumbent Workers and Low-Income Adults	All
Indiana	Dislocated Workers and Incumbent Workers	All
Michigan	Dislocated Workers and Incumbent Workers	Automotive
Minnesota	Dislocated Workers	Manufacturing
Missouri	Dislocated Workers and Incumbent Workers	All
Ohio	Dislocated Workers and Incumbent Workers (for layoff aversion only)	All
Pennsylvania	Low-Income Adults	All
Wyoming	Dislocated Workers, Incumbent Workers and Low-Income Adults	All

Due to challenges posed by recruiting CAA recipients from the automotive industry, only one of the five original automotive states still solely targets automotive workers.¹⁸ Three of the automotive industry-focused states (Georgia, Missouri, and Ohio) expanded their target groups to include workers from all industries, and Minnesota modified its plan to include workers from all manufacturing industries. The three states (Indiana, Pennsylvania, and Wyoming) that did not initially focus on the automotive industry also target all industries from which to draw CAA recipients.

While the targeted groups overlap with customers served by other programs, many of the states said that their rationale behind selecting these specific target groups includes being able to offer training opportunities to customers that would not be eligible for funding under other programs. Thus, even though they targeted broad groups, some states encourage focusing more recruitment and enrollment efforts on certain subgroups within these broader targets. For example, while Indiana allows locals to serve either dislocated or incumbent workers, the state is much more focused on recruiting the latter as a way to

¹⁸ The remaining automotive industry-focused state, Michigan, had requested a waiver from ETA to expand their target group, however, at the time of this report, the waiver had not yet been approved.

serve non-traditional One-Stop Career Center clients and people who would not be eligible for programs under WIA. In Wyoming, local areas can serve either type of worker, though the state has encouraged them to develop employer-based CAAs that specifically focus on training participating employers' incumbent workers. Although Michigan currently serves only automotive-industry workers, its local areas are allowed to determine whether to focus on dislocated or incumbent workers, or both of those groups.

In some other states, CAAs are simply seen as another source of funding that could be used to target these broad groups of customers, but only those for whom short-term training was required. For instance, in Missouri, while CAA targets dislocated workers who also may be eligible for participation in the WIA ITA program, participants are recruited for CAA because their training needs are shorter in duration. Thus, those customers who require longer-term training are often referred to WIA, which has more appropriate resources for the longer term. Likewise, WIA case managers will refer customers to CAA when shorter term training is needed. We discuss as part of Chapter IV the extent to which customers are informed about the implications of accepting a CAA versus WIA training.

Targeted Training Programs and Industries

While all of the demonstration states report that CAAs are best utilized in funding short-term training programs, this focus on shorter training is especially salient for late implementing states. Since the late implementing states awarded most of their CAAs in the third quarter of 2008, this emphasis on short-term training is imperative because there a limited amount of time for those CAA recipients to spend training funds. In contrast, because some of the CAA recipients in early-implementing states received funding so early in the demonstration, they are able to use their training funds for two-year programs.

All of the states identified and set out to target local high-growth, high-demand industries for CAA recipient training, and they allowed local areas to specify important industries in their region to target for training. Of the eight demonstration states--Indiana, Michigan, Ohio, Pennsylvania, and Wyoming--require that customer training be in an industry or occupation identified as high-growth or high-demand. The remaining three states (Georgia, Minnesota, and Missouri) report that they encourage CAA recipients to enter training that will lead to employment in targeted industries, but that this is not a requirement to be eligible to receive CAAs.

Marketing

At the start of new programs, such as the CAA demonstration, marketing is critical in informing potential customers and employers about the existence of the program. Just as successful marketing can greatly accelerate the recruitment and enrollment of customers, ineffective

marketing can inhibit a program’s ability to implement in a timely fashion. This need for effective marketing is even more crucial in states that already faced significant delays in implementation, and therefore began with less time with which to recruit participants. As such, state and local areas initiated a number of different marketing strategies to recruit potential CAA customers. These strategies typically included marketing directly to customers through various means and indirectly through training providers and employers.

For the CAA demonstration, the local areas are typically able to determine their own marketing strategies and usually carry the primary responsibility for marketing functions. However, the states generally provide some degree of assistance in marketing, though the amount of assistance varies across states. The three states that have implemented the CAA demonstration statewide – Missouri, Ohio, and Wyoming – are also the states that are most actively involved in direct marketing. In the other states, the local areas are the ones that directly market to customers and employers. Exhibit III-2 summarizes the marketing roles in each state.

**Exhibit III-2:
Marketing: State and Local Roles**

State	State and Local Roles
Georgia	State assists local areas in marketing CAAs through state and regional Rapid Response efforts
Indiana	State provides local areas with basic assistance in formatting marketing materials, including the use of the state logo
Michigan	State requires regions to market all One-Stop Career Center programs, including CAA, together
Minnesota	Marketing decisions are based at the local level
Missouri	State does some direct marketing and provides local areas with some marketing materials
Ohio	State does some direct marketing and provides local areas with marketing materials to ensure consistency across sites
Pennsylvania	State provides local areas with some marketing materials
Wyoming	State does substantial direct marketing alongside local areas, though it is mainly targeted to employers rather than individuals

Marketing to Customers

For those local areas that focus on dislocated workers, it is common to coordinate marketing of the CAA demonstration with Rapid Response events and information. The Rapid Response teams tell workers about CAAs and include information about the program in handouts describing services available at One-Stop Career Centers. In three of the eight states (Minnesota, Missouri, and Wyoming), state or local area staff also coordinate CAA marketing with UI information. In two of these states, local areas specifically target UI recipients for CAA recruitment. In Minnesota, Hennepin-Carver screens UI claimants for CAA eligibility and sends

them letters advertising the program. Missouri One-Stop Career Centers' case managers screen all dislocated workers included in UI profiling for CAA eligibility.

Most of the local areas also market the CAA demonstration directly to customers in the One-Stop Career Centers. Flyers or posters advertising CAAs are commonly situated around the One-Stop Career Centers. Some local areas provide information about CAAs in their One-Stop Career Center orientations. In Minnesota, Hennepin-Carver created a CAA advertisement that pops up when a job-seeker logs onto the resource room computers.

In many regions, CAA case managers actively recruit One-Stop Career Center customers for CAAs. These direct recruiting strategies include approaching resource room customers, at random, to inform them of the program or utilizing pre-existing relationships with customers to recruit them for CAA. In Minneapolis, for example, when the CAA coordinator contacts her customers for check-ins, she also inquires to see if they would be interesting in enrolling in CAAs. This strategy has proved fruitful, as she enrolled numerous people over a relatively short period.

In One-Stop Career Centers, where case managers of other programs are co-located and familiar with the CAA demonstration, they will often refer customers to CAA case managers if they believe the customer would be a good fit for the program. For example, Eastern Indiana markets its One-Stop Career Center services in an integrated manner, so all case managers are trained on the CAA demonstration. Therefore, it is easy for them to identify and refer customers who might benefit from CAAs.

More generally, all of the CAA demonstration states utilize connections with partners or training providers to market CAAs to potential customers. Local areas provide information about CAAs to a variety of partner and community organizations, such as other workforce development and social service agencies. Some states rely more heavily on these marketing connections than others. For instance, in Pennsylvania, the state required that local areas coordinate with the Department of Welfare to get Temporary Assistance for Needy Families (TANF) recipients referred to the One-Stop Career Center for enrollment in the CAA program.

Training providers are also important partners in marketing CAAs to customers. All eight states have used them as a channel to market to potential customers. In most states, the local areas send training providers brochures or handouts about CAAs for them to pass along to their students. Reverse referrals from training providers are thus an important source of CAA customers for many regions, and some regions expect providers to actively market One-Stop Career Center services to students for them.

However, some local areas involve training providers more heavily in marketing and recruitment. For example, as a result of implementation delays in Pennsylvania, Three Rivers lost a contract with Point Park University for a child-care training program for low-income adults

that would have absorbed all 116 slots allocated by the state to Three Rivers. One-Stop Career Center staff then tried to market CAAs to regular adult customers rather than solely low-income adults, but they had little success because few customers wanted a \$3,000 CAA when they could also qualify for an \$8,000 ITA. Finally, the Three Rivers grant manager contracted with a select group of training providers, such as Goodwill (already a One-Stop Career Center partner), New Century Careers, and \$1 Energy Fund, to recruit and train CAA recipients. These contractors review customer eligibility, provide pre-training services, and provide training. They are the only real point of contact for most CAA recipients, though the One-Stop Career Center still determines formal eligibility and approves awards for the contractors and also continues to offer CAAs to regular customers outside the contractual framework. Though this approach was viewed favorably within this area, it is not clear that it is well aligned with the principles of CAAs because customers do not have their choice of training or venues.

Using training providers to market is especially important for states that targeted groups of customers who do not normally use the One-Stop Career Center. As one example, in Eastern Indiana, local area CAA case managers selected community college classes that aligned with one of their targeted industries for training and made presentations to students about the CAA demonstration at the beginning of the semester. Since these individuals were already enrolled in the program and intended to pay tuition and other costs with their own money (or through funds from other public programs), they proved very receptive to CAAs, as the program was seen as somewhat of a windfall for them. Similarly, in Georgia, the local areas have case managers co-located at some of the technical colleges, and they are responsible for recruiting and enrolling new students for the CAA program, and consequently for the schools as well.

States and local areas are using a variety of other marketing approaches. In four of the eight states (Georgia, Indiana, Missouri, and Ohio), either the state or local areas are using their Web sites as part of their marketing strategy. Beyond including general information about CAAs on its Web site, Eastern Indiana provides customers access to an online application, and the local area reports receiving over half of all CAA applications via the Internet. In contrast, using paid advertisement is not a popular strategy, with only a few local areas using this as a means of marketing CAAs. For example, Eastern Indiana and Clermont County placed advertisements in local newspapers. A couple of the local areas, such as Macomb/St. Clair, also employed other direct marketing strategies such as providing information about CAA at job fairs and employer recruitment events. In Ohio, for example, the state and regions conduct informational mass mailings about CAAs to people identified as potentially eligible and who do not typically use the One-Stop Career Centers. Finally, once the CAA demonstration began to gain steam in states, and more people enrolled in the program, word-of-mouth became a good source of referrals for a few regions.

Marketing to Employers

Directly contacting employers is another feature of the marketing strategies of all CAA demonstration states. While some of the marketing aimed at employers is intended to assist in the recruitment of dislocated workers, the bulk of employer marketing is geared toward gaining access to incumbent workers who could benefit from CAA training. Rapid Response teams in some regions also use Rapid Response events to inform employers and labor unions of the availability of CAAs so that they can spread information about the program to their remaining workers.

Local area Business Services Representatives also include information about CAAs when marketing the range of One-Stop Career Center services to employers. One of the ways that local areas inform employers of available services is through informational mailings that include descriptions of CAAs. Business Services Representatives also make presentations about One-Stop Career Center services for employers at business-centered events, such as Chambers of Commerce meetings. Often they will also target employers with whom they have existing relationships to contact directly about the CAA demonstration. For example, since Northwest Georgia is using on-the-job training (OJT) as one of the training options for CAA recipients, the local area markets directly to employers with whom they have previously had job orders to recruit them to participate in OJT for CAA customers. This approach is described in more detail as part of Chapter IV.

In some states, one of the considerations that was made in marketing incumbent worker training to employers was the need to balance the interests of the CAA recipient with that of their employer. For example, in Eastern Indiana, local staff members market the incumbent worker training program directly to employers with the hope that they would refer their employees to the CAA program. However, because CAAs are based on customer choice, recipients have the final decision as to which training program is chosen, even if it is the training is for a job or industry that is likely to lead to employment elsewhere. Thus, local areas have to be careful in marketing incumbent worker training to employers, in that they want to accurately describe the program, but also assuage employers' fears that recipients are likely select training programs that will lead to employment in other industries.

Summary

A number of states faced significant challenges in the beginning of the CAA demonstration. Most prominently, targeting workers adversely impacted by major automotive manufacturing plant closings proved to be unworkable because most were eligible for Trade Adjustment Act (TAA) assistance. Therefore, ETA allowed states to modify their implementation plans to adjust for unforeseen impediments, and broaden the target groups they intended to serve through CAAs. However, as a result of this and other implementation challenges, the original timeline

for implementation was significantly delayed in some states. In response, ETA also approved other demonstration-wide modifications that afforded states greater flexibility in awarding CAAs, which thus helped to ensure that states have adequate opportunity to implement the demonstration and CAA recipients receive sufficient time to spend their training funds. As of the end of the third quarter of 2008, all states have implemented, and, employing various marketing efforts, have recruited and enrolled CAA recipients. The following chapter will discuss how state and local areas developed specific eligibility criteria for these target groups and provided services to them.

IV. SERVICES

As some of the states had made relatively little progress in implementing their demonstration models and most of those that had implemented had issued relatively few CAA accounts at the time of the first round of site visits in the summer and fall of 2008, patterns of service delivery are still in the early stages in some states. Nevertheless, SPR site visitors were able to learn what the states were doing at the time of these visits. The comparable chapter of the final report will have much more to say on this topic.

The chapter is organized essentially along the lines of a typical service delivery pattern. It starts with eligibility determination. Building on their target groups, the states and local areas established various eligibility criteria for enrollment in a CAA account. The chapter then discusses pre-training services (especially any core or intensive services that may have been threshold to a decision to train) and the training decision itself (that is, the selection of an occupation and a vendor). Following this, services delivered during and after training are examined. The chapter concludes with an examination of employer involvement in the CAA process, including in planning, incumbent worker training, and hiring.

Eligibility Requirements

As noted in Chapter III, the demonstration models that the states proposed in their grant applications established very broadly-defined target groups, such as low-income adults, dislocated workers, or incumbent workers (two states and one local area had multiple target groups). However, to operate a program, the states needed to specify eligibility criteria to enable staff to determine who would actually be served within the broad targets. In most cases, the states used criteria from WIA, primarily for dislocated workers (although Georgia also used WIA criteria for adults), to define specific eligibility for a training account. The extensive reliance on WIA criteria is most evident in the late implementing states, perhaps because these criteria are readily available and easy for staff to work with once the initial plans for automotive dislocated workers had been shelved. However, the states also added other dislocated worker eligibility criteria or further restricted the WIA definition. For example, Ohio allows accounts for dislocated workers who were threatened by closures since April 1, 2008.

In the other categories, eligibility requirements are somewhat more varied. Of the three states that are serving low-income adults, Pennsylvania and Wyoming developed specific income-based criteria in lieu of using WIA criteria. Incumbent-worker eligibility in two states is limited to workers sponsored by their employers. In Northwest Indiana, employer sponsorship provided matching funds, while Missouri sought employer sponsorship as part of its business services program. In addition, in Northwest Georgia, which is relying heavily on OJT, the employer must also offer the same training to all its target workers, including incumbents. The program is modeled after the state’s Georgia Works program, which allows UI claimants to participate in up to 24 hours of paid OJT and still collect UI benefits.

Finally, some states also allowed local areas to add their own requirements. In Michigan, for example, the state allowed a local option to include workers who had voluntarily left work at a closing plant through retirement or acceptance of a buyout. In addition, local areas further refined state eligibility criteria, as discussed below.

Exhibit IV-1 displays the specific eligibility by the broadest level of eligibility criteria. In addition, all the states observed the Federal restriction on enrolling those eligible for TAA.¹⁹

**Exhibit IV-1:
CAA Eligibility Requirements by Target Groups**

	Low-Income Adults	Dislocated Workers	Employer-Based/ Incumbent Workers
Georgia	<ul style="list-style-type: none"> • Low income adults, as defined by WIA 	<ul style="list-style-type: none"> • Dislocated workers, as defined by WIA 	<ul style="list-style-type: none"> • Employers offering OJT must offer this training to CAA eligible adults and dislocated workers and its own incumbent workers
Indiana		<ul style="list-style-type: none"> • Dislocated workers, as defined by WIA and customer does not qualify for ITA training 	<ul style="list-style-type: none"> • Incumbents who are: <ul style="list-style-type: none"> — Continuously employed for at least 6 months before enrollment — Earn between \$11 and \$22 an hour
Michigan		<ul style="list-style-type: none"> • Dislocated workers, as defined by WIA • Local option to include workers accepting certain buyout or retirement options at closing plants 	<ul style="list-style-type: none"> • Local option-criteria vary

¹⁹ Ohio permits enrollment in CAA for dislocated workers who are under a pending TAA petition or have appealed an adverse decision by ETA.

	Low-Income Adults	Dislocated Workers	Employer-Based/ Incumbent Workers
Minnesota		<ul style="list-style-type: none"> Dislocated workers, as defined by WIA, but limited to manufacturing²⁰ 	<ul style="list-style-type: none"> Local option-criteria vary
Missouri		<ul style="list-style-type: none"> Dislocated workers, as defined by WIA 	<ul style="list-style-type: none"> Incumbents sponsored by employer
Ohio		<ul style="list-style-type: none"> Dislocated workers, as defined by WIA Workers at-risk of dislocation since 4/1/08 	
Pennsylvania	<ul style="list-style-type: none"> Low income adults below Federal poverty or county family-sustaining wage levels with 3 months paid work in past year²¹ 		
Wyoming	<ul style="list-style-type: none"> Low income adults below 250% of poverty 		<ul style="list-style-type: none"> No criteria initially established

The states and local areas supplemented their basic eligibility criteria described in Exhibit IV-1 with a number of additional requirements to achieve particular state or local goals, meet specific ETA grant requirements, or address implementation challenges. In some cases, these requirements are functionally equivalent to threshold eligibility requirements, while others are working requirements that function as part of the CAA decision-making process, as customers discuss their training interests, goals, and time frames with One-Stop Career Center staff. Most common is a requirement that recipients must complete the training within the grant period. Although such a requirement is implicit for all the grantees, Georgia made it explicit, and Indiana and Macomb, Michigan imposed two-year limitations to emphasize the importance of timeliness and conform to the grant period. Pennsylvania addressed the problem of timely completion in a different manner. It required CAA recipients to begin training within 90 days of eligibility determination.

Exhibit IV-2 displays the supplemental requirements established within each state.

²⁰ Minnesota included leased and temporary workers who were assigned to manufacturing plants.

²¹ In Pennsylvania, TANF work experience, even if uncompensated, can meet the three-month requirement.

**Exhibit IV-2:
CAA Supplemental Requirements Related to Eligibility**

	Low-Income Adults	Dislocated Workers	Employer-Based/ Incumbent Workers
Georgia	<ul style="list-style-type: none"> • Complete training by 6/30/09, which is the end of the grant²² • No need for supportive services • No need for counseling or assessment. • No training within last 3 years • Atlanta Regional: Priority to LWIA residents and workers 		
			<ul style="list-style-type: none"> • Northwest Georgia: OJT recipients must be skill-deficient on 50% or more of competencies to be learned
Indiana		<ul style="list-style-type: none"> • GED (dislocated workers only) • Certification must occur within 2 years 	<ul style="list-style-type: none"> • Certification must occur within 2 years • Eastern Indiana promotes commitment by requiring that recipients: <ul style="list-style-type: none"> — Did not drop out of selected training program in last 2 years — Contribute 10% of CAA value
Michigan	No supplemental requirements		
Minnesota		Minneapolis: residency in 7-county metro area	
Missouri	No supplemental requirements		
Ohio	No supplemental requirements		
Pennsylvania	<ul style="list-style-type: none"> • GED, if required by vendor • CAA must begin within 90 days of a case manager making an eligibility determination • Northwest: residency in LWIA 		
Wyoming	No supplemental requirements		

As can be seen in this table, Georgia added several requirements for all its target groups. The state excludes customers that need supportive services or extensive assessment or counseling to

²² Georgia's requirement is more limiting than the general ETA grant end date. Under the ETA grant, states can award CAAs until June 30, 2009, but recipients could continue training after that point.

facilitate the demonstration's intent to maximize customer choice and the grant's prohibition on paying for supportive services. The state's program designers also barred workers who had received public training within the last three years as an equity issue. Eastern Indiana similarly excludes previous trainees, but limits the exclusion to two years. In addition, the area asks recipients to contribute a 10 percent matching requirement, which could be the value of transportation to training, child care, or related expenses or costs for ancillary equipment for the training (for example stethoscopes for nursing students). These two requirements were intended to ensure that a CAA recipient was personally committed to completing the training.²³ Two states require at least some of their CAA recipients to have a GED. Indiana applied this requirement only to dislocated workers, while Pennsylvania required the GED if the training vendor required it. Finally, the Northwest LWIA of Pennsylvania and two other local areas added residency requirements, although the residency requirement in Minneapolis is regional in scope, and the one in the Atlanta Regional area is a priority rather than a requirement.

Pre-Training Services

A CAA-based training system is intended to expedite the movement of eligible customers to training as compared to the conventional core/intensive/training regimen under WIA. Thus, it is important to examine the procedures and practices that grantees are using to facilitate that movement. In this section, we look at two threshold issues: orientations to the workforce investment system generally or CAA specifically and the extent to which core or intensive services may be required or actually used.

Orientation to the CAA System.²⁴ Only one state explicitly requires potential CAA recipients to attend an orientation, and this is the same One-Stop Career Center orientation required of WIA participants. Then, if a customer expresses interest in a CAA as one of the Center's service options, the case manager handling eligibility is expected to provide an explicit orientation on the program. Two other states expect or encourage potential CAA recipients to go through the typical local One-Stop Career Center front-end regimen. For example, Michigan expects that the CAA front-end process will resemble that of its LWIAs' processes for regular dislocated worker customers. Macomb, in carrying out Michigan's emerging "No Worker Left Behind" model of integrating multiple funding sources for all its training programs, has no specific CAA orientation. Rather, case managers review CAA program requirements and other One-Stop Career Center services at the same time that they perform an initial assessment. Thus, customers

²³ In Eastern Indiana, all the CAA recipients at the time of the first site visit were already enrolled in training at local community colleges, so their commitment already had been established.

²⁴ This section generally applies to those who come into a One-Stop Career Center outside of the targeted marketing efforts described in Chapter III.

would find out about CAAs only if the counselor suggested it as a financing source. In contrast, Ohio encourages CAA customers to get an orientation to CAA at their initial meeting with a WIA case manager, who is the front end of the state's overall dislocated worker initiative. However, specific methods of orientation are left to local areas, and neither of the two sites visited used any CAA-specific orientation.

While the other states have no required or expected orientation, several states are providing a form of orientation to dislocated workers through Rapid Response. At least three states—Georgia, Missouri, and Ohio—all of which targeted dislocated workers, noted that their Rapid Response staff specifically mention CAAs as a training program. Georgia Rapid Response staff's orientation is quite thorough, describing the program and the application procedure.

Core and Intensive Services. One of the key distinctions in design between the CAA and WIA service models is the extent of pre-training services required in each model. WIA training requires that customers must demonstrate that they are unable to find a job through core and intensive services. In contrast, ETA's vision for CAA is to facilitate movement into training, and thus the grants explicitly prohibit requiring customers to pass through core or intensive services. Beyond that prohibition, the grants allow the states wide latitude in determining what pre-training services there would be.

No state requires any core or intensive services, but there is considerable variety in the way in which the states and local areas offered assessments or counseling that is threshold to a training decision. However, three states (Indiana, Ohio, and Pennsylvania) provided for some level of preliminary assessments and guidance in the course of telling customers about the CAA. For example, in Indiana, case managers typically conduct a brief needs assessment that is an integral part of the eligibility determination. In Three Rivers (Pennsylvania), some of the CAA service providers require that all their students (including CAA recipients) develop a life plan, career goal, or service plan some time before they exit the program, but none of these services preceded CAA receipt. Three states—Missouri, Minnesota, and Georgia—offered preliminary assessments only if the customer requested it or was foundering in a self-directed mode. In all of these states, at least some CAA recipients are certain to pass through the WIA pre-training service tiers before they encountered the CAA because the CAA was closely integrated with general One-Stop Career Center operations. Finally, four states—Michigan, Minnesota, Ohio, and Wyoming (after Wyoming stopped the initial incumbent worker training)—recruited CAA recipients through the normal course of One-Stop Career Center operations. In these states, at least some received a CAA voucher after having gone through core and intensive services because these grantees primarily used CAAs as an alternative funding source rather than as a distinct service model. And, in even where there was some separate recruiting, as in Ohio, recipients are still likely to receive some form of pre-training assessment. Ohio state staff noted that local areas are expected to provide some form of on-line assessment, such as WorkKeys, to

all Career Center customers. In that state, both Clermont and Northwest Ohio encourage all their customers, regardless of program, to use WorkKeys and create a resume when they begin to use any workforce service.

Summing up, the states and local areas complied with the prohibition on mandatory core and intensive services. Further, it appears that grantees appear to be reducing the level and intensity of pre-training services, which is consistent with the intent of the CAA demonstration. Some exceptions to this reduced level and intensity are likely to have occurred among the grantees that recruited CAA customers through the general One-Stop Career Center intake.

Training Services

In this section, we examine the training services themselves. We start with the grantees' procedures and practices used to make the training decisions—selecting a training occupation and a vendor—an integral component of any system of providing training services. Then we turn to the restrictions on that choice that grantees imposed on potential CAA customers. As with eligibility, some of these restrictions reflect compliance with both conceptual and practical grant requirements and some reflect mechanisms to achieve the specific grantee goals—generally serving underserved worker groups, providing additional training funds, and providing shorter term training than is conventional under WIA. The section next examines the procedures established for approval of a decision and payment systems for the vendors. We then examine how the CAA system works with other programs to provide supplemental funds for training that extend beyond the term of the demonstration or exceed the grant limit or supportive services, which cannot be provided by the grant. Finally, we highlight other key components of training services, including case management during training and post-training placement efforts.

Making Training Decisions

Although the ITA under WIA was introduced to make training resemble a customer-driven market, the WIA environment still constrains customers in a number of ways, including:

- Explicit regulatory and policy restrictions to achieve certain public policy objectives and procedures
- Tiered service design that rations scarce training resources
- Mandatory use of the ETPL.
- Higher degree of staff involvement than is common in many other workforce programs, and
- Performance goals.

Thus, the authority of the customers to make their own training decisions, with as few constraints as possible, lies at the heart of CAA demonstration. Nevertheless, as with any public program,

there are rules established by ETA in the demonstration grants, a variety of policy objectives from state and local grantees, and procedures to facilitate program management and promote good decision-making. In this section, we explore the framework of restrictions and procedures that states and LWIAs imposed and the interaction between customer and case manager in which a training decision is made.

Restrictions on Customer Choice

Cap and Duration. To start with, ETA established certain parameters in making the grants: namely, the two-year duration and the \$3,000 per year cap (which together yields a \$6,000 limit) and the requirement that training programs must lead to national or industry-recognized certification.²⁵ ETA ultimately allowed the three late-implementing states to change the limit because that was the only way to spend the money in the one year (or less) that they had available. Georgia raised the cap to \$4,500 in one area visited and \$6,000 in the other. Michigan opted for a \$5,000 cap, which would be consistent with its statewide ITA cap and integrated the CAA into the No Worker Left Behind initiative. Ohio raised its cap to \$6,000, which was the limit for the accounts if recipients had the full two years anticipated by the original grant proposal. Then, ETA allowed the other states to make similar changes, and four other states (Indiana, Michigan, Minnesota, and Pennsylvania) raised their annual caps to \$6,000, primarily to ensure that funds would be spent.

Occupational Choice. Perhaps the most significant restrictions on free customer choice occurred because of state and local rules about selecting training occupations and the target wage. In most cases, states and local areas sought to align their publicly funded training, including CAAs, with high-growth jobs and or jobs paying better wages. At least six states required that all CAAs (and ITAs issued under WIA) be issued only for training in occupations that aligned with an overall sector-based strategy or high-growth occupation. In Minnesota, for example, this includes training in advanced manufacturing, health care or financial sectors. Georgia encourages, but does not require, CAA recipients to select training in high-growth occupations in their regions. Wyoming differs from the other states in that it does not specify occupations. Instead, it requires trainees to select a program that will result in wages within at least the 25th percentile for that industry.

Pennsylvania had the most far-reaching of these occupational restrictions. Its CAA and ITA programs require training in what the state terms High Priority Occupations that are in demand by employers, have higher skill needs, and are most likely to provide family sustaining wages. The occupations are established annually by the state's labor market information agency with input from the LWIAs. The wage levels are established by county and generally run

²⁵ ETA based the cap on the average cost of tuition, fees, and books for degree training at community colleges.

significantly above the Federal poverty level. The Three Rivers (Pennsylvania) local area effectively further limited occupational choice because it elected to funnel all CAA recipients through a smaller group of service providers that provided training in a relatively small number of occupations.²⁶

Certification. None of the states changed the certification requirement, except for Wyoming, which began its efforts with incumbent-worker training on certain soft skills (e.g., some employers wanted their workers trained in workplace collaboration or issues that promote retention). However, the state abandoned this type of training after receiving guidance from ETA.

Vendor Choice. Although many, if not most, customers who seek ITA training tend to have a vendor in mind before coming to the Career Center, their vendor choice is restricted by law to programs on the ETPL. In contrast, ETA, in attempting to maximize customer choice, did not restrict vendor selection in the CAA demonstration. Six of the eight states—all but Indiana and Pennsylvania—concurred, allowing CAA recipients to select from a broader group of vendors. While Georgia encouraged (but did not require) the use of the ETPL, it did impose several other requirements: the vendor must be within 150 miles of the recipient’s residence, be accredited, and be regulated by the state’s Non-public Postsecondary Education Commission to ensure that it is financially sound. Michigan also allowed non-eligible training providers if they were licensed and accredited. One other state, Missouri, gave implementing local areas the option of using the ETPL or creating their own lists based on alternative criteria. This state’s implementation plan allows CAA recipients to select any vendor, but the state does allow LWIAs to restrict choice to vendors on the eligible list. Of the two areas visited in Missouri, one requires use of the ETPL, while the other does not. Ohio does not require use of the ETPL, but if local areas do not use the state list, they had to develop alternative approval criteria. State officials suggested that such criteria could include issuance of an industry-recognized credential or the expectation of employment in a demand occupation. Northwest Ohio did develop alternative criteria. This LWIA required non-ETPL vendors to be within 40 miles of a Career Center and to have been in the training business for at least 12 months. The area also expected to verify that the vendor had a license from the Secretary of State to do business in Ohio. However, in both areas visited, all or nearly all CAAs were for training at a vendor on the ETPL.

Finally, in Three Rivers (Pennsylvania), implementation through a group of combined service provider/training vendors (they were all on the ETPL and had very successful completion,

²⁶ Some Three Rivers (Pennsylvania) One-Stop Career Centers did refer some CAA recipients to the broader universe of programs on the ETPL. See Chapter III, page 13, for a discussion of how Three Rivers (Pennsylvania) settled on a small group of training vendors.

credentialing, and placement rates) effectively restricted vendor choice, as well as occupational choice. Although such a limitation is not consistent with the underlying CAA concept, both customers and One-Stop Career Center case managers were completely satisfied with the arrangements. Customers felt that these vendors offered a comprehensive training program with a rich array of counseling and supportive services. They also reported in the focus group that they expected that the vendors' relationships with employers would facilitate their employment at desirable, well-paying jobs. The case managers willingly steered potential CAA recipients towards these CAA service providers because these providers previously had a good track record in placing their ITA customers. In addition, Pennsylvania developed an expedited procedure for adding vendors, especially those with short-term programs, to the ETPL based on requests from CAA recipients.²⁷

Staff Involvement in Training Decisions

Case managers typically play a significant role in the training decisions under WIA. They conduct and interpret assessments, provide labor market information, suggest vendors and review the results of school research, all with an eye towards ensuring that an ITA (or other training method) reflects a well-informed choice that meets the local goals and will contribute towards meeting performance standards. Further, they may require customers to complete a quick financial plan to assure that they have the resources to get through the training period. While the degree of case-manager authority and involvement may vary considerably, the research from the an earlier study of ITA training suggests that counselors tend to play an important role in the decision, at least for some customers, especially those who are uncertain or have come in with poor choices.²⁸

In contrast, the CAA model was intended in part to reduce the role that counselors play in the decision-making relative to the customer's role. Five states clearly reduced the level of case manager activity and authority in the decision. These states required or encouraged locals to defer to the customer in virtually all aspects of the decisions.

- **Georgia** took the most stringent view. Once eligibility was determined, the counselor essentially withdrew, pointing customers to self-service tools for assessments and labor market information. Even financial planning for the training period is conducted on-line through self-service activities. Even if a

²⁷ The Three Rivers (Pennsylvania) service providers are Goodwill and several non-profits that operate a few specific training programs. They are not general-purpose training vendors. However, as with occupational choice, some One-Stop Career Centers referred CAA recipients to the broader universe of eligible training providers, so these participants had much more choice.

²⁸ Decker, Paul T. ; McConnell, Sheena ; Perez-Johnson, Irma L., Pearlman, Jessica ; Salzman, Jeffrey, "The Effects of Customer Choice: First Findings from the Individual Training Account Experiment." December 2004. Accessed 2008. http://wdr.doleta.gov/research/FullText_Documents/2005%5F03%5Fita%2Epdf.

customer requested help, the counselor only helped guide them to the appropriate self-service tool or resource.

- **Indiana** did not give out any direction regarding case manager authority, but case managers in both local areas played a modest role. In Eastern Indiana, while there was no help with assessment, labor market information, or vendor selection, the case manager reviewed a mandatory training outline that required customers to demonstrate that there was demand in the training occupation and that the customer could complete the training by the end of the project. Northeast Indiana case managers had to sign off on a document in which the customer promised to reimburse the LWIA for any costs incurred if the customer did not begin the training.
- **Minnesota** explicitly instructed its local areas to reduce the intensity of the case manager's role. Local staff in Hennepin reported that they are available to answer general questions about CAA but do not provide counseling, in deference to state policy. Local staff in Minneapolis also adhered to a "hands-off" policy, although staff required CAA recipients to fill out a training expense form to help customers recognize what financial limitations they might have during the training period.
- **Missouri** permits case managers to provide assessments and labor market information if requested but does not allow staff to influence a customer's choice in any way. This reduced role for the state Employment Service (ES) staff was easily accepted because the staff had taken on new duties in connection with UI worker profiling, so there was a strong personnel incentive to do less, regardless of any professional desire to help.
- **Ohio** directed local case management staff only to offer counseling assistance. Assessments, however, would be online, regardless.

The other three states offered a more intensive counseling regimen:

- **Michigan** case managers provide the same level of counseling as they do for WIA. This is in part attributable to the inclusion of the CAA as one funding source among others in the state's new integrated program for dislocated workers, No Worker Left Behind. All customers are expected to go through the same counseling regimen, with the eligible funding source to be determined largely by availability.
- **Pennsylvania** wants customers to make an informed choice since the state grant managers found that, under the initial model of no counseling, it was difficult to work with the targeted group, TANF recipients. Thus, the state required that the local areas provide at least assessments. In Northwest Pennsylvania, the sub-grant manager also stipulates that CAA recipients must work regularly with case managers, and he characterized the counseling regimen as being similar to WIA. However, the only explicit requirement is to conduct at least three informational interviews with employers to gauge demand for the potential training occupation.

In Three Rivers (Pennsylvania), potential CAA customers get a standard set of One-Stop Career Center core and intensive services from One-Stop Career Center staff if they walk into a center. Then, if the customers meet the CAA eligibility

requirements, they are referred to the CAA service providers that provide the training directly. Thus, in effect by accepting the referral, both the occupation and vendor decision are made jointly. After referral, the service providers conduct further assessment, using the same tools that they used for other potential trainees, some of whom are ITA recipients.

- **Wyoming** has customers go through pre-training services similar to those for WIA, since they do not determine the funding source until the final step.

Focus group participants generally confirmed that they received a very modest amount of staff assistance in the various steps towards obtaining a CAA. This was true for both the states that explicitly reduced the intensity of staff assistance and those with a higher level of staff involvement because the states used the WIA front-end for their CAA services. The perception of the adequacy of staff assistance, however, seems roughly to follow the volume and intensity of those services: that is, the level of satisfaction is higher in the states that do more counseling. Focus group members in the more staff-intensive states frequently commented that case managers gave them specific information or showed them how to do their own searches for the training decision. Finally, a focus group member in one of the states that used a WIA model for CAAs, who was expecting very little help, was pleasantly surprised when a staff person called her after she had completed her program to see how she was doing.

In contrast, comments from the less satisfied recipients were clearly concentrated in the states with a reduced case-management regimen. Complaints from respondents ran the gamut from comments that staff would not explain the program's basic requirements to those that cited a need for more help with selecting a vendor or with placement. One respondent, who remains unemployed after completing the program, was particularly frustrated with the limited help he received.²⁹ For the most part, nearly all states, regardless of the extent of case management, try to expedite the enrollment, eligibility, and counseling phases of the CAA. These efforts were confirmed by customers in the focus groups, some of whom reported that they were approved for a CAA as soon as they brought in their eligibility documents. While a few reported that approval took several weeks,³⁰ most indicated that the time between their initial contact and voucher receipt was only a few days. One respondent said that he received his voucher in 20 minutes.

²⁹ SPR site visitors and the LWIA staff had difficulty in convening focus groups during the site visits. In a few cases, SPR had no group because invited CAA recipients did not attend. In several sites, only one person was available. In some areas, these difficulties occurred in part because there was a very small population of CAA recipients from which to draw. Thus, the sparse data inhibit any clear finding on customer perception of the CAA counseling regimens or drawing any conclusions regarding its consistency with the demonstration's intent. In the next round of site visits, it is expected that a larger pool of CAA recipients will yield more information for the final report.

³⁰ Some of these individuals may have been confusing the length of time it took to complete their paperwork to apply for a CAA with the length of time to get approval once the application had been filed.

Coordinating Programs and Services

Because the CAA demonstration has specific limitations on the use of the funds, has a cap that reduces its potential for high-cost training, and is intended to last only for two years, coordination with other programs can be important in serving customers who need more funds or time.

Coordinating with Other Funding Sources. All of the states are coordinating the CAA with other sources of funding. Most common is coordination with Pell or comparable state programs. They either require (Ohio, Pennsylvania, and Michigan) or encourage (Georgia, Indiana, Michigan, Missouri, and Wyoming) CAA recipients to apply for a Pell grant. Two states, Georgia and Pennsylvania, have state post-secondary programs that are similar to the Pell. Pennsylvania requires application for its Higher Education Assistance Agency grant, while Georgia encourages applications for its HOPE Scholarship. Three states—Michigan, Minnesota, and Ohio—permit WIA co-enrollment to obtain additional training funds through an ITA. In both Minnesota sites, there is considerable co-enrollment in WIA that allows additional funding for training.

Two states—Ohio and Michigan—incorporated CAAs into a broader framework of dislocated worker services that included both federal- and state-funded programs. These frameworks, which are designed to serve dislocated workers (the Michigan framework also applies to adults and incumbent workers), try to bring together a variety of funding sources to help dislocated workers transition to new employment. For the most part, these two states viewed CAAs as an additional funding source in the menu of potential programs. Michigan officials indicated its No Worker Left Behind initiative is designed to serve as many workers as possible, so the broad eligibility requirements for CAA make that program a valuable funding source. In both states, there is no restriction on co-enrollment in WIA or other programs while receiving a CAA.

Only one state initially did not coordinate CAAs with other programs. Wyoming's initial emphasis on incumbent worker training in soft skills meant that there was no need for WIA co-enrollment or other funding. Further, once the program shifted to job-seeker accounts, staff believed—mistakenly—that they could not co-enroll CAA recipients in WIA.

Supportive Services. Supportive services are commonly provided to many ITA trainees, but since the CAA grants expressly prohibit the use of grant funds for such services, the grantees needed to co-enroll recipients in WIA or find the funds elsewhere. In practice, however, very few supportive services are provided. Three states and at least two local sites reported that there would be no supportive services and made no specific provision for co-enrollment in WIA or other potential funding sources. In their states and areas, if persons need supportive services, they would be referred to WIA rather than to CAA. Georgia made this an eligibility criterion. The other five states permit local areas to co-enroll CAA recipients in WIA or find other sources of funding for supportive services, but there is relatively little use of these services in any site.

Staff generally indicated that either local policy discourages or prohibits supportive services or that there are very limited funds that typically are exhausted early in the program year. A number of focus group members in these states were disappointed that they could not receive more help with transportation and additional equipment (stethoscopes) or fees (licensing exams) that were required after training was completed.

While two other states (Pennsylvania and Missouri) permit co-enrollment to obtain supportive services, only the two Pennsylvania sites reported providing any significant amounts of supportive services. Staff estimated in Northwest that about one-quarter of their CAA recipients will need transportation assistance or other services, which are offered to all CAA recipients through WIA funding. Additionally, the local area had active links to local community action programs for housing, car insurance, and other needs. Three Rivers (Pennsylvania) providers (which include Goodwill) work with Goodwill for supportive services. One of the Missouri local areas reported being willing to provide supportive services through WIA, but the area had exhausted its supportive services budget for the program year quite early, before CAAs were implemented.

Counseling during Training

While some counseling occurs before training enrollment, little or no counseling occurs during the training period. Four states—Indiana, Ohio, Pennsylvania, and Wyoming—have trainees check in periodically (typically monthly or quarterly) to verify continuing attendance. In nearly all cases, no substantive counseling occurs. We found only one local area in which case managers are responsible for ensuring that the trainees are making appropriate progress in the program. Its staff are likely to use the check-in as an opportunity to counsel those students who may be having difficulty in the training program. In the other four states, there is no contact once training begins, unless the participant encounters some problem.

Post-Training Placement

Most of the states and local areas maintain a low profile with regard to placement services. None of the states requires any specific level of placement assistance. However, in all cases, the One-Stop Career Centers informed the trainees about workshops and the job matching system. For example, at both of the local areas visited in Minnesota, staff offer placement help to CAA recipients but there is no specific responsibility for staff to work with them. Staff indicated that few trainees take up the offer. In both local areas in Ohio and one area in Wyoming, staff members notify trainees about placement help, but these services are minimal. One Wyoming respondent characterized the services as being “light touch,” while an Ohio respondent described them as self-service. Finally, a few other local sites indicated that the staff members are responsible for the CAA outcomes. One site in Indiana treats CAA recipients in the same manner as ITA recipients. Staff contact the trainees as they are about to complete training and invite them to the One-Stop Career Center to update their

resumes, participate in workshops, and provide them “with an informal support system.” The goal is to promote a more active job search by raising the comfort level and encouraging the CAA recipients to call or drop in. The other Indiana site emphasizes incumbent worker training, for whom there is no need for placement activity. For the other CAA recipients, a Business Services Representative who has connections with employers may refer recipients to open positions; but otherwise, there were few formal mechanisms in place. In Three Rivers (Pennsylvania), several service providers treated their CAA recipients like their other trainees (ITA holders and trainees funded by other programs), providing resume preparation, job search workshops, and appointments with staff job developers. Each of these providers emphasized their placement assistance and built their training programs with an advisory panel of employers that frequently hired program graduates.

Employer Involvement

The importance of employer involvement (in some cases local workforce boards have made the employer the primary customer) in workforce investment system programs has been widely recognized since the early 1990s and is emphasized in the WIA legislation. The CAA demonstration offered three levels of opportunity to involve employers: 1) in design and implementation, 2) through employer-based CAAs (including OJT and incumbent-worker training), or 3) through hiring CAA recipients.

Except for those grantees that are providing some form of employer-based training, however, we found relatively little employer involvement in any of these opportunities. Six of the eight states made incumbent workers eligible for CAAs (two through locally based decisions to do so). However, CAAs had only been issued in Indiana and Wyoming by the time of our site visits. Of these, Wyoming began its demonstration by marketing its CAAs exclusively to employers for their incumbent workers. However, as discussed in preceding chapters, this practice ended once ETA informed Wyoming the practice was not consistent with the intent of the demonstration, and the state shifted to more standard CAA targeting. Northwest Georgia is emphasizing OJT, intending to train half of its CAA recipients through this method. This emphasis in CAA complements the area’s use of OJT under WIA, and the recruiting process to identify employers to provide training is the same as under WIA.³¹

Only one state worked with employers at all three levels. Missouri consulted employers in the demonstration implementation by asking them to determine the demand occupations. Business service staff at the One-Stop Career Centers actively marketed CAA recipients to hiring

³¹ Northwest Georgia modeled its OJT program for CAA and WIA after an Unemployment Insurance Claimant Placement Program (known as Georgia Works) that allows claimants to collect benefits while working and training through an OJT.

employers and, in several areas, they have successfully marketed incumbent worker training to a few companies. One Wagner-Peyser official at a local site estimates that this worker group comprises about 10 percent of all the CAAs that the state has issued to date.

Regarding marketing CAA completers to hiring employers, three states—Indiana, Missouri, and Pennsylvania—reported that CAA recipients benefit from the general marketing of any One-Stop Career Center customer to employers. Similarly, the Three Rivers (Pennsylvania) service providers have strong connections to employers (as noted in the section on Post-Training Placement above), but these connections existed before the CAA grants occurred. Other than these two examples, no state or local area reported any targeted placement efforts for CAA.

Summary

From a service perspective, it appears that the states mostly have created CAA models that are customer-driven and substantially distinct from the services provided to ITA customers. Within broad targets established at the grant level (although substantially modified in all the automotive grants to address the realities of the automotive layoffs), the grantees sought to reduce the number of eligibility requirements. Delays in implementation and changes in the Federal funding, however, forced many grantees to alter substantially the initial framework of a two-year account at \$3,000 per year. The states and local areas also reduced requirements for pre-training services. Exceptions to this were found in Michigan, Minnesota, Ohio, and Wyoming, which integrated the CAA into a broader One-Stop Career Center service model. In these states, CAA became more of an alternative source of funding than a distinctive program. The states also made efforts to expedite procedural matters. Customer choice in making training decisions was substantial. In most cases, staff played a minimal role in decision-making. Once training began, customers were largely on their own, including placement post training completion.

V. ASSESSING THE CAA DEMONSTRATION'S EARLY IMPLEMENTATION

Despite technical assistance from two contractors, a webinar, and a start-up meeting, CAA implementation got off to a difficult and slow start. In a few cases, there were disagreements and misinterpretations of project goals. Given these delays, the findings and conclusions in this Interim Report should be considered preliminary. In this chapter, we provide an assessment of this early stage of project implementation.

We start the assessment by displaying some of the basic quantitative information about project activity: the number and type of awards and the expenditures through September 2008. In the second part of the chapter, we provide a summary of progress based on information collected during the site visits that occurred from May through December 2008. This summary begins with an examination of strengths and weaknesses of the CAAs, as implemented, which were conveyed by staff and participant stakeholders in interviews and focus groups. We then conclude with an examination of some of the same issues, but from an evaluator's perspective. We do this through a comparison of the CAA and its counterpart, the ITAs offered under WIA, on key issues of interest to ETA.

CAA Activity in the Early Stages of the Demonstration

In this section, we provide basic information from the state quarterly reports, the most recent of which covers activity through September 30, 2008. We start with a basic display of information on the number of CAAs offered, established, disbursed, and closed across states. In addition, data on CAA obligations and expenditures are presented, including a discussion of funding patterns and the types of training CAAs are used to finance. It is important to note in the discussion of CAA activity that Wyoming, which has issued more than half of all CAAs issued to date, distorts any summary data. Further, because the state awarded most of its CAAs through employer contracts that did not lead to any nationally recognized certification, Wyoming data should be considered fundamentally distinct from other states.

CAA Activity

Exhibit V-1 displays cumulative data on CAA activity from the last Quarterly Activity Report submitted by grantees, which includes activity occurring from April 2007 (the period in which the initial awards were made) through September 2008. During this period, in total, the eight grantees have offered 5,143 CAAs and established 4,522 accounts. Thus, of all the customers who were offered CAAs, approximately 88 percent actually enrolled in the program, though as will be described below, approximately 64 percent of these had actual disbursements – an indication that training has begun³² The largest number of these CAAs were established during the final quarter of reporting, in part reflecting the fact that it was not until this quarter that *all* states were actively enrolling CAA recipients. For a thorough discussion of the delays and obstacles faced by grantees during the implementation of the CAA demonstration, please see Chapter III.

**Exhibit V-1:
CAA Activity through September 2008**

State	CAAs Offered	CAAs Established	CAAs with Disbursements	CAAs Closed³³
Georgia	242	164	95	90
Indiana	164	164	160	100
Michigan	49	49	0	0
Minnesota	591	591	348	95
Missouri	276	128	116	0
Ohio ³⁴	629	625	--	45
Pennsylvania	264	256	230	165
Wyoming	2,928	2,545	2,029	190
Total	5,143	4,522	2,978	685

By the end of the third quarter of 2008, all grantees had established some CAAs. However, states had varying degrees of success in enrolling CAA recipients. Across grantees, Wyoming, an early implementation state, had established over half of all CAAs (2,545 of 4,522) awarded across all participating states. However, Wyoming established the majority of its CAAs during the first two quarters of the demonstration, and as noted above nearly all of these did not comport

³² Please note that comparisons between states on their “take-up rates” are limited because there is considerable variation in the process by which different state and local areas make and document CAA offers.

³³ Most CAAs were closed because of account inactivity or exhaustion.

³⁴ Ohio did not provide data on the number of CAAs with disbursements in its quarterly report.

with the intent of the demonstration. In subsequent quarters, the number of CAAs awarded in Wyoming decreased to rates more comparable to those of other states. The other early implementing, non-automotive states—Indiana and Pennsylvania—established far fewer CAAs than Wyoming, with 164 and 256, respectively. While Indiana was able to establish a substantial number of CAAs in the beginning of the demonstration, Pennsylvania struggled initially and was unable to establish a significant number of CAAs until the beginning of 2008. Exhibit V-2 displays the number of accounts established in each state by quarter.

**Exhibit V-2:
CAAs Established by Quarter**

State	Apr-Jun 2007	Jul-Sep 2007	Oct-Dec 2007	Jan-Mar 2008	Apr-Jun 2008	Jul-Sep 2008	Total
Georgia	0	0	0	0	0	164	164
Indiana	22	78	27	11	16	10	164
Michigan	0	0	0	0	5	44	49
Minnesota	0	9	154	60	49	319	591
Missouri	0	0	0	0	12	116	128
Ohio	0	1	5	12	181	426	625
Pennsylvania	2	8	13	77	112	44	256
Wyoming	1,075	719	503	117	21	110	2,545
Total	1,099	815	702	277	396	1,233	4,522
Total without Wyoming	24	96	199	277	396	1,233	2,225

As described in Chapter III, the former automotive-industry states struggled with implementing the CAA demonstration in a timely manner due to challenges faced in recruiting eligible

participants. Thus, the majority of them did not have much success in establishing CAAs until April 2008. Despite this similarity, the former automotive states vary considerably in the number of CAAs they have been able to establish thus far.³⁵ Ohio and Minnesota were the first automotive states to issue CAAs, beginning in the second quarter of the demonstration, and each has since established approximately 600 CAAs.³⁶ Further, some disbursements did not occur owing to excessive vendor tuition. Michigan, Missouri, and Georgia were the last states to begin awarding CAAs. Nevertheless, Missouri and Georgia were able to establish a number of CAAs in a short amount of time, 128 and 164, respectively. In addition, over half of Georgia's CAA recipients have already exhausted the funds obligated on their behalf.

In total, the states have made disbursements—an indicator that training has begun—on 2,873 CAAs, which is approximately 64 percent of all established accounts. Typically, the early implementing, non-automotive states – Indiana, Pennsylvania, and Wyoming – have disbursed funds for the highest percentage of their CAAs, 98, 90, and 80 percent, respectively. With the exception of Missouri, which disbursed money for 91 percent of its CAAs, the former automotive states have only been able to disburse funds for a small percentage of established accounts.³⁷ This includes Michigan, which, as of September 2008, has yet to disburse any funds. This finding is not unexpected given the delays to implementation faced in these states due to challenges in recruiting eligible participants from the automotive industry (for more detail, please see Chapter III). Conversely, it is noteworthy that Missouri was able to make disbursements on so many of its CAAs given that it faced many of these challenges to implementation. In this state, it is clear that Wagner-Peyser staff were very enthusiastic about being able to work more closely with customers in the CAA program compared to their usual light touch work with customers in the resource room.

CAAs can be closed for one of three reasons – the obligated funds for that account were exhausted, the account was closed due to inactivity (typically six months), or for an unspecified reason. Overall, 75 percent of the 685 closed CAAs ended because the funds were exhausted, suggesting a reasonably high level of activity and that grantees were efficient in awarding accounts in the first place. As of September 2008, only three states – Georgia, Indiana and Pennsylvania—had exhausted the funds for a significant portion of their established CAAs, 55,

³⁵ While Minnesota did award the majority of its CAAs in the last quarter of available reporting, the state did award a significant number of CAAs in the three preceding quarters.

³⁶ Minnesota did, however, have a high percentage of accounts closed due to inactivity. This is largely because a One-Stop Career Center manager marketed the program very widely to people outside its immediate service area, and many of these people were unwilling to provide their Social Security Number, even by telephone.

³⁷ In Ohio, it is unknown what percentage of established accounts had disbursements because the state did not provide data on the number of CAAs with disbursements.

46, and 60 percent, respectively. Among the remaining five states, Minnesota and Wyoming have exhausted funds on a small percentage of established accounts and Michigan, Missouri, and Ohio have not exhausted funds on any CAAs.

Exhibit V-3 shows the types of training for which CAA disbursements have been used.³⁸ Overall, the most common type of training is that which leads to the awarding of an industry-recognized credential or certificate. This was the most popular type of training in six of the eight states. This is not surprising given the relatively low cap and the intention in many states to emphasize short-term training. However, in Missouri, the majority of CAA disbursements were used to fund Associate degree programs, and, excluding Wyoming, such training was the second most common type across the remaining states as well.

**Exhibit V-3:
Types of Training by CAAs through September 2008**

State	GED Program	AA / AS Program	BA / BS Program	Industry Recognized Certificate / Credential	Other	Total
Georgia	0	0	0	89	6	95
Indiana	1	11	2	138	8	160
Michigan	0	0	0	0	0	0
Minnesota	0	40	20	207	81	348
Missouri	0	66	22	28	0	116
Ohio ³⁹	0	123	29	470	3	625
Pennsylvania ⁴⁰	0	22	2	173	29	226
Wyoming	0	21	1	705	1,302	2,029
Total	1	283	76	1,810	1,429	3,599
Total without Wyoming	1	262	75	1105	127	1570

The majority of the CAAs disbursed in Wyoming funded “other” types of training, and this

³⁸ Since in almost all states the number of CAAs with disbursements is equal to the number of CAAs associated with types of training, it is assumed that the numbers reported for types of training represent CAAs with disbursements. One exception is that Ohio did not report on the number of CAAs with disbursements, therefore, we cannot make the same assumption for this state.

³⁹ While other states likely reported the types of training for CAAs with disbursements, Ohio reported the types of training for all established CAAs. Since Ohio did not report the number of CAAs disbursed, it is unclear whether these numbers actually represent CAAs with disbursements.

⁴⁰ Pennsylvania is missing data on the types of training for four CAAs with disbursements.

likely reflects the number of CAAs established through employers to fund soft-skills training for employees.⁴¹ Overall, the states funded few Bachelor's Degree programs, and only one CAA was used to finance a GED program.

Expenditures and Obligations

Across all states, over \$10 million have been obligated for the 4,522 CAAs established during the demonstration, as shown in Exhibit V-4. Although, according to the demonstration guidelines, a CAA recipient can receive up to \$6,000 in training funds, there is considerable variation in the average amount of money each state obligates per customer. The average amount obligated per CAA is \$2,235, with half of the states averaging less than \$3,000 per CAA obligation.⁴²

**Exhibit V-4:
CAA Expenditures through September 2008**

State	Total Obligated	Average Obligated per CAA	Total Disbursed	Average Disbursed per CAA
Georgia	\$528,331	\$3,222	\$320,763	\$3,376
Indiana	\$675,603	\$4,120	\$340,339	\$2,127
Michigan	\$205,800	\$4,200	\$0	--
Minnesota	\$3,546,000	\$6,000 ⁴³	\$524,311	\$1,507
Missouri	\$346,679	\$2,708	\$292,993	\$2,526
Ohio ⁴⁴	\$1,598,355	\$2,557	\$358,922	--
Pennsylvania	\$678,775	\$2,651	\$528,120	\$2,296
Wyoming	\$2,525,117	\$992	\$1,524,977	\$752
Total	\$10,104,660	\$2,235	\$3,890,425	\$1,306
Total without Wyoming	\$7,579,543	\$3,833	\$2,365,448	\$1,815

⁴¹ Wyoming shifted its emphasis from employer-based soft skills to individual accounts at the beginning of calendar year 2008.

⁴² It is important to note that until August 2008, the funding cap for each year of the demonstration was \$3,000. Currently, six of the eight states have applied to expand the funding cap allow customers to use all \$6,000 in one year. Pennsylvania's decision on whether to apply for this modification was still pending at the time of this report was prepared, and Wyoming did not ask for this modification. Also, states did not report any challenges in managing fund obligations for accounts that covered two years.

⁴³ Minnesota's actual disbursements, as shown in Exhibit V-5, are generally in line with those of other states.

⁴⁴ Ohio did not provide data on the number of CAAs with disbursements in its quarterly report.

Because there is also variation in the methods states use to obligate money, it is difficult to compare the average amount of money obligated per CAA by states. For example, at least one state initially obligates the full \$6,000 available per customer at the outset, and later recovers the money if the funds are not fully used, so its average obligation is far above the national average, while its average disbursement is well below the national average (when Wyoming is excluded). In most other states, CAA recipients are only obligated the amount of money that is sufficient to complete the training program they have chosen, and still other states obligate funds incrementally and the obligation must be renewed later.

In total, the eight grantees have made disbursements for over 2,900 CAAs, for a total of approximately \$3.9 million over the course of the demonstration. As of September 2008, the average amount of money disbursed per CAA was \$1,312. Only two states (Michigan and Minnesota) had not disbursed at least 50 percent of their obligated CAA funds. As shown in Exhibit V-4, excluding Wyoming, for most CAAs disbursement amounts are between \$2,001 and \$3,000. Georgia is the only state in which the majority of CAAs have disbursement amounts over \$3,000. However, it is also important to note that there is significant variation in the ways states disburse funds, so comparisons between states in the amount disbursed per CAA should be made with caution. While some of the states (?) make a one-time payment for all training costs, others (?) make consecutive, piecemeal payments out of recipients' obligated funds. Therefore, while the number of CAAs with disbursements is known, it is not known whether the full amount of money for each CAA has been used or if recipients in some states may later request more money for training.

**Exhibit V-5:
CAAs with Disbursements by Amount through September 2008**

State	\$1,000 or Less	\$1,001 to \$2,000	\$2,001 TO \$3,000	\$3,001 TO \$6,000	Total
Georgia	10	7	23	55	95
Indiana	28	26	106	0	160
Michigan	0	0	0	0	0
Minnesota	79	79	154	36	348
Missouri	16	40	40	20	116
Ohio ⁴⁵	--	--	--	--	--
Pennsylvania	43	30	157	0	230
Wyoming	1,529	283	217	0	2,029
Total	1,705	465	697	111	2,978

⁴⁵ Ohio did not provide data on the number of CAAs with disbursements in its quarterly report.

Excluding Wyoming, CAA disbursements predominantly are between \$1,000 and \$3,000, with the largest group clustering in the \$2,001 to \$3,000 range. Only a small proportion of CAAs with disbursements (excluding Wyoming), were for \$1,000 or less or more than \$3,000. Exhibit V-5 displays the disbursements.

Exhibit V-6 displays the total cumulative expenditures for CAAs for each state through the end of September 2008.⁴⁶ In total, the eight states have spent nearly \$8.5 million over the course of the demonstration thus far. To date, Wyoming, Pennsylvania, Ohio, and Indiana have spent the most money. These states, with the exception of Ohio, were non-automotive, early implementation states, and thus, it is understandable that they are the biggest spenders at this point in the demonstration. In terms of sources of funds, the largest amount of money has been spent directly from the CAA grant, although considerable sums (as a proportion of the CAA grant) were leveraged from WIA. Only three states (Georgia, Minnesota, and Pennsylvania) leveraged less than 50 percent of their CAA grant. A few states leveraged funds from State resources and Wagner-Peyser. Only Pennsylvania leveraged any funds from the local areas.

**Exhibit V-6:
Total Cumulative CAA Expenditures through September 2008**

	CAA Grant	Leveraged Funds					Total All Funds
		WIA	Wagner-Peyser	State Funds	Local Funds	Other	
Georgia	\$594,504	\$15,925	\$0	\$2,834	\$0	\$0	\$613,263
Indiana	\$480,177	\$374,187	\$4,084	\$156,220	\$0	\$0	\$1,014,668
Michigan	\$72,032	\$133,747	\$0	\$0	\$0	\$0	\$205,779
Minnesota	\$667,999	\$37,000	\$63,000	\$163,000	\$0	\$0	\$930,999
Missouri	\$386,435	\$205,498	\$0	\$0	\$0	\$0	\$591,933
Ohio	\$179,461	\$1,096,918	\$33,896	\$0	\$0	\$133,323	\$1,443,598
Pennsylvania	\$622,984	\$186,064	\$0	\$145,680	\$24,359	\$588,284	\$1,567,371
Wyoming	\$967,651	\$190,573	\$112,964	\$761,954	\$0	\$60,281	\$2,093,423
Total	\$3,971,243	\$2,239,912	\$213,944	\$1,229,688	\$24,359	\$781,888	\$8,461,034

⁴⁶ The total amount of funds obligated are not shown because these data were not readily accessible. Few states reported a need to over-obligate funds to ensure that all funds would be used, but recall that several states were in the early stages of implementation during our visit and, thus, may not have faced this potential challenge yet. SPR will explore the issue of over-obligation in the second round of visits.

Assessing the Demonstration

Although many of the states entered the demonstration with relatively narrow goals, such as getting additional funding for training, and many of the local areas were quite skeptical about the origin of the demonstration in the Bush Administration's broader plan for a remodeled workforce system, the states and a set of locals sought to test their CAA models in a sincere fashion. That said, in this section, we examine how well they did in two ways. First, we assess the project's strengths and weaknesses from the perspective of two stakeholders: staff and CAA recipients. Second, we compare key aspects of CAAs, as implemented in this demonstration, to the primary mechanism for training under WIA, which is the ITA system.

Strengths and Weaknesses: Stakeholder Perspectives

We asked all those who were interviewed or participated in a focus group to identify the strengths and weaknesses of the CAA. Overall, the staff found more weaknesses than strengths, while the CAA recipients tended to emphasize the strengths of the demonstration. We discuss these strengths and weaknesses in this section.

Strengths

Extra funds. The responses of both staff and recipients are quite predictable and uniform on at least one key benefit of the demonstration: the additional funding for training. That there is additional funding would, of course, be true of any demonstration or program.⁴⁷ At least one staff respondent in nearly every state and most of the local areas appreciated the additional funds available to meet their workforce training needs, since most felt that their local areas were exhausting their WIA allocations.⁴⁸ CAA recipients were, of course, uniformly appreciative of getting money, especially those who had already enrolled in a training program and already committed some of their own funds to pay for the program. A number of both staff and customer respondents also thought that the money, together with the CAA concept, were sufficiently useful that they were disappointed that the demonstration was not given a longer duration to prove its value.

Increased Customer Choice. Almost as many respondents described customer choice as a strength as those that applauded the extra money. Both staff and recipients thought that the ability to have a relatively unfettered choice is important and highly beneficial. The favorable

⁴⁷ As described in previous chapters, the availability of additional funds was a strong motivation for most of the states to participate in the demonstration in the first place.

⁴⁸ It is important to note that even in the states that tend to carry unspent allocated funds into the second and third available years, most staff members believe that they are merely banking the funds for future use. As SPR found in a separate study of Rapid Response, this is especially true for the dislocated-worker funding stream. (See Chapter III of SPR's forthcoming report from the *Evaluation of Rapid Response*).

responses to choice were widely present among respondents both in the states that are using their WIA/ITA counseling regimen to implement their CAA program and those that had substantially reduced the level and intensity of counseling and case management services.

Most of the staff respondents also felt that the customer's flexibility is very beneficial, certainly for most customers who come in for training with an occupation and vendor firmly in mind, regardless of the counseling regimen. A staff respondent in a Missouri local area, neatly summing up the benefit of choice for the recipient, noted that the CAA provided flexibility for job seekers "to pursue their own path." Several other staff respondents lauded enhanced customer choice for contributing to more efficient operation of the workforce investment system. They felt that choice for the majority of customers who have firm training ideas is a very efficient way to reserve scarce counseling/case management resources for those who need them. However, there was also a significant number of staff, especially case managers/counselors, who thought just the opposite: that extensive customer choice is a significant weakness, which is discussed beginning on the next page.

CAA recipients—especially those recipients who had already enrolled in training before obtaining their CAA or had firm ideas about an occupation or vendor—nearly all endorsed choice. This is hardly surprising because acknowledging choice implicitly validates their training decisions, even if that decision results in less than optimal outcomes. One Ohio recipient appreciated that staff provided individual attention, informed him of everything he needed to know, but never forced a decision on him.

Enhanced Accessibility. Related to choice, another widely mentioned strength is enhanced accessibility (in several varieties) to training. First, both local and state staff frequently commented on the reduced eligibility requirements, which, of course, are largely subject to state and local decisions. Second, several staff members specifically mentioned the benefit for CAA recipients in that they do not have to pass through core and intensive services before being offered a CAA, which greatly expedites the customer's passage to training. Referring to tiered service, staff respondents commonly used very similar language in mentioning that potential CAA recipients "do not need to jump through hoops" to get a CAA. Third, some of these staff respondents mentioned better procedural speed than is the case in securing funding for training under WIA. They noted that their local areas had adopted relatively speedy procedures for determining eligibility for a CAA, making training decisions, and gaining the necessary administrative approvals, with some reporting that a CAA could be awarded in a day or less.⁴⁹ And finally, some staff respondents pointed to the ability to serve individuals or target groups

⁴⁹ Nevertheless, there were still a few customers who took a negative view of even the most modest requirements to document their dislocation, right to work, or other eligibility requirement.

that are not eligible for WIA or other training. Foremost among these are incumbent workers who commonly may benefit from short-term training to acquire skills that their employers may need or added skills that might qualify them for a promotion. Such incumbent worker training also has the benefit of providing increased service to employers, a group to which nearly all local workforce areas want to increase their levels of service. In other cases, incumbent workers sought to improve skills with the goal of reaching new employment. Other respondents mentioned that this latter group, which includes higher income workers and skilled workers with degrees, benefits greatly from access to CAA training because such workers are not typically served by WIA, and thus, CAAs expand the scope of the workforce investment system.

Short-Term Training. A significant number of staff respondents noted that CAAs—with their relatively low cap, reduced overhead (no tiered service and less case management), and ready accessibility—are well suited to paying for short-term training. This also has the corollary benefit of promoting skill enhancement for incumbent workers, who have emerged as a major target group in most of the demonstration states, especially the automotive grantees. However, a staff member in one local area that mentioned this strength also pointed out that its technical colleges, which are the major training vendors in the area, do not have many short-term programs, essentially constraining customer choice.

Weaknesses

Low Level of Case Management. At least one of the strengths of the program, the enhanced customer choice due to the lower level of case management, has a mirror image as a weakness. Reduced case management was more frequently cited by a staff members at both the managerial and front-line levels as a weakness—and in some cases, a severe one—than a strength. Staff, especially those on the front line in nearly every local site, contended that CAA recipients are not getting enough help from the One-Stop Career Center to make good training decisions. Some pointed specifically at the lack of assessments or a requirement to meet with staff. Others did not cite any specific feature that is lacking but thought that the overall counseling regimen is not sufficient to help recipients make a well-informed decision. These comments naturally are slightly more common in the states where the counseling regimen is least intense. One counselor, felt that the lack of counseling led to a “lack of due diligence” under which recipients may choose industries in which few jobs or few good jobs are available.

The minimal levels of counseling provided appears to be a logical, if extreme, extension of the CAA’s intent to place increased responsibility for decision-making in the hands of the customer. There is evidence from the focus groups and counselors that some local implementations reduced case management to the point that at least a few recipients who needed help felt they did not receive sufficient information to make a good decision. However, such a limited counseling regimen appears to be an artifact of implementation rather than an inherent defect of the CAA

concept, since the initial demonstration model makes it clear that grantees are responsible for developing appropriate methods of assisting customers in their training decisions.⁵⁰

Low Amount of the CAA. The second most frequently cited weakness among staff respondents was the low funding amount of the CAA. This made the program less attractive to customers that sought services through the public workforce system where they could also potentially have access to larger training funds through ITAs. Several states indicated that the poor comparison of the CAA cap amount to the ITA cap amount was a significant obstacle in reaching the targeted number of accounts in several local areas. For those who still elected the CAA and entered the demonstration project, the low cap effectively constrained their occupational and vendor choices. However, only a few CAA recipients that we interviewed felt that their CAA awards were too small. Most of their comments addressed the inability of CAA to pay for non-tuition expenses, such as uniforms and equipment required by their program, rather than the low amount itself.⁵¹

Lack of Supportive Services. Another commonly identified weakness, according to both staff and recipients, is the lack of supportive services. In one state, nearly every staff respondent and at least one recipient identified this issue. Recipients were quite vocal on this issue, especially when it comes to paying for the ancillary requirements from their training programs, including uniforms, tools, and testing for post-program certification. These were far more commonly needed than transportation, child-care, or emergency housing.

Stand-Alone Management Information. A significant weakness on the administrative side in a few states is the fact that data management has been difficult. Minnesota and Pennsylvania created stand-alone databases for tracking and managing the CAA accounts. This occurred for a variety of reasons, including data incompatibility and the difficulties of building additional modules into a larger state MIS or One-Stop operating system. Indiana added a module to its existing system,. Almost predictably, because negative comments about the MIS are so common in the workforce system, local staff criticized these systems. The predominant concern with the stand-alone system is that it requires local staff to duplicate any data entry in the project database and the One-Stop MIS for the CAA recipients who are also One-Stop Career Center customers. Another local staff member noted that the state's stand-alone data system could not immediately prevent people from pursuing multiple CAAs in different LWIAs or getting a CAA and an ITA.

⁵⁰ The respondents' comments buttress our other evidence from the interviews that the CAA has less counseling than ITA. However, whether refusal to provide information in response to a customer's explicitly expressed need reflects the broad counseling regimen or a misunderstanding by an individual case manager could not be determined.

⁵¹ None of these respondents were apparently co-enrolled in WIA, from which they could have received supportive services to pay for such items.

Indiana local staff members were concerned about the limited reporting capabilities of their CAA module. While none of these concerns reflect essential elements of a CAA system, they do illustrate the difficulty that states commonly face in adapting an MIS for use in multiple programs.

Bankable Accounts. Finally, at least two staff members and several recipients thought that the CAA concept is good but mentioned that its predominant implementation does not go far enough. These people wanted to be able to use the account for multiple programs or have it as a bankable account in which the funds will be available to recipients until exhausted rather than good for a single use, as is the case with the state CAA demonstration models in this project.⁵²

Comparisons to the ITA

The basic objective of any demonstration project is to understand how a policy concept plays out in the real world in which internal contextual factors of grantee structure and organization, interests, capacities, and goals interact with each other and with external contextual factors of participant characteristics and labor markets. Thus, any demonstration is likely to have variation that results from such internal and external factors, and the CAA demonstration is no exception. The extent of variation may be relatively greater in this demonstration because ETA provided only broad principles and did not prescribe a particular implementation model. Despite this variation, in this section we attempt to extract the common principles underlying the overall project to assess the viability of the key CAA dimensions:

- What were the key organizational choices that grantees made to organize and implement the demonstration?
- Do the CAA models provide enhanced customer choice?
- How does the CAA model work with other components of the workforce investment system?

We conduct this analysis by comparing findings from our initial site visits to the ITA. The ITA provides a good yardstick for the CAA demonstration because it is the primary method of training delivery under WIA and faces the same or similar policy issues of customer choice, relationships with vendors and employers, and linkages to other programs. Further, in some cases, CAA recipients would likely have been served under the ITA system, in the absence of the demonstration.

⁵² A bankable account is undoubtedly less feasible in the context of a time-limited demonstration project rather than in an ongoing program, especially when there have been implementation delays that pressure grantees towards policies and procedures that promote prompt, certain obligations and expenditures.

Organization and Implementation of the Demonstration Project

State versus Local Control. On the question of state versus local control, a perennial issue for all workforce programs, all the state grantees delegated a substantial amount of control to the implementing local areas. While the states established target groups and, of course, required compliance with grant terms, they largely allowed the LWIAs to create additional target groups and establish specific eligibility requirements. The states also allowed the LWIAs to administer the project according to their own policies and predilections. Service designs were almost entirely local. Thus, in this respect, the CAA largely follows the ITA pattern, as states typically exercise very little control over WIA-ITA training.⁵³

Serving Additional Workers. Another major implementation question is whether the choice of target groups provides training to people who might not have been served by an ITA and, thus, expands the scope of workforce services to other people. The most common CAA targets are dislocated workers and incumbent workers. While dislocated workers are almost always eligible for WIA services, many of the CAA demonstrations are focusing on short-term courses that are likely to appeal to dislocated workers who are not going through WIA. These workers need only small skill enhancements to improve their employment prospects. The CAA addressed this need explicitly in many areas and indirectly through the lower CAA cap of \$3,000, which seems well-suited to this type of training, according to several local staff respondents. Incumbent workers are a key target group in five states (counting those that allowed local areas to choose their target groups). This includes workers of two types: those who are served through their employer and those individual workers who want to upgrade their skills to improve their prospects in their current job or qualify for a new job. These workers are also underserved by WIA since they can only be served with state reserve funds or with formula funds under a Federal waiver. Overall, for both dislocated and incumbent workers, it appears that the CAA is providing increased access to training for people who could not, or would not likely, qualify for an ITA.

Extent of Customer Choice

Cap and Duration. While the heart of the CAA is to enhance customer choice, there are, nevertheless, a series of explicit restrictions and procedures that limit customer choice. These are typically rules to promote equitable distribution of resources and achieve certain policy objectives, and these have parallels or are even precisely the same as the limits in the ITA system. The most basic limits, the \$3,000 cap per year and the two-year duration, are embedded in the CAA grants themselves. The cap is lower than the ITA cap in nearly all of the areas visited (except in Michigan, which purposely set them at the same level statewide), so that the

⁵³ The major exception is the recent development of state-required restrictions on occupational choice to promote workforce alignment with economic development goals. These typically apply to both ITA and CAA,, as discussed in previous chapters.

CAA may provide less choice of expensive training programs. The two-year duration is very widespread in the ITA system, so it is essentially the same as the CAA. However, as a result of delays, some customers will be able to access the full \$6,000 in a single year. Thus, in some local areas, these recipients may have had a less restrictive training grant, when considering both the cap and duration, than if they had received an ITA.

Certification. The requirement that all CAA recipients train in programs offering a nationally-recognized degree or certificate is embedded in the grants and applied in all areas. According to staff, this requirement is generally enforced. The CAA requirement essentially parallels the WIA statutory requirement for a recognized certification, although the WIA requirement allows for locally established criteria, which actually may confer a slightly wider degree of choice under an ITA in those areas in which the locally-established criteria open up more programs.

Limitations on Training Choices. Limitations on training choices—occupational and vendor—represent another common limitation. Regarding the training occupation, six states (IN, MI, MN, MO, OH, and PA) require that all CAA recipients must train in occupations that align with workforce development or economic development initiatives to focus resources on key growth areas, while one other (GA) strongly encourages selection of such training occupations. Only one state, (WY), has no specific limitation. Under CAA systems, most of the demonstration states have imposed the same occupational-choice limitations as are used for the ITA. Regarding vendor choice, only two states, Indiana and Pennsylvania, require CAA recipients to use the ETPL that is required by statute for all ITA recipients. Pennsylvania added a quick-turnaround procedure to review and add short-term programs in which CAA recipients are interested, thus enhancing choice. At least two states, Michigan and Georgia, only require that the vendor be licensed and accredited, although Georgia does encourage use of the ETPL. Thus, vendor choice under CAA is significantly more expansive than the ITA counterpart, although, in practice, the differences are probably smaller because CAA recipients who do not already have a vendor picked are likely to select from the ETPL anyway.

Staff Influence on Training Decisions. The other major factor affecting customer choice lies in the extent and content of staff case management and counseling, which will promote informed choice by providing the recipients with information that they may not otherwise get, and in this respect both CAA and ITA have similar goals. Under ITA systems, typically, LWIAs may require case managers to assess ITA participants and counsel them several times about training choices. Further, counseling may limit choice by being directive rather than facilitative, and this is the case in at least some LWIA ITA models and with some individual counselors. In contrast, the evidence is very clear that, overall, the grantees are providing significantly less staff assistance to CAA recipients than they would receive under an ITA. In the CAA models, upon award of a CAA, staff typically tell the customer about resources—largely self-service ones—to help them make training decisions. There is even some focus-group evidence to suggest that, in

a few cases, customers are not getting any staff help, even if they request it. Only in the few states (mostly in Michigan and Ohio) where the local areas are relying extensively on a WIA intake model in which customers come into a One-Stop Career Center and are put through the standard tiered services and receive counseling before being offered a CAA, are customers receiving substantial staff assistance. However, even in these states, some evidence suggests that customers who are likely CAA recipients are receiving less counseling than their ITA counterparts. In any event, it could not be determined during this first round of site visits whether or not the overall CAA counseling regimen led to a well-informed training decision and provided the appropriate level of placement assistance, but the question will be addressed again in the second round of site visits.

CAA and the Broader Workforce System

Delivery System and Infrastructure. Although it was possible under the demonstration grant to develop an alternative delivery system, no state did so. Rather, all used their existing One-Stop systems and their accompanying infrastructure. In staffing the delivery system, all states, except for Missouri, use the same WIA staff that work with ITA recipients to work with CAA recipients. Nearly all the CAA payment systems for vendors are the same ones used for ITA. In fact, most of the vendor respondents indicated during the site visits that they were unaware of any difference between CAA and ITA. At least one of the vendor-respondents, who had CAA trainees enrolled in their programs, were unaware of the CAA altogether. Similarly, on data and financial management, most of the states use their existing systems to record and report data. All the stand-alone systems are relatively simple, informal databases to meet the specific data and reporting requirements of a temporary demonstration grant. The only significantly different component of the delivery system is that only two states (PA and WY) required use of the ETPL.

Case Management and Supportive Services. A strict comparison between CAAs and ITAs in the way that they provide ancillary services—such as case management, supportive services, and placement, which are critical services for many, if not most, CAA recipients—is not really feasible because the rules for each program are quite different. The CAA grants explicitly prohibit using funds for supportive services and the five-percent administration limit makes it impractical to provide any staff assistance, while these activities are built into the ITA system and are treated as a program cost on the same basis as tuition. Thus, a CAA program must develop relations with Wagner-Peyser or WIA to provide these services, and this was generally done in all states. In most cases, the level of counseling, however, resembles essentially the core level of services with minimal assessments and guidance and heavy reliance on self-service. For supportive services, several states, such as Michigan, Missouri, Ohio, and Pennsylvania were willing to co-enroll CAA recipients in WIA, and presumably, these participants received the same services as their ITA counterparts. However, supportive services, according to both administrative and front-line staff, were rarely given to any trainee. The other CAA models

excluded supportive services altogether. In fact, Georgia, out of necessity, made a virtue out of the absence of any need for supportive services, going so far as making this an eligibility criterion for the CAA. Regardless of the level of case management and counseling, most states used these in-kind services as all or part of the required matching funds.

This report reviewed what was learned as the CAA demonstration was implemented in the eight states during its early stages. The final report will review CAA implementation as the demonstration moved towards completion. This final report will provide more information on services received, outcomes (to the extent that the states furnish usable outcome data), and lessons learned (including comparisons to the operation of WIA/ITA training).