



Study of the Implementation Of EDWAA: Report on the Survey OF Substate Areas

U.S. Department of Labor
Robert B. Reich, Secretary

Employment and Training Administration
Doug Ross, Assistant Secretary

Office of Strategic Planning and Policy Development
Raymond J. Uhalde, Acting Deputy Assistant Secretary

RESEARCH AND EVALUATION REPORT SERIES

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EXECUTIVE SUMMARY

INTRODUCTION

The Study of the Implementation of the Economic Dislocation and Worker Adjustment Act (EDWAA) is designed to provide the U.S. Department of Labor (DOL) with information about how states and substate areas are implementing the key features of the EDWAA legislation and to assist DOL in guiding the development of EDWAA programs.

This report presents the findings of a survey of all substate areas conducted as part of this study. The period covered is Program Year 1990 (July 1990-June 1991). Using data from the survey, review of state EDWAA plans, and the Worker Adjustment Annual Program Report (WAPR), this report examines four sets of issues. First, it examines issues related to the way EDWAA programs are organized, including:

- How do substate areas organize and orient their EDWAA programs, and to what extent are the different patterns of organization consistent with the themes of the legislation?
- What affects the way substate areas organize and orient their programs, including the influence of state policies and characteristics of the local area and of the substate area?

Second, this report examines issues related to the types of dislocated workers served in EDWAA, including:

- What types of dislocated workers are served in the EDWAA program, including the recency of layoff, education levels, and barriers to employment?
- What affects the types of dislocated workers served?

Third, this report examines issues related to the services provided through EDWAA, including:

- What types of services are provided by EDWAA programs?
- How responsive are those services to the needs of dislocated workers?
- What affects the types and responsiveness of EDWAA services?

Finally, this report examines issues related to the outcomes achieved by the dislocated workers served in EDWAA, including:

- What outcomes did EDWAA participants achieve at termination and 13 weeks later?
- What affects the types of outcomes achieved?

CONCEPTUAL FRAMEWORKS

In investigating these issues, we were guided by the conceptual frameworks developed for the first two phases of this study. First, in Phase I, which covered Program Year 1989 (July 1989-June 1990), we focused on whether substate areas organized their EDWAA programs in ways that were consistent with the themes of the legislation, which include:

- Building the capacity of substate areas to plan and administer dislocated worker services.
- Improving resource management practices and accountability for services and outcomes.
- Ensuring a capacity for rapid response to notifications of impending plant closures and large-scale layoffs.
- Promoting labor-management cooperation in designing and implementing services to dislocated workers.
- Ensuring coordination between EDWAA resources and other federal, state, and local programs to increase the effectiveness of services to dislocated workers.
- Extending program coverage to broad segments of the eligible dislocated worker population.
- Encouraging states and substate areas to take a long-term view of worker readjustment, including offering long-term training, where appropriate.

Phase II, which covered Program Year 1990, focused more directly on the services provided to dislocated workers. To guide our assessment of services, we developed a model that specifies the particular needs of dislocated workers and aspects of EDWAA services that are responsive to those needs. Although dislocated workers vary tremendously in their previous skills and reemployment goals, they tend to have special characteristics that need to be addressed by EDWAA services. These characteristics include:

- Significant psychological stress in response to being laid off.
- Little recent information about labor market opportunities.
- No recent experience in looking for a job.
- Substantial work experience and work maturity.
- Existing occupational skills that may be obsolete or not in demand in the local economy.
- Financial crisis due to lack of income and substantial household financial obligations.

To be responsive both to the diversity of experiences and to the common characteristics of dislocated workers, EDWAA services should include the following:

- Early intervention services, provided before or as soon as possible after layoff. These early intervention services include:
 - Rapid response worker orientations, held soon after notice of layoff is received, which provide information about EDWAA services, other community resources, and the local labor market.
 - Prelayoff services that are comprehensive and address the specific crisis needs of the affected workers.
 - Recruitment of affected workers into ongoing EDWAA services as soon as possible.
- Assistance in developing a plan for reemployment, which should include:
 - Assessment of the worker's basic skills, vocational aptitudes and interests, and the transferability of existing vocational skills.
 - Assistance in identifying immediate and longer-term career goals and development of a plan for services to help clients meet those goals.
- Basic readjustment services, including crisis adjustment assistance, training in job search strategies, and assistance in finding jobs. These services should be:
 - Provided to those interested in immediate employment as well as retraining participants.
 - Sensitive to the distinct characteristics of dislocated workers, particularly their work maturity and need for reemployment at high wages.

- Retraining services necessary to achieve reemployment goals, which should include:
 - A broad range of retraining options, including training for dislocated workers with limited basic skills and training in higher-level as well as entry-level occupations.
 - Training content and methods that are appropriate for adults who often have substantial vocational skills.
- A plan to address the need for income support and supportive services during receipt of EDWAA services.

SUBSTATE AREA ORGANIZATION AND ORIENTATION

This report examines several aspects of EDWAA organization. We found that:

- Overall about 45% of EDWAA services are integrated with comparable Title II-A services.
- At least one labor-management committee or similar cooperative arrangement was formed by 41% of the substate areas; among these substate areas, such committees were formed for an average of 45% of large-scale layoffs.
- Coordination with the Employment Services (ES) and Unemployment Insurance (UI) systems was well developed: 66% of the substate areas had nonfinancial coordination agreements with these agencies, over half contracted with the ES to provide some types of EDWAA services, and nearly 90% involved these agencies in their rapid response activities.
- Coordination with schools was primarily through contracts for retraining services.
- Coordination with Trade Adjustment Assistance (TAA) was less well developed. Only one-quarter of the substate areas include TAA staff in their rapid response efforts. Uncertainty about the requirements of TAA by EDWAA staff contributed to the lack of coordination.

Several state policies affect the way substate areas organized their programs, including:

- Allocation formulas. Substate areas in states that emphasize the extent of current dislocation are more likely to coordinate and recruit from dislocated-worker-specific sources such as rapid response. These substate areas are also less likely to integrate EDWAA and Title II-A services.

- Adoption of the wage rate standard, which encourages coordination and targeting to those most in need (perhaps to counteract unintended effects of the wage standard on clients).
- Incentives for longer-term training, which increase coordination and reduce integration of services. These incentives also reduce the use of labor-management committees, perhaps because such committees tend to emphasize basic readjustment services.
- Technical assistance, which reduces integration with Title II-A services and increases the focus on economic development goals.

Characteristics of the local area have less influence than expected on the design of EDWAA services:

- The differences in organization between urban and rural areas are relatively minor: rural areas and other areas serving more than three counties are somewhat more likely to coordinate services with other agencies.
- Indicators of the extent of dislocation--such as survey reports on the number of large- and small-scale dislocations and the unemployment rate--also have relatively few effects on the organization of EDWAA programs.
- The percentage of employment in manufacturing has substantially greater impact. High-manufacturing areas, which may have had more past as well as current dislocations, are more likely to coordinate services with both the schools and ES and are more likely to recruit from dislocated-worker-specific sources.
- Higher-wage areas are more likely to recruit from dislocated-worker-specific sources and to provide distinct rather than integrated services. They are more likely, however, to adopt a rapid reemployment focus, perhaps because higher-wage workers need less longer-term training.

Characteristics of the substate area itself have mixed effects on the organization of EDWAA services:

- Substate areas with less funding are more likely to integrate EDWAA and Title II-A services and to provide services in-house. Otherwise, the amount of total funding has little influence on EDWAA organization.

- The proportion of funding from discretionary sources is associated with greater use of labor-management committees and greater coordination, both of which we found to be more common in our case studies of special projects that receive discretionary funding.
- Although we cannot measure the effects of federal policies directly (because they do not vary across areas), those substate areas that reported being influenced by federal and state retraining policies were more likely to coordinate services and to focus on longer-term training rather than on rapid reemployment.
- Substate areas that were influenced by a desire to use existing systems were more likely to coordinate with other programs, integrate EDWAA and Title II-A services, and recruit from general community resources. Those influenced by limited occupational or retraining opportunities in their area were generally less likely to organize their programs in these ways. Both types of substate areas, however, tended to adopt a rapid reemployment focus.
- Substate areas that had difficulty meeting their expenditure requirement were less likely to organize their programs in ways consistent with the legislation: they were less likely to use labor-management committees, coordinate services, and recruit from dislocated-worker specific sources, and were more likely to focus on rapid reemployment.

Overall, the results indicate that external factors—such as population density, geographic size, amount of dislocation, and size of funding—do not preclude organizing EDWAA services in ways that are consistent with the EDWAA legislation. State policies can have an important influence on substate areas' organization. Further, substate areas that report being influenced by federal policies tend to organize their programs in ways consistent with the legislation. These results, therefore, point out the importance of state and federal leadership in the EDWAA program.

CLIENTS SERVED IN EDWAA

Enrollment of Recently Laid-Off Workers

During PY 90, substate areas placed more emphasis on enrolling recently laid-off workers from substantial layoffs and smaller-scale dislocations than they did on enrolling long-term unemployed workers. Enrollment of more recently laid-off workers appears to respond appropriately to local conditions. The enrollment of

recently laid-off workers was greater in areas with higher levels of dislocation, more large-scale dislocations, and a higher percentage of employment in manufacturing.

State policies that encourage enrollment of the recently laid-off include allocation formulas that emphasize measures of current dislocation (rather than unemployment), technical assistance, and incentives for longer-term training.

Substate area policies and practices also influence the proportion of recently laid-off workers served. Substate areas that form labor-management committees for large-scale layoffs and those that recruit clients through rapid response orientations and referrals from the UI/ES system serve higher proportions of recently laid-off workers than do other substate areas. These policies and practices are probably intended to increase service to recently laid-off workers. Substate areas with low or moderate EDWAA funding and those located in states with substantial discretionary funding also tend to enroll higher proportions of recently laid-off workers.

Enrollment of Long-Term Unemployed Workers

Service to long-term unemployed workers also appears to respond appropriately to the local economy, increasing with the unemployment rate. State allocation policies that emphasize the number of long-term unemployed, rather than the extent of local dislocation, also increase the enrollment of long-term unemployed.

Substate policies and practices that result in increased service to the long-term unemployed include recruitment of EDWAA clients from general community sources, such as media outreach or other existing recruitment sources, and the integration of EDWAA and Title II-A service delivery. Substate areas that want to target recently laid-off workers may need to reexamine whether these practices are shaping their program in unintended ways. Substate areas having difficulty expending their EDWAA funds also serve more long-term unemployed. These substate areas may be ineffective in reaching workers dislocated from recent layoffs.

Services to Workers with Substantial Barriers to Reemployment

In most substate areas, dislocated workers with substantial barriers to reemployment make up a relatively small proportion of all EDWAA enrollees. In a smaller number of sites, there are larger concentrations of EDWAA participants who have limited basic skills, have no high school diplomas, or are older workers.

State policies that encourage service to those with substantial barriers include incentives for long-term training and allocations based on unemployment. On the other hand, adoption of the wage standard and the availability of discretionary funds tend to discourage service to dislocated workers with barriers to reemployment.

Substate areas that integrate EDWAA and Title II-A services, that had previous experience under Title III, and that had policies to target the most in need served more dislocated workers with barriers to reemployment. In these instances, the greater service to dislocated workers with barriers to employment may be consistent with the intentions of policymakers. The integration of EDWAA service delivery with Title II-A service delivery also tends to decrease the proportion of EDWAA enrollees with limited basic skills, perhaps because those with greater deficiencies are enrolled in a Title II-A program.

Substate areas whose service providers had experience serving dislocated workers before EDWAA are less likely to enroll older workers. If this is not intended by substate area policymakers, greater policy guidance or monitoring of service providers by substate areas may be necessary. A substate area's desire to use existing service delivery systems also tends to reduce the proportion of older workers served.

SERVICES PROVIDED IN EDWAA

This report examined numerous influences on the types and responsiveness of services provided to dislocated workers. Below we highlight the key findings.

Three state policies had important effects on EDWAA services.

- Allocation formula. Emphasizing the extent of current dislocations in the allocation formula appears to be desirable. Weighting this factor increases provision of basic skills training, a service needed by many dislocated workers, and reduces the amount of OJT, a service that we found to be less appropriate for many workers in our case studies.
- Technical assistance. Providing technical assistance on EDWAA issues increased the provision of basic skills training and basic readjustment services and increased the responsiveness of early intervention services. In our case studies, we found that these areas needed more development in many sites.
- Incentives for long-term training. These incentives markedly increased the amount of basic skills training provided and

reduced the amount of short-term training, as intended. They had an unintended effect of reducing the responsiveness of basic readjustment services, probably because these incentives led substate areas to focus on developing retraining services.

Characteristics of the local area had only modest effects on the services provided. Basic skills training was more common in areas with high unemployment, perhaps because these skills were needed to compete for scarce jobs, and in high-earnings areas, perhaps because these skills were needed to compete for higher-skilled jobs.

The geographic characteristics of substate areas had an important effect on the responsiveness of early intervention services. Significantly more responsive early intervention services were provided by urban areas and areas with medium population density serving more than three counties. It appears that these areas were better able to provide prelayoff services to more layoffs and to provide more comprehensive prelayoff services than were either rural areas or areas serving fewer counties.

Characteristics of the substate areas, including funding levels, also had relatively modest effects on services. The amount of total funding had some influence: areas with more than \$750,000 in funding provided more responsive basic readjustment services. Of somewhat more influence was the size of EDWAA funding relative to Title II-A funding. Areas with a higher ratio of EDWAA to Title II-A funding provided more responsive classroom training and supportive services.

The results offer suggestive evidence of the influence of federal policies. Substate areas that reported being strongly influenced by federal and state policies provided substantially more basic skills training and more responsive early intervention services.

A consistent pattern in this report is that substate areas reporting trouble expending their resources are less likely to have implemented their programs consistently with the intent of the legislation. The results indicate that these substate areas have significantly less responsive early intervention and basic readjustment services and that their retraining services are much more likely to consist of OJT.

The way substate areas organized their programs had a larger influence on services. Key factors include:

- Integration of EDWAA and Title II-A services. Substate areas that integrate their services provide significantly more longer-

term training, consistent with the intent of the legislation. On the other hand, they also provide fewer basic readjustment services only and less responsive early intervention services, suggesting that substate areas that integrate services may de-emphasize crisis assistance and assistance in developing job search skills that may be needed by many dislocated workers. Further, although these substate areas provide more OJT, their OJT services are less responsive to the needs of dislocated workers. Although our case studies indicate that integration of services does not preclude responsive EDWAA services, integration does pose challenges that must be addressed.

- Labor-management committees. Labor-management committees (LMC's) are associated with more responsive early intervention and basic readjustment services.
- Coordination. The legislation's emphasis on coordination seems well founded. Substate areas with more nonfinancial linkages provide more responsive early intervention and basic readjustment services; those with more financial linkages provide more responsive classroom training by offering a broader range options.
- Active recruitment strategies. Although the direction of causation is not clear, substate areas that actively recruit dislocated workers, rather than waiting for them to seek out services on their own, also have more responsive services in most areas.

In examining the relationship between the types of clients served and the types of services provided, we found a strong relationship between the recency of layoff and the types of services provided. Substate areas that enrolled more UI recipients provided more occupational classroom training and less OJT. Those that enrolled clients who had been unemployed 15 weeks or more provided less basic skills training, more short-term training in OJT, and less occupational classroom training. It is likely that these differences occur because those recently laid-off have more resources available, including UI benefits, to support themselves during training, while the longer-term unemployed have a greater need for immediate income.

Substate areas that enrolled more dropouts provided more basic skills remediation, consistent with those participants' needs. Unfortunately, this is not the case for clients reading below the 7th grade level. Substate areas serving more clients with substantial basic skills deficiencies provided more OJT. These results are consistent with our case study findings that, when basic skills training was provided for

dislocated workers, it was often limited to GED preparation. This finding emphasizes the need for a wide range of remediation services to address the diverse needs of dislocated workers.

OUTCOMES ACHIEVED BY EDWAA CLIENTS

Although several state policies affect outcomes, most of these effects occur because these policies influence the way substate areas organize their program, the types of clients served, and the types of services provided. When these indirect effects are accounted for, the remaining direct influence of state policies on outcomes is relatively small.

Nonetheless, an important pattern of effects for performance standards policies was found. Although substate areas held accountable to a wage standard achieve higher wages, much of this result occurs because they serve individuals with higher previous wages. If states adopt a wage standard, therefore, they should be strongly encouraged to adjust for participants' previous wage levels in setting standards. Providing incentives for better performance, however, does improve the outcomes achieved for dislocated workers, even controlling for any effects on clients and services.

Not surprisingly, characteristics of the local area, as measured by existing data sources, affect the outcomes achieved by substate areas. In addition, substate areas with high levels of dislocation, as reported in the survey, achieve significantly lower entered employment rates. This finding suggests that collecting information on the extent of dislocation on an ongoing basis could help improve the ability of performance standards models to adjust for differences in the local economy.

Substate areas that receive low levels of funding achieve the same outcomes as those with higher levels. However, substate areas that have a lower ratio of EDWAA to Title II-A funding achieve lower outcomes for dislocated workers, particularly lower wage rates. Thus, the problem does not appear to be low levels of funding, per se, but low levels of funding relative to the Title II-A program, which may lead substate areas to focus less on their EDWAA program.

As we found in all the other analyses, substate areas that report difficulty in expending their funds are substantially less likely to meet the intent of the EDWAA legislation. These substate areas achieve lower outcomes for their clients, particularly lower follow-up wage rates, even controlling for the less responsive services offered by

these substate areas. These substate areas clearly need further assistance in developing effective EDWAA services.

The way substate areas organize their EDWAA programs had relatively small effects on the outcomes achieved. Although we found evidence that integration of Title II-A and EDWAA services reduced the responsiveness of services, the integration of services did not significantly affect the outcomes achieved by dislocated workers. The one consistent pattern we found is that substate areas that provide more services in-house achieved higher employment rates but lower wage rates for dislocated workers. Consistent with this finding is that substate areas that contracted with providers experienced in serving dislocated workers achieved significantly higher wage rates.

Substate areas that enrolled more clients who were unemployed for 15 or more weeks achieved substantially lower outcomes. Although this pattern may be due to unmeasured characteristics of the clients themselves (e.g., motivation), it provides support for the importance of recruiting workers soon after they are dislocated.

The types of services provided had perhaps surprisingly little influence on outcomes. Although some differences in entered employment rates were evident for basic readjustment services only, short-term training, and long-term training, these differences were not significant at follow up. However, substate areas that emphasized OJT consistently achieved higher employment rates but lower wage rates, perhaps because of the difficulty in developing OJT positions for high-wage jobs.

The responsiveness of services did affect outcomes. Specifically:

- Prelayoff services to a larger number of large-scale layoffs increased follow-up wage rates.
- Responsive basic readjustment services, especially crisis management services, increased entered employment rates.
- Responsive classroom training services increased wage rates.
- Providing responsive services overall substantially increased both entered employment rates and follow-up wage rates.

These results provide strong evidence that responsive services result in better outcomes for dislocated workers.

CONCLUSIONS ABOUT THE THEMES OF THE LEGISLATION

Phase I of this study examined how EDWAA programs were designed to address the themes of the legislation. This report provides substantial evidence both about the extent that programs are organized in ways consistent with the legislation's themes and about how features called for in the legislation affected services received and outcomes achieved by EDWAA participants. Below we summarize these results for each of the seven themes in the legislation.

Building a Substate Delivery System

The EDWAA legislation requires states to create an ongoing substate delivery system, which was intended to result in broader and more timely coverage of dislocations throughout the state. This report examined several issues related to the substate delivery system, including the effects of the way states distributed funds to their substate areas, implications of designating Title II-A SDAs as substate entities, and the effect of states' effort to assist their substate areas in developing services for dislocated workers.

Targeting Funds to Areas in Need

Allocation Formulas. The formulas that states use to allocate funds to their substate areas vary widely in the emphasis placed on the extent of recent dislocations, the amount of unemployment, and the number of long-term unemployed in the area. The relative emphasis placed on these major factors affected all facets of EDWAA design and operations. State formulas that emphasized the extent of recent dislocations (instead of one of the other two factors):

- Increased the development of nonfinancial coordination linkages.
- Increased recruitment from dislocated-worker-specific sources.
- Increased service to workers from substantial layoffs.
- Increased service to more recently laid-off workers.
- Increased the amount of basic skills training and reduced the amount of OJT provided, although the responsiveness of classroom training was higher in states that emphasized the long-term unemployed.
- Reduced the wage rates attained, presumably because of the higher levels of dislocation in communities receiving more funding.

In our case studies, we found that an important reason that states did not weight the amount of current dislocation more heavily in their allocation formulas was the lack of data. If the current proposal to develop a system for tracking layoffs is approved, it would enhance the ability of states to target funds to areas experiencing the greatest levels of dislocations.

Discretionary Funding. The effects of discretionary funds on EDWAA design and operations are somewhat mixed. Substate areas that received more discretionary funding tended to organize their services in ways more consistent with the legislation—for example, establishing more labor-management committees and developing more nonfinancial coordination linkages. These substate areas also enrolled more workers from substantial layoffs and fewer longer-term unemployed. These results suggest that discretionary funds are being used for large-scale layoffs.

State policies that made discretionary funds available seem to have led substate areas to provide a wider range of services, such as basic skills training and more basic readjustment services, perhaps because these substate areas were less conservative in holding funds in reserve for unexpected events. However, some of these services appeared to be less responsive to the needs of dislocated workers. Nonetheless, substate areas in states that made discretionary funds available achieved higher wage rates for their participants.

These results suggest that policies to hold funds in reserve for substate areas in need can help substate areas manage their programs and increase their ability to serve workers dislocated from large-scale layoffs.

Designating Substate Entities

Most states designated Title II-A SDAs as EDWAA substate entities, for the most part to take advantage of the existing training capacity at the local level. This report investigated several issues relating to this choice.

Funding Levels. Because states usually selected all their SDAs as EDWAA substate areas, some substate areas received relatively small amounts of EDWAA funding. We found that the level of funding had some influence on EDWAA organization: substate areas that received less funding were more likely to integrate their EDWAA and Title II-A services and to provide services in-house. The level of funding, however, had relatively few effects on the types of clients served or the types of services provided, although areas receiving high levels of funding provided more

responsive early intervention services. The level of funding did not significantly affect the outcomes achieved by EDWAA participants.

The ratio of EDWAA to Title II-A funding had a greater influence on services and outcomes. Substate areas with a higher ratio of EDWAA to Title II-A funding provided significantly more responsive classroom training and supportive services. Furthermore, EDWAA participants in these substate areas achieved significantly higher wages at termination and at follow-up. These results suggest that substate areas focus less on the distinct needs of dislocated workers when EDWAA is only a small part of their program operations.

Integration of EDWAA and Title II-A Services. On average, substate areas integrate about half of their EDWAA services with similar Title II-A services. Integration is more likely in areas receiving less EDWAA funding and areas that served dislocated workers in the previous Title III program.

Substate areas with greater integration of services tend to:

- Serve dislocated workers who are more similar to economically disadvantaged clients. For example, these substate areas serve more longer-term unemployed and clients with lower previous wages.
- Provide more long-term training and fewer basic readjustment services only.
- Serve more clients in OJT but provide OJT services that are less responsive to the needs of dislocated workers.
- Provide less responsive early intervention services.

In general, integration of EDWAA and Title II-A services tends to result in enrollment of clients more similar to Title II-A clients and provision of services more similar to Title II-A services. Substate areas that integrate more services appear to focus less on services that are distinct to the EDWAA program, such as basic readjustment and early intervention services. The JTPA Amendments require that Title II-A services be more individualized than before to the need of each client. These changes may enhance the responsiveness of EDWAA services as well in substate areas that integrate EDWAA and Title II-A services.

These results do not imply that the current substate delivery system should be abandoned. In our case studies, we found many examples of substate areas that

integrated services and yet provided services (including early intervention services) very responsive to the needs of dislocated workers. Thus, integration of services does not preclude responsive services. These results do imply, however, that integration of EDWAA and Title II-A services poses several challenges that substate areas must address. Technical assistance efforts, including the technical assistance guide that we are preparing for Phase III of this study, should disseminate models of responsive services in both integrated and separate settings.

Providing Technical Assistance

The results of this study provide substantial evidence that states can influence the EDWAA programs in their states through technical assistance. Substate areas in states that provide technical assistance:

- Developed more coordination linkages with other programs.
- Provided EDWAA services that were less integrated with Title II-A services.
- Enrolled more recently laid-off workers and fewer long-term unemployed.
- Provided much more basic skills training to dislocated workers, and less short-term training.
- Developed more responsive early intervention services.
- Achieved higher wage rates for their participants.

In our case studies, we found that many substate areas were developing services for dislocated workers without much information about practices and programs in other areas. These results strongly indicate that provision of technical assistance and the sharing of information about EDWAA services can pay off in terms of more responsive services and better outcomes for dislocated workers.

Improving Accountability

The EDWAA legislation gives states responsibility for holding substate areas accountable for their performance and for timely expenditure of program funds. This report examined several issues relating to these provisions.

Performance Standards Policies

Wage Rate Standard. Although not required, 16 states adopted the wage at placement as an EDWAA performance standard, and an additional 5 states adopted it as a goal. Adoption of the wage rate as a standard or a goal had some beneficial effects:

it led substate areas to increase their nonfinancial coordination with other agencies and to develop more responsive basic readjustment services.

Although substate areas in states with the wage standard achieved higher wage rates, much of this is due to their enrolling easier-to-serve clients, including more clients with higher previous wage rates, fewer dropouts, and fewer clients reading below the 7th grade level. The wage standard may have had these unintended effects on the types of dislocated workers served because about half of the states do not adjust the wage standards for differences in the characteristics of clients served.

If the wage standard is adopted, states should be encouraged to adjust standards using the optional DOL model or another approach that adjusts for clients' previous wages and other characteristics. Technical assistance should also be provided to help substate areas understand that, unlike the Title II-A models, the level of their wage standard depends on the previous wage rates of the clients served.

Incentives for Performance. Only four states awarded incentive funds for EDWAA performance in PY 90. However, substate areas in those states achieved significantly higher employment rates and wage rates for their participants (even controlling for any differences in clients served or services provided). Incentives for performance appear to increase substate areas' efforts to obtain positive outcomes for their EDWAA clients.

Expenditure Policies

The EDWAA legislation sets an 80% expenditure requirement for states, and most states established expenditure requirements for their substate areas of 80% or higher.

Substate areas that indicated they had difficulty in meeting their expenditure requirements differed from other substate areas in many ways. Specifically, substate areas having difficulty expending their funds:

- Established labor-management committees for fewer of their large-scale layoffs.
- Recruited less often from dislocated-worker-specific sources, such as from rapid response activities.
- Were more likely to focus on rapid reemployment of participants than on providing long-term training.

- Enrolled fewer clients from substantial layoffs and more long-term unemployed.
- Provided OJT to more clients.
- Provided significantly less responsive early intervention and basic readjustment services.
- Achieved lower follow-up wage rates for their clients (even controlling for the types of services provided).

These results strongly suggest that the legislation's concern about expenditures is well founded. Having difficulty expending funds is more than an indicator of having more funds than needed; it is also an indicator of general management problems. Clearly, substate areas reporting difficulty meeting their expenditure requirements have much less well-developed EDWAA services, resulting in poorer outcomes for EDWAA participants. These substate areas appear to require substantial assistance in developing effective EDWAA programs.

Promoting Labor-Management Cooperation

The legislation encourages cooperation between labor and management in planning services for dislocated workers, including the development of labor-management committees. In the survey, 41% of the substate areas reported establishing at least one labor-management committee or other cooperative arrangement in PY 90; these substate areas established such committees for 45% of their substantial layoffs, on average. Labor-management committees were more common in substate areas with previous experience in serving dislocated workers and in areas receiving discretionary funds.

Our case studies found that labor-management committees helped in recruiting workers into EDWAA and helped tailor services to the needs of workers from specific layoffs. This report found that indeed substate areas that established more committees enrolled more workers from substantial layoffs and provided significantly more responsive early intervention and basic readjustment services. However, we found that substate areas forming more labor-management committees tended to have lower follow-up employment rates. This unexpected result may be due to differences in labor market conditions that we did not measure.

Increasing Coordination

The legislation calls for EDWAA programs to coordinate with other programs serving dislocated workers to increase efficiency and improve service quality. Substate

areas with previous experience serving dislocated workers under Title III established more financial and nonfinancial coordination linkages with other agencies, suggesting that it takes some time to develop effective coordination.

Coordination linkages had substantial effects on the responsiveness of EDWAA services. Substate areas with more nonfinancial linkages provided more responsive early intervention services and more responsive basic readjustment services. Those substate areas with more financial linkages provided more responsive classroom training. These effects occur primarily because coordination allowed substate areas to provide a broader range of services and training options. These results indicate that the legislation's emphasis on coordination is well founded.

Promoting Long-Term Training

The EDWAA legislation emphasizes the importance of long-term training through the requirement that substate areas expend at least 50% of their funds on retraining and by encouraging states to establish incentives for long-term training.

Eight states provided substate areas with financial incentives for providing long-term training in PY 90. Substate areas in these states established more coordination linkages and were less likely to integrate EDWAA and Title II-A services. These substate areas enrolled significantly more dropouts and those reading below the 7th grade level, clients for whom long-term training is particularly appropriate.

Substate areas in states with incentives for long-term training provided much more basic skills training and less short-term training of less than 26 weeks. A similar pattern of increased basic skills training was found for those substate areas that reported being strongly influenced by federal and state retraining policies. Thus, incentives and other policies to increase long-term training had the intended effect of increasing the intensity of training provided to dislocated workers.

Perhaps because of their focus on retraining, however, these substate areas offered less responsive basic readjustment services to dislocated workers. In our case studies, we found that several substate areas were struggling with a trade-off between providing long-term training and providing dislocated workers with the early intervention and basic readjustment services needed to deal with the immediate crisis of being laid off.

Serving a Broad Range of Workers

Aspects of the legislation encourage service to a broad range of dislocated workers, including the recently laid off and longer-term unemployed. This report examined several issues concerning the types of workers served, including the effects of targeting and recruitment policies and the relationship between the types of clients enrolled and the services provided.

Targeting and Recruitment Policies

Targeting and recruitment policies have a strong relationship to the responsiveness of services, although the direction of causation is not clear. Substate areas that actively recruit workers, rather than waiting for them to seek out services on their own, provided more responsive services in many areas, including early intervention, basic readjustment, and classroom training. It may be that active recruitment brings in a broad range of workers, and the substate areas responded by providing more diverse services. Alternatively, well-managed substate areas may both actively recruit workers and provide responsive services.

Substate areas that explicitly targeted dislocated workers in financial need or with barriers to employment indeed served clients with lower previous wage rates, with less education, and with fewer basic skills. Importantly, these substate areas also provided significantly more responsive classroom training, including a wider range of training options, and provided more responsive supportive services to help those with greater need support themselves during training. Thus, substate areas targeting the most in need tend to have developed services responsive to the needs of their clients.

Relationship Between Clients and Services

Although the direction of causation between clients and services is ambiguous, this report found several important relationships. Substate areas serving more workers unemployed 15 or more weeks provided:

- Less responsive early intervention services.
- Less responsive basic readjustment services.
- Fewer basic readjustment services.
- Less basic skills training.
- More OJT.
- More short-term training.

This pattern supports the hypothesis that substate areas with less responsive early intervention services and fewer services to help clients overcome the immediate crisis of being laid off are less successful in enrolling clients soon after layoff. As a result, when these clients do seek help, they have fewer resources to support themselves during training. These clients are thus more likely to receive OJT and shorter-term training, with less basic skills remediation.

In contrast, areas serving more UI recipients provide more classroom training and less OJT, perhaps because these clients have more resources to support themselves during training.

Substate areas that serve more dropouts provide more basic skills training; Unfortunately, this is not the case for substate areas serving more clients reading below the 7th grade level. These substate areas provide more OJT but not more basic skills training. This pattern is consistent with our case studies, where we found that, when provided, basic skills training in EDWAA focused primarily on GED preparation. Few options were available for those with more severe basic skills deficiencies. Technical assistance is needed to help substate areas develop appropriate training options for dislocated workers with substantial basic skills deficiencies.

Encouraging Rapid Response

The findings of this report support the legislation's emphasis on rapid response. As discussed above, clients who enter EDWAA soon after layoff, before their resources are exhausted, can choose among a wider range of services, including basic skills remediation and occupational skills training; those who have been unemployed 15 weeks or longer before entering EDWAA are more likely to receive short-term training, particularly OJT.

Further, substate areas that provide prelayoff services to more large-scale layoffs achieve significantly higher wage rates for their participants; substate areas providing more crisis adjustment services achieve higher entered employment rates. This evidence suggests that prelayoff and crisis adjustment services can help participants adjust more rapidly to being dislocated and help them develop reemployment plans that lead to higher wage rates.

RECOMMENDATIONS

Developing Responsive Services

1. Substate areas should be encouraged to provide prelayoff services, which tend to increase the ability of workers to find high-wage jobs. In particular, rural areas and medium-density areas serving relatively few counties would benefit from technical assistance in developing prelayoff and other early intervention services.

2. Substate areas should be encouraged to actively recruit dislocated workers and enroll them in services soon after being laid off. Workers who have been unemployed 15 weeks or more before enrolling in EDWAA tend to enroll in short-term, less intensive training, probably because they lack resources to support themselves during longer training.

3. Provision of basic readjustment services that go beyond job search assistance should be encouraged. Crisis adjustment services, in particular, increase the proportion of participants who find jobs after leaving the program.

4. Substate areas should be assisted in developing basic skills remediation options, in addition to GED preparation, for dislocated workers with more severe basic skills deficiencies.

5. Substate areas should be encouraged to provide a wide range of classroom training options to meet the diverse needs of dislocated workers. Providing a wider range of retraining options results in higher wage rates for dislocated workers.

Organization of Services

6. To increase their understanding of the distinct needs of dislocated workers and how they differ from the needs of economically disadvantaged clients, technical assistance should be provided to substate areas that integrate EDWAA and Title II-A services and those where EDWAA funds are low relative to Title II-A funds.

7. Technical assistance in developing effective EDWAA programs should be targeted to substate areas having difficulty expending their funds. These substate areas tend to have substantially less well-developed services.

8. Coordination between EDWAA and other programs should continue to be encouraged because of its strong effects on the responsiveness of services.

9. Labor-management cooperation in designing prelayoff and basic readjustment services should continue to be encouraged because of its effects on the responsiveness of these services.

State Policies

10. States should be encouraged to develop allocation formulas that place greater weight on factors measuring the amount of current dislocation in each area. Better data on the incidence of major dislocations would help this effort.

11. Because they substantially improve outcomes, financial incentives for performance should be encouraged, but only if standards are adjusted for client characteristics, especially previous wage levels.

12. States that desire to increase the amount of long-term training provided should be encouraged to provide incentives for such training. It should be recognized, however, that such incentives may lead substate areas to focus less on developing responsive basic readjustment services.

I INTRODUCTION AND STUDY OBJECTIVES

INTRODUCTION

The Study of the Implementation of the Economic Dislocation and Worker Adjustment Act (EDWAA) is designed to provide the U.S. Department of Labor (DOL) with information about how states and substate areas are implementing the key features of the EDWAA legislation and to assist DOL in guiding the development of EDWAA programs.

This report presents the findings of a survey of all substate areas conducted as part of this study. The report has three objectives. First, it presents a nationwide picture of how EDWAA has been implemented. Second, it examines factors that influenced how substate areas designed and operated their EDWAA programs. Third, it examines how the different implementation patterns influenced the outcomes achieved for dislocated workers.

The analysis of the survey data builds on the results of this study's two previous reports. The Phase I report focused on whether substate areas organized their EDWAA programs in ways that were consistent with the themes of the legislation. Phase II focused on whether the services provided were responsive to the specific needs of dislocated workers. Because we will examine organization and service issues in this report, we begin by summarizing the framework and findings from the first two phases. We then present the conceptual framework that guided the analysis of the survey data.

SUMMARY OF PHASE I

The provisions of the EDWAA legislation reflect seven major themes that comprise the federal priorities for the organization and operation of dislocated worker services:

- Building the capacity of substate areas to plan and administer services to dislocated workers.
- Improving resource management practices and accountability for services and outcomes.
- Ensuring a capacity for rapid response to notifications of impending plant closures and large-scale layoffs.
- Promoting labor-management cooperation in designing and implementing services to dislocated workers.

- Increasing coordination between EDWAA resources and other federal, state, and local programs to increase the effectiveness of services to dislocated workers.
- Extending program coverage to broad segments of the eligible dislocated worker population.
- Encouraging states and substate areas to take a long-term view of worker readjustment, including offering long-term training, where appropriate.

To examine whether the ways that states and substate areas organized and designed their EDWAA programs were consistent with these seven themes, we conducted in-depth case studies in 10 states and 30 substate areas during PY 89. Among the key findings of the Phase I study were:

- Overall, states and substate areas made considerable progress in implementing EDWAA. Organizational arrangements and service delivery systems were in place that made possible comprehensive, statewide EDWAA services, prompt response to notifications of planned layoffs and plant closures, and services that reached a broad range of dislocated workers, including workers affected by large-scale layoffs, individually laid-off workers, and the long-term unemployed.
- In some instances, however, attention to implementing new organizational or structural mechanisms for EDWAA was purely formal or mechanical, rather than oriented toward accomplishing clear functional program objectives. For example, rapid-response efforts were sometimes oriented to accomplishing the formal objective of holding an employer meeting and worker orientation session soon after notification of a layoff, rather than to the functional goal of encouraging early intervention and increased program participation by affected workers.
- In some cases, states and substate areas seemed to be carving out their own independent areas of authority and operation under EDWAA, rather than working together to produce a coherent statewide system. In these cases, states tended to retain control over 40%-funded activities and to leave the design and delivery of formula-funded activities to substate areas, rather than providing policy leadership for the entire state program.
- Some states and substate areas had clearly identified the problems of dislocated workers and had designed service

options responsive to the needs of these workers. Other substate areas were less purposeful in their planning, partly because of a lack of understanding about the needs of these workers and partly because of a lack of information about effective program designs. Both state and substate areas appeared to be developing program options in isolation, without much sharing of program models either within or between states.

SUMMARY OF PHASE II

Phase II focused more directly on the services provided to dislocated workers. To guide our assessment of services, we developed a model that specifies the particular needs of dislocated workers and aspects of EDWAA services that are responsive to those needs.

Although dislocated workers vary tremendously in their previous skills and reemployment goals, they tend to have special characteristics that need to be addressed by EDWAA services. These characteristics include:

- Significant psychological stress in response to the dislocation.
- Little recent information about labor market opportunities.
- No recent experience in looking for a job.
- Substantial work experience and work maturity.
- Existing occupational skills that may be obsolete or not in demand in the local economy.
- Financial crisis due to lack of income and substantial household financial obligations.

To respond to these needs of dislocated workers, specific services are required, including:

- Early intervention services before or as soon as possible after layoff.
- Current information about community resources, reemployment opportunities, and job search strategies and techniques.
- Assistance developing a specific plan for reemployment.
- Basic readjustment and retraining services necessary to achieve reemployment goals.

- A service plan that addresses income needs during services and wage replacement goals for reemployment.

Exhibit I-1 presents the principles of responsive services for dislocated workers in each of these service areas.

Using this model, we investigated the responsiveness of EDWAA services through case studies of 20 ongoing EDWAA programs and 10 special plant-specific or industry-specific projects in 10 states during PY 90. Key findings from this investigation include:

- For all types of services—early intervention, basic readjustment, basic skills training and occupational skills training—the case study substate areas provided multiple examples of responsive services.
- Several problem areas emerged, however, including problems in linking rapid response efforts to prompt provision of services; lack of expertise among EDWAA staff in assessment and service planning for experienced workers; gaps in basic readjustment services, especially for those interested in immediate employment; and limited retraining options, including a lack of training in higher-level occupations in many areas.
- Special projects were particularly successful in recruiting large numbers of affected workers into EDWAA programs and providing ongoing job search training and assistance to workers interested in immediate employment. Special projects were more likely to design services to meet the specific needs of the affected workers, rather than to recruit workers who could benefit from an already determined package of services.
- Substate areas serving large numbers of dislocated workers and operating in areas experiencing high levels of dislocation tended to provide more responsive services. These substate areas did not spend more per participant but appeared to be farther along the "learning curve" in designing services to address the specific needs of dislocated workers.
- As in Phase I, it was evident that case study sites were designing program services in isolation, without much sharing of program models either within or across states.

To address the problem of programs designing services in isolation, Phase III of this study is focusing on substate areas with well-developed EDWAA services and will

Exhibit I-1

PRINCIPLES OF RESPONSIVE SERVICE DELIVERY FOR DISLOCATED WORKERS

Early-Intervention Services

- Use of effective mechanisms for early provision of current information about EDWAA and other appropriate services.
- Use of effective mechanisms to link rapid response to the prompt delivery of services.
- Ability to meet a broad range of dislocated worker needs as part of early-intervention services, including: (1) financial counseling, (2) labor market information and career counseling, (3) crisis counseling and stress management, and (4) job search training and assistance.

Assessment, Service Planning, and Case Management

- Ability to assist dislocated workers in developing career goals and reemployment strategies by providing labor market information, information about retraining opportunities, and information about the skills requirements of jobs available in the local economy.
- Provision of assessments of basic skills and vocational interests and aptitudes of dislocated workers, as well as the need for personal or financial counseling.
- Development of detailed reemployment service plans for workers requesting further assistance from EDWAA, including a specific plan and timetable for the delivery of basic readjustment services, supportive services, retraining (if appropriate), and placement assistance.
- Ability to monitor the progress of enrolled workers to make sure that participants do not "fall through the cracks."

Design and Delivery of Basic Readjustment Services

- Provision of basic readjustment services that address the specific needs of dislocated workers in the local area, which may include labor market information and career counseling, relocation assistance, and job search skills training and job placement assistance.
- Ability to deliver basic readjustment services either as a stand-alone service to workers seeking immediate reemployment or in combination with retraining services.

Exhibit I-1 (concluded)

PRINCIPLES OF RESPONSIVE SERVICE DELIVERY FOR DISLOCATED WORKERS

- Establishment of coordination linkages with other programs and funding streams to expand the basic readjustment services available to dislocated workers.
- Provision of basic readjustment services that take into account the work maturity of dislocated workers, encourage active involvement in services, and address the need for wage replacement.

Design and Delivery of Retraining Services

- Ability to offer retraining that is wide enough in range to meet the diverse needs of dislocated workers in the local community, which may include needs for skills enhancement, basic skills remediation, and training to acquire new occupational skills.
- Provision of training that is appropriate for dislocated workers, including training that is geared for individuals with significant work experience.
- Establishment of coordination linkages with other programs and funding streams to expand the retraining services available to dislocated workers.
- Provision of placement assistance after training oriented to obtaining the desired employment outcome for the participant.

Provision of Supportive Services and Needs-Related Payments

- Availability of a wide range of supportive services to address dislocated worker needs either directly or through referral, including transportation assistance and child care assistance.
- Ability to address participants' needs for income support while receiving services using UI benefits, needs-related payments, TRA benefits, Pell grants, student loans, or other funding sources.

produce a technical assistance guide to disseminate these practices to other substate areas.

CONCEPTUAL FRAMEWORK FOR THE SURVEY ANALYSIS

To complement the case study findings of Phases I and II, we conducted a survey of all EDWAA substate areas, asking about the organization and operations of EDWAA services. Although, by necessity, less in-depth than the case studies, this survey attempted to measure several aspects of EDWAA programs that we investigated in the Phase I and II reports. The survey asked about how substate areas designed and organized their services, the types of clients targeted, rapid response procedures, and characteristics of the services provided. Thus, it provides an opportunity to explore whether EDWAA is being implemented as intended and to assess the responsiveness of services using nationwide data. Further, it allows us to examine the relationships between organizational modes and the responsiveness of services, and to estimate their effects on outcomes.

The analysis of the survey data was guided by the conceptual framework presented in Figure I-1, which presents the hypothesized relationships among the ways substate areas organize their EDWAA programs, the types of clients served, the types and responsiveness of services provided, and the outcomes achieved by EDWAA participants. We examine four sets of issues contained in this framework.

The first set of issues we examine pertains to the organization of EDWAA services and includes:

- How do substate areas organize and orient their EDWAA programs?
- To what extent are EDWAA programs organized in ways consistent with the themes of the legislation?
- What affects how substate areas organize and orient their programs?
 - What are the effects of state policies?
 - What are the effects of local area characteristics?
 - What are the effects of characteristics of the substate area, including funding?

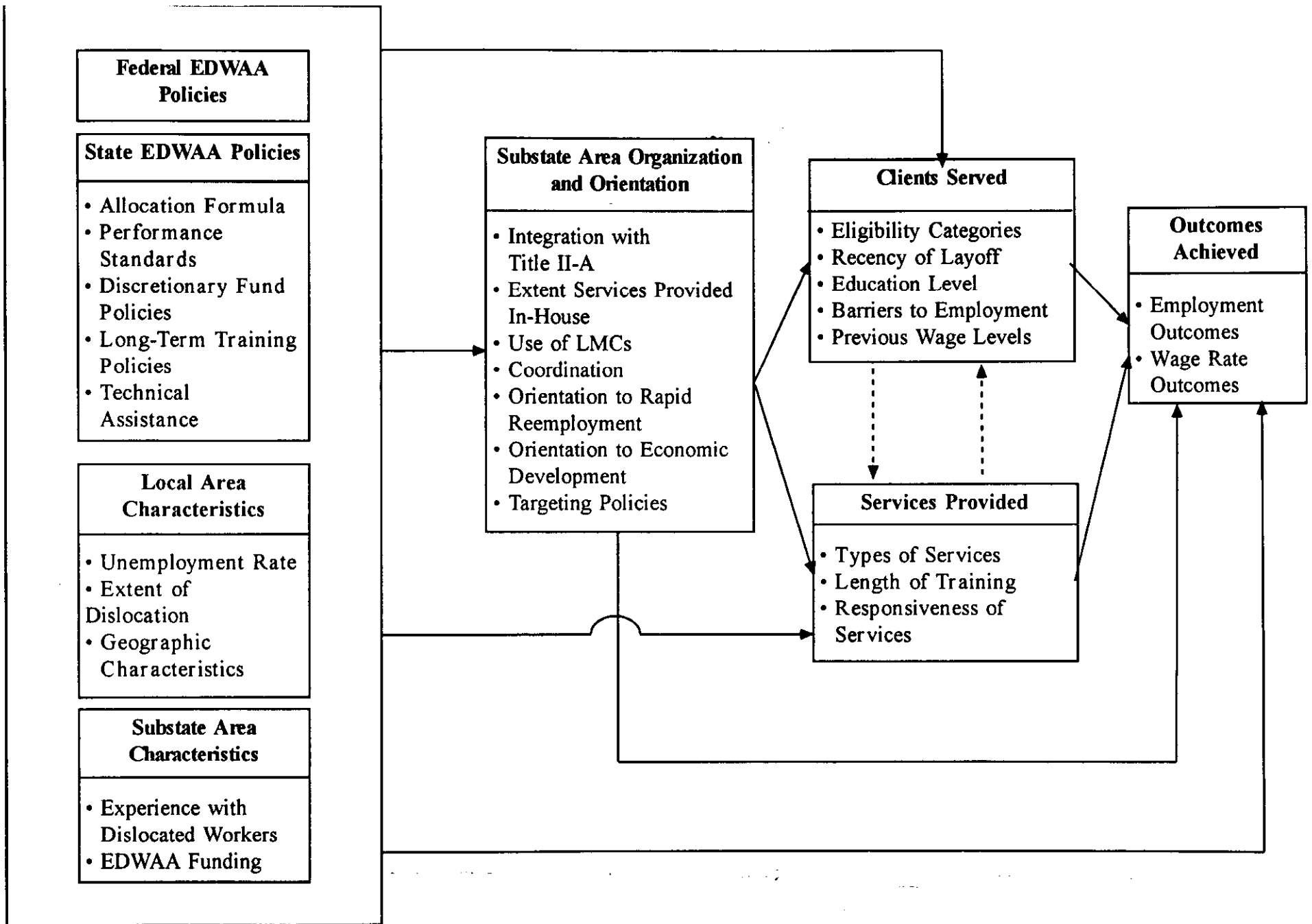


Figure I-1
Conceptual Framework for Survey Analysis

The survey measured several aspects of how substate areas organized the delivery of EDWAA services, including the extent that services were integrated with Title II-A services, services were provided in-house or by a training provider, labor-management committees were formed to help design services, and EDWAA services were coordinated with other programs' services. It also asked about the extent that substate areas' programs were more oriented to rapid reemployment or to longer-term training, were oriented to economic development goals, and were targeted to specific types of dislocated workers.

The conceptual framework indicates that several exogenous factors—that is, factors that are outside the control of the substate area—may affect how EDWAA programs are designed and oriented, including federal and state EDWAA policies; characteristics of the local area, such as the extent of dislocation or whether the substate area is located in a rural area; and characteristics of the substate areas, such as previous experience with dislocated workers and the amount of funding received.

The second set of issues we examine includes:

- What types of dislocated workers are served in the EDWAA program?
- What affects the types of dislocated workers served?
 - What are the effects of state policies?
 - What are the effects of local area characteristics?
 - What are the effects of characteristics of the substate area, including funding?
 - What are the effects of substate area organization and orientation?

Using survey and Worker Adjustment Annual Program Report (WAPR) data, we examine the types of clients served by EDWAA, including the percentage of clients eligible under the different eligibility categories, the recency of layoff, education levels, barriers to employment, and previous wage levels.

The conceptual framework indicates that the types of clients served are influenced both by the exogenous factors and by how substate areas design and orient their programs. Thus, for example, we examine the hypothesis that the characteristics of EDWAA participants are more similar to those of the economically disadvantaged in

substate areas that integrate EDWAA and Title II-A services than in those that provide services separately.

The third set of issues we examine includes:

- What types of services are provided by EDWAA programs?
- How responsive are those services to the needs of dislocated workers?
- What affects the types and responsiveness of EDWAA services?
 - What are the effects of state policies?
 - What are the effects of local area characteristics?
 - What are the effects of characteristics of the substate area, including funding?
 - What are the effects of substate area organization and orientation?
- What is the relationship between the types of clients served and the types of services offered?

The survey asked numerous questions about the types of services provided. Although we could not replicate exactly the assessment of responsiveness that we used in the case studies, we developed indicators of responsiveness based on the available data. The WAPR also provides measures of the types of EDWAA services provided.

The conceptual framework indicates that the types of services provided are influenced by exogenous factors, such as state policies or characteristics of the local economy, and also by how substate areas design and orient their services. Thus, for example, we examine the hypothesis that substate areas that coordinate with other agencies provide more responsive services.

The framework also indicates that the direction of causation between the types of clients served and the types of services provided is ambiguous. In our case studies, we found two relationships. Some programs were client centered, in that they provided the types of services that were appropriate for the needs of the specific clients enrolled. In these programs, clients served affected the services provided. In contrast, other substate areas were program centered, in that they enrolled clients who were appropriate for the programs offered. In these programs, services provided affected the

clients served. We cannot distinguish between these two approaches in the analysis, but present some evidence about the relationship between clients and services.

The fourth set of issues we examine includes:

- What outcomes did EDWAA participants achieve?
- What affects the outcomes achieved?
 - What are the effects of state policies?
 - What are the effects of local area characteristics?
 - What are the effects of characteristics of the substate area, including funding?
 - What are the effects of substate area organization and orientation?
 - What are the effects of the types of clients served?
 - What are the effects of the types and responsiveness of services provided?

The WAPR contains information about the employment and wage rate outcomes achieved at termination and 13 weeks later. The conceptual framework indicates that outcomes are influenced by exogenous factors, how the substate areas organize and orient their programs, the types of clients served, and the types and responsiveness of the services provided. For example, we examine the hypothesis that substate areas that provide more responsive services achieve higher outcomes than those providing less responsive services.

ORGANIZATION OF THIS REPORT

The next chapter describes the data and methods we used to estimate the relationships described in the conceptual model. Chapter III presents the analysis of how substate areas organize and orient their services. Chapter IV examines the types of dislocated workers served and the factors that influence the enrollment of different clients. Chapter V presents the analysis of the types and responsiveness of services provided. Chapter VI presents the estimated effects of organization, clients, and services on the outcomes achieved by EDWAA participants.

Chapter VII draws conclusions about the extent that EDWAA programs are meeting the themes of the EDWAA legislation and whether programs that are organized in ways that are more consistent with the legislation provide more responsive services and achieve better outcomes than programs in other substate areas.

II STUDY METHODS

DATA SOURCES

Examining the relationships presented in the conceptual model presented in the preceding chapter (Figure I-1) requires data on several aspects of state and local EDWAA programs, including:

- State EDWAA policies.
- Characteristics of the local area and economy.
- Characteristics of each substate area, such as geographic area served and funding levels.
- How each substate area's EDWAA program is organized and oriented.
- The characteristics of dislocated workers served by each area.
- The types of EDWAA services provided and the responsiveness of those services.
- Outcomes achieved by substate areas.

To obtain the required data, we used several sources, including the survey of all substate areas, review of EDWAA state plans, the Worker Adjustment Annual Program Report (WAPR), and existing data sources on the characteristics of the local area. Each of these data sources is described below.

Survey of Substate Areas

The mail survey of all substate areas was conducted in spring of 1992 and asked about program practices in the most recent program year, July 1990 to June 1991. The questionnaire asked about the following:

- Characteristics of the substate area, including previous experience with dislocated workers, the extent of dislocation in the area, the total amount of funding, and the source of funding.
- How the EDWAA program was designed and organized, including the extent that EDWAA services were provided in-house, the extent EDWAA services were integrated with Title II-A services, coordination with other agencies, the use of labor-management committees, and factors that influenced the program design.

- The types of clients targeted for services, the use of the different eligibility categories, and recruitment methods.
- Early intervention practices and services, including rapid response activities, and the amount and types of prelayoff services provided.
- Basic readjustment services, including assessment and other "up-front" services, career planning, crisis management, job search training and assistance, and relocation assistance.
- Classroom training services, including the types of providers used, and the types of basic skills and occupational skills training available.
- OJT services, including the use of reverse referrals, and targeting of OJT services.
- Supportive services, including the types and percentage of clients receiving supportive services overall and needs-related payments in particular.

Appendix A presents the questionnaire and the distribution of responses to each question. We sent this questionnaire to all 594 substate areas in the 50 states and the District of Columbia and received responses from 424 substate areas, for a response rate of 71%.

Review of State Plans

To obtain information about state EDWAA policies, we reviewed the PY 90 state plans submitted to DOL. From these plans we extracted information about the following:

- Formulas used to allocate funds to substate areas.
- Performance standards policies, including the standards and goals set for the EDWAA program and whether incentives were provided for performance.
- Policies about the distribution of 10% funds and of 40% funds to substate areas in need.
- Plans to provide technical assistance to substate areas on EDWAA issues.
- Whether the state provided incentives for long-term training.

We received plans for 44 states. For those states for which we did not receive a PY 90 plan, we used information about their policies from their PY 89 plans.

WAPR Data

We obtained the data reported on the WAPR for each substate area in PY 90.

From this source we obtained the following information:

- Characteristics of terminees, including demographic characteristics, education level, percentage receiving UI payments, the percentage unemployed 15 or more weeks, the percentage reading at the 7th grade level or lower, and the average wage rate earned at their previous jobs.
- The types of services provided, including the percentage of terminees receiving basic readjustment services only, retraining of less than 26 weeks, and retraining of 26 weeks or more. We also calculated the percentage of training completions in OJT and basic skills and occupational classroom training.
- Total expenditures in EDWAA, which we compared with the total expenditures in the Title II-A program for the same area.
- Outcomes, including the entered employment rate, wage at placement, employment rate at the 13-week follow-up contact, and wage rate at follow-up.

Local Area Characteristics

We also obtained information from a variety of existing sources on characteristics of the local economy and geographic area, including:

- Unemployment rate in PY 90 from the Bureau of Labor Statistics (BLS) Local Area Unemployment Statistics data.
- Percent of employment in manufacturing from BLS ES-202 data.
- Population density of the area, calculated as the number of people per square mile in thousands, capped at 7, from Census estimates for 1986.
- Number of counties served by the substate area, calculated from information provided by DOL on substate area configuration.
- Average earnings in the area in 1990 and growth in earnings between 1987 and 1990 from BLS ES-202 data.
- Percentage of the local population with 12 or more years of education from the 1980 Census data.

ANALYSIS STRATEGY

The subsequent chapters of this report address how substate areas organize their EDWAA programs, what types of clients are served, the types of EDWAA services provided and the responsiveness of those services, and the outcomes achieved by EDWAA clients. Each chapter begins with a descriptive analysis of the experiences of the EDWAA program in these areas. This descriptive analysis presents frequency distributions and cross-tabulations to characterize the differences among EDWAA programs.

The second part of each chapter presents the multivariate analyses of the factors that affect the differences in organization, clients served, services provided, and outcomes achieved. The conceptual model, presented in Chapter I, indicates that several exogenous factors influence all aspects of substate areas' EDWAA design, operations, and outcomes. The first models we estimated, therefore, included these exogenous factors as independent variables, with EDWAA organization, clients served, services provided, and outcomes achieved as dependent variables.¹ These exogenous variables include:

- State policies.
- Characteristics of the local economy and geographic area.
- Characteristics of the substate area, such as previous experience with dislocated workers and EDWAA funding.

Other factors that are hypothesized to influence EDWAA programs could not be included directly. Federal policies are the same for all substate areas, so we could not relate them to variations in substate areas' programs. Further, the availability of service providers or other programs providing similar services is likely to affect substate areas' designs but could not be measured objectively in the survey. As an alternative, therefore, we asked substate area directors how influential these factors were in the designs of their programs and included these self-reports in this first set of independent variables.

The conceptual model next indicates that the way substate areas organize their programs influences the types of clients served, the types of services provided, and the

¹These models represent the complete reduced form of the recursive system described in Figure I-1.

outcomes achieved. The second models, therefore, added organizational variables as independent variables and estimated their effects on clients, services, and outcomes.

Organizational variables include:

- How the delivery of services is organized, including integration with Title II-A, in-house provision of services, and use of labor-management committees.
- Coordination with other agencies, through either financial or nonfinancial arrangements.
- Orientation toward different goals, including orientation to rapid reemployment and to economic development goals.
- Targeting of different types of dislocated workers and recruitment strategies.

Next, the conceptual model indicates that the direction of the relationship between the types of clients served and the types of services provided is ambiguous.² As discussed in Chapter I, in client-centered sites, the needs of the clients enrolled determine what services are provided; in program-centered sites, the types of services offered influence the types of clients enrolled. In this report, we present the estimated effects of clients served on the types of services provided, which is appropriate in client-centered program designs. Because, as we indicated in our Phase II report, client-centered designs are not universal, care should be used in interpreting these estimated relationships. The findings are best interpreted as indicators of associations between clients and services rather than as causal effects.

Finally, the conceptual model indicates that the types of clients served and the types and responsiveness of services provided affect the outcomes achieved by EDWAA clients. In these final models, therefore, characteristics of clients and services are added as independent variables in estimating the effects on outcomes.

Characteristics of the clients include:

- Category of eligibility for EDWAA.
- Recency of layoff, as indicated by the percentage of terminees who were UI claimants and who were unemployed 15 or more weeks.

²To estimate the simultaneous relationships between clients and services without bias requires that there be at least one variable that affects one of these dependent variables but not the other. We were not able to measure any such factor that could be used to identify these simultaneous models.

- Education levels.
- Other barriers to employment, including the percentage of terminees who read below the 7th grade level or were age 55 or more, females, or minorities.
- Average previous wage rate.

We included two aspects of services: the types of services and our assessment of the responsiveness of services. The measures of the types of services provided include:

- The percentage of terminees who received basic readjustment services only and the percentage who received retraining of 26 weeks or more (with the percentage receiving retraining of less than 26 weeks as the omitted comparison group).
- The percentage of all training completions in basic skills training and the percentage in OJT (with the percentage in occupational classroom training as the omitted comparison group).

We also used survey data to create indicators of the extent to which substate areas' services met the principles of responsive services that we investigated in the Phase II report, as presented in Exhibit I-1. We created indexes of the responsiveness of the following types of services:

- Early intervention services, including the comprehensiveness of information presented during worker orientations, the percentage of layoffs for which prelayoff services were provided, and the comprehensiveness of prelayoff services.
- Basic readjustment services, including the provision of crisis adjustment, career planning, and job search services and the length of basic readjustment services.
- Classroom training services, including the range of basic skills and occupational skills training options available and the provision of assistance to classroom training participants in finding appropriate jobs.
- OJT services, including reliance on program-initiated OJT positions (rather than reverse referrals from employers), using OJT selectively and not for those lacking basic skills, and the provision of assessment and career planning for OJT participants.
- Supportive services, including the amount and percentage of clients receiving supportive services overall and receiving needs-related payments.

- Overall services, defined as the average of the indexes of responsiveness of early intervention, basic readjustment, classroom training, and OJT services described above.

The definitions of all the variables used in the analysis and their mean values are presented in Appendix B.

We estimated these models using multiple regression.³ These models estimate the separate effect of each independent variable, controlling for the effects of all other independent variables in the model. Thus, when examining the effects on the types of clients served, the model estimates the influence of integrating of EDWAA and Title II-A services on the percentage of terminees who are dropouts, controlling for the effects of other factors that may be correlated with integration of services, such as the size of EDWAA funding.

The numbers presented in the tables in Chapters III through VI represent the estimated independent effects of each independent variable in the model. Also presented are the standard errors of these estimated effects, which indicate how precisely these effects are estimated. Effects that are large relative to their standard error are more reliable. Those that are particularly large relative to their standard error are deemed statistically significant; significant effects are starred in the tables. Our discussions of the findings concentrate on effects that are statistically significant.

³We used ordinary least squares (OLS) to estimate these models. In most cases the dependent variables are continuous and thus OLS is appropriate. Although these continuous variables are limited in range (for example, the percentage of clients who are UI recipients can range between 0 and 100), these limits are generally not constraining and do not significantly affect the distribution of the error term. In some cases the dependent variables are binary so that the OLS models are inefficient; nonetheless, our experience with alternative techniques, such as logit or probit, has been that they yield results very similar to OLS models.

III SUBSTATE AREA ORGANIZATION AND ORIENTATION

INTRODUCTION

As discussed in Chapter I, we identified seven themes in the EDWAA legislation that were intended to improve services to dislocated workers. These themes have implications for the design and organization of local EDWAA programs. The survey asked numerous questions about how substate areas organized their EDWAA programs and toward what goals their programs were oriented. These questions pertain to the following five of the seven themes of the legislation:

- Building a substate delivery system.
- Promoting labor-management cooperation.
- Increasing coordination with other programs.
- Serving a broad range of dislocated workers.
- Promoting long-term training.

With respect to the other two themes, the emphasis on accountability in the EDWAA legislation is reflected primarily in state policies, as described below; the emphasis on rapid response is addressed in Chapter V.

In this chapter we first provide a nationwide picture of the extent that substate design and organization reflect the themes of the legislation. Next we examine which factors influence how substate areas organize and orient their program. We explore how state policies influenced substate areas' program design and identify which policies tend to promote the themes of the legislation. We then examine the influence of local factors on substate organization and orientation, including characteristics of the local area and characteristics of the substate area.

SUBSTATE AREA ORGANIZATION AND ORIENTATION

Building a Substate Delivery System

The EDWAA legislation requires states to create a substate delivery system covering the entire state and to allocate funds to those areas. The intention was to create an ongoing delivery system, resulting in broader and more timely coverage of dislocations throughout the state. Most states used their existing Title II-A delivery

system for their EDWAA program, for the most part to take advantage of the existing training capacity at the local level.

Our case studies found two effects of the use of the Title II-A SDAs as EDWAA substate areas on how EDWAA services are organized. First, many SDAs integrated at least part of their EDWAA program with their Title II-A program. Second, in some states, the large number of SDAs receiving allocations meant that some SDAs received very low levels of EDWAA funding. Low levels of funding created further incentives to integrate services and, in some cases, to deliver services in-house, rather than through contracts with service providers.

Integration of EDWAA and Title II-A services does not necessarily result in less responsive services and, indeed, we found many examples of highly responsive designs in substate areas that integrated services. Integration of services, however, does pose the challenge of how to address the distinct needs of dislocated workers—such as the need for early intervention and the need for a broader range of training activities—in a service delivery system that also serves economically disadvantaged workers. Similarly, providing service in-house, rather than through a specialized contract, poses the challenge of developing in-house expertise in serving the distinct needs of dislocated workers. Chapters IV through VI explore the influence of integrating services or providing them in-house on the types of dislocated workers served, the types of services provided, and the outcomes achieved.

Table III-1 presents the percentages of substate areas that integrate different types of EDWAA services with comparable Title II-A services and the percentages providing these services in-house. Somewhat more than half of the substate areas integrate various types of "up-front" services, such as eligibility determination and service planning. Only a quarter of the substate areas integrate basic readjustment services, such as job search training and assistance, with comparable Title II-A services. Retraining services, such as basic skills training and the administration of OJT, are more likely to be integrated, with 60% to 75% integrating various retraining services.

Overall about 80% of the substate areas provide up-front services, basic readjustment services, and the administration of OJT in-house, rather than delegate these services to providers. However, only about 50% of the substate areas administer

Table III-1
SERVICE DELIVERY ARRANGEMENTS FOR EDWAA SERVICES

	Percentage of Substate Areas Where EDWAA Services Are:	
	Integrated with Title II-A Services	Provided In-House
Up-front Services		
Recruitment	39.4%	85.3%
Eligibility determination	54.6	79.4
Development of employability plan	54.9	82.5
Case management	52.0	81.9
Basic Readjustment Services	24.2	79.8
Retraining Services		
Basic skills training	68.6	79.8
Administration of OJT	75.1	82.5
Class size occupational skills training	60.4	
Administration of individual referrals to classroom training	58.2	48.0
Average		
Percentage of up-front, basic readjust- ment, and retraining services integrated or provided in-house	44.1	71.3

referrals to classroom training or provide basic skills training (for example, through an on-site remediation center) in-house.

Increasing Labor-Management Cooperation

The EDWAA legislation encourages the use of labor-management committees as an effective way to respond to the needs of workers affected by large-scale layoffs. In our case studies, we found that several states and substate areas had also devised other forms of labor-management cooperation, besides the model described in the legislation, such as standing labor-management task forces or local adjustment teams with broader membership (e.g., staff from service agencies).

As shown in Table III-2, 41% of the substate areas established at least one labor-management committee or other type of cooperative arrangement in PY 90. Among those substate areas, committees were formed in about 45% of the large-scale layoffs. Thus, overall, labor-management committees or other cooperative arrangements were formed in about 19% of the large-scale layoffs in PY 90.

When labor-management committees were formed, they played a variety of roles in planning EDWAA services for the affected workers. Labor-management committees were more active in the prelayoff period: they were involved in planning the worker orientation in nearly all cases and in planning prelayoff services in about three-quarter of the cases. A substantial number were also involved in planning postlayoff services: about 60% of the committees helped plan specific basic readjustment services, and about 45% helped plan or modify retraining services. In our case studies, we found one state where labor-management committees participated in the selection of service providers and approval individual training plans. The survey results indicate, however, that such extensive involvement of these committees is rare.

Increasing Coordination

The EDWAA legislation specifically encourages coordination between EDWAA and other agencies serving dislocated workers. At the substate level, this coordination can occur through several mechanisms, including developing nonfinancial agreements, having other agencies participate in rapid response activities, and contracting with other organizations to provide EDWAA services.

Table III-3 presents the percentages of substate areas that coordinate through these various mechanisms. In general, these results are very consistent with our case

Table III-2
USE OF LABOR-MANAGEMENT COMMITTEES

Use of Labor-Management Committees

Percentage of substate areas forming any labor-management committee	41.2%
Average percentage of large-scale layoffs where labor-management committee was formed, among substate areas forming any committees	45.4%

**Percentage of
Substate Areas**

Roles of Labor Management Committees, When Formed

Assess needs of dislocated workers	58.1%
Participate in planning orientation meeting	91.9
Participate in planning prelayoff services	76.7
Participate in planning basic readjustment services	59.3
Participate in planning retraining services, specifically for affected workers	44.8
Participate in selecting service provider	15.7
Approve plans for individual workers	4.1
Provide advice to substate areas or providers	59.3

Table III-3
COORDINATION WITH OTHER ORGANIZATIONS

<u>Coordination Agreements</u>	<u>Percentage of Substate Areas with Coordination Agreements</u>	
	<u>Nonfinancial Agreements</u>	<u>Financial Agreements</u>
Type of Organization		
ES/UI	66.0%	55.4%
Community-based organizations	23.3	27.4
Public schools	26.8	66.3
Private schools	9.3	45.0
Unions	16.3	25.9
Other agencies	9.5	21.0

<u>Involvement in Rapid Response</u>	<u>Percentage of Substate Areas Where Various Organizations Are Involved in Rapid Response</u>	
	<u>Attend Initial Employer Meeting</u>	<u>Attend Worker Orientation</u>
Type of Organization		
ES/UI	89.8%	88.5%
Economic development	18.4	11.5
TAA	23.2	24.0
Social services	21.4	32.2
Education agencies	22.2	33.2
Plant employee representatives	75.3	70.8
Other union representatives	57.4	54.4

study findings in the Phase I report. Specifically:

- Coordination with the ES/UI system is well developed in most substate areas. Nearly 90% of the substate areas report that representatives from the ES/UI system are involved in rapid response activities by attending the initial employer meeting and the worker orientation meetings. Nearly two-thirds of the substate areas have a nonfinancial agreement with ES/UI, and over half contract directly with ES to provide some EDWAA services, predominantly job search training and assistance.
- Coordination with TAA is much less frequent: about one-quarter of the substate areas include TAA staff in their rapid response efforts. We found in our site visits that many substate areas are very uncertain about the requirements of the TAA program; this uncertainty contributes to the lack of coordination between EDWAA and TAA.
- Coordination with schools is predominantly through contracting: two-thirds of the substate areas contract with public schools for some EDWAA training. In addition, about a third of the substate areas involve public schools in their orientation meetings and about a quarter have a nonfinancial agreement with public schools.
- In about a third of the substate areas, social service agencies make presentations in worker orientation meetings. In our case studies, we found that often these presentations involve some assistance in crisis management, including discussions of the psychological and financial problems of being laid off, and referral to agencies that can offer assistance.
- Unions are another type of organization with which some EDWAA agencies coordinate services. Besides union involvement in worker orientation meetings, which is quite frequent, 16% of the substate areas have nonfinancial agreements with unions and 26% contract with unions for some EDWAA services. In these cases, unions often recruit dislocated workers into EDWAA and help provide prelayoff services.

In our case studies, we found that coordination with economic development agencies was not common. In some substate areas that did work closely with economic development agencies, however, the client-focused goals of EDWAA sometimes became subsidiary to the employer-focused goals of economic development agencies.

The survey results also indicate a relatively low level of coordination with economic development agencies: only 18% of substate areas included economic development agencies in their initial meeting with employers. Usually, economic development staff at such meetings explored the possibility of preventing a layoff. As reported in our Phase I report, however, such efforts were rarely successful because by the time the layoff notice was given, it was too late to help prevent the layoff.

To explore whether substate areas influenced by economic development goals operate different types of programs, we examined two other survey questions. About 30% of the substate areas indicated that the need for economic development in the area was either quite or extremely influential on the type of EDWAA services offered, and 26% strongly agreed that OJT contracts were useful economic development tools. In subsequent chapters we examine whether substate areas more oriented to economic development goals enrolled different types of clients or provided different types of services.

Serving a Broad Range of Dislocated Workers

The legislation encourages service to a broad range of dislocated workers, including the recently laid off and longer-term unemployed. Chapter IV examines directly the types of participants served in EDWAA. Two aspects of design and organization, however, also are relevant to this EDWAA theme: the decision to target specific types of dislocated workers and the mechanisms established to recruit dislocated workers into the program.

Substate areas are encouraged to serve dislocated workers "most in need of service." In our case studies, we found that substate areas were struggling to develop specific definitions of "most in need." In the survey, about three-quarters of the respondents indicated that they had policies to target some specific types of dislocated workers. One way to determine who is most in need is to assess the individual's specific needs. As shown in Table III-4, 57% of the substate areas targeted those with greater barriers to employment, and 45% targeted those in greater financial need. Another way that substate areas defined their target groups was whether participants were currently receiving UI (43%) or whether they were UI exhaustees (45%). More rarely, substate areas targeted specific demographic or occupational groups, such as older workers or farmers/ranchers.

Table III-4
TARGETING AND RECRUITMENT OF DISLOCATED WORKERS

Types of Dislocated Workers Targeted	Percentage of Substate Areas
Those in greater financial need	44.5%
Those with greater barriers to employment	57.2
Current UI recipients	43.3
UI exhaustees	45.4
Older workers	25.2
Farmers/ranchers	8.0
Other	17.9

Sources from Which Substate Areas Recruited Dislocated Workers	Percentage of Substate Areas Recruiting:		
	Almost Never	Sometimes	Often
Dislocated-Worker Specific Sources			
Rapid response activities	8.1%	24.9%	67.1%
Referrals from ES/UI	6.4	41.2	52.4
General Community Sources			
Referrals from Title II-A program	21.4	61.2	17.4
Referrals from service providers	26.3	54.9	18.8
Referrals from other agencies	20.0	66.7	13.3
Media announcements	24.6	57.0	18.4

Substate areas varied widely in how they recruited dislocated workers into EDWAA. Although a majority of substate areas indicated that they often recruited from dislocated-worker-specific sources, including rapid response activities and referrals from the ES/UI system, a substantial number reported that they only sometimes used those sources. About 20% of the substate areas almost never recruited dislocated workers from general community sources—such as referrals from Title II-A or other agencies, referrals from service providers, and media announcements—while about 15% recruited often from each of these sources.

Promoting Long-Term Training

The EDWAA legislation emphasizes the importance of long-term training through the requirement that substate areas expend at least 50% of their funds on retraining and by encouraging states to establish incentives for long-term training. In Chapter V we examine directly the extent that substate areas provide long-term training; in this chapter we examine the survey questions about substate areas' orientation toward rapid reemployment versus longer-term retraining of participants.

As shown in Table III-5, substate areas vary widely in their opinions about dislocated workers' interest in long-term training versus rapid reemployment. Substate areas are almost evenly divided in whether they feel that dislocated workers are interested in long-term training or whether they want immediate employment, even at lower wages. Further, about half reported that dislocated workers' need for immediate income was either quite or extremely influential in their program design. Overall, about 20% reported that they focused on rapid reemployment, whereas nearly 40% said they focused more on longer-term training. These four questions were combined to measure whether substate areas were oriented toward rapid reemployment in their program design. In subsequent chapters we examine the influence of this orientation on clients, services, and outcomes.

Summary

In our subsequent investigation of the factors that affect how substate areas organize and orient their programs, we assess which factors tend to encourage organization in ways that are consistent with the themes of the legislation. Several dimensions that we consider unambiguously consistent with the legislation include:

- Using labor-management committees in a high proportion of large-scale layoffs.

Table III-5
INDICATORS OF FOCUS ON RAPID RESPONSE
VERSUS LONGER-TERM TRAINING

Percentage of Substate Areas Agreeing with Statements About Dislocated Workers' Preferences for Long-Term Training

	<u>Disagree Strongly</u>	<u>Disagree Somewhat</u>	<u>Agree Somewhat</u>	<u>Agree Strongly</u>
Most dislocated workers in this SSA are not interested in long-term training	17.6%	34.3%	32.9%	15.2%
Dislocated workers in this SSA generally want immediate re-employment even if it means earning lower wages	16.2	38.8	34.0	11.0

Percentage of Substate Areas Reporting Being Influential by Dislocated Workers' Perceived Need for Immediate Income

	<u>Not Influential At All</u>	<u>Somewhat Influential</u>	<u>Quite Influential</u>	<u>Extremely Influential</u>
Influence of dislocated workers' need for immediate income on program design	3.6%	40.1%	38.5%	17.8%

Percentage of Substate Areas Focusing on Providing Long-Term Training

	<u>Percentage of Substate Areas</u>
Focused more on assisting workers to obtain rapid reemployment	22.2%
Focused more on providing longer-term training	37.6
Both about the same	40.2

- Coordinating with other agencies, either financially or nonfinancially, including the ES/UI system and schools.
- Recruiting participants from dislocated-worker specific sources, including rapid response and referrals from the ES/UI system.
- Not adopting a rapid reemployment orientation, focusing instead on longer-term training.

Other dimensions of the way EDWAA programs are organized are not necessarily more or less consistent with the legislation. Some may pose special challenges to providing responsive EDWAA services; others simply reflect differences in organization found in the site visits. These measures include:

- Integrating EDWAA and Title II-A services.
- Providing services in-house.
- Orienting the program toward economic development goals.
- Recruiting workers from community resources.
- Targeting dislocated workers with financial need or with barriers to employment.

The remainder of this chapter examines what influences the way substate areas organize and orient their EDWAA programs, including state EDWAA policies, characteristics of the local area, and characteristics of the substate area. In subsequent chapters we examine whether the way EDWAA programs are organized influences the types of clients served, the types and responsiveness of EDWAA services, and the outcomes achieved.

STATE POLICIES AND THEIR EFFECTS ON THE ORGANIZATION AND ORIENTATION OF SUBSTATE AREAS

We estimated the effects of state policies on substate organization and orientation, which are presented in Tables III-7 and III-8. The numbers in the tables represent the effects of each policy on each outcome. For example, as shown in Table III-7, the estimated effect of adopting the wage at placement as a standard or goal on the proportion of services provided in-house is 0.115. The proportion of services provided in-house ranges between 0 (no services provided in-house) to 1 (all services provided in-house). In substate areas in states with a wage rate standard or goal, the proportion of services provided in-house is .115 greater than in substate areas in states without this policy. Because this effect is large relative to its standard error (presented

in parentheses), it is statistically significant, as indicated by the stars next to the estimated effect in the table. Below we discuss the estimated effects of state allocation formulas, performance standards policies, discretionary funding, and other policies.

Allocation Formulas

States have considerable discretion in how they allocate EDWAA funds to their substate areas. Table III-6 shows the distribution of the weights placed on the six factors called for in the legislation. Clearly, the farmer/rancher hardship factor received relatively little emphasis in most states' allocation formulas: the median state placed a 4% weight on this factor. The median weights on the other factors are relatively similar to each other. However, several states placed relatively low weights on the plant closing and mass layoff factor and on the declining industry factor: a quarter of the states gave a 5% or lower weight to these factors, which measure the extent of current dislocation in each area, and seven states gave no weight to the plant closing and mass layoff factor. In our site visits, we found that several states placed low weights on the extent of current dislocation because they did not have data that accurately measured these factors.

In our site visits, we found that substate areas in states that allocated funds using a higher weight on the amount of unemployment in the area were more likely to have an imbalance of funds relative to their needs, suggesting that the unemployment rate per se is not a strong indicator of the amount of dislocation occurring in an area. Thus, we hypothesize that substate areas in states placing low weights on the extent of current dislocation—and thus higher weights on the unemployment rate or the number of long-term unemployed—may experience an imbalance of EDWAA funds relative to local need. As a result, substate areas in such states may be less able to implement EDWAA as intended.

Tables III-7 and III-8 present the estimated effects of placing higher weights on the amount of unemployment and on the number of long-term unemployed relative to the amount of current dislocation in the area.¹ Generally, the results confirm the hypothesis that allocation formulas that place less weight on the indicators of the

¹We summed the weights for insured unemployed and unemployment concentration to measure the emphasis on unemployment. Thus, we consider the sum of the weights on plant closings and mass layoffs, declining industries, and farmer/rancher hardship as the emphasis on current dislocations.

Table III-6
PERCENTAGE OF SUBSTATE AREAS REPORTING
VARIOUS FACTORS INFLUENCING PROGRAM DESIGN

	<u>Not Influential At All</u>	<u>Somewhat Influential</u>	<u>Quite Influential</u>	<u>Extremely Influential</u>
Federal and State Policies				
Federal policies encouraging retraining expenditures	8.7%	33.7%	40.1%	17.5%
State policies encouraging provision of longer-term training	30.3	41.6	22.4	5.8
Desire to Use Existing Systems				
Desire to use existing Title II-A service delivery system as much as possible	32.9	33.6	22.3	11.3
Desire to use existing dislocated worker service delivery system as much as possible	16.0	26.6	39.2	18.2
Desire to avoid duplication of ES services	18.8	27.5	35.4	18.3
Types of services proposed by service providers	24.9	35.5	29.2	10.4
Limited Options				
Limited occupational options that workers might be trained for in this area	13.5	32.0	33.4	21.2
Limited classroom retraining programs in this area	31.5	36.5	22.6	9.4

Table III-7

**ESTIMATED EFFECTS OF STATE POLICIES ON
SERVICE ORGANIZATION AND COORDINATION
(Standard Errors in Parentheses)**

State Policies	Service Organization			Extent of Coordination			
	Integration with Title II-A	Services Provided In-House	Percent of Large- Scale Layoffs with LMCs	Non-financial Coordination	Financial Coordination	Coordination with Schools	Coordination with ES/UI
Emphasis on long-term unemployed in allocation formula	0.002 (0.002)	0.002 (0.001)	-0.277 (0.198)	0.000 (0.001)	0.002 (0.002)	0.004 *** (0.001)	0.000 (0.001)
Emphasis on unemployment in allocation formula	0.003*** (0.001)	0.001 (0.001)	0.016 (0.112)	-0.001* (0.001)	0.000 (0.001)	0.000 (0.001)	0.000 (0.001)
Wage at placement as performance standard or goal	0.052 (0.037)	0.115*** (0.026)	-3.502 (3.641)	0.040** (0.019)	-0.002 (0.029)	0.021 (0.023)	0.006 (0.024)
Discretionary funds available from 10% or 40% funds	0.032 (0.044)	-0.043 (0.031)	5.298 (4.298)	-0.036 (0.022)	-0.005 (0.034)	0.006 (0.027)	-0.027 (0.028)
Specific technical assistance provided	-0.086** (0.038)	-0.031 (0.027)	0.640 (3.685)	0.012 (0.019)	-0.003 (0.030)	-0.007 (0.023)	0.007 (0.024)
Incentives for long-term training	-0.077* (0.043)	-0.010 (0.030)	-7.565* (4.196)	-0.025 (0.022)	-0.016 (0.033)	-0.032 (0.026)	0.060** (0.027)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Table III-8
ESTIMATED EFFECTS OF STATE POLICIES ON
ORIENTATION, RECRUITMENT, AND TARGETING
(Standard Errors in Parentheses)

	Orientation		Recruitment and Targeting		
	Oriented to Rapid Reemployment	Oriented to Economic Development	Recruit from Dislocated- Worker Sources	Recruit from Community Sources	Target Most in Need
State Policies					
Emphasis on long-term unemployed in allocation formula	0.002* (0.001)	0.000 (0.002)	0.000 (0.001)	0.001 (0.001)	0.001 (0.003)
Emphasis on unemployment in allocation formula	0.001 (0.001)	-0.001 (0.001)	-0.002*** (0.001)	0.000 (0.001)	-0.002 (0.002)
Wage at placement as performance standard or goal	0.005 (0.023)	-0.005 (0.039)	-0.010 (0.018)	0.006 (0.018)	0.117** (0.056)
Discretionary funds available from 10% or 40% funds	0.026 (0.027)	-0.033 (0.045)	-0.030 (0.021)	-0.027 (0.021)	0.013 (0.065)
Specific technical assistance provided	0.010 (0.024)	0.104*** (0.039)	-0.026 (0.018)	-0.015 (0.018)	0.046 (0.056)
Incentives for long-term training	-0.032 (0.027)	-0.025 (0.044)	0.013 (0.020)	0.008 (0.020)	-0.045 (0.063)

* Significant at the 0.10 level.
** Significant at the 0.05 level.
*** Significant at the 0.01 level.

amount of current dislocation make it more difficult for substate areas to implement EDWAA in ways that are consistent with the themes of the legislation. Specifically, substate areas in states that target more funds to areas with higher unemployment rates—rather than to areas with more current dislocations—tend to develop fewer nonfinancial coordination linkages and are less likely to recruit from dislocated-worker-specific sources, such as rapid response or the ES/UI system. These program features are apparently more relevant for recently laid-off workers.

Further, substate areas in states that emphasize unemployment in their allocation formulas are significantly more likely to integrate EDWAA services with their Title II-A programs. Although integration of services is not necessarily inappropriate, it poses greater challenges to addressing the specific needs of dislocated workers, as discussed above.

Substate areas in states with greater emphasis on the number of long-term unemployed—and thus less emphasis on the amount of dislocation—tend to focus more on rapidly reemploying their participants and less on providing longer-term training. It is likely that the long-term unemployed need more immediate income and have fewer resources to support themselves in longer-term training.

Performance Standards Policies

In our site visits, we found that performance standards have not received a great deal of emphasis in the EDWAA system as yet. Our review of PY 90 plans found that most states used only the federally required entered employment rate standard. Sixteen states adopted the wage rate at placement as a formal standard, and an additional five states adopted it as a goal. Two states used the follow-up employment rate as a standard; one of these also used the wage rate at follow-up as a performance standard for EDWAA. Only four states reward good performance on the EDWAA standards with incentive funds.

States' performance standards policies do influence some aspects of their substate areas' organization. Substate areas in states that have adopted the wage rate at placement as a standard or goal are significantly more likely to provide EDWAA services in-house, perhaps to retain greater control over the types of jobs in which participants are placed or for which they are retrained. Adoption of the wage rate standard is also associated with greater nonfinancial coordination between EDWAA and other agencies.

Surprisingly, substate areas in states adopting the wage rate standard are significantly more likely to have a policy targeting clients in greater financial need or with barriers to employment. As we discuss in the next chapter, adoption of the wage standard tends to reduce service to dropouts and those with lower reading skills, so it is possible that substate areas adopted a targeting policy to help counteract these adverse effects of the wage rate standard on the types of clients served.

Discretionary Funds

Most states reserved some funds for substate areas in need. About 60% of the states allocated only the 50% funds initially to substate areas and held back the 10% funds for substate areas in need. Further, 64% made some portion of the state's 40% set-aside available for discretionary allocations to substate areas needing additional funds. Whether states hold back 10% funds or set aside 40% funds for substate areas in need, however, does not significantly influence substate areas' organization.

Other State Policies

More than 85% of the states planned to provide technical assistance to their substate areas. All of these states established procedures for substate areas to receive assistance for particular problems as they arose, but half also provided statewide technical assistance—using workshops and newsletters—on specific issues, such as rapid response procedures, coordination, or developing appropriate services for dislocated workers.

Substate areas in states providing specific technical assistance were significantly less likely to integrate EDWAA and Title II-A services, perhaps because they received assistance in establishing a separate service delivery system. Substate areas in these states were also more likely to be influenced by the need for economic development in designing their programs.

The EDWAA legislation encourages governors to establish incentives for longer-term training. Although many state plans indicated that such incentives were under consideration, only eight provided incentives for PY 90. Substate areas in these states were less likely to integrate EDWAA and Title II-A services, perhaps because they established separate retraining services. These substate areas were less likely to establish labor-management committees for large-scale layoffs, perhaps because such committees are associated with an emphasis on early intervention and basic readjustment services, as we discuss in Chapter V. Further, incentives for longer-term

training were associated with greater coordination with the ES system. In several of our case studies, we found that the ES was given primary responsibility for basic readjustment services while the substate area concentrated on retraining, a pattern that may be encouraged with incentives for longer-term training.

EFFECTS OF LOCAL AREA CHARACTERISTICS

Unemployment and Extent of Dislocation

We expected that areas experiencing high levels of dislocation, and thus a greater demand for EDWAA services, would organize their programs more specifically for dislocated workers. Unfortunately, no nationwide data on the extent of dislocation are available to test this hypothesis. Thus, we used survey information about the number of large- and small-scale dislocations and nationwide data on unemployment and the percent of employment in manufacturing as proxies for the amount and types of dislocation facing substate areas.

As a measure of the extent of dislocation, we created a weighted average of the survey reports about the number of large- and small-scale layoffs that occurred in PY 90, relative to the size of the labor force. As shown in Tables III-9 and III-10, this measure of dislocation had only one significant effect on organization: contrary to expectations, substate areas experiencing larger numbers of dislocations were less likely to form labor-management committees. It is possible that areas experiencing numerous dislocations were not able to spend the time required to set up such committees for many of their layoffs. The relative incidence of large- versus small-scale dislocations had no significant influence on substate area organization or orientation.

As the results for state allocation policies suggest, the unemployment rate may not be a strong indicator of the amount of dislocation. Substate areas experiencing high rates of unemployment were significantly less likely to recruit participants from dislocated-worker-specific sources, such as rapid response or referrals from the ES/UI system. (As we discuss in the next chapter, these substate areas were much more likely to enroll the long-term unemployed.) High-unemployment areas were also more likely to focus on economic development needs in designing their EDWAA programs.

Because of the general decline in manufacturing jobs in the United States, the percent of employment in manufacturing is a proxy not only for the extent of current dislocation but also for areas that may have faced dislocations over long periods of time. Areas with a large proportion of employment in manufacturing are much more

likely to develop nonfinancial coordination with other agencies and to coordinate closely with both schools and the ES/UI system. Perhaps because of the coordination with ES/UI, such substate areas are also significantly more likely to recruit from dislocated-worker-specific sources. Thus, substate areas with high levels of manufacturing tend to organize their programs in several ways that are consistent with the themes of the EDWAA legislation.

Geographic Characteristics

Although we saw substantial differences in the organization of rural and urban sites in our case studies, it was not clear whether these differences were due to differences in the level of funding, the reemployment opportunities in the area, or the size of the geographic area served. When these other local factors are controlled for, the results presented in Tables III-9 and III-10 indicate that the population density of the area served has little influence on substate area organization or orientation. The only significant effect is that, relative to urban areas, rural areas are more likely to develop nonfinancial linkages with other agencies, perhaps to aid in serving relatively large geographic areas—more than 85% of the rural substate areas serve three or more counties. Consistent with this finding is that the substate areas with moderate population density that serve more than three counties are more likely to coordinate with the ES system than are other areas with moderate population density.

Area Earnings Levels

The level of earnings in the area significantly affects some aspects of organization. Areas with higher levels of earnings are significantly less likely to integrate EDWAA with their Title II-A program, probably because Title II-A services are less relevant for higher-wage dislocated workers. Areas with higher earnings tend to develop more financial coordination with other agencies and to recruit dislocated workers from dislocated-worker-specific sources. These higher-earnings substate areas, however, are more likely to focus on rapidly reemploying their participants rather than providing longer-term training. As we discuss in the next chapter, these substate areas are more likely to enroll higher-wage and higher-educated participants, who may not need substantial retraining to find new employment. The change in earnings between 1987 and 1990 does not significantly influence the organization or orientation of EDWAA services.

Table III-9

**ESTIMATED EFFECTS OF LOCAL AREA CHARACTERISTICS ON
SERVICE ORGANIZATION AND COORDINATION**
(Standard Errors in Parentheses)

	Service Organization			Extent of Coordination			
	Integration with Title II-A	Service Provided In-House	Percent of Large- Scale Layoffs with LMCs	Non-financial Coordination	Financial Coordination	Coordination with Schools	Coordination with ES/UI
Local Area Characteristics							
Unemployment rate in PY 90	-0.007 (0.009)	0.003 (0.006)	0.204 (0.841)	-0.001 (0.004)	0.002 (0.007)	0.000 (0.005)	-0.004 (0.005)
Percent of employment in manufacturing	0.002 (0.002)	0.000 (0.001)	0.168 (0.198)	0.005*** (0.001)	0.002 (0.002)	0.005*** (0.001)	0.003** (0.001)
Amount of dislocation (survey reported)	0.011 (0.024)	-0.013 (0.017)	-4.966* (2.539)	0.008 (0.013)	0.024 (0.019)	0.014 (0.015)	-0.008 (0.016)
Proportion of layoffs that are large-scale	-0.083 (0.070)	0.020 (0.049)	-8.053 (6.663)	0.003 (0.036)	-0.013 (0.054)	0.021 (0.042)	0.039 (0.044)
Low population density	0.041 (0.073)	-0.031 (0.051)	0.940 (7.146)	0.064* (0.037)	-0.015 (0.057)	0.068 (0.044)	0.035 (0.046)
Medium population density	0.013 (0.056)	-0.018 (0.039)	-1.563 (5.468)	0.019 (0.029)	0.009 (0.044)	0.028 (0.034)	-0.035 (0.035)
Areas with medium population density serving more than three counties	0.005 (0.051)	-0.045 (0.036)	7.532 (4.917)	0.034 (0.026)	0.011 (0.040)	0.042 (0.031)	0.070** (0.032)
Average earnings in 1990	-0.021*** (0.008)	0.000 (0.005)	-0.065 (0.737)	0.006 (0.004)	0.010* (0.006)	-0.001 (0.005)	0.004 (0.005)
Earnings growth between 1987 and 1990	0.004 (0.004)	0.003 (0.003)	0.270 (0.401)	-0.001 (0.002)	-0.001 (0.003)	-0.003 (0.002)	0.003 (0.003)

* Significant at the 0.10 level. ** Significant at the 0.05 level. *** Significant at the 0.01 level.

Table III-10
ESTIMATED EFFECTS OF LOCAL AREA CHARACTERISTICS ON
ORIENTATION, RECRUITMENT, AND TARGETING
(Standard Errors in-Parentheses)

	Orientation		Recruitment and Targeting		
	Oriented to Rapid Reemployment	Oriented to Economic Development	Recruit from Dislocated- Worker Sources	Recruit from Community Sources	Target Most in Need
Local Area Characteristics					
Unemployment rate in PY 90	0.009 (0.005)	0.033*** (0.009)	-0.009** (0.004)	0.006 (0.004)	-0.007 (0.013)
Percent of employment in manufacturing	0.000 (0.001)	0.003 (0.002)	0.002** (0.001)	0.000 (0.001)	-0.001 (0.003)
Amount of dislocation (survey reported)	0.015 (0.016)	0.028 (0.026)	0.013 (0.012)	0.001 (0.012)	0.029 (0.037)
Proportion of layoffs that are large-scale	-0.043 (0.044)	0.028 (0.072)	0.051 (0.033)	-0.034 (0.033)	-0.063 (0.103)
Low population density	-0.009 (0.046)	-0.002 (0.076)	0.001 (0.034)	-0.009 (0.035)	-0.088 (0.108)
Medium population density	-0.035 (0.035)	-0.060 (0.058)	0.003 (0.026)	-0.012 (0.027)	-0.116 (0.083)
Areas with medium population density serving more than three counties	0.045 (0.032)	0.029 (0.053)	0.012 (0.024)	0.017 (0.024)	0.059 (0.075)
Average earnings in 1990	0.012** (0.005)	0.001 (0.008)	0.009** (0.004)	-0.001 (0.004)	-0.004 (0.011)
Earnings growth between 1987 and 1990	-0.001 (0.003)	-0.003 (0.004)	0.000 (0.002)	-0.001 (0.002)	0.001 (0.006)

* Significant at the 0.10 level. ** Significant at the 0.05 level. *** Significant at the 0.01 level.

EFFECTS OF CHARACTERISTICS OF THE SUBSTATE AREA

Experience with Dislocated Workers

About three-quarters of the EDWAA substate areas had received funds from the previous Title III program, either through allocations (61%) or for special projects only (14%). These more experienced substate areas may be more likely to organize their programs in ways more consistent with the legislation because their own experience may have shown that those features were beneficial. Further, EDWAA is a complex law, and substate areas with previous experience may have been better able to implement all its provisions more rapidly than those serving dislocated workers for the first time. Alternatively, experienced substate areas may have been less likely to respond to new features in the EDWAA legislation than those implementing dislocated worker programs for the first time under EDWAA.

The results in Tables III-11 and III-12 indicate that experienced substate areas are much more likely to integrate their EDWAA and Title II-A programs than are substate areas that first delivered services to dislocated workers under EDWAA. This integration of services is likely to be a holdover from their previous design, where the smaller size of the Title III program or the instability of funding may have made it more difficult to establish an entirely new service delivery system for Title III than for EDWAA. Substate areas with previous experience with the Title III program are also more likely to provide services in-house, again perhaps a holdover from their Title III organization.

There is also evidence that more experienced substate areas organized other aspects of their programs in ways consistent with the EDWAA legislation. Such substate areas are significantly more likely to form labor-management committees for large-scale layoffs and are more likely to establish financial and nonfinancial coordination linkages with other agencies.

The survey also asked how many of the local service providers had experience in serving dislocated workers. Not surprisingly, areas where the local service providers had little such previous experience were more likely to provide services in-house and less likely to contract with multiple agencies for the delivery of EDWAA services.

EDWAA Funding

As discussed above, because most states funded all their Title II-A SDAs to provide EDWAA services, many substate areas received relatively low levels of

Table III-11
ESTIMATED EFFECTS OF SUBSTATE AREA CHARACTERISTICS ON
SERVICE ORGANIZATION AND COORDINATION
(Standard Errors in Parentheses)

Substate Area Characteristics	Service Organization			Extent of Coordination			
	Integration with Title II-A	Service Provided In-House	Percent of Large-Scale Layoffs with LMCs	Non-financial Coordination	Financial Coordination	Coordination with Schools	Coordination with ES/UI
Whether SSA had previous experience under Title III	0.176*** (0.040)	0.049* (0.028)	9.099** (3.831)	0.033* (0.020)	0.064** (0.031)	0.031 (0.024)	0.006 (0.025)
Extent that service providers had experience under Title III	-0.062 (0.078)	-0.227*** (0.054)	8.975 (7.455)	-0.024 (0.039)	0.102* (0.060)	-0.030 (0.046)	0.002 (0.048)
Total funds less than \$250,000 in PY 90	0.075 (0.051)	0.099*** (0.036)	-1.220 (4.959)	-0.021 (0.026)	-0.052 (0.040)	-0.031 (0.031)	0.002 (0.032)
Total funds \$250,000 to \$750,000 in PY 90	0.076* (0.046)	0.088*** (0.032)	-0.358 (4.480)	-0.023 (0.024)	-0.030 (0.036)	-0.026 (0.028)	-0.031 (0.029)
Discretionary funds as a percent of total funds	0.083 (0.078)	0.169*** (0.054)	19.216** (7.603)	0.082** (0.040)	-0.071 (0.061)	0.016 (0.047)	0.061 (0.049)
Ratio of EDWAA to Title II-A expenditures	0.020 (0.202)	-0.164 (0.142)	2.687 (19.570)	-0.087 (0.104)	0.018 (0.158)	0.008 (0.123)	-0.279** (0.127)
Extent had difficulty meeting expenditure requirements	0.061 (0.072)	-0.064 (0.051)	-11.814* (7.015)	-0.087** (0.037)	0.061 (0.057)	-0.077* (0.044)	-0.069 (0.046)
Extent that design influenced by:							
Federal and state retraining policies	-0.181* (0.099)	-0.044 (0.068)	0.995 (9.380)	0.148*** (0.050)	0.009 (0.076)	0.180*** (0.059)	0.054 (0.061)
Desire to use existing systems	0.205* (0.120)	-0.017 (0.083)	1.807 (11.565)	0.153** (0.061)	0.123 (0.093)	0.088 (0.072)	0.227*** (0.075)
Limited opportunities	-0.186** (0.091)	0.024 (0.062)	-16.077** (8.535)	-0.034 (0.045)	-0.234*** (0.069)	-0.135** (0.053)	-0.099* (0.055)

* Significant at the 0.10 level. ** Significant at the 0.05 level. *** Significant at the 0.01 level.

Table III-12
ESTIMATED EFFECTS OF SUBSTATE AREA CHARACTERISTICS ON
ORIENTATION, RECRUITMENT, AND TARGETING
(Standard Errors in Parentheses)

	Orientation		Recruitment and Targeting		
	Oriented to Rapid Reemployment	Oriented to Economic Development	Recruit from Dislocated- Worker Sources	Recruit from Community Sources	Target Most in Need
Substate Area Characteristics					
Whether SSA had previous experience under Title III	0.031 (0.025)	-0.005 (0.041)	-0.019 (0.018)	-0.001 (0.019)	0.006 (0.058)
Extent that service providers had experience under Title III	0.022 (0.048)	-0.072 (0.080)	-0.017 (0.036)	0.040 (0.036)	0.003 (0.113)
Total funds less than \$250,000 in PY 90	-0.049 (0.032)	0.076 (0.053)	-0.045* (0.024)	0.021 (0.024)	-0.062 (0.076)
Total funds \$250,000 to \$750,000 in PY 90	-0.031 (0.029)	0.096** (0.048)	-0.024 (0.022)	0.019 (0.022)	-0.062 (0.069)
Discretionary funds as a percent of total funds	-0.008 (0.049)	0.003 (0.081)	-0.004 (0.036)	0.075** (0.037)	0.000 (0.115)
Ratio of EDWAA to Title II-A expenditures	-0.192 (0.127)	0.001 (0.210)	-0.073 (0.095)	0.028 (0.096)	0.229 (0.300)
Extent had difficulty meeting expenditure requirements	0.087* (0.045)	-0.006 (0.075)	-0.104*** (0.034)	0.031 (0.034)	-0.186* (0.107)
Extent that design influenced by:					
Federal and state retraining policies	-0.139** (0.061)	-0.054 (0.101)	0.036 (0.045)	0.021 (0.046)	0.042 (0.144)
Desire to use existing systems	0.127* (0.074)	0.517*** (0.123)	0.077 (0.056)	0.183*** (0.056)	0.313* (0.176)
Limited opportunities	0.183*** (0.055)	0.120 (0.091)	-0.001 (0.041)	-0.058 (0.042)	0.025 (0.130)

* Significant at the 0.10 level. ** Significant at the 0.05 level. *** Significant at the 0.01 level.

funding. Concerns were raised that substate areas receiving low levels of funds would not be able to develop a complete service delivery system for dislocated worker programs.

The results in Tables III-11 and III-12 indicate that the total level of funding for PY 90 had relatively modest effects on the way substate areas organize their programs. Consistent with our case study findings, substate areas receiving more than \$750,000 in total funding (the 75th percentile) were less likely to integrate their services with Title II-A services and less likely to provide services in-house than were substate areas receiving either moderate or small levels of EDWAA funding. Large substate areas were also less likely than other substate areas to be oriented toward economic development goals.

Further, substate areas receiving \$250,000 or less (the 25th percentile) in total funds were less likely to recruit participants from dislocated-worker specific sources than were areas receiving large-scale funding. The level of funding, however, did not significantly affect other aspects of organization, such as coordination or the use of labor-management committees.

The proportion of funding from discretionary sources (40% funds or 10% funds held in reserve) is associated with several aspects of organization. Substate areas that receive a high proportion of funds from discretionary sources were significantly more likely to provide services in-house. Discretionary funds are often awarded in response to a specific large-scale layoff, and substate areas may find it easier to respond quickly by providing services in-house rather than going through the sometimes time-consuming process of contracting for services for a specific layoff.

Substate areas with a large proportion of discretionary funding were also substantially more likely to form labor-management committees. In our case studies, we found that labor-management committees were more frequent in very large-scale layoffs, which often received discretionary funding. Such substate areas were also more likely to establish nonfinancial linkages with other agencies. In our case studies, we found that other agencies, particularly the ES system, were often involved in responding to large-scale layoffs. Surprisingly, substate areas receiving a high proportion of their funds from discretionary sources were somewhat more likely to recruit dislocated workers from general community sources, such as referrals from their service providers and general media announcements, than were other substate areas.

They were not, however, appreciably less likely to recruit from dislocated-worker-specific sources; they seemed to recruit from a wider range of sources.

Another measure of the size of the EDWAA program is the ratio of EDWAA expenditures to Title II-A expenditures for PY 90. Substate areas where the EDWAA program was large relative to the Title II-A program were less likely to coordinate with the ES system, perhaps because they could afford to fund basic readjustment services through EDWAA rather than coordinating with ES for such services.

The survey asked the extent that substate areas were having trouble meeting their overall expenditure requirement. Substate areas having difficulty expending their funds were much less likely to organize their programs to address the themes of the legislation. Specifically, substate areas having trouble meeting their expenditure requirements were: (a) less likely to establish nonfinancial linkages and coordinate with schools, (b) significantly less likely to recruit from dislocated-worker-specific sources, and (c) more likely to focus on rapid reemployment rather than longer-term training.

The evidence presented in this and subsequent chapters indicates that the extent to which substate areas had difficulty expending their funds is more than an indicator of having excess funds. These substate areas have much less well-developed programs for dislocated workers than do those having less trouble meeting their expenditure requirements.

Reported Influences on Program Design

Some factors that are likely to influence program design are difficult to measure objectively, such as the availability of training providers in the area. Further, federal policies do not vary among substate areas, so their influence cannot be estimated directly. In the survey, we asked respondents to report on how much influence various factors had in the design of their EDWAA programs. Although these responses are subjective, the association between the factors that directors report influenced their choices and the way they designed their programs gives some suggestive evidence about the effects of those factors.

Substate areas that reported being influenced by federal and state retraining policies were much less likely to focus on rapid reemployment of their participants. These substate areas were also more likely to establish separate EDWAA service delivery systems rather than integrate those services with their Title II-A programs. Substate areas influenced by state and federal retraining policies were substantially

more likely to develop nonfinancial coordination linkages and to coordinate with schools. In general, areas that reported being influenced by federal and state retraining policies were more likely to have organized and oriented their programs to be consistent with the legislation.

Other substate areas reported that a desire to use existing systems—including the Title II-A program, ES, and existing programs from their providers—was very influential in the design of their EDWAA programs. The desire to make use of existing systems is reflected in their organization and orientation. Such substate areas were significantly more likely to integrate EDWAA with Title II-A services, develop nonfinancial coordination linkages with other agencies, and coordinate with the ES program. Perhaps because of their greater integration with Title II-A, these substate areas were significantly more likely to target individuals with financial need or barriers to employment and to recruit dislocated workers from general community sources. Substate areas that reported being influenced by a desire to use existing systems were significantly more likely to focus on economic development goals and on rapid reemployment of participants rather than longer-term training.

Another set of substate areas reported that their design of EDWAA was strongly influenced by the limited number of occupations for which workers could be retrained and/or the limited number of retraining programs in their area. These substate areas were less likely to have established coordination linkages with the ES and schools and to contract with several types of service providers. These areas were also less likely to integrate EDWAA services with Title II-A. Further, substate areas facing limited opportunities for retraining and limited occupations were significantly more likely to focus on rapidly reemploying participants rather than on longer-term training.

SUMMARY AND CONCLUSIONS

Several state policies affected how substate areas organized their programs, including:

- Allocation formulas. Substate areas in states that emphasize the amount of current dislocation were more likely to coordinate and recruit from dislocated-worker-specific sources. These substate areas were also less likely to integrate EDWAA and Title II-A services.
- Adoption of the wage rate standard, which encourages coordination and targeting to those most in need (perhaps to

counteract unintended effects on clients, as discussed in Chapter IV).

- Incentives for longer-term training, which increase coordination and reduce integration of services with Title II-A. These incentives also reduce the use of labor-management committees, perhaps because such committees tend to emphasize basic readjustment services.
- Technical assistance, which reduces integration with Title II-A services and increases the focus on economic development goals.

Characteristics of the local area had less influence than expected on the design of EDWAA services:

- The differences in organization between urban and rural areas are relatively minor: rural areas and other areas serving more than three counties were somewhat more likely to coordinate services with other agencies.
- Indicators of the extent of dislocation—such as survey reports on the number of large- and small-scale dislocations and the unemployment rate—also had relatively few effects on the organization of EDWAA programs.
- The percentage of employment in manufacturing had substantially greater impact. High manufacturing areas, which may have had more past as well as current dislocations, were more likely to coordinate services with both the schools and ES and more likely to recruit from dislocated-worker-specific sources.
- Higher-wage areas were more likely to recruit from dislocated-worker-specific sources and to provide distinct rather than integrated services. They were more likely, however, to adopt a rapid reemployment focus, perhaps because higher-wage workers need less longer-term training.

Characteristics of the substate area itself had mixed effects on the organization of EDWAA services:

- Substate areas with less funding were more likely to integrate EDWAA and Title II-A services and to provide services in-house. Otherwise, the amount of total funding had little influence on EDWAA organization.
- The proportion of funding from discretionary sources was associated with greater use of labor-management committees

and greater coordination, both of which we found to be more common in special projects that received discretionary funding.

- Although we cannot measure the effects of federal policies directly (because they do not vary across areas), substate areas that reported being influenced by federal and state retraining policies were more likely to coordinate services and to focus on longer-term training rather than on rapid reemployment.
- Substate areas influenced by a desire to use existing systems were more likely to coordinate with other programs, integrate EDWAA and Title II-A services, and recruit from general community resources. Those influenced by limited occupational or retraining opportunities in their area were generally less likely to organize their programs in these ways. Both types of substate areas, however, tended to adopt a rapid reemployment focus.
- Substate areas that had difficulty meeting their expenditure requirement were less likely to organize their programs in ways consistent with the legislation: they were less likely to use labor-management committees, coordinate services, and recruit from dislocated-worker-specific sources, and were more likely to focus on rapid reemployment.

Overall, the results indicate that external factors—such as population density, geographic size, amount of dislocation, and size of funding—do not preclude organizing EDWAA services in ways that are consistent with the EDWAA legislation. State policies can have an important influence on substate areas' organization. Further, substate areas that report being influenced by federal policies tend to organize their programs in ways consistent with the legislation. These results, therefore, point out the importance of state and federal leadership in the EDWAA program.

IV CLIENTS SERVED

Several policy questions are addressed in this review of the characteristics of the clients served under EDWAA. To examine whether substate areas serve a broad range of dislocated workers, we reviewed (1) whether substate areas serve both workers dislocated from substantial layoffs or closures and workers from smaller-scale layoffs, and (2) whether substate areas serve both recently laid-off dislocated workers and longer-term unemployed workers. We also examine whether substate areas are serving dislocated workers with identified barriers to reemployment, such as limited formal education, limited basic skills, and the difficulties facing older job seekers, as well as more highly educated workers dislocated from high-skill, high-wage occupations. Because we do not have information on the characteristics of eligible dislocated workers in the local area, however, we cannot determine whether substate areas are enrolling a representative mix of clients.

We then examine the factors that influence the types of dislocated workers enrolled in EDWAA. Some of these are exogenous factors, such as local economic conditions and substate area characteristics, that are outside policy or program control. Others, such as state and substate policy and program variables, can be altered or amended if they are not bringing about the desired effects.

DESCRIPTION OF EDWAA CLIENTS

Eligibility Categories

Individuals may qualify for EDWAA services under three primary eligibility categories: (1) workers from substantial layoffs or permanent closures, (2) individuals laid off and unlikely to return to their previous industry or occupation, and (3) long-term unemployed workers with limited opportunities for employment in the same or a similar occupation. The first two categories tend to be used for recently dislocated workers, while the third category tends to be used for workers who have been out of work for a longer period. Self-employed workers, including farmers and ranchers, may also be eligible for substate EDWAA services if they are unemployed because of general economic conditions.

As shown in Table IV-1, most substate areas served dislocated workers from several of the major eligibility categories. The two most frequently used eligibility

Table IV-1

**PERCENTAGE OF SUBSTATE AREAS ENROLLING VARIOUS
PERCENTAGES OF DISLOCATED WORKERS UNDER
DIFFERENT ELIGIBILITY CATEGORIES**

Eligibility Category	Percentage of Clients Enrolled:				
	0%	1 to 25%	26 to 50%	51 to 75%	76 to 100%
Laid off from a substantial layoff or permanent closure	1.0	22.7	36.8	26.4	13.1
Laid off and unlikely to return to their previous industry or occupation	0.2	29.3	38.2	21.4	12.8
Long-term unemployed with limited opportunities for employment in the same or a similar occupation	5.1	57.4	27.9	8.1	1.5
Self-employed (including farmers and ranchers)	39.9	58.7	1.1	0	0.3
Displaced homemakers	51.1	47.4	1.6	0	0

categories were "laid off from substantial layoff or permanent closure" and "laid off and unlikely to return to their previous industry or occupation." However, few substate areas focused their services on just one of these groups. Workers dislocated from substantial layoffs comprised more than 75% of participants in 13% of substate areas; workers laid off and unlikely to return to their previous occupation were more than 75% of participants in another 13% of substate areas. In most substate areas, long-term unemployed comprised no more than 25% of participants; they were more than 50% of participants in only a tenth of substate areas. In addition, most substate areas served some self-employed, and nearly half served some displaced homemakers. Thus, most SDAs served primarily workers from recent layoffs (either substantial or not), but also served individuals from the other eligibility categories.

Although the eligibility categories are established by the EDWAA legislation, substate areas use a variety of criteria to operationalize eligibility, often based on state EDWAA policies. As shown in Table IV-2, many substate areas (86%) use the Worker Readjustment and Retraining Notification Act (WARN) definition of substantial layoff. Other, generally less restrictive definitions are used by 39% of substate areas either instead of or in addition to the WARN definition. Sixty percent of substate areas place further restrictions on this eligibility category, such as excluding temporary employees, requiring a specific length of service at the plant, and requiring the layoff to be relatively recent (e.g., within the previous two years).

We anticipated that substate areas using more restrictive criteria for the substantial layoff category might enroll fewer dislocated workers under that category. In fact, such substate areas served more workers from substantial layoffs. These areas may have developed their more restrictive criteria to ration scarce resources.

To be eligible for EDWAA, workers affected by smaller-scale layoffs must qualify as "laid off and unlikely to return to their previous industry or occupation." As shown in Table IV-3, 70% required evidence that the individual EDWAA applicant was unlikely to return to the previous occupation, such as being unemployed for a specific period of time or having conducted an unsuccessful job search. Additionally, some substate areas limited eligibility under this category to workers from relatively

Table IV-2

CRITERIA USED TO DEFINE "LAID OFF FROM SUBSTANTIAL LAYOFF OR PERMANENT PLANT CLOSURE"

Eligibility Requirements	Percentage of Substate Areas
Affected by Substantial Layoff	
Layoff met WARN definition of substantial layoff	86.1
Layoff met other definition of substantial layoff	39.2
Other Requirements	
Applicant was employed at plant for a specific length of time	9.7
Applicant was a regular employee (not temporary)	54.3
Layoff occurred within a certain length of time before application	24.1
Other	15.1

Table IV-3
**CRITERIA USED TO DEFINE "LAID OFF AND UNLIKELY
 TO RETURN TO PREVIOUS INDUSTRY OR OCCUPATION"**

Eligibility Requirements	Percentage of Substate Areas
Report of Layoff from Previous Employer	88.8
Additional Requirements Applied to Individual Applicant	
Laid off within a specified time period	46.1
Evidence of unsuccessful job search	40.4
Unemployed for at least a specific period of time	50.6
Requirements Applied to Layoff Occupation	
Previous industry or occupation is on list of declining or non-demand jobs	70.8
Employers report that work is not available in previous industry or occupation	45.1
Other Requirements	23.3

recent layoffs. Nearly 80% of the substate areas required that the layoff occupation be on a list of declining or non-demand occupations or industries or be one for which work was not available according to local employers.

To be eligible for EDWAA, long-term unemployed workers must have "limited opportunities for employment in the same or a similar occupation." As shown in Table IV-4, nearly all substate areas (94%) defined long-term unemployment as being unemployed for at least 15 of the 26 weeks before applying for EDWAA services. Three-quarters of the substate areas required evidence that the individual applicant had limited opportunities for reemployment in the same occupation, based on criteria like the exhaustion of UI benefits, documentation of a recent unsuccessful job search, and/or employment during a specified time period. Some substate areas used an unstable work history as evidence that the individual had limited opportunities. Three-quarters of the substate areas required that the layoff job be on a list of declining or non-demand occupations or industries, have few ES listings, or have little available work according to local employers.

Characteristics of EDWAA Terminees

The types of dislocated workers served by substate areas vary widely, as shown in Table IV-5, which presents the distribution of characteristics of EDWAA terminees, derived from the PY 90 WAPR.

UI Claimants. Service to UI claimants is one measure of whether the substate area emphasizes recently dislocated workers. As shown in Table IV-5, virtually all substate areas served a substantial number of UI claimants. Ninety percent of the substate areas served more than 31%, and an average of 56% of EDWAA terminees were UI claimants in PY 90. Substate areas that frequently used the "substantial layoff" and "laid off and unlikely to return" eligibility categories were also more likely to enroll UI claimants.

Long-Term Unemployed. One-third of terminees had been unemployed 15 weeks or more before they entered the program. Although many substate areas served substantial numbers of these long-term unemployed, some served relatively few. For example, in a quarter of substate areas fewer than 20% of terminees were unemployed for 15 weeks or more. Substate areas that frequently enrolled dislocated workers using the "long-term unemployed" eligibility category were more likely to enroll high

Table IV-4

CRITERIA USED TO DEFINE "LONG-TERM UNEMPLOYED WITH LIMITED OPPORTUNITIES FOR EMPLOYMENT IN SAME OR SIMILAR OCCUPATION"

Eligibility Requirements	Percentage of Substate Areas
Length of Time Unemployed	
15 or more of the past 26 weeks	93.5
Some other period of time	6.3
Additional Requirements Applied to Individual Applicant	
Employed at some time within a specified time period	19.3
Evidence of unsuccessful job search	46.4
Evidence of recent unstable work history	22.2
Applicant is UI exhaustee	54.6
Requirements Applied to Layoff Occupation	
Previous industry or occupation is on list of declining or non-demand jobs	62.8
Employers report that work is not available in previous industry or occupation	33.3
Few ES listings for previous occupation or industry	46.1
Other Requirements	8.5

Table IV-5
DISTRIBUTION OF CHARACTERISTICS OF EDWAA TERMINEES
AMONG SUBSTATE AREAS
(From 1990 WAPR)

	<u>Value at 10th Percentile</u>	<u>Value at 25th Percentile</u>	<u>Median/ Mean Value</u>	<u>Value at 75th Percentile</u>	<u>Value at 90th Percentile</u>
Percent of Terminees Who Were:					
UI Claimants	31	43	56/56	69	80
Unemployed 15+ Weeks	11	20	32/33	44	59
High School Dropouts	5	8	12/14	18	26
High School Graduation Only	32	42	53/52	61	67
At Least Some Post-High School	15	22	32/35	44	58
College Graduates ¹	0	2	5/8	11	20
Reading Below 7th Grade Level	2	4	8/10	13	25
Over 55 Years of Age	2	4	7/8	10	14
Mean Pre-Program Hourly Wage	\$5.55	\$6.94	\$8.22	\$9.74	\$11.38

¹ This is a subset of the group with at least some post-high school education.

proportions of individuals unemployed 15 or more weeks, because this reporting item was frequently used to define long-term unemployment for eligibility.

Education. The educational levels of EDWAA terminees vary substantially among substate areas. On average, 14% of substate EDWAA terminees had not completed high school at the time of EDWAA enrollment, 52% had completed high school but not completed any post-high-school education, and 35% had attended some post-high-school institution. The subset of post-high-school attendees who were college graduates averaged 8% of EDWAA terminees.

Limited Basic Skills. Individuals reading at less than the 7th grade level averaged 10% of all EDWAA terminees in PY 90. Thus, for most substate areas, dislocated workers with very limited basic skills constituted a small percentage of the EDWAA population. A small number of substate areas, however, had large concentrations of dislocated workers with very limited basic skills.

Older Workers. Substate areas also vary in the extent to which they serve older dislocated workers, another group that is likely to experience difficulty in obtaining reemployment. Workers over 55 years old averaged 7% of all EDWAA terminees in PY 90.

Preprogram Wage. The average preprogram hourly wage of EDWAA participants was \$8.22, but there was wide variation among substate areas. A quarter of substate areas had average preprogram wages above \$9.74, while another quarter had average preprogram wages below \$6.94. Substate areas that serve dislocated workers with wages averaging less than \$8.00 per hour serve substantially more longer-term unemployed workers than do substate areas with higher average preprogram wage rates.

HOW STATE POLICIES AFFECTED CLIENTS SERVED

Substate Allocation Formulas

We anticipated that state allocation formulas would influence the types of dislocated workers served at the substate level (1) by affecting the extent to which funding levels matched the level of substate need and (2) by encouraging substate areas to enroll higher proportions of the type of dislocated workers receiving most weight in the formula.

These hypotheses are consistent with the findings presented in Table IV-6. State formulas that emphasize the extent of recent dislocation increased service to workers from substantial layoffs. Furthermore, substate areas in states with substate allocation formulas emphasizing the overall level of unemployment—rather than the level of current dislocation—serve a lower proportion of UI claimants. Finally, substate areas in states with formulas emphasizing the long-term unemployed serve a higher proportion of workers unemployed 15 weeks or longer.

Thus, if states want to encourage services to recently laid-off workers, particularly workers from substantial layoffs, they should explore ways to distribute EDWAA funding in response to the amount of dislocation at the substate level (e.g., using factors such as the number of jobs lost in declining industries or the numbers of workers displaced through large-scale layoffs).

Formulas that emphasize the level of unemployment rather than the level of dislocation also increase the extent to which substate areas enroll dislocated workers with lower previous wages and those over 55 years of age, as shown in Table IV-7.

Wage Rate Performance Standards

States with wage rate performance goals or standards are attempting to encourage substate areas to achieve high-quality reemployment for EDWAA participants. However, the use of wage rate performance goals has several unintended effects that reduce services to dislocated workers with substantial employment barriers. As shown in Table IV-6, wage rate standards or goals decrease the enrollment of those reading below the 7th grade level, decrease the proportion of high school dropouts, increase the proportion of EDWAA enrollees who have high school degrees, and increase enrollment of those with high preprogram wages. One reason for these unintended effects may be that only half of the states that implemented wage rate performance goals or standards adjusted those standards for client characteristics.

Discretionary Funds

We hypothesized that state policies that reserve 10% or 40% funds for discretionary grants to substate areas with unmet needs would increase the substate capacity to respond to large-scale dislocations and would be associated with increased levels of service to workers from substantial layoffs. Table IV-6, however, shows that the availability of discretionary funds does not significantly affect the extent to which

Table IV-6

**ESTIMATED EFFECTS OF STATE POLICIES ON TYPES OF CLIENTS SERVED:
ELIGIBILITY CATEGORIES AND REGENCY OF LAYOFF
(Standard Errors in Parentheses)**

State Policies	Eligibility Category			Recency of Dislocation	
	Unlikely to Return	Long-Term Unemployed	Substantial Layoff	UI Claimant	Unemployed 15 Weeks or More
Emphasis on long-term unemployed in allocation formula	-0.012 (0.158)	0.055 (0.118)	-0.370** (0.148)	0.007 (0.108)	0.267** (0.106)
Emphasis on unemployment in allocation formula	-0.029 (0.092)	-0.071 (0.069)	-0.170** (0.086)	-0.227*** (0.065)	-0.097 (0.065)
Wage at placement as performance standard or goal	1.306 (2.875)	-0.935 (2.148)	-3.473 (2.680)	-1.069 (2.001)	-1.056 (1.971)
Discretionary funds available from 10% or 40% funds	1.681 (3.308)	-3.818 (2.465)	1.864 (3.101)	3.558 (2.325)	3.408 (2.290)
Specific technical assistance provided	0.102 (2.896)	-4.090* (2.158)	3.991 (2.713)	4.426** (2.033)	-6.894*** (2.003)
Incentives for long-term training	0.167 (3.422)	-3.719 (2.581)	1.241 (3.197)	-0.931 (2.397)	-3.831 (2.362)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Table IV-7

**ESTIMATED EFFECTS OF STATE POLICIES ON TYPES OF CLIENTS SERVED:
EDUCATION, BARRIERS TO EMPLOYMENT, AND PREVIOUS WAGE
(Standard Errors in Parentheses)**

State Policies	Education Level			Other Barriers		Previous Wage Rate
	Dropout	High School or Some College	College Degree	Reading Below 7th Grade Level	Age > 55	
Emphasis on long-term unemployed in allocation formula	0.063 (0.052)	-0.012 (0.057)	-0.034 (0.044)	0.052 (0.060)	0.020 (0.031)	-0.005 (0.011)
Emphasis on unemployment in allocation formula	0.042 (0.031)	-0.035 (0.035)	0.011 (0.026)	0.007 (0.036)	0.054*** (0.018)	-0.020*** (0.007)
Wage at placement as performance standard or goal	-2.473** (0.958)	2.015* (1.061)	0.464 (0.814)	-2.943*** (1.115)	-0.715 (0.566)	0.529** (0.213)
Discretionary funds available from 10% or 40% funds	1.086 (1.114)	-3.895*** (1.234)	2.685*** (0.951)	2.630** (1.296)	0.885 (0.658)	0.617** (0.245)
Specific technical assistance provided	-0.649 (0.974)	-0.544 (1.079)	1.108 (0.829)	0.954 (1.133)	0.253 (0.576)	0.181 (0.217)
Incentives for long-term training	3.679*** (1.148)	-4.917*** (1.273)	1.172 (0.964)	4.213*** (1.336)	0.792 (0.679)	0.379 (0.255)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

The three education level models were not based on the same samples because of data errors in a few SDAs.

substate areas use different eligibility categories or the proportion of UI claimants or longer-term unemployed workers enrolled.

The availability of discretionary grants to substate areas with unmet needs influences the characteristics of EDWAA enrollees in several diverse ways, as shown in Table IV-7. It increases service to higher-wage workers and to college graduates, while reducing service to high school graduates. This effect may be due to the highly educated workers affected by large-scale economic dislocation occurring during PY 90 (e.g., aerospace and defense industry downsizing). On the other hand, it also increases the proportion of enrollees reading below the 7th grade level, perhaps because these workers need more intensive services than could be funded through discretionary sources.

Other State Policies

Some states attempt to influence the design of substate EDWAA services through such means as providing financial incentives for longer-term training or providing technical assistance to substate areas on EDWAA issues.

As shown in Table IV-6, structured state technical assistance increases the emphasis on recently laid-off workers as measured by an increased share of substate services to UI claimants, a reduction in the proportion of individuals enrolled using the "long-term unemployed" eligibility category, and a reduction in the proportion of EDWAA clients unemployed 15 weeks or more at enrollment.

State financial incentives for the provision of longer-term training also influenced substate areas to serve higher proportions of high school dropouts and individuals reading below the 7th grade level, clients for whom long-term training may be particularly appropriate.

HOW LOCAL AREA CHARACTERISTICS AFFECTED CLIENTS SERVED

Extent of Dislocation

The findings shown in Tables IV-8 and IV-9 generally support the hypothesis that substate areas with high levels of dislocation would emphasize services to recently laid-off workers, particularly those from substantial layoffs. Substate areas with higher overall dislocation (as reported in the survey) tend to enroll a lower proportion of workers who have been unemployed 15 weeks or more, and to use the "long-term unemployed" eligibility category less frequently. Furthermore, substate areas with a

Table IV-8

**ESTIMATED EFFECT OF LOCAL AREA CHARACTERISTICS ON TYPES OF CLIENTS SERVED:
ELIGIBILITY CATEGORIES AND RECENCY OF LAYOFF
(Standard Errors in Parentheses)**

Local Area Characteristics	Eligibility Category			Recency of Dislocation	
	Unlikely to Return	Long-Term Unemployed	Substantial Layoff	UI Claimant	Unemployed 15 Weeks or More
Unemployment rate in PY 90	-0.023 (0.705)	1.722*** (0.523)	-0.245 (0.657)	-0.744 (0.500)	1.006** (0.492)
Percent of employment in manufacturing	0.375** (0.160)	-0.062 (0.122)	0.486*** (0.150)	0.274** (0.113)	0.113 (0.111)
Amount of dislocation (survey reported)	1.006 (1.868)	-2.485* (1.381)	2.268 (1.771)	0.285 (1.467)	-3.066** (1.445)
Proportion of layoffs that are large-scale	-1.876 (5.338)	-5.795 (4.071)	8.948* (4.996)	6.550* (3.676)	-7.699** (3.622)
Low population density	1.446 (5.668)	-0.990 (4.310)	-1.973 (5.310)	6.417 (4.029)	-2.993 (3.970)
Medium population density	1.439 (4.418)	-1.853 (3.370)	3.221 (4.150)	4.937 (3.121)	-1.344 (3.075)
Areas with medium population density serving more than three counties	-4.336 (3.911)	-1.981 (2.892)	-0.587 (3.677)	2.965 (2.708)	-8.792*** (2.668)
Average earnings in 1990	0.524 (0.579)	-0.116 (0.434)	1.537*** (0.543)	0.760* (0.430)	-0.381 (0.424)
Earnings growth between 1987 and 1990	-0.346 (0.314)	0.343 (0.236)	-0.008 (0.295)	0.296 (0.220)	-0.140 (0.217)
Percent of adult population with 12 or more years of education	-0.158 (0.129)	-0.080 (0.096)	-0.048 (0.121)	-0.036 (0.092)	-0.029 (0.091)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Table IV-9

**ESTIMATED EFFECT OF LOCAL AREA CHARACTERISTICS ON TYPES OF CLIENTS SERVED:
EDUCATION, BARRIERS TO EMPLOYMENT, AND PREVIOUS WAGE
(Standard Errors in Parentheses)**

Local Area Characteristics	Education Level			Other Barriers		Previous Wage Rate
	Dropout	High School or Some College	College Degree	Reading Below 7th Grade Level	Age > 55	
Unemployment rate in PY 90	0.472** (0.239)	0.367 (0.265)	-0.888*** (0.201)	0.247 (0.279)	-0.563*** (0.142)	0.000 (0.054)
Percent of employment in manufacturing	0.129** (0.054)	-0.015 (0.060)	-0.099** (0.045)	0.055 (0.063)	0.050 (0.032)	-0.017 (0.012)
Amount of dislocation (survey reported)	0.408 (0.703)	-0.789 (0.779)	-0.020 (0.538)	-0.035 (0.818)	0.216 (0.415)	0.131 (0.155)
Proportion of layoffs that are large-scale	1.974 (1.761)	-0.335 (1.949)	-1.464 (1.505)	2.220 (2.049)	0.432 (1.039)	-0.196 (0.400)
Low population density	-0.127 (1.930)	-1.228 (2.138)	0.692 (1.606)	-3.554 (2.246)	-0.705 (1.140)	-0.261 (0.425)
Medium population density	-1.638 (1.495)	-0.024 (1.654)	1.241 (1.267)	-3.756** (1.740)	0.262 (0.882)	0.497 (0.333)
Areas with medium population density serving more than three counties	2.517* (1.297)	0.324 (1.436)	-2.985*** (1.106)	1.846 (1.509)	-1.948** (0.766)	-0.242 (0.288)
Average earnings in 1990	-0.249 (0.206)	-0.579** (0.228)	0.686*** (0.167)	-0.413* (0.240)	0.033 (0.122)	0.225*** (0.046)
Earnings growth between 1987 and 1990	0.246** (0.105)	-0.182 (0.117)	-0.063 (0.089)	0.047 (0.123)	0.153** (0.062)	0.025 (0.024)
Percent of adult population with 12 or more years of education	-0.083* (0.044)	0.010 (0.049)	0.063* (0.038)	-0.098* (0.051)	0.015 (0.026)	0.020** (0.010)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

higher level of large-scale dislocation enroll more workers under the "substantial layoff" eligibility category, serve a higher proportion of UI claimants, and provide a lower level of service to long-term unemployed workers than do other substate areas.

We also used the proportion of local employment in manufacturing as a proxy for the extent of dislocation. Substate areas with a higher proportion of employment in manufacturing also tend to serve more recently laid-off workers, as measured by a higher proportion of terminees claiming UI benefits at EDWAA enrollment. They are also more likely to enroll workers using the eligibility categories for substantial layoff and workers laid off from smaller-scale dislocations, and are less likely to enroll workers using the "long-term unemployed" category.

Substate areas whose local economies depend on employment in manufacturing also provide a higher level of service to high school dropouts and a lower level of service to college graduates than do other substate areas.

Extent of Unemployment

We did not have a strong hypothesis about how the level of unemployment would affect client characteristics. On the one hand, higher unemployment may cause an increase in the demand for employment and training services among both more job-ready and less job-ready individuals by making the search for reemployment more difficult for all laid-off workers. On the other hand, higher unemployment may lengthen the time needed to find reemployment, leading to an increase in the pool of long-term unemployed workers.

We found that substate areas with higher unemployment rates tend to emphasize services to longer-term unemployed workers rather than recently laid-off workers: they more often enroll EDWAA participants using the "long-term unemployed" eligibility category and serve a higher proportion of enrollees who were unemployed 15 or more weeks at the time of enrollment. Substate areas with higher unemployment also emphasize services to dislocated workers with less formal education, which may characterize workers who experience longer spells of unemployment. On the other hand, substate areas with higher unemployment serve fewer dislocated workers over 55 years of age, perhaps because of the tendency of these workers to take early retirement in a tough job market.

Geographic Characteristics

As shown in Table IV-9, substate areas with high population density (i.e., urban areas) serve a higher proportion of dislocated workers reading below the 7th grade level than do substate areas with moderate population density (i.e., suburban areas), which probably reflects a difference in the educational levels and literacy skills within the general population between urban areas and suburbs.

Suburban areas that contain more than three counties face some specific organizational challenges in recruiting and serving dislocated workers throughout their jurisdictions. We anticipated that these substate areas might be forced to limit their response more narrowly to workers affected by substantial layoffs, rather than being able to serve workers from a broader range of dislocations. We found that suburban substate areas with large service areas do tend to enroll lower proportions of workers unemployed for 15 weeks or more, although they do not serve significantly higher proportions of workers from substantial layoffs.

Multiple-county suburban substate areas also serve higher proportions of dropouts and lower proportions of college graduates than other substate areas. In Chapter III, we noted that large suburban substate areas had more active informal interagency coordination linkages than did other substate areas. Perhaps these linkages are assisting them to reach more dislocated workers with limited formal education. On the other hand, large suburban substate areas serve lower proportions of older workers than do other substate areas.

Area Earnings Levels

We hypothesized that substate areas with higher average earnings would serve workers with higher preprogram wages and workers with higher levels of formal education. These hypotheses are supported by the findings summarized in Table IV-9. Substate areas with higher average earnings serve workers with higher preprogram wages and a higher proportion of college graduates, while enrolling lower proportions of individuals who were high school graduates or had some post-high-school education and individuals reading at less than the 7th grade level.

Workers from substantial layoffs also appear to receive increased emphasis in substate areas with higher earnings, perhaps because these layoffs are likely to occur in high-wage areas. Substate areas with higher average earnings enroll more workers

using the "substantial layoff" eligibility category and serve a higher proportion of UI claimants than do substate areas with lower average earnings.

Substate areas in which average earnings increased between 1987 and 1990 experienced a slightly different pattern of clients served. Rather than emphasizing services to highly educated individuals, these substate areas placed increased emphasis on services to dropouts and older dislocated workers.

Education Level of Area Population

As expected, substate areas in which the general population has a higher level of formal education serve higher proportions of college graduates and lower proportions of high school dropouts and individuals reading below the 7th grade level. They also serve workers with higher average preprogram wages.

HOW SUBSTATE AREA CHARACTERISTICS AFFECTED CLIENTS SERVED

Experience with Dislocated Workers

We expected that substate areas with experience serving dislocated workers prior to EDWAA would be particularly sensitive to the unique characteristics of dislocated workers and would tend to emphasize services to recently laid-off workers and workers whose characteristics distinguished them from Title II-A clients (e.g., more highly educated workers dislocated from higher-wage jobs). The findings for substate areas with experienced staff, shown in Tables IV-10 and IV-11, do not support this hypothesis, although it is consistent with the findings for substate areas with experienced service providers.

Substate areas with experienced staff do not serve a higher proportion of recently laid-off workers than do less experienced substate areas. Furthermore, they are more likely to serve lower-wage workers and older workers and are less likely than other substate areas to serve dislocated workers who are college graduates. In contrast, substate areas with more service providers with experience serving dislocated workers prior to EDWAA are more likely to serve higher-wage workers and less likely to serve older workers than are substate areas with less experienced service providers. Substate areas with experienced providers appear to target dislocated workers who are different from Title II-A participants.

EDWAA Funding

We anticipated that substate areas with lower total EDWAA funds might need to restrict services to recently laid-off workers and be less able to respond to a broad

Table IV-10

**ESTIMATED EFFECTS OF SUBSTATE AREA CHARACTERISTICS ON TYPES OF CLIENTS SERVED:
ELIGIBILITY CATEGORIES AND RECENCY OF LAYOFF
(Standard Errors in Parentheses)**

Substate Area Characteristics	Eligibility Category			Recency of Dislocation	
	Unlikely to Return	Long-Term Unemployed	Substantial Layoff	UI Claimant	Unemployed 15 Weeks or More
Whether SSA had previous experience under Title III	-0.329 (2.966)	1.995 (2.219)	1.292 (2.773)	1.309 (2.068)	2.122 (2.038)
Extent that service providers had experience under Title III	2.102 (5.868)	-0.806 (4.371)	3.665 (5.521)	3.841 (4.052)	-0.209 (3.992)
Total funds less than \$250,000 in PY 90	0.560 (3.866)	1.533 (2.865)	0.005 (3.603)	4.019 (2.722)	-6.663** (2.682)
Total funds \$250,000 to \$750,000 in PY 90	0.324 (3.539)	3.024 (2.626)	-2.898 (3.307)	1.525 (2.471)	-3.604 (2.434)
Discretionary funds as a percent of total funds	0.098 (5.934)	1.297 (4.383)	10.580* (5.525)	0.546 (4.150)	-7.849* (4.089)
Ratio of EDWAA to Title II-A expenditures	-3.980 (15.497)	22.388* (11.807)	-23.059 (14.449)	8.449 (10.753)	10.760 (10.595)
Extent had difficulty meeting expenditure requirements	-3.189 (5.532)	2.538 (4.140)	-16.403*** (5.167)	-5.503 (3.861)	6.728* (3.804)
Extent that design influenced by:					
Federal and state retraining policies	1.058 (7.374)	-3.329 (5.494)	9.228 (6.890)	2.143 (5.147)	1.136 (5.071)
Desire to use existing systems	-3.788 (9.064)	6.890 (6.816)	-4.931 (8.474)	-3.018 (6.365)	2.536 (6.271)
Limited opportunities	-1.429 (6.755)	8.122 (5.062)	5.563 (6.313)	-5.283 (4.715)	8.483* (4.645)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Table IV-11

**ESTIMATED EFFECTS OF SUBSTATE AREA CHARACTERISTICS ON TYPES OF CLIENTS SERVED:
EDUCATION, BARRIERS TO EMPLOYMENT, AND PREVIOUS WAGE
(Standard Errors in Parentheses)**

Substate Area Characteristics	Education Level			Other Barriers		Previous Wage Rate
	Dropout	High School or Some College	College Degree	Reading Below 7th Grade Level	Age > 55	
Whether SSA had previous experience under Title III	0.584 (0.991)	1.427 (1.098)	-2.188** (0.853)	-1.043 (1.153)	1.645*** (0.586)	-0.430** (0.219)
Extent that service providers had experience under Title III	-1.322 (1.941)	1.761 (2.152)	-0.579 (1.656)	0.561 (2.258)	-2.595** (1.148)	0.985** (0.433)
Total funds less than \$250,000 in PY 90	-1.550 (1.304)	2.213 (1.445)	-0.785 (1.107)	-2.787* (1.517)	-0.042 (0.771)	0.138 (0.290)
Total funds \$250,000 to \$750,000 in PY 90	-0.944 (1.184)	1.057 (1.312)	-0.159 (1.009)	-1.988 (1.377)	0.761 (0.700)	0.503* (0.263)
Discretionary funds as a percent of total funds	0.629 (1.988)	-0.701 (2.198)	0.737 (1.690)	-1.470 (2.313)	0.095 (1.172)	0.813* (0.438)
Ratio of EDWAA to Title II-A expenditures	-2.017 (5.151)	7.169 (5.698)	-4.615 (4.379)	-2.345 (5.994)	2.343 (3.039)	0.517 (1.157)
Extent had difficulty meeting expenditure requirements	1.890 (1.850)	1.466 (2.048)	-2.698* (1.570)	4.791** (2.152)	0.302 (1.092)	-0.370 (0.417)
Extent that design influenced by:						
Federal and state retraining policies	-1.651 (2.466)	0.481 (2.734)	1.360 (2.098)	-4.954* (2.869)	0.425 (1.458)	0.178 (0.551)
Desire to use existing systems	-0.042 (3.049)	3.494 (3.380)	-4.189 (2.590)	-1.407 (3.548)	-3.109* (1.802)	-0.443 (0.673)
Limited opportunities	-0.662 (2.259)	-1.516 (2.497)	1.596 (1.928)	-3.208 (2.628)	1.070 (1.332)	-0.356 (0.499)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

- The percentage of participants receiving any supportive services.
- The average amount of supportive services provided.
- The percentage of participants receiving needs-related payments.
- The average amount of needs-related payments provided.

INFLUENCE OF STATE POLICIES ON TYPE AND RESPONSIVENESS OF EDWAA SERVICES

Tables V-10 and V-11 present the estimated effects of state policies on the types and responsiveness of EDWAA services, respectively. Although not presented in the tables, we also estimated the impact of state policies on the separate components of the indexes of responsive training, which we discuss when these effects explain the impact on the summary indexes.

Allocation Formulas

In previous chapters we found that allocation formulas emphasizing recent dislocations increased service to recently laid-off workers and led to EDWAA designs that were more consistent with the legislation's themes. States' allocation formulas also have a substantial influence on the types of services provided in EDWAA. Relative to other weighting schemes, emphasis on recent dislocations (relative to unemployment and long-term unemployment) significantly increases basic skills training and reduces OJT for dislocated workers.

The impact on other types of training is mixed. Occupational classroom training is highest in states emphasizing the long-term unemployed, but more of this training is shorter-term training (less than 26 weeks), perhaps because the long-term unemployed have fewer resources to support themselves during training. Substate areas in states emphasizing unemployment provide much more OJT and thus significantly less occupational classroom training and less longer-term training (because OJT is limited to 26 weeks).

Allocation formulas are much less influential on the responsiveness of services. The only effect is that emphasizing the long-term unemployed is associated with more responsive classroom training because a wider range of classroom options are made available. A broader range may be necessary for long-term unemployed workers.

college graduates and more individuals reading below the 7th grade level than did other substate areas.

HOW SUBSTATE ORGANIZATION AND POLICIES AFFECTED CLIENTS SERVED

Organization of Service Delivery

When we began the EDWAA implementation study, we were concerned that substate areas that integrated services for dislocated workers and economically disadvantaged workers might not target all dislocated workers (particularly, that they might overlook more highly educated workers dislocated from higher-wage occupations). The case study findings on this issue have been mixed. Some substate areas with integrated services try to fit dislocated workers into a program developed for economically disadvantaged individuals. Other substate areas with integrated services target a broader range of dislocated workers, including recently laid-off workers and workers from higher-skilled occupations.

As shown in Tables IV-12 and IV-13, integrated service delivery systems are associated with enrollment of EDWAA participants who are more similar to economically disadvantaged individuals than are the clients enrolled by substate areas with separate and distinct EDWAA services. Specifically, substate areas with more integrated services enroll a higher proportion of dislocated workers using the "long-term unemployed" eligibility category and serve a higher proportion of individuals unemployed 15 or more weeks at enrollment. Integrated services are also associated with enrolling workers with lower preprogram wages and serving fewer college graduates.

A somewhat inconsistent finding is that substate areas that integrate EDWAA and Title II-A services serve a lower percentage of individuals with limited reading skills than do other substate areas, perhaps because dislocated workers needing basic skills remediation are served through Title II-A programs in these sites rather than being enrolled into EDWAA.

We did not have any strong expectations about how the extent of substate area involvement in the delivery of EDWAA services would influence client characteristics. During Phase II, we determined that substate staff were at a disadvantage compared with contractors in their ability to assess applicants' skills and provide detailed career planning to dislocated workers, but that they were as effective as contractors in providing basic readjustment services and administering retraining. The multivariate

Table IV-12
ESTIMATED EFFECTS OF SUBSTATE AREA ORGANIZATION ON TYPES OF CLIENTS SERVED:
ELIGIBILITY CATEGORIES AND REGENCY OF LAYOFF
(Standard Errors in Parentheses)

	Eligibility Category			Regency of Dislocation	
	Unlikely to Return	Long-Term Unemployed	Substantial Layoff	UI Claimant	Unemployed 15 Weeks or More
Extent of integration with Title II-A services	-3.748 (4.224)	6.728** (3.094)	-3.569 (3.860)	-0.602 (2.980)	5.327* (2.918)
Extent services provided in-house	1.455 (5.607)	2.308 (4.108)	-0.834 (5.187)	2.082 (3.885)	-5.115 (3.803)
Percent of large-scale layoffs with LMCs	0.001 (0.042)	-0.028 (0.030)	0.089** (0.038)	0.010 (0.029)	-0.023 (0.029)
Extent of nonfinancial coordination	3.565 (8.143)	-12.312** (6.006)	6.344 (7.463)	5.953 (5.531)	-4.476 (5.416)
Extent of financial coordination	0.694 (5.116)	1.061 (3.729)	4.918 (4.670)	-4.525 (3.581)	-1.524 (3.506)
Oriented to rapid reemployment	2.664 (6.343)	4.077 (4.614)	-3.846 (5.836)	-2.635 (4.395)	0.151 (4.303)
Oriented to economic development goals	-4.583 (3.826)	0.256 (2.780)	5.426 (3.504)	-0.953 (2.646)	-2.544 (2.591)
Recruit from dislocated-worker sources	10.438 (8.466)	-11.366* (6.238)	18.902** (7.795)	-2.684 (5.913)	-3.483 (5.789)
Recruit from community sources	-9.251 (8.334)	10.650* (6.073)	3.853 (7.588)	-6.807 (5.745)	5.482 (5.624)
Target those most in need of services	-0.651 (2.633)	0.297 (1.946)	1.126 (2.414)	-1.498 (1.823)	1.727 (1.785)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Table IV-13
ESTIMATED EFFECTS OF SUBSTATE AREA ORGANIZATION ON TYPES OF CLIENTS SERVED:
EDUCATION, BARRIERS TO EMPLOYMENT, AND PREVIOUS WAGE
(Standard Errors in Parentheses)

	Education Level			Barriers		Previous Wage Rate
	Dropout	High School or Some College	College Degree	Reading Below 7th Grade Level	Age > 55	
Extent of integration with Title II-A services	1.909 (1.419)	0.574 (1.568)	-2.632** (1.194)	-4.911*** (1.633)	-0.832 (0.827)	-0.638** (0.311)
Extent services provided in-house	-1.434 (1.850)	-0.577 (2.056)	1.540 (1.572)	-2.456 (2.129)	1.436 (1.084)	0.525 (0.403)
Percent of large-scale layoffs with LMCs	-0.005 (0.014)	0.014 (0.015)	-0.008 (0.012)	-0.016 (0.016)	0.005 (0.008)	0.003 (0.003)
Extent of nonfinancial coordination	2.115 (2.634)	-1.045 (2.928)	-0.667 (2.233)	-0.870 (3.031)	2.725* (1.544)	0.482 (0.576)
Extent of financial coordination	2.597 (1.705)	-3.545* (1.892)	0.611 (1.446)	3.220 (1.962)	2.161** (0.998)	0.404 (0.378)
Oriented to rapid reemployment	1.954 (2.093)	-2.470 (2.324)	0.097 (1.780)	2.136 (2.409)	2.030* (1.225)	-0.177 (0.457)
Oriented to economic development goals	-1.037 (1.260)	2.192 (1.401)	-0.919 (1.072)	0.578 (1.450)	-0.577 (0.739)	-0.095 (0.276)
Recruit from dislocated worker sources	-1.441 (2.815)	1.795 (3.131)	-0.349 (2.380)	-0.121 (3.240)	-0.588 (1.651)	-0.493 (0.612)
Recruit from community sources	-1.451 (2.735)	0.799 (3.041)	1.159 (2.333)	1.345 (3.148)	-1.815 (1.603)	-0.110 (0.596)
Target those most in need of services	1.276 (0.868)	0.122 (0.961)	-1.644** (0.736)	1.857* (0.999)	0.501 (0.507)	-0.696*** (0.189)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

analyses did not reveal any other significant effects on client characteristics associated with the extent of substate area involvement in service delivery.

We anticipated that substate areas that formed labor-management committees for a higher percentage of all large-scale layoffs would serve more workers from substantial layoffs because in our site visits we found that one of the benefits of labor-management committees was an increase in the rate of participation in EDWAA services among affected workers. This expectation was confirmed by the multivariate analyses. As shown in Table IV-12, substate areas that formed labor-management committees for a higher percentage of all large-scale layoffs were more likely to enroll EDWAA participants using the "substantial layoff" eligibility category.

Coordination

Substate areas that purchased EDWAA services from a variety of agencies served more workers with substantial barriers to employment. Specifically, these substate areas enrolled fewer who graduated from high school or had some post-high-school training and higher proportions of older workers. The greater variety of service providers in these substate areas may have made it possible to reach more dislocated workers with barriers to employment.

Substate areas with nonfinancial linkages with a number of different types of agencies tended to enroll a smaller proportion of EDWAA clients under the "long-term unemployed" eligibility category. Perhaps nonfinancial coordination linkages helped in the recruitment of recently dislocated workers.

Orientation

On the basis of the survey responses, we classified substate areas according to whether they encouraged rapid reemployment for dislocated workers or encouraged longer-term training. Substate areas with a greater focus on rapid reemployment tended to serve more older workers, perhaps because older workers may be less interested in longer-term training.

Targeting and Recruitment

Most substate areas used a variety of resources to recruit dislocated workers for their EDWAA programs. We summarized these recruitment procedures according to whether they used resources developed specifically for dislocated workers (i.e., rapid response and ES/UI) as well as whether they used general community resources (i.e., media, referrals from providers, or referrals from Title II-A intake). We anticipated

that substate areas that used recruitment resources developed specifically for dislocated workers would serve a higher proportion of workers from substantial layoffs as well as workers from smaller-scale dislocations.

This hypothesis was confirmed. Substate areas that used dislocated-worker-specific sources to recruit clients enrolled more participants from substantial layoffs and fewer long-term unemployed. In contrast, substate areas that used general community resources for recruitment of EDWAA participants tended to enroll participants more frequently using the "long-term unemployed" worker category.

We hypothesized that substate areas that gave priority to dislocated workers with barriers to employment would, in fact, serve higher proportions of dislocated workers with limited reading skills and less formal education. This expectation is supported by the findings summarized in Table IV-13. Substate areas that target the most in need serve higher proportions of participants who read below the 7th grade level and lower proportions of individuals who have completed college. They also tend to enroll workers with lower preprogram wages.

SUMMARY OF FACTORS AFFECTING CLIENT CHARACTERISTICS

Enrollment of Recently Laid-Off Workers

During PY 90, substate areas placed more emphasis on enrolling recently laid-off workers from substantial layoffs and smaller-scale dislocations than they did on enrolling long-term unemployed workers. Enrollment of more recently laid-off workers appears to respond appropriately to local conditions. The enrollment of recently laid-off workers¹ is greater in areas with higher levels of dislocation, more large-scale dislocations, and a higher percent of employment in manufacturing.

State policies that encourage enrollment of the recently laid-off include allocation formulas that emphasize measures of current dislocation (rather than unemployment), technical assistance, and incentives for longer-term training.

¹As indicated by a significant increase in the proportion of UI claimants enrolled or the frequency of enrolling dislocated workers under the "substantial layoff" or "laid off and unlikely to return" eligibility category, or a significant decrease in the proportion of enrollees unemployed 15 weeks or more or in the frequency of enrolling dislocated workers under the "long-term unemployed" eligibility category.

Substate area policies and practices also influence the proportion of recently laid-off workers served. Substate areas that form labor-management committees for large-scale layoffs and those that recruit clients through rapid response orientations and referrals from the UI/ES system serve higher proportions of recently laid-off workers than do other substate areas. These policies and practices are probably intended to increase service to recently laid-off workers. Substate areas with low or moderate EDWAA funding and those located in states with substantial discretionary funding also tend to enroll more recently laid-off workers.

Enrollment of Long-Term Unemployed Workers

Service to long-term unemployed workers also appears to respond appropriately to the local economy, increasing with the unemployment rate. State allocation policies that emphasize the number of long-term unemployed, rather than the amount of local dislocation, also increase the enrollment of the long-term unemployed.

Substate policies and practices that result in increased service to the long-term unemployed include recruitment of EDWAA clients from general community sources, such as media outreach or other existing recruitment sources, and the integration of EDWAA and Title II-A service delivery. Substate areas that want to target recently laid-off workers may need to reexamine whether these practices are shaping their program in unintended ways. Substate areas experiencing difficulty expending their EDWAA funds also serve more long-term unemployed. These substate areas may be ineffective in reaching workers dislocated from recent layoffs.

Services to Workers with Substantial Barriers to Reemployment

In most substate areas, dislocated workers with substantial barriers to reemployment make up a relatively small proportion of all EDWAA enrollees. In a smaller number of sites, there are larger concentrations of EDWAA participants who have limited basic skills, have no high school diplomas, or are older workers.

State policies that encourage service to those with substantial barriers include incentives for long-term training and allocations based on unemployment. On the other hand, adoption of the wage standard and the availability of discretionary funds tend to discourage service to dislocated workers with barriers to reemployment.

Substate areas that integrate EDWAA and Title II-A services, that had previous experience under Title III, and that had policies to target the most in need served more dislocated workers with barriers to reemployment. In these instances, the greater

service to dislocated workers with barriers to employment may be consistent with the intentions of policymakers. The integration of EDWAA service delivery with Title II-A service delivery also tends to decrease the proportion of EDWAA enrollees with limited basic skills, perhaps because those with greater deficiencies are enrolled in a Title II-A program.

Substate areas whose service providers had experience serving dislocated workers prior to EDWAA are less likely to enroll older workers. If this is not intended by substate area policymakers, greater policy guidance or monitoring of service providers by substate areas may be necessary. A substate area's desire to use existing service delivery systems also tends to reduce the proportion of older workers served.

V SERVICES PROVIDED

INTRODUCTION

As we described in Chapter I, dislocated workers have several distinctive characteristics and needs that responsive EDWAA services should address. Specifically, dislocated workers may experience substantial psychological distress at being laid off from sometimes long-held jobs. They may experience substantial financial distress in the short run from the loss of a job, and sometimes in the long run because of the lack of reemployment opportunities paying their previous wages. Dislocated workers have substantial work experience and existing skills but often lack recent job search experience. From these characteristics of dislocated workers, we developed a set of principles of responsive services for dislocated workers to guide our assessment of the types of services provided in EDWAA, which were presented in Exhibit I-1.

In this chapter we describe the types of services provided through EDWAA and examine the extent to which EDWAA services meet these principles for responsive services, using information from the survey and WAPR data. We then examine the factors that affect both the type and responsiveness of services provided, including the effects of state policies, characteristics of the local area, substate area characteristics, and the way EDWAA programs are organized and oriented. This chapter concludes with an investigation of the relationship between the types of clients served and the types of services provided.

SERVICES PROVIDED IN EDWAA

Early Intervention Services

Dislocated workers can benefit from early intervention to address the immediate crisis associated with being laid off. Early intervention can also result in prompt receipt of services, reducing the length of unemployment and earnings loss. For these reasons, the EDWAA legislation places considerable emphasis on rapid response to layoffs and plant closures, including on-site contact with the employer, preferably within 48 hours. The survey asked about how substate areas conducted their rapid response and the extent that they provided other early intervention services, such as prelayoff services.

State and Substate Area Roles in Rapid Response

The legislation gives states the responsibility for providing rapid response to large-scale layoffs and plant closings. Sixteen percent of the substate areas reported that their states led rapid response efforts to both large-scale and smaller layoffs, while nearly half reported that the responsibility was divided, with the state responding to large-scale layoffs and the substate area responding to smaller-scale layoffs.¹

However, more than a quarter of substate areas took full responsibility for responding to all layoffs in their area, regardless of size. This result is consistent with our case studies, where we found that increasing numbers of substate areas were taking full responsibility for rapid response, because they had gained experience and/or the state was overwhelmed by the number of layoffs due to the recession.

Employer Meeting

The legislation specifies that EDWAA staff should meet with the employer on-site, preferably within 48 hours after receiving notice of the layoff. In our case studies we found that, although employers were often contacted by phone within 48 hours, few substate areas or states were able to meet with employers that quickly, often because the employer was not willing to do so. The survey results confirm that pattern. Fewer than 20% of the substate areas indicated that the employer meeting usually occurred within 48 hours. More than 40% indicated, however, that they met with employers within a week. Another quarter met within 2 weeks and most of the remainder within a month.

The employer meeting serves a variety of purposes, as shown in Table V-1. Although exploring whether the layoff can be prevented is one of the legislation's goals for rapid response, in our site visits we found that such efforts were rarely successful because, by the time the notice was filed, it was too late to provide much help. In the survey, 63% of the substate areas reported that prevention of the layoff was never a goal of the initial employer meeting, and another 30% reported that it was only sometimes a goal.

The most common goal of the initial employer meeting was to set up a worker orientation meeting, and often this involved obtaining release time for workers to attend

¹In 45% of the substate areas, rapid response was provided to layoffs of 50 workers or more, regardless of whether the layoff met all the WARN requirements.

Table V-I
PERCENTAGE OF SUBSTATE AREAS
REPORTING VARIOUS PURPOSES OF
INITIAL EMPLOYER MEETING

Objectives of Initial Employer Meeting	How Often a Purpose of Employer Meeting			
	Never	Sometimes	Usually	Always
Prevent the layoff	62.7%	29.0%	3.8%	4.6%
Setup an orientation meeting for employees	0.0	3.6	27.6	68.7
Obtain release time for employees to attend orientation meeting	4.2	18.6	28.8	48.4
Obtain employer's authorization to provide prelayoff services	5.2	14.1	29.9	50.8
Obtain employer's contributions to EDWAA services (financial or in-kind)	26.5	36.9	17.2	19.4
Facilitate labor-management cooperation	12.4	28.7	24.2	34.7
Assess TAA applicability	21.7	36.5	18.8	23.0

this meeting. Other goals related to obtaining the employer's assistance in providing EDWAA services. About half of the substate areas indicated that they always tried to obtain the employers' cooperation for providing prelayoff services. More rarely, substate areas explored obtaining employers' contributions for EDWAA services. About a third of the substate areas indicated that facilitating labor-management cooperation in addressing the layoff was always a goal of the initial employer meeting, and about a quarter indicated that assessing TAA applicability was always a goal.

Worker Orientation Meetings

Worker orientation meetings were a feature of all rapid response designs. Our model of responsive training calls for worker orientation meetings that provide information about EDWAA services, services available from other agencies, and labor market conditions and opportunities. Worker orientation meetings should also lead to early intervention, through either prelayoff services or early enrollment in ongoing services.

As shown in Table V-2, virtually all substate areas indicated that providing information about EDWAA services was always an objective of the worker orientation meeting. Further, about 71% always provided information about other community resources for dislocated workers. However, fewer than 40% always included information about local labor market conditions and opportunities. Because many dislocated workers have no first-hand information about the availability of alternative jobs and some may need to recognize the difficulty of replacing their current wage levels, providing labor market information as soon as possible is likely to help dislocated workers develop realistic career plans.

One strategy that some case study sites used to link workers to services was to begin providing basic readjustment services at the orientation meeting itself. About half of the substate areas indicated that they always provided some information about problems that can be expected from the layoff, but only 13% always provided basic readjustment services—such as stress management or financial counseling—during the orientation meeting. Another strategy was to conduct intake for EDWAA services at the meeting. This was also rare: only 14% always conducted EDWAA intake at the time of orientation, and 30% never did so. Similar proportions of substate areas used the worker orientation meeting as an opportunity to conduct UI intake.

Table V-2
PERCENTAGE OF SUBSTATE AREAS
WITH VARIOUS PURPOSES OF
WORKER ORIENTATION MEETING

Objectives of Worker Orientation Meeting	How Often a Purpose of Worker Orientation Meeting			
	Never	Sometimes	Usually	Always
Inform workers about EDWAA services	0.0%	0.5%	4.1%	95.5%
Inform workers about other community services	0.3	8.3	20.6	70.8
Provide labor market information	5.5	28.9	26.6	38.9
Provide information about problems workers can expect because of layoff	2.9	14.8	28.8	53.6
Provide basic readjustment services (e.g., stress management, financial counseling, job search assistance) <u>during</u> the meeting	41.5	33.9	11.2	13.3
Survey/assess workers' needs	7.1	16.5	23.9	52.5
Conduct UI intake	32.4	42.3	12.3	13.1
Conduct EDWAA intake	29.6	43.6	12.5	14.3

Prelayoff Services

Our model of responsive early intervention includes providing prelayoff services to address crisis needs and to help dislocated workers begin developing reemployment plans. About half of the substate areas followed up their worker orientation meetings with prelayoff services for at least one layoff in PY 90: 48% provided prelayoff services to an average of 71% of their large-scale layoffs. The major factors that influenced whether prelayoff services were provided include the amount of advance warning, the size of the layoff, and whether the employer gave release time for participation in services.

The types of prelayoff services provided by these substate areas varied, as shown in Table V-3. Nearly all substate areas that provided prelayoff services included some labor market information, most commonly as part of a group workshop. About 90% included services designed to help dislocated workers find jobs quickly, including career exploration, resume preparation, and job search training and assistance. Less common were prelayoff crisis management services: about two-thirds of the substate areas provided financial counseling, and a similar proportion provided stress management services. Only 60% provided some type of world-of-work training in their prelayoff services.

Index of Responsive Early Intervention Services

From the answers to these survey questions, we constructed an index of responsive early intervention services. (Appendix B describes in detail how the survey items were combined into indexes of responsive services.) Items included in this index are:

- The extent that worker orientation meetings include a full range of information about EDWAA services, other community services, and local labor market information.
- The proportion of large-scale and small-scale layoffs for which prelayoff services were provided.
- The proportion of the following services provided in prelayoff workshops: labor market information, career exploration, resume preparation, job search training, job search assistance, financial counseling, stress management, and world-of-work training.

Table V-3

**PERCENTAGE OF SUBSTATE AREAS PROVIDING VARIOUS TYPES OF
PRELAYOFF SERVICES, AMONG SUBSTATE AREAS PROVIDING
ANY PRELAYOFF SERVICES**

	How Prelayoff Services Provided		
	Specified Service Not Provided	Usually Provided As Group Workshops	Usually Provided Individually
Labor market information	6.1%	69.0%	24.9%
Career exploration	11.4	39.1	49.5
Resume preparation	11.0	47.1	41.9
Job search training	12.7	70.1	17.2
Job search assistance	12.6	36.4	51.0
Financial counseling	31.0	35.0	34.0
Stress management	32.2	45.5	22.3
World of work training	41.8	45.9	12.4

- Whether prelayoff services were not always provided at the substate area office. Sites reporting that prelayoff services were always provided in their offices may only be reporting that regular services are available before a worker is laid off.

Later in this chapter, we examine factors that influence whether substate areas provide responsive early intervention services, as measured by this summary index.

Postlayoff Basic Readjustment Services

Assessment and Case Management

Our model of responsive basic readjustment services calls for thorough assessment of participants' skills, development of a comprehensive employability plan, and monitoring participants' progress during training.

Table V-4 presents the types of assessment conducted by substate areas and whether each area is assessed formally or informally. Formal assessment procedures, such as paper-and-pencil or task tests, are likely to be more valid and reliable than informal procedures, such as informal interviews with participants. Occupational interests and aptitudes are assessed in virtually all substate areas, but only 57% formally assess interests and 69% formally assess aptitudes. More than 90% reported assessing the transferability of dislocated workers' skills, but this is predominantly through informal discussion rather than formal procedures. On the other hand, 82% reported using a formal basic skills test. The interest in personal or family counseling was less frequently assessed.

In our case studies, we found that many substate areas were struggling to develop assessment procedures appropriate for dislocated workers. This is confirmed in the survey: 43% of the substate areas indicated that they wanted technical assistance in developing appropriate assessment procedures.

The survey could not measure the responsiveness of service planning procedures, which we examined through reviewing case files in our case studies. When asked about case management, most substate areas indicated that either they or their providers contacted clients regularly to determine progress. This is a much higher rate of case management than we observed in our case studies: respondents to the survey may have included reporting of hours participated and other information needed to monitor their contractors in their answers to these questions.

Table V-4
PERCENTAGE OF SUBSTATE AREAS ASSESSING
VARIOUS SKILLS AND APTITUDES

	<u>How Areas Assessed</u>		
	<u>Not Usually Assessed</u>	<u>Formal Assessment</u>	<u>Informal Assessment</u>
Occupational interests	0.2%	56.8%	43.0%
Occupational aptitudes	3.6	68.7	27.7
Transferability of skills/need for upgrading	7.9	27.3	64.8
Basic skills (in addition to WAPR reporting requirements)	4.9	82.0	13.2
Interest in personal/family counseling	18.4	7.6	74.0

Comprehensive Basic Readjustment Services

Our model of responsive services also indicates that basic readjustment services should be comprehensive and be provided to those interested in immediate employment as well as those in retraining. In the survey, about 80% of the substate areas indicated that basic readjustment services were provided to those interested in immediate employment, while 20% provided them only to those in retraining. The WAPR data indicate that, on average, 29% of EDWAA participants received basic readjustment services only.

As shown in Table V-5, basic readjustment services in most substate areas included labor market information and services to help find a job, including career exploration, resume preparation, and job search training and assistance. As was the case for prelayoff services, fewer substate areas provide services to help dislocated workers handle the crisis of being laid off, including stress management (provided by 67% of the substate areas) and financial counseling (provided by 69% of the substate areas). About 43% of the substate areas indicated that they needed technical assistance in developing crisis services for dislocated workers. World-of-work training was provided by 70% of the substate areas.

In our case studies, we found that relocation assistance was rare. Often it was not politically acceptable to encourage workers to move out of the area. About 36% of the substate areas indicated in the survey that they did not provide any relocation counseling.

As shown in Table V-6, the length of basic readjustment services is considerably shorter for dislocated workers receiving basic readjustment services only than for those also receiving retraining. A third of the substate areas provided 8 hours or less of basic readjustment services to those not in retraining; only 21% provided such short basic readjustment services to those in retraining. This pattern is consistent with our case studies, where we found that many substate areas focused basic readjustment services on retraining participants.

Index of Responsive Basic Readjustment Services

From the survey questions, we developed a summary index of responsive basic readjustment services, which includes the following items:

- The average hours of basic readjustment services.

Table V-5

PERCENTAGE OF SUBSTATE AREAS PROVIDING VARIOUS TYPES OF
POSTLAYOFF BASIC READJUSTMENT SERVICES

	How Basic Readjustment Services Provided		
	Not Provided	Usually Provided As Group Workshops	Usually Provided Individually
Labor market information	3.0%	52.4%	44.7%
Career exploration	4.1	35.1	60.8
Resume preparation	2.7	44.7	52.5
Job search training	3.0	68.0	29.1
Job search assistance	1.0	34.5	64.5
Financial counseling	30.9	21.5	47.6
Stress management	33.1	33.8	33.1
World-of-work training	30.0	47.0	23.0
Relocation counseling	35.6	4.3	60.1

Table V-6
LENGTH OF BASIC READJUSTMENT SERVICES

	Percentage of Substate Areas with Different Length of Basic Readjustment Services	
	Participants in Basic Readjustment Services Only	Participants in Retraining Services
Less than 4 hours	12.0%	5.8%
4 to 8 hours	21.1	15.3
9 to 20 hours	27.6	23.4
21 to 40 hours	23.0	20.5
More than 40 hours	16.6	35.1

- The extent that career planning services were provided, including labor market information and career exploration.
- The extent that job search services were provided, including resume preparation and job search training and assistance.
- The extent that crisis management services were provided, including stress management and financial counseling.

Classroom Training

Our model of responsive services calls for a wide range of retraining options for dislocated workers. Because the basic and occupational skill levels and the transferability of skills often vary substantially from one dislocation to another, substate areas that offer a wide range of retraining services will be better able to respond to the varying needs of dislocated workers.

Basic Skills Training

More than 85% of the substate areas provided some type of basic skills training to dislocated workers. About 20% provided basic skills remediation only as a stand-alone service; the rest offered at least some basic skills remediation integrated into an occupational skills curriculum. This integration is probably beneficial, since it helps adults learn basic skills in an occupational context. Although many substate areas offered some basic skills training, the WAPR data indicated that only 9% of EDWAA training completions were in basic skills training.

Occupational Classroom Training

Virtually all substate areas provided some classroom training in occupational skills. On average, 31% of the training completions in PY 90 were in classroom training in occupational skills.

Table V-7 shows the frequency with which different classroom training options were provided. Many substate areas accommodate dislocated workers' wide range of skill levels by relying heavily on individual referrals to a variety of existing classroom training programs in the community. About a quarter of substate areas provide all their EDWAA classroom training through individual referrals, and an additional 56% provide most of their training this way. Another approach is to develop special class-size training specifically for dislocated workers. Typically, this strategy is used for large-scale layoffs where many workers with similar skills receive training tailored to their existing skill level. Half of the substate areas never provide such tailored training, and 45% provide it only in some cases.

Table V-7
PERCENTAGE OF SUBSTATE AREAS PROVIDING
VARIOUS TYPES OF CLASSROOM TRAINING

	Frequency with Which Dislocated Workers Receive Different Types of Classroom Training			
	None	Some	Most	All
Training in existing programs to which they were individually referred	0.0%	18.9%	55.6%	25.4%
Class-size training operated specifically for dislocated workers	49.5	45.0	4.7	0.8
Class-size training operated for JTPA participants in general (either EDWAA or Title II-A)	36.6	44.4	17.2	1.8
Customized training designed for a specific employer	61.3	36.8	1.9	0.0

A strategy used in some of our case study sites was to train dislocated workers in class-size courses for JTPA clients in general, including both Title II-A and EDWAA participants. Although this may increase the options available to relatively low-skilled workers, we found that it resulted in less responsive training for higher-skilled workers when this was the predominant option. Thus, the 19% of substate areas that rely on this type of class-size training for most or all of their dislocated workers are likely to have less responsive training.

A fourth classroom training option is to develop customized training for specific employers, who generally agree to hire participants who successfully complete the program. Customized training was used by only 39% of the substate areas and only in some cases.

Some dislocated workers have substantial existing skills that can be built upon without requiring retraining for an entirely new occupation. For example, clerical workers can learn computer word processing rather than retrain for an entirely new occupation. About a third of the substate areas focused both on enhancing existing skills and on retraining for new occupations.

Our model of responsive retraining also indicates that participants in retraining should receive assistance in locating jobs, to increase the quality of jobs and the extent that jobs are related to training. About 80% of the substate areas provided each type of assistance to those in retraining: resume preparation, job search training, and job search assistance.

Index of Responsive Classroom Training

We created a summary index of responsive retraining, which indicates how wide a variety of retraining options is available for dislocated workers. Items include:

- Whether the substate area provides some basic skills retraining that is integrated with occupational skills training.
- The extent to which individual referral is used.
- The proportion of other occupational skills options available, for some but not most or all dislocated workers, including class-size training for dislocated workers, class-size training for a JTPA clients, and customized training.
- Whether the substate area focuses on both skills enhancement and retraining in new occupations.

- Whether the substate area provides job search assistance to those in retraining.

On-the-Job Training

OJT is another option for retraining that may be appropriate for some types of dislocated workers. OJT was available in 93% of the substate areas but usually was not a major component of the EDWAA program. On average, only 20% of the training completions in PY 90 were in OJT. In a quarter of the substate areas, OJT was completed by 5% or fewer of the terminees; OJT was completed by two-thirds or more of the terminees in only 5% of the substate areas. In our site visits, we found that one reason that OJT was not widely used was that it was difficult to develop OJT positions in other than entry-level jobs. About a third of the substate areas indicated that they wanted technical assistance in developing OJT positions appropriate for dislocated workers.

Because of the difficulty of developing OJT positions appropriate for all types of dislocated workers, OJT is likely to be more appropriate when substate areas use it selectively. About 57% of the substate areas used OJT for specific types of dislocated workers. Three-quarters of these substate areas targeted OJT to those needing immediate income. Substate areas varied greatly, however, in how they treated workers with different skills. About a third targeted OJT to workers with the *least* job-relevant experience, while another third took the opposite approach and targeted OJT to those with the *most* job-relevant experience.

In our case studies, we found that several substate areas did not provide any basic skills remediation to dislocated workers and, instead, served those deficient in basic skills through OJT. The survey results are consistent with this pattern: approximately 25% of the substate areas targeted OJT to those lacking the basic skills requirements for classroom training programs.

Substate areas developed OJT positions in a variety of ways. One strategy is to have clients develop their own OJT jobs. In these cases, clients are typically given letters indicating that they are eligible for a partial wage reimbursement through OJT, which they show to prospective employers. About 85% of the substate areas used these client-initiated OJTs in some cases, but only 19% usually or always developed OJT positions in this manner.

A second strategy is for the substate area or provider to develop OJT positions and then match clients to appropriate jobs. Virtually all substate areas used some program-initiated matches; 80% routinely relied on this method to develop OJT positions.

The third way that OJT positions are initiated is for the employer to refer potential employees to the substate area to see whether they are eligible for an OJT wage reimbursement. About 60% of the substate areas reported that they almost never used these "reverse referrals," but the remainder used them at least sometimes. In our Quality of Training study (Kogan, Dickinson, Means, and Strong, 1991), we found that reverse-referral OJT positions were substantially less likely to provide training in skills that the participant needed to acquire, compared with program-initiated matches.

In our case studies, we found that some substate areas did not provide OJT participants with assistance in developing career goals, reducing the extent the OJT position was appropriate to the clients' needs. In the survey, most substate areas assessed OJT participants, but about a quarter did not provide them with any career exploration assistance.

We created a summary index of the responsiveness of OJT, which included the following items:

- The extent that clients were matched to OJT positions by the program and not through reverse referrals from employers.
- Whether the substate area used OJT for specific types of clients.
- Whether the substate area did not target OJT to those lacking basic skills.
- Whether OJT participants were assessed and received career exploration services.

Supportive Services

Dislocated workers may need supportive services, such as transportation and child care, while participating in training or during their job search. Further, the EDWAA legislation allows for needs-related payments to individuals who do not qualify for or have exhausted their UI benefits to help support themselves during training.

Table V-8

PROVISION OF SUPPORTIVE SERVICES

Percentage of Substate Areas Providing Supportive Services to Participants in Various Services

	Percentage of Substate Areas Providing Each Type of Service			
	Transportation	Child Care	Needs-Related Payments	Other Services
Classroom training participants	79.5%	65.7%	27.4%	42.2%
OJT participants	25.8	22.3	4.3	36.7
Participants who received <u>only</u> basic readjustment assistance	39.4	21.3	5.9	34.0

Percentage of Substate Areas with Various Percentages of Participants Receiving Supportive Services

Percentage of Participants Receiving Supportive Services	Percentage of Substate Areas
0%	10.2%
Less than 25%	37.0
25% to 49%	24.9
30% to 74%	18.1
75% or more	9.8

Among Substate Areas Providing Supportive Services, the Percentage Providing Various Levels of Supportive Services

Average Amount Received	Percent of Substate Areas that Provided Supportive Services
Less than \$25 per week	31.6%
\$25 to \$49 per week	46.0
\$50 to \$99 per week	20.4
\$100 per week or more	1.9

About 90% of the substate areas provided some type of supportive services to dislocated workers in PY 90. As shown in Table V-8, among those providing supportive services, about 80% provided transportation assistance, and 66% provided child care assistance to at least some classroom training participants. About three-quarters of the substate areas did not provide supportive services to OJT participants. In our case studies, substate areas indicated that OJT participants were better able to pay for these working expenses themselves because they were earning wages. About 40% of the substate areas provided transportation assistance to individuals receiving basic readjustment services only, although only 21% of the substate areas provided child care assistance to these participants.

Needs-related payments were far less common: fewer than 30% of the substate areas provided needs-related payments to classroom training participants, and such payments were rare for participants in OJT or basic readjustment services only.

When supportive services were available, typically they were provided to relatively few participants, as shown in Table V-8. In about half of the substate areas, supportive services were provided to 25% of participants or fewer. Of those that provided these services, 32% provided \$25 a week or less, and 46% provided between \$25 and \$50 a week.

Comparable data for needs-related payments separately are presented in Table V-9. Very few participants received such payments: only 20% of all substate areas provided needs-related payment to more than 5% of their participants. In 61% of the substate areas providing any needs-related payments, these payments averaged less than \$50 per week per recipient.

The survey asked substate areas about the influence of different factors in limiting the amount of supportive services offered to dislocated workers. Approximately 32% indicated that inadequate EDWAA funding was extremely influential, and a similar percentage indicated that lack of budget flexibility because of EDWAA expenditure limitations and requirements was extremely influential. Technical assistance in developing effective strategies for providing supportive services was desired in 38% of the substate areas.

We created a summary index of the responsiveness of supportive services, which included the following items:

Table V-9
PROVISION OF NEEDS-RELATED PAYMENTS

**Percentage of Substate Areas with Various Percentages of Participants
Receiving Needs-Related Payments**

<u>Percentage of Participants Receiving Needs- Related Payments</u>	<u>Percentage of Substate Areas</u>
None	67.1%
Less than or equal to 5%	12.3
6% to 10%	5.6
11% to 20%	3.9
20% to 50%	7.2
More than 50%	3.9

**Among Substate Areas Providing Needs-Related Payments,
the Percentage Providing Various Levels of Needs-Related Payments**

<u>Average Amount Received</u>	<u>Percentage of Substate Areas that Provide Needs- Related Payments</u>
Less than \$25 per week	16.9%
\$25 to \$49 per week	44.1
\$50 to \$99 per week	26.3
\$100 per week or more	12.7

- The percentage of participants receiving any supportive services.
- The average amount of supportive services provided.
- The percentage of participants receiving needs-related payments.
- The average amount of needs-related payments provided.

INFLUENCE OF STATE POLICIES ON TYPE AND RESPONSIVENESS OF EDWAA SERVICES

Tables V-10 and V-11 present the estimated effects of state policies on the types and responsiveness of EDWAA services, respectively. Although not presented in the tables, we also estimated the impact of state policies on the separate components of the indexes of responsive training, which we discuss when these effects explain the impact on the summary indexes.

Allocation Formulas

In previous chapters we found that allocation formulas emphasizing recent dislocations increased service to recently laid-off workers and led to EDWAA designs that were more consistent with the legislation's themes. States' allocation formulas also have a substantial influence on the types of services provided in EDWAA. Relative to other weighting schemes, emphasis on recent dislocations (relative to unemployment and long-term unemployment) significantly increases basic skills training and reduces OJT for dislocated workers.

The impact on other types of training is mixed. Occupational classroom training is highest in states emphasizing the long-term unemployed, but more of this training is shorter-term training (less than 26 weeks), perhaps because the long-term unemployed have fewer resources to support themselves during training. Substate areas in states emphasizing unemployment provide much more OJT and thus significantly less occupational classroom training and less longer-term training (because OJT is limited to 26 weeks).

Allocation formulas are much less influential on the responsiveness of services. The only effect is that emphasizing the long-term unemployed is associated with more responsive classroom training because a wider range of classroom options are made available. A broader range may be necessary for long-term unemployed workers.

Table V-10

ESTIMATED EFFECTS OF STATE POLICIES ON TYPES OF SERVICES PROVIDED
(Standard Errors in Parentheses)

State Policies	Percentage of Terminees Receiving:			Percentage of Retraining Completions in:		
	Basic Readjustment Services Only	Retraining < 26 Weeks	Retraining ≥ 26 Weeks	Basic Skills	OJT	Occupational Classroom Training
Emphasis on long-term unem- ployed in allocation formula	-0.254* (0.149)	0.306** (0.137)	-0.013 (0.107)	-0.956*** (0.135)	0.254* (0.151)	0.703*** (0.180)
Emphasis on unemployment in allocation formula	0.068 (0.087)	-0.146* (0.080)	0.062 (0.063)	-0.228*** (0.079)	0.408*** (0.089)	-0.180* (0.106)
Wage at placement as perfor- mance standard or goal	1.843 (2.787)	-3.650 (2.554)	2.213 (2.001)	-0.530 (2.514)	-4.593 (2.823)	5.123 (3.362)
Discretionary funds available from 10% or 40% funds	7.956** (3.237)	-6.170** (2.967)	-1.430 (2.325)	12.588*** (2.919)	-4.126 (3.278)	-8.462** (3.903)
Specific technical assistance provided	11.311*** (2.819)	-6.685** (2.584)	-5.891** (2.025)	4.234* (2.545)	-3.544 (2.858)	-0.690 (3.403)
Incentives for long-term training	3.039 (3.245)	-5.386* (2.974)	1.571 (2.331)	11.232*** (2.927)	-4.604 (3.286)	-6.628* (3.913)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Table V-11

**ESTIMATED EFFECTS OF STATE POLICIES ON
RESPONSIVENESS OF SERVICES PROVIDED
(Standard Errors in Parentheses)**

State Policies	Index of Responsiveness				
	Early Intervention Services	Basic Readjustment Services	Classroom Training	OJT	Supportive Services
Emphasis on long-term unem- ployed in allocation formula	0.001 (0.002)	0.000 (0.001)	0.002** (0.001)	-0.001 (0.001)	-0.001 (0.001)
Emphasis on unemployment in allocation formula	0.001 (0.001)	0.000 (0.001)	0.000 (0.000)	0.001 (0.000)	-0.001 (0.001)
Wage at placement as perfor- mance standard or goal	0.037 (0.031)	0.038* (0.022)	0.015 (0.016)	-0.024 (0.015)	-0.011 (0.021)
Discretionary funds available from 10% or 40% funds	0.027 (0.036)	-0.049* (0.025)	-0.043** (0.018)	-0.011 (0.018)	0.022 (0.024)
Specific technical assistance provided	0.087*** (0.031)	-0.006 (0.022)	0.019 (0.016)	0.025 (0.016)	0.010 (0.021)
Incentives for long-term training	0.032 (0.035)	-0.042* (0.025)	-0.014 (0.018)	0.012 (0.018)	0.010 (0.023)
Policies encouraging needs- related payment	—	—	—	—	0.056** (0.023)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Wage Rate Standards

Substate areas in states that adopted the wage at placement as a performance standard or goal do not provide significantly different types of services than do substate areas in other states. Adoption of the wage rate standard does, however, lead to more responsive basic readjustment services, primarily because substate areas in these states provide significantly more hours of basic readjustment services. Thus, it appears that substate areas held accountable for wage rates achieved have increased the intensity of their basic readjustment services, perhaps to increase the quality of jobs that are found by participants.

Discretionary Funds

Substate areas that cannot receive discretionary allocations when they need more funds are expected to be more conservative in spending their initially allocated funds, reserving funds to provide essential services to any unexpected dislocations. Where discretionary funds are available, substate areas may be more willing to expend funds on services throughout the year.

As shown in Table V-10, substate areas in states that offer discretionary funding provided significantly more basic readjustment services only (with a concomitant reduction in shorter-term training) and significantly more basic skills training. Thus, when discretionary funds were available, substate areas tended to provide more diverse services to dislocated workers.

Providing discretionary funding, however, appears to affect the responsiveness of services adversely. Substate areas in states offering discretionary funding provided significantly less responsive basic readjustment services, including less job search assistance and fewer crisis management services. They also provided less responsive classroom training services, primarily because less job search assistance was provided to classroom training participants. Thus, although these substate areas provided more types of services, they had not developed more responsive services.

Technical Assistance

Technical assistance on EDWAA issues has a strong influence on the types of services provided. It significantly increases the provision of basic skills remediation. Technical assistance also increases the provision of basic readjustment services only (with concomitant reductions fairly evenly divided between short- and long-term training). In our case studies, we found that many substate areas did not recognize the

importance of basic readjustment services and basic skills training for dislocated workers; states' technical assistance efforts tended to improve this situation.

Similarly, substate areas in states providing technical assistance have significantly more responsive early intervention services, primarily because they provide prelayoff services to a higher percentage of large-scale layoffs. The lack of prelayoff services was another common problem in service designs that we found in our case studies.

Incentives for Long-Term Training

As expected, state incentives for long-term training significantly reduced the percentage of participants in short-term training. The amount of training of 26 weeks or more was increased, although that effect is not statistically significant. Incentives for longer-term training greatly increased the provision of basic skills training, with consequent reductions in both OJT and classroom occupational skills training.

One adverse effect of incentives for long-term training is that they lead to less responsive basic readjustment services, including less career planning and less crisis adjustment services. Apparently, substate areas facing incentives for long-term training focused their efforts on retraining, particularly basic skills remediation, and paid less attention to developing high-quality basic readjustment services.

Policies Encouraging Needs-Related Payments

In their state plans, nine states explicitly discouraged substate areas from providing needs-related payments to dislocated workers, while three explicitly encouraged such payments. Encouragement of needs-related payments significantly increased the percentage of participants who received such payments and the responsiveness of supportive services overall. Thus, states were effective in influencing this aspect of the substate areas' EDWAA programs.

INFLUENCE OF LOCAL AREA CHARACTERISTICS

Unemployment and Extent of Dislocation

Tables V-12 and V-13 present the effects of local area characteristics on the types and responsiveness of services. Areas with high unemployment rates provide more basic skills remediation, perhaps because basic skills deficiencies are a greater barrier to employment in a loose labor market. Although not associated with the overall responsiveness of basic readjustment services, high unemployment rates are significantly associated with longer basic readjustment services and the provision of job

Table V-12

ESTIMATED EFFECTS OF LOCAL AREA CHARACTERISTICS ON TYPES OF SERVICES PROVIDED
(Standard Errors in Parentheses)

Local Area Characteristics	Percentage of Terminees Receiving:			Percentage of Retraining Completions in:		
	Basic Readjustment Services Only	Retraining < 26 Weeks	Retraining ≥ 26 Weeks	Basic Skills	OJT	Occupational Classroom Training
Unemployment rate in PY 90	-0.640 (0.644)	0.828 (0.590)	-0.215 (0.462)	1.302** (0.581)	0.746 (0.652)	-2.048*** (0.776)
Percent of employment in manufacturing	0.210 (0.152)	-0.060 (0.140)	-0.201* (0.109)	0.078 (0.138)	0.345** (0.155)	-0.424** (0.184)
Amount of dislocation (survey reported)	1.779 (2.041)	-0.207 (1.871)	-1.522 (1.466)	0.756 (1.841)	-1.585 (2.067)	0.829 (2.462)
Proportion of layoffs that are large-scale	-6.611 (5.114)	-0.470 (4.687)	5.762 (3.673)	6.237 (4.615)	-14.402*** (5.182)	8.165 (6.170)
Low population density	0.307 (5.558)	1.056 (5.095)	0.173 (3.992)	3.905 (5.015)	-2.155 (5.631)	-1.751 (6.705)
Medium population density	4.786 (4.202)	-5.096 (3.851)	0.974 (3.018)	2.731 (3.794)	-1.306 (4.260)	-1.425 (5.072)
Areas with medium population density serving more than three counties	-3.457 (3.751)	2.881 (3.438)	2.517 (2.694)	-1.513 (3.383)	-5.398 (3.799)	6.910 (4.523)
Average earnings in 1990	0.533 (0.595)	0.372 (0.545)	-0.662 (0.427)	1.439*** (0.536)	-2.255*** (0.602)	0.817 (0.717)
Earnings growth between 1987 and 1990	0.417 (0.308)	-0.333 (0.282)	-0.059 (0.221)	0.351 (0.278)	-0.122 (0.312)	-0.229 (0.371)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Table V-13

**ESTIMATED EFFECTS OF LOCAL AREA CHARACTERISTICS ON
RESPONSIVENESS OF SERVICES PROVIDED
(Standard Errors in Parentheses)**

Local Area Characteristics	Index of Responsiveness				
	Early Intervention Services	Basic Readjustment Services	Classroom Training	OJT	Supportive Services
Unemployment rate in PY 90	0.000 (0.007)	0.001 (0.005)	0.006 (0.004)	0.003 (0.004)	0.007 (0.005)
Percent of employment in manufacturing	0.001 (0.002)	-0.001 (0.001)	0.001 (0.001)	-0.001* (0.001)	-0.002** (0.001)
Amount of dislocation (survey reported)	0.022 (0.020)	-0.002 (0.014)	0.016 (0.010)	0.010 (0.010)	0.006 (0.013)
Proportion of layoffs that are large-scale	0.054 (0.057)	-0.057 (0.040)	0.026 (0.029)	-0.008 (0.029)	0.035 (0.037)
Low population density	-0.101* (0.060)	0.041 (0.042)	0.004 (0.030)	0.028 (0.030)	0.049 (0.039)
Medium population density	-0.125*** (0.046)	0.035 (0.033)	-0.016 (0.023)	0.022 (0.024)	-0.007 (0.030)
Areas with medium population density serving more than three counties	0.102** (0.042)	0.017 (0.030)	0.048** (0.021)	0.020 (0.021)	0.042 (0.027)
Average earnings in 1990	-0.009 (0.006)	0.005 (0.004)	0.007** (0.003)	0.002 (0.003)	-0.002 (0.004)
Earnings growth between 1987 and 1990	0.000 (0.003)	0.004 (0.002)	0.000 (0.002)	0.002 (0.002)	-0.004* (0.002)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

search training to classroom training participants. These extra services may be needed to help find employment when job openings are scarce. Surprisingly, areas experiencing higher levels of unemployment are significantly less likely to help dislocated workers relocate out of the area.

The amount of dislocation in the area, as reported on the survey, does not significantly influence the types of EDWAA services provided. Areas experiencing a high level of dislocation, however, are more likely to provide more informative rapid response orientation, perhaps because they have more experience in providing such services. Also, areas experiencing more large-scale layoffs rely less on OJT; it may be difficult to develop many OJT positions at once for workers from large-scale layoffs.

Areas with a large percentage of employment in manufacturing, on the other hand, provide more OJT and less classroom training and are less likely to use OJT selectively than other areas. Areas with a high proportion of employment in manufacturing also provide significantly fewer supportive services.

Geographic Characteristics

The population density of the area and the number of counties served do not significantly influence the types of services provided. These characteristics do, however, influence the responsiveness of EDWAA services, particularly early intervention services. Urban areas provide significantly more responsive early intervention services, primarily because they provide prelayoff services to a higher proportion of large-scale layoffs than do areas with either a medium or low population density.

Areas with medium population density serving more than three counties, however, are more similar to urban areas in providing responsive early intervention services. These larger substate areas also provide significantly more responsive classroom training, because they are able to make more retraining options available to dislocated workers.

Relocation assistance, although rare, is more often provided in rural areas, where reemployment opportunities may be very limited, and in other areas serving more than three counties.

Area Earnings Levels

Higher-wage areas provide significantly more basic skills training. Limited basics skills may be a greater barrier to employment in these high-wage economies. Higher-wage areas also provide less OJT; in our case studies, we found that OJT was used primarily for lower-skilled jobs, which would be less common in higher-wage areas. These areas also provide significantly more responsive classroom training, offering a wider variety of training options for dislocated workers.

Although not providing different types of services, areas experiencing higher earnings growth provide fewer supportive services to EDWAA participants, particularly fewer needs-related payments. Participants in high-growth areas may be better able to support themselves during training through their own assets, spouse's earnings, or interim employment.

CHARACTERISTICS OF THE SUBSTATE AREA

Experience with Dislocated Workers

Tables V-14 and V-15 present the effects of substate area characteristics on the types and responsiveness of services. Substate areas with previous Title III experience provided more basic readjustment services only. This may be a reflection of their previous design; one criticism of the previous Title III program was that it concentrated too much on job search assistance. On the other hand, through their more extensive experience with dislocated workers, these substate areas may have discovered the importance of these basic readjustment services. Experienced substate areas also provide more responsive supportive services than do other substate areas.

EDWAA Funding

The total level of EDWAA funding does not significantly influence the types of EDWAA services provided. Areas receiving more funding, however, provide more responsive basic readjustment services, particularly crisis adjustment services such as stress management and financial counseling. In our case studies, we found that these services often required specialized expertise that areas with greater funding may better be able to arrange. Further, areas enrolling more dislocated workers may have learned the importance of these crisis services in helping dislocated workers adjust more quickly to being laid-off.

Table V-14
ESTIMATED EFFECTS OF SUBSTATE AREA CHARACTERISTICS ON TYPES OF SERVICES PROVIDED
(Standard Errors in Parentheses)

Substate Area Characteristics	Percentage of Terminces Receiving:			Percentage of Retraining Completions in:		
	Basic Readjustment Services Only	Retraining <26 Weeks	Retraining ≥26 Weeks	Basic Skills	OJT	Occupational Classroom Training
Whether SSA had previous experience under Title III	5.053* (2.881)	-1.894 (2.641)	-2.911 (2.070)	3.830 (2.600)	-0.252 (2.920)	-3.578 (3.477)
Extent that service providers had experience under Title III	0.479 (5.647)	-1.502 (5.176)	0.147 (4.056)	-0.837 (5.098)	-0.125 (5.724)	0.962 (6.816)
Total funds less than \$250,000 in PY 90	-3.139 (3.806)	0.474 (3.489)	3.270 (2.734)	4.873 (3.442)	-2.949 (3.865)	-1.925 (4.602)
Total funds \$250,000 to \$750,000 in PY 90	-0.676 (3.446)	-0.581 (3.158)	0.942 (2.475)	-1.932 (3.108)	-4.081 (3.490)	6.012 (4.155)
Discretionary funds as a percent of total funds	8.933 (5.792)	-7.099 (5.309)	-2.781 (4.160)	-7.879 (5.225)	1.093 (5.867)	6.786 (6.986)
Ratio of EDWAA to Title II-A expenditures	2.460 (15.015)	1.438 (13.762)	-4.506 (10.785)	15.904 (13.581)	-13.704 (15.251)	-2.200 (18.159)
Extent had difficulty meeting expenditure requirements	-1.184 (5.387)	7.541 (4.938)	-6.172 (3.869)	1.330 (4.859)	9.075* (5.457)	-10.405 (6.497)
Extent that design influenced by:						
Federal and state retraining policies	0.887 (7.189)	-4.858 (6.590)	2.188 (5.164)	14.671** (6.493)	-14.707** (7.292)	0.036 (8.682)
Desire to use existing systems	-8.704 (8.880)	8.113 (8.139)	3.513 (6.378)	-5.518 (8.008)	7.872 (8.992)	-2.354 (10.707)
Limited opportunities	-6.241 (6.552)	8.020 (6.005)	-3.100 (4.706)	1.561 (5.932)	4.226 (6.661)	-5.787 (7.931)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Table V-15
ESTIMATED EFFECTS OF SUBSTATE AREA CHARACTERISTICS ON
RESPONSIVENESS OF SERVICES PROVIDED
(Standard Errors in Parentheses)

	Index of Responsiveness				
	Early Intervention Services	Basic Readjustment Services	Classroom Training	OJT	Supportive Services
Substate Area Characteristics					
Whether SSA had previous experience under Title III	0.036 (0.032)	-0.010 (0.023)	0.006 (0.016)	-0.022 (0.016)	0.020 (0.021)
Extent that service providers had experience under Title III	0.027 (0.063)	0.050 (0.044)	0.052 (0.032)	0.010 (0.031)	0.053 (0.041)
Total funds less than \$250,000 in PY 90	0.000 (0.042)	-0.030 (0.030)	-0.027 (0.021)	0.001 (0.021)	-0.043 (0.027)
Total funds \$250,000 to \$750,000 in PY 90	-0.016 (0.038)	-0.050* (0.027)	-0.013 (0.019)	0.006 (0.019)	-0.032 (0.025)
Discretionary funds as a percent of total funds	0.062 (0.064)	-0.035 (0.045)	0.006 (0.032)	0.049 (0.032)	0.001 (0.041)
Ratio of EDWAA to Title II-A expenditures	0.000 (0.167)	0.063 (0.118)	0.145* (0.084)	0.039 (0.084)	0.143 (0.108)
Extent had difficulty meeting expenditure requirements	-0.150* (0.060)	-0.084** (0.042)	0.007 (0.030)	-0.013 (0.030)	-0.014 (0.039)
Extent that design influenced by:					
Federal and state retraining policies	0.154* (0.080)	0.016 (0.057)	-0.016 (0.041)	0.007 (0.040)	-0.010 (0.052)
Desire to use existing systems	0.065 (0.097)	0.002 (0.069)	0.131*** (0.049)	0.016 (0.049)	0.017 (0.063)
Limited opportunities	-0.002 (0.072)	-0.090* (0.051)	-0.136*** (0.037)	-0.004 (0.036)	0.038 (0.047)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Surprisingly, the extent that substate areas received discretionary funding had no influence on the type or responsiveness of services. In our case studies, we found that special projects, usually funded through discretionary sources, typically offered more responsive services. Special projects, however, may be a small proportion of the activities supported by discretionary funding.

Of greater influence is the size of EDWAA funding relative to Title II-A funding. We expected that substate areas with a higher ratio of EDWAA to Title II-A funds would be more likely to focus on the distinct needs of dislocated workers than other substate areas. The results in Table V-15 support this hypothesis. The responsiveness of classroom training was significantly higher in areas with a higher ratio of EDWAA to Title II-A funds.

Areas that reported difficulty in meeting their expenditure requirements provided significantly more OJT (with a concomitant reduction in occupational classroom training). Further, these substate areas provided less responsive early intervention services, providing prelayoff services to a lower proportion of their large-scale layoffs. Areas having trouble meeting their expenditure requirements also had less responsive basic readjustment services, providing less extensive job search assistance, and were less likely to provide job search assistance to their classroom training participants. Substate areas having difficulty meeting their expenditure requirement clearly had less well-developed EDWAA services than did other substate areas.

Reported Influences on Program Design

Much more basic skills training was provided to dislocated workers by substate areas that reported being strongly influenced by federal and state retraining policies (with a concomitant reduction in OJT). These substate areas also provided more responsive early intervention services, including more informative rapid response orientations.

Areas that reported being influenced by a desire to use existing systems provided more responsive classroom training, primarily because they offered more training options. Areas that reported being influenced by limited training and occupational options in their community indeed provided significantly less responsive classroom training, reflecting fewer options, and less responsive basic readjustment services, reflecting less comprehensive services. These areas were significantly more likely to provide dislocated workers with assistance in relocating outside of the area.

INFLUENCES OF SUBSTATE AREA ORGANIZATION AND ORIENTATION

Organization of Service Delivery

Tables V-16 and V-17 present the effects of substate organization and orientation on services. The integration of EDWAA services with similar Title II-A services substantially influences the types and responsiveness of services provided. Substate areas integrating a higher proportion of their services serve significantly fewer participants in basic readjustment services only and more in longer-term training. However, apparently much of the shorter-term training in these substate areas is in OJT; areas that integrate EDWAA and Title II-A services provide much less occupational classroom training to dislocated workers.

Substate areas that integrate their services also provide significantly less responsive early intervention services, providing fewer prelayoff services to large-scale layoffs. Further, they provide significantly fewer crisis adjustment services and less relocation assistance. Despite the heavier reliance on OJT, the responsiveness of OJT is significantly less in substate areas with greater integration between EDWAA and Title II-A services.

In our site visits, we found that integration of services did not preclude providing responsive services to dislocated workers. The results presented here, however, indicate that integration of services poses challenges to providing services responsive to the distinct needs of dislocated workers, such as the need for early intervention or for crisis adjustment services. Further, the reliance on OJT that is less responsive raises concern about the strategy of integrating EDWAA and Title II-A services.

The provision of services in-house is not related to either the services provided or the responsiveness of those services.

The use of labor-management committees increases the responsiveness of early intervention services—by increasing prelayoff services—and of basic readjustment services—by increasing the comprehensiveness of services. This pattern confirms the results of our case studies, where we found that labor-management committees helped identify the specific needs of the workers affected by a layoff, resulting in services more tailored to those needs.

Table V-16
ESTIMATED EFFECTS OF SUBSTATE AREA ORGANIZATION ON TYPES OF SERVICES PROVIDED
(Standard Errors in Parentheses)

	Percentage of Terminees Receiving:			Percentage of Retraining Completions in:		
	Basic Readjustment Services Only	Retraining < 26 Weeks	Retraining ≥ 26 Weeks	Basic Skills	OJT	Occupational Classroom Training
Extent of integration with Title II-A services	-8.295*** (4.132)	2.422 (3.938)	5.872** (2.967)	5.556 (3.737)	9.112** (4.156)	-14.668*** (4.941)
Extent services provided in-house	3.775 (5.386)	-3.198 (5.133)	-0.577 (3.867)	-4.139 (4.872)	4.204 (5.418)	-0.065 (6.441)
Percent of large-scale layoffs with LMCs	0.054 (0.040)	-0.035 (0.038)	-0.019 (0.029)	-0.024 (0.036)	-0.027 (0.041)	0.052 (0.048)
Extent of nonfinancial coordination	5.724 (7.669)	-3.847 (7.310)	-1.877 (5.507)	3.904 (6.938)	11.912 (7.715)	-15.816* (9.172)
Extent of financial coordination	0.705 (4.965)	0.988 (4.732)	-1.693 (3.565)	6.498 (4.500)	-1.722 (5.004)	-4.776 (5.949)
Oriented to rapid reemployment	5.015 (6.086)	6.307 (5.801)	-11.322*** (4.370)	-4.032 (5.505)	18.130*** (6.122)	-14.098* (7.278)
Oriented to economic development goals	-2.308 (3.667)	1.583 (3.495)	0.724 (2.633)	-3.967 (3.318)	-1.709 (3.689)	5.676 (4.386)
Recruit from dislocated-worker sources	-0.171 (8.186)	-1.203 (7.802)	1.374 (5.878)	2.352 (7.405)	-5.824 (8.235)	3.472 (9.790)
Recruit from community sources	-5.762 (7.965)	11.958 (7.592)	-6.197 (5.719)	-2.707 (7.231)	3.952 (8.041)	-1.245 (9.560)
Target those most in need of services	-4.826* (2.527)	3.295 (2.408)	1.531 (1.814)	1.705 (2.291)	-0.181 (2.547)	-1.524 (3.028)

* Significant at the 0.10 level.
** Significant at the 0.05 level.
*** Significant at the 0.01 level.

Table V-17
ESTIMATED EFFECTS OF SUBSTATE AREA ORGANIZATION ON
RESPONSIVENESS OF SERVICES PROVIDED
(Standard Errors in Parentheses)

	Index of Responsiveness				
	Early Intervention Services	Basic Readjustment Services	Classroom Training	OJT	Supportive Services
Extent of integration with Title II-A services	-0.078* (0.042)	-0.041 (0.031)	-0.014 (0.022)	-0.046** (0.023)	0.008 (0.029)
Extent services provided in-house	-0.036 (0.056)	0.063 (0.041)	-0.043 (0.029)	-0.017 (0.029)	0.021 (0.038)
Percent of large-scale layoffs with LMCs	0.002*** 0.000	0.001* 0.000	0.000 0.000	0.000 0.000	0.000 (0.000)
Extent of nonfinancial coordination	0.339*** (0.080)	0.124** (0.059)	0.039 (0.041)	0.060 (0.043)	-0.040 (0.054)
Extent of financial coordination	-0.072 (0.051)	0.000 (0.038)	0.144*** (0.026)	-0.019 (0.028)	0.049 (0.035)
Oriented to rapid reemployment	-0.012 (0.062)	-0.074 (0.046)	-0.032 (0.032)	0.047 (0.034)	-0.017*** (0.043)
Oriented to economic development goals	0.097** (0.038)	0.001 (0.028)	0.007 (0.019)	0.036* (0.021)	0.090*** (0.026)
Recruit from dislocated-worker sources	0.165* (0.084)	-0.072 (0.062)	0.079* (0.043)	0.029 (0.044)	0.033 (0.058)
Recruit from community sources	0.192** (0.082)	0.219*** (0.061)	0.022 (0.042)	0.041 (0.043)	-0.013 (0.056)
Target those most in need of services	0.009 (0.026)	0.020 (0.019)	0.045*** (0.013)	0.004 (0.014)	0.040** (0.018)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Coordination

Coordination with other agencies has relatively little influence on the types of services but substantially influences the responsiveness of services. The extent of nonfinancial coordination increases the responsiveness of early intervention services—increasing the information provided in rapid response, the provision of prelayoff services to more large-scale layoffs, and the comprehensiveness of prelayoff services. It also increases the overall responsiveness of basic readjustment services. Developing financial coordination with many agencies increases the responsiveness of classroom training, by increasing the retraining options available. These results indicate that the legislation's emphasis on coordination is well founded.

Orientation

Not surprisingly, substate areas that reported focusing on rapid reemployment served fewer participants in training of 26 weeks or more and concentrated on OJT rather than occupational classroom training. Perhaps because of their emphasis on short-term OJT training, these substate areas also provided significantly less responsive supportive services, providing lower payments to fewer participants.

In our site visits, we found that some substate areas oriented to economic development goals were more concerned with assisting employers than with providing services responsive to dislocated workers. The results in Table V-17, however, do not confirm this pattern. Substate areas oriented to economic development goals provided more responsive early intervention services, providing more informative rapid response orientations and prelayoff services to a higher proportion of large-scale layoffs. The responsiveness of both OJT services and supportive services is also higher in these substate areas. These results indicate that economic development goals are not inconsistent with providing responsive services to dislocated workers.

Targeting and Recruitment

Substate areas' targeting and recruitment strategies have little association with the types of services provided, although areas that target the most in need serve fewer participants in basic readjustment services only.

Recruitment and targeting strategies have a stronger association with the responsiveness of training. In general, substate areas that actively recruit dislocated workers, rather than waiting for them to seek out services on their own, also provide more responsive services, particularly early intervention services. Further active

recruitment from dislocated-worker-specific sources is associated with more responsive classroom training services, and active recruitment from numerous community sources is associated with more responsive basic readjustment services.

Substate areas that target those in greater financial need or with more barriers to employment provide substantially more responsive classroom training services, providing more classroom training options and more job search assistance to classroom training participants. To address their clients' financial needs, these substate areas provide more supportive services to more dislocated workers, resulting in more responsive supportive services. Substate areas targeting the most in need are also more likely to help dislocated workers find reemployment outside of the area.

RELATIONSHIP BETWEEN SERVICES AND CLIENT CHARACTERISTICS

As discussed in Chapter I, the direction of causation between the types of clients served and the types of services offered is not clear. In client-centered programs, the specific needs of clients who enroll in EDWAA determine the types of services provided. Generally, in these substate areas, multiple service options are available so that the nature of the assistance provided can vary with the needs of workers experiencing dislocation at any one time. In contrast, in more program-centered substate areas, the types of clients enrolled are strongly influenced by the types of services provided. Generally, these substate areas provide more limited options and enroll clients who are appropriate for the types of services offered.

In our case studies, we found both types of substate areas. In our Phase II report, for example, we found that special projects serving workers from specific layoffs tended to be more client driven than ongoing programs. Generally, EDWAA programs are probably more client centered than program centered, but the extent that programs were client versus program centered varies markedly across substate areas.

In Tables V-18 and V-19, we present the models with clients as predictors of services, which is appropriate when the program design is client centered. Care should be used in interpreting the direction of causation, however; the results are better viewed as indications of the association between EDWAA clients and services.

Table V-18
ESTIMATED EFFECTS OF CLIENT CHARACTERISTICS ON THE TYPES OF SERVICES PROVIDED
(Standard Errors in Parentheses)

	Percentage of Terminees Receiving:			Percentage of Retraining Completions in:		
	Basic Readjustment Services Only	Retraining <26 Weeks	Retraining ≥26 Weeks	Basic Skills	OJT	Occupational Classroom Training
Percentage of Participants Who Were:						
Dislocated from a substantial layoff	-0.120** (0.053)	0.054 (0.052)	0.066 (0.040)	-0.027 (0.050)	0.120** (0.056)	-0.093 (0.067)
UI claimants	-0.105 (0.070)	0.059 (0.068)	0.046 (0.053)	-0.059 (0.066)	-0.209*** (0.074)	0.268*** (0.088)
Unemployed 15 weeks or more	-0.263*** (0.072)	0.305*** (0.071)	-0.042 (0.055)	-0.208*** (0.069)	0.169** (0.076)	0.038 (0.091)
High school dropouts	-0.153 (0.222)	0.104 (0.217)	0.049 (0.168)	0.595*** (0.212)	-0.243 (0.235)	-0.352 (0.281)
Completed high school but not college	-0.540*** (0.188)	0.177 (0.183)	0.363** (0.142)	0.048 (0.178)	-0.217 (0.198)	0.169 (0.237)
Reading below 7th grade level	-0.369** (0.150)	0.182 (0.146)	0.187 (0.113)	-0.137 (0.142)	0.307* (0.157)	-0.171 (0.188)
Age 55 or more	0.864*** (0.253)	-0.534** (0.247)	-0.330* (0.191)	0.214 (0.239)	0.207 (0.266)	-0.421 (0.318)
Female	-0.101 (0.089)	-0.020 (0.087)	0.121* (0.067)	0.022 (0.085)	-0.057 (0.094)	0.035 (0.113)
Minorities	-0.076 (0.082)	0.035 (0.080)	0.040 (0.062)	-0.082 (0.078)	-0.030 (0.086)	0.112 (0.103)
Average preprogram wage	0.058 (0.688)	-1.015 (0.672)	0.957* (0.520)	0.443 (0.651)	-0.805 (0.723)	0.362 (0.864)

* Significant at the 0.10 level.
** Significant at the 0.05 level.
*** Significant at the 0.01 level.

Table V-19
ESTIMATED EFFECTS OF CLIENT CHARACTERISTICS ON RESPONSIVENESS OF SERVICES
(Standard Errors in Parentheses)

	Index of Responsiveness				
	Early Intervention Services	Basic Readjustment Services	Classroom Training	OJT	Supportive Services
Percentage of Participants Who Were:					
Dislocated from a substantial layoff	0.000 (0.001)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.007 (0.010)
UI claimants	0.000 (0.001)	0.000 (0.001)	0.000 (0.000)	-0.001*** (0.000)	0.000 (0.001)
Unemployed 15 weeks or more	-0.002* (0.001)	-0.001* (0.001)	0.000 (0.000)	0.000 (0.000)	-0.000 (0.001)
High school dropouts	-0.001 (0.002)	-0.001 (0.002)	0.001 (0.001)	0.001 (0.001)	0.000 (0.002)
Completed high school but not college	0.002 (0.002)	0.000 (0.002)	-0.001 (0.001)	0.002* (0.001)	0.000 (0.001)
Reading below 7th grade level	0.001 (0.002)	0.000 (0.001)	-0.001 (0.001)	0.000 (0.001)	0.000 (0.001)
Age 55 or more	-0.001 (0.003)	0.001 (0.002)	-0.001 (0.001)	0.004** (0.002)	-0.002 (0.002)
Female	0.000 (0.001)	0.001 (0.001)	0.001 (0.001)	0.000 (0.001)	0.000 (0.001)
Minorities	0.000 (0.001)	0.000 (0.001)	0.000 (0.000)	0.000 (0.000)	0.000 (0.001)
Average preprogram wage	0.005 (0.006)	0.002 (0.005)	0.005 (0.003)	0.000 (0.004)	-0.003 (0.005)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Eligibility Category and Recency of Layoff

Substate areas that enroll more clients who were dislocated from a substantial layoff provided less basic readjustment services only and more OJT. This pattern is surprising because in our case studies we found that, in response to large-scale layoffs, substate areas often provided basic readjustment services to many more workers than were enrolled in training. Enrollment procedures varied, however, and these substate areas may not have formally enrolled their clients who received basic readjustment services only.

Substate areas serving higher percentages of current UI claimants were less likely to provide OJT and more likely to provide occupational classroom training, probably because those currently receiving UI are better able to support themselves during retraining and less in need of the immediate income received in OJT. These substate areas are less likely to provide responsive OJT, perhaps reflecting less emphasis on this service in general.

The percentage of workers who were unemployed 15 or more weeks is associated with several differences in both the type and responsiveness of services. Substate areas serving more longer-term unemployed served fewer clients in basic readjustment services only; more in short-term training, particularly OJT; and many fewer in basic skills remediation. The longer-term unemployed are probably less in need of basic readjustment services, because they are beyond the immediate crisis of dislocation and need more intensive services. They generally have fewer resources to support themselves during training and thus are more likely to enroll in short-term training, particularly OJT. The reduced use of basic skills remediation probably also reflects a need for shorter-term services rather than a reduced need for remediation.

Substate areas serving more workers unemployed at least 15 weeks provide less responsive early intervention services and less responsive basic readjustment services. This pattern may reflect a reverse causation: substate areas with less responsive early intervention and readjustment services are probably less able to recruit workers soon after they are laid-off and thus serve more clients unemployed at least 15 weeks.

Education and Reading Levels

Substate areas serving more college graduates are significantly more likely to serve clients in basic readjustment services only, probably because college graduates

are better able to find jobs without retraining. Similarly, areas serving more dislocated workers with poor reading skills provided fewer basic readjustment services only.

Areas serving more high school graduates provide more training of 26 weeks or more, probably because these individuals are more likely to enroll in community college programs, where 2-year programs are common.

Areas serving more dropouts provide more basic skills training. Unfortunately, this is not the case for areas serving more clients reading below the 7th grade level, which are more likely to provide OJT. This pattern is consistent with our case studies, where we found that EDWAA programs providing basic skills remediation tended to focus on GED training and had fewer options for those with severe basic skills deficiencies. Further, as indicated above, 25% of the substate areas reported that they targeted OJT to those who lacked basic skills prerequisites for classroom training programs.

The education and basic skills of clients served are not strongly associated with the responsiveness of services. The single significant effect indicates that, relative to those serving more college graduates, substate areas that served more high school graduates provided more responsive OJT, perhaps because of the difficulty in developing OJT positions for higher-skilled jobs.

Other Barriers to Employment

Areas serving more older workers provided substantially more basic readjustment services only, with concomitant reductions in both long- and short-term training. Older workers are probably much less interested in retraining because the expected benefits to investments in training will be realized over relatively few working years. Areas serving more older workers have more responsive OJT, which may be a more appropriate service for these workers.

We also included the percentage of terminees who were women and the percentage who belonged to a minority group to control for the effects of these characteristics, particularly in the outcome models. These two characteristics had few associations with either the types or responsiveness of services. The only significant difference is that areas serving more women provided more longer-term training.

Preprogram Wage Rates

Controlling for differences in education, the average preprogram wage level had little association with the type or responsiveness of services. Areas serving participants with higher average wages were more likely to serve participants through longer-term training, probably because these relatively better off clients were better able to support themselves during retraining.

SUMMARY AND CONCLUSIONS

This chapter has examined numerous influences on the types and responsiveness of services provided to dislocated workers. Below we highlight the key findings.

Three state policies had important effects on EDWAA services:

- **Allocation formula.** Although the pattern of results is less clear than in other chapters, emphasizing the extent of current dislocations in the allocation formula appears to be desirable. Weighting this factor increases provision of basic skills training, a service needed by many dislocated workers, and reduces the amount of OJT, a service that we found to be less appropriate for many workers in our case studies.
- **Technical assistance.** Providing technical assistance on EDWAA issues increased the provision of basic skills training and basic readjustment services and increased the responsiveness of early intervention services. In our case studies, we found that these areas needed more development in many sites.
- **Incentives for long-term training.** These incentives markedly increased the amount of basic skills training provided and reduced the amount of short-term training, as intended. They had an unintended effect of reducing the responsiveness of basic readjustment services, probably because these incentives led substate areas to focus on developing retraining services.

Characteristics of the local area had only modest effects on the services provided. Basic skills training was more common in areas with high unemployment, perhaps because these skills were needed to compete for scarce jobs, and in high-earning areas, perhaps because these skills were needed to compete for higher-skilled jobs.

The geographic characteristics of substate areas had an important effect on the responsiveness of early intervention services. Significantly more responsive early intervention services were provided by urban areas and areas with medium population

density serving more than three counties. It appears that these areas were better able to provide prelayoff services to more layoffs and to provide more comprehensive prelayoff services than either rural areas or areas serving fewer counties.

Characteristics of the substate areas, including funding levels, also had relatively modest effects on services. The amount of total funding had some influence: areas with more than \$750,000 in funding provided more responsive basic readjustment services. Of somewhat more influence was the size of EDWAA funding relative to Title II-A funding. Areas with a higher ratio of EDWAA to Title II-A funding provided more responsive classroom training and supportive services.

The results offer suggestive evidence of the influence of federal policies. Substate areas that reported being strongly influenced by federal and state policies provided substantially more basic skills training and more responsive early intervention services.

A consistent pattern in this report is that substate areas reporting trouble expending their resources are less likely to have implemented their program consistently with the intent of the legislation. The results of this chapter indicate that these substate areas have significantly less responsive early intervention and basic readjustment services and their retraining services are much more likely to consist of OJT.

The way substate areas organize their programs had a larger influence on services. Key factors include:

- Integration of EDWAA and Title II-A services. Substate areas that integrate their services provide significantly more longer-term training, consistent with the intent of the legislation. On the other hand, they also provide fewer basic readjustment services only and less responsive early intervention services, suggesting that substate areas that integrate services may deemphasize crisis assistance and assistance in developing job search skills that may be needed by many dislocated workers. Further, although these substate areas provide more OJT, their OJT services are less responsive to the needs of dislocated workers. Although our case studies indicate that integration of services does not preclude responsive EDWAA services, integration does pose challenges that must be addressed.

- Labor-management committees. Labor-management committees are associated with more responsive early intervention and basic readjustment services.
- Coordination. The legislation's emphasis on coordination seems well founded. Substate areas with more nonfinancial linkages provide more responsive early intervention and basic readjustment services; those with more financial linkages provide more responsive classroom training by offering a broader range of options.
- Active recruitment strategies. Although the direction of causation is not clear, substate areas that actively recruit dislocated workers, rather than waiting for them to seek out services on their own, also have more responsive services in most areas.

In examining the relationship between the types of clients served and the types of services provided, we found a strong relationship between the recency of layoff and the types of services provided. Substate areas that enroll more UI recipients provide more occupational classroom training and less OJT. Those that enroll clients who have been unemployed 15 weeks or more provided less basic skills training, more short-term training in OJT, and less occupational classroom training. It is likely that these differences occur because those recently laid-off have more resources available, including UI benefits, to support themselves during training while the longer-term unemployed have a greater need for immediate income.

Substate areas that enrolled more dropouts provided more basic skills remediation, consistent with those participants' needs. Unfortunately, this is not the case for clients reading below the 7th grade level. Substate areas serving more clients with substantial basic skills deficiencies provide more OJT. These results are consistent with our case study findings that, when basic skills training was provided for dislocated workers, it was often limited to GED preparation. This finding emphasizes the need for a wide range of remediation services to address the diverse needs of dislocated workers.

VI OUTCOMES ACHIEVED

INTRODUCTION

The conceptual framework presented in Chapter I indicates that all the aspects of EDWAA programs that we have examined—how services are organized, the types of clients served, and the types and responsiveness of the services provided—are hypothesized to affect the outcomes achieved by EDWAA participants. This chapter, therefore, examines the effects of these features of substate areas' EDWAA programs, as well as the effects of state policies and other exogenous factors, on outcomes.

Information about the outcomes achieved by EDWAA participants obtained from the WAPR includes the percentage of terminees who are employed and the average wage rate of those employed for two points in time: at termination and 13 weeks after termination.

Table VI-1 presents the distribution of these outcomes for those substate areas included in the survey analysis. On average, 79% of EDWAA terminees entered employment at termination, and 78% were employed 13 weeks later. The average wage rate varies considerably: for example, the average wage at termination ranges from a 5th percentile of \$5.31 to a 95th percentile of \$13.11. This wide range reflects the diverse prelayoff experiences of dislocated workers, discussed in Chapter IV.

INFLUENCE OF STATE POLICIES

Allocation Formulas

As shown in Table VI-2, the weights placed on different federal factors in the allocation formula are associated with differences in the outcomes achieved. Substate areas in states that emphasize the amount of current dislocation—and thus target more funds to those areas—achieve significantly lower follow-up wages than do substate areas in other states. This difference is not due to differences in clients served or services offered. It is likely that substate areas experiencing higher levels of dislocation are less able to replace their participants' previous wage rates in reemployment jobs.

Performance Standards

Substate areas in states that adopt the wage standard tend to achieve higher initial and follow-up wage rates and achieve higher follow-up employment rates. In

Table VI-1
DISTRIBUTION OF OUTCOMES FOR SURVEY SAMPLE

	Percentile of Performance:				
	5th	25th	50th	75th	95th
Entered employment rate	50.0%	68.1%	79.1%	86.0%	94.4%
Wage at placement	\$5.31	\$6.61	\$7.49	\$8.67	\$13.11
Follow-up employment rate	57.1%	71.8%	78.0%	84.0%	91.5%
Wage at follow-up	\$5.25	\$6.54	\$7.74	\$9.00	\$11.31

Table VI-2

ESTIMATED EFFECTS OF STATE POLICIES ON OUTCOMES
(Standard Errors in Parentheses)

State Policies	Entered Employment Rate	Wage at Placement	Follow-up Employment Rate	Wage Rate at Follow-up
Emphasis on long-term unemployed in allocation formula	-0.044 (0.080)	0.001 (0.007)	0.040 (0.057)	0.017** (0.008)
Emphasis on unemployment in allocation formula	-0.006 (0.046)	0.003 (0.004)	0.024 (0.033)	0.009 * (0.005)
Wage at placement as performance standard or goal	-0.103 (1.467)	0.361*** (0.134)	2.057** (1.034)	0.405*** (0.145)
Discretionary funds available from 10% or 40% funds	-0.260 (1.896)	0.797*** (0.171)	-0.299 (1.338)	0.967*** (0.185)
Specific technical assistance provided	0.796 (1.507)	0.252* (0.139)	0.562 (1.085)	0.081 (0.152)
Incentives for long-term training	-2.825 (1.816)	-0.281* (0.167)	0.446 (1.277)	0.035 (0.181)
Incentives for performance	7.962** (3.162)	0.754*** (0.289)	0.283 (2.217)	0.963*** (0.312)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Chapter IV, however, we found that the substate areas in states with the wage standard were far less likely to enroll participants with significant barriers to employment, such as reading below the 7th grade level. When client characteristics are controlled for, the positive effects of the wage standards on wage rates achieved are substantially smaller and no longer statistically significant. Thus, substate areas held accountable to the wage standard appear to achieve higher outcomes, but these effects are due primarily to the fact that they enroll easier-to-serve clients.

As noted above, several of the states using the wage standard do not use the optional DOL model, which adjusts for the types of clients served, including the average of the clients' previous wage rate. If the wage rate standard is used, states should be encouraged to adjust standards for the previous wages earned by participants. Further, technical assistance should be provided on how such adjustments lower standards for areas serving lower-wage or harder-to-serve clients.

Although only four states provided incentives for high performance, we also examined whether providing such incentives affected outcomes. As shown in Table VI-2, such incentives increase the entered employment rate, the wage at placement, and the wage at follow-up. (These effects remain even after controlling for differences in clients served and services provided.) Thus, it appears that providing incentives for performance increases substate areas' efforts to attain positive outcomes for dislocated workers.

Discretionary Funding

Substate areas in states that make discretionary funds available to substate areas in need, through either 10% or 40% funds, tend to achieve higher outcomes for their participants, particularly higher wage rates. Having discretionary funds available may allow substate areas to provide more intensive services for dislocated workers, because they have less need to hold funds in reserve for unexpected dislocations.

Technical Assistance

Substate areas in states that provide technical assistance tend to achieve higher wages at placement for their participants than do substate areas in other states. The effect on the follow-up wage rate, however, is smaller and not significant.

INFLUENCE OF LOCAL AREA CHARACTERISTICS

Unemployment and Extent of Dislocation

Not surprisingly, areas with higher unemployment rates have lower performance overall as shown in Table VI-3. These effects are significant for the wage at placement and both follow-up measures. Furthermore, substate areas with a higher percentage of employment in manufacturing also achieve lower wage rates.

Areas reporting higher levels of dislocation achieve significantly lower entered employment rates. Further, when both client characteristics and the types of services offered are controlled for, these areas also have significantly lower follow-up employment rates and follow-up wage rates. Thus, even accounting for the unemployment rate and other aspects of the local economy, high levels of dislocation make it more difficult for substate areas to achieve positive outcomes for their clients. Additional information on the amount of dislocation in each area, therefore, would improve the ability of the EDWAA performance standard adjustment models to adjust for economic conditions. The extent that dislocations are large-scale, however, had no significant effects on performance.

Geographic Characteristics

The geographic characteristics of the area have little influence on the outcomes achieved. Areas with medium population density have significantly higher follow-up employment rates than do areas with high population density. Much of this effect is due, however, to the fact that high-population-density areas are more likely to serve clients with greater barriers to employment.

Area Earnings

Areas with higher average earnings have significantly different outcomes than do those with lower earnings. Higher-wage areas achieve significantly higher wage rates for dislocated workers, even controlling for the workers' previous wage rates. These areas, however, have significantly lower employment rates. This pattern is consistent with our case studies, where we found that in higher-wage areas, many of the lower-wage industries were closing, often locating in other states or other countries. As a result, the jobs remaining were higher paying, but it was harder to place workers into these jobs, particularly those dislocated from the low-wage jobs.

Table VI-3
ESTIMATED EFFECTS OF LOCAL AREA CHARACTERISTICS ON OUTCOMES
(Standard Errors in Parentheses)

Local Area Characteristics	Entered Employment Rate	Wage at Placement	Follow-up Employment Rate	Wage Rate at Follow-up
Unemployment rate in PY 90	-0.533 (0.339)	-0.061* (0.031)	-0.834*** (0.240)	-0.091*** (0.035)
Percent of employment in manufacturing	0.001 (0.082)	-0.029*** (0.007)	0.041 (0.058)	-0.024*** (0.008)
Amount of dislocation (survey reported)	-1.856* (1.074)	0.057 (0.098)	-0.917 (0.759)	-0.101 (0.108)
Proportion of layoffs that are large-scale	-2.684 (2.702)	0.028 (0.253)	0.577 (1.927)	-0.125 (0.275)
Low population density	1.097 (2.949)	-0.213 (0.268)	1.966 (2.083)	-0.071 (0.291)
Medium population density	3.506 (2.213)	0.196 (0.203)	3.280** (1.567)	0.253 (0.221)
Areas with medium population density serving more than three counties	-1.195 (1.974)	-0.158 (0.181)	-0.006 (1.399)	-0.254 (0.199)
Average earnings in 1990	-1.039*** (0.315)	0.205*** (0.029)	-0.532** (0.224)	0.179*** (0.032)
Earnings growth between 1987 and 1990	0.119 (0.162)	0.018 (0.015)	0.037 (0.130)	0.053*** (0.018)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

EDWAA participants in substate areas experiencing greater growth in earnings in the past three years achieved significantly higher wage rates, even controlling for their previous wage levels.

EFFECTS OF CHARACTERISTICS OF THE SUBSTATE AREA

Experience with Dislocated Workers

As shown in Table VI-4, substate areas that served dislocated workers under the previous Title III program achieved lower entered employment rates and lower wages at placement than did substate areas serving dislocated workers for the first time under EDWAA. Much of this difference is due to these substate areas' serving lower-wage, less-educated workers, as reported in Chapter IV, although the negative effect on employment is still significant when client characteristics are controlled for.

Substate areas where providers have more experience serving dislocated workers, on the other hand, achieve significantly higher outcomes. The effects on wage rates are due to the fact that these substate areas serve dislocated workers with higher previous wage rates, but the effects on employment appear to be due to the providers' previous experience in serving dislocated workers.

EDWAA Funding

The overall level of funding for the EDWAA program did not significantly affect outcomes. Substate areas receiving less than \$250,000 in total funding were just as likely to achieve positive outcomes for their participants as those receiving \$750,000 or more. The percentage of funding from discretionary sources also did not affect performance.

Of greater influence is the ratio of EDWAA to Title II-A funding. Areas with higher ratios of EDWAA to Title II-A funding achieved significantly higher wage rates for their participants. Such substate areas probably place greater emphasis on their EDWAA program than do substate areas where the EDWAA program is small relative to the Title II-A program.

In previous chapters, we found that substate areas having difficulty meeting their expenditure requirements were less likely to implement their program in ways consistent with the legislation and had less well-developed services in several areas. As shown in Table VI-4, these substate areas also achieved lower outcomes for their participants, particularly lower follow-up wage rates. This latter effect is significant

Table VI-4

**ESTIMATED EFFECTS OF SUBSTATE AREA CHARACTERISTICS ON OUTCOMES
(Standard Errors in Parentheses)**

	Entered - Employment Rate	Wage at Placement	Follow-up Employment Rate	Wage Rate at Follow-up
Substate Area Characteristics				
Whether SSA had previous experience under Title III	-3.275** (1.523)	-0.263* (0.139)	-0.291 (1.081)	-0.113 (0.150)
Extent that service providers had experience under Title III	6.679** (2.971)	0.741*** (0.273)	-1.652 (2.107)	0.653** (0.297)
Total funds less than \$250,000 in PY 90	0.595 (2.003)	0.020 (0.183)	1.672 (1.444)	-0.050 (0.204)
Total funds \$250,000 to \$750,000 in PY 90	0.101 (1.813)	0.019 (0.166)	0.202 (1.290)	-0.090 (0.182)
Discretionary funds as a percent of of total funds	4.020 (3.049)	0.227 (0.277)	2.266 (2.211)	0.122 (0.310)
Ratio of EDWAA to Title II-A expenditures	11.767 (7.901)	1.252* (0.731)	6.178 (5.636)	2.315*** (0.809)
Extent had difficulty meeting expenditure requirements	-3.286 (2.838)	-0.342 (0.264)	-1.810 (2.015)	-0.668** (0.284)
Extent that design influenced by:				
Federal and state retraining policies	0.372 (3.795)	0.353 (0.350)	0.398 (2.695)	0.348 (0.378)
Desire to use existing systems	1.172 (4.675)	-0.400 (0.425)	1.439 (3.329)	-0.408 (0.464)
Limited opportunities	1.510 (3.448)	0.257 (0.314)	-2.578 (2.440)	0.198 (0.348)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

even when other aspects of the program are controlled for, including the types of services provided. Thus, substate areas not expending their EDWAA funds have not implemented well-developed programs that can help dislocated workers achieve higher wages.

Reported Influences on Program Design

The factors that substate areas reported influenced their program design—such as federal and state retraining policies, desire to use existing systems, and limited opportunities in the area—have no significant association with the outcomes achieved by their participants.

EFFECTS OF SUBSTATE AREA ORGANIZATION

Organization of Delivery of Services

As shown in Table VI-5, integration of EDWAA and Title II-A services is associated with lower wage rates at follow-up, but this association is due primarily to the fact that substate areas that integrate services enroll more clients with barriers to employment. When client characteristics are controlled for, there are no significant differences in outcomes for those that integrate and those that provide separate services for dislocated workers.

Provision of services in-house has strong relationships with the level of outcomes achieved. Substate areas that provide services directly tend to achieve significantly higher employment rates for their participants, both at termination and at follow-up. However, these substate areas achieve lower wage rates, effects that are significant when client characteristics and services provided are controlled for. Substate areas that provide services directly apparently place more workers in jobs but have less success in obtaining higher-wage jobs for their participants.

The use of labor-management committees is associated with lower follow-up employment rates, even controlling for differences in client characteristics and services. Although the analysis controls for many characteristics of the labor market, it is possible that this relationship is due to the fact that labor-management committees are more common in more unionized areas, many of which have experienced substantial dislocations in recent years.

Table VI-5
ESTIMATED EFFECTS OF SUBSTATE AREA ORGANIZATION ON OUTCOMES
(Standard Errors in Parentheses)

	<u>Entered Employment Rate</u>	<u>Wage at Placement</u>	<u>Follow-Up Employment Rate</u>	<u>Wage Rate at Follow-Up</u>
Extent of integration with Title II-A services	0.671 (2.183)	-0.274 (0.199)	1.720 (1.559)	-0.512** (0.218)
Extent services provided in-house	7.086** (2.836)	-0.383 (0.257)	4.870** (2.001)	-0.321 (0.276)
Percent of large-scale layoffs with LMCs	-0.008 (0.021)	0.002 (0.002)	-0.027* (0.015)	0.000 (0.002)
Extent of nonfinancial coordination	-0.598 (4.043)	0.037 (0.368)	-3.049 (2.861)	0.232 (0.390)
Extent of financial coordination	0.961 (2.621)	-0.249 (0.241)	2.255 (1.875)	-0.201 (0.260)
Oriented to rapid reemployment	1.351 (3.205)	0.063 (0.291)	0.842 (2.279)	-0.365 (0.322)
Oriented to economic development goals	-4.120** (1.932)	0.082 (0.176)	-1.841 (1.360)	-0.142 (0.190)
Recruit from dislocated-worker sources	-3.062 (4.319)	-0.239 (0.391)	0.769 (3.023)	-0.041 (0.423)
Recruit from community sources	4.722 (4.204)	0.185 (0.382)	2.548 (3.021)	0.592 (0.423)
Target those most in need of services	-0.342 (1.333)	-0.406*** (0.121)	-0.845 (0.945)	-0.386*** (0.132)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Coordination

Coordination with other agencies is not associated with differences in outcomes. Substate areas that coordinate, through either financial or nonfinancial agreements, achieve outcomes for their clients similar to outcomes achieved by other substate areas.

Orientation

Substate areas that focus on economic development goals tend to have lower entered employment rates. The effects on follow-up employment rates, however, are smaller and not statistically significant.

Recruitment and Targeting

The recruitment methods used by substate areas do not significantly influence the outcomes achieved by participants. However, substate areas that target those most in need financially or with greater barriers to employment achieve lower wages for their participants. Although these effects are substantially smaller when the types of clients served are controlled for, the effect on wage at placement is still significant. These lower wages may result from barriers to employment that are not captured by the client characteristics we measure.

INFLUENCES OF TYPES OF CLIENTS SERVED

Recency of Layoff

As shown in Table VI-6, substate areas that serve more workers from substantial layoffs do not achieve significantly different outcomes than do those serving participants eligible under other categories. Further, the proportion of clients who are UI recipients at the time of program entry is not associated with different levels of outcomes.

However, substate areas that serve a higher proportion of clients unemployed 15 or more weeks achieve significantly lower employment rates, both at termination and at follow-up, and lower wage rates at termination. Although these effects are estimated controlling for differences in education level, reading level, and previous wage, it may be that characteristics of these workers themselves make them harder to place in high-wage jobs. Alternatively, not being enrolled in services soon after layoff may make it harder to achieve high outcomes for the longer-term unemployed.

Table VI-6
ESTIMATED EFFECTS OF CLIENT CHARACTERISTICS ON OUTCOMES
(Standard Errors in Parentheses)

	<u>Entered Employment Rate</u>	<u>Wage at Placement</u>	<u>Follow-up Employment Rate</u>	<u>Wage Rate at Follow-up</u>
Percentage of Participants Who Were:				
Dislocated from a substantial layoff	-0.002 (0.029)	0.002 (0.002)	0.009 (0.021)	0.000 (0.002)
UI claimants	0.038 (0.039)	0.001 (0.003)	0.030 (0.028)	0.004 (0.003)
Unemployed 15 weeks or more	-0.126*** (0.041)	-0.006** (0.003)	-0.103*** (0.029)	0.000 (0.003)
School dropouts	-0.164 (0.122)	-0.051*** (0.009)	-0.199** (0.088)	-0.050*** (0.010)
Completed high school but not college	-0.017 (0.105)	-0.039*** (0.008)	-0.099 (0.075)	-0.046*** (0.008)
Reading below 7th grade level	0.031 (0.083)	-0.008 (0.006)	-0.036 (0.060)	-0.011* (0.007)
Age 55 or more	-0.190 (0.140)	-0.008 (0.010)	-0.136 (0.101)	0.013 (0.012)
Female	0.091* (0.049)	-0.021*** (0.004)	0.048 (0.035)	-0.010** (0.004)
Minorities	-0.076* (0.045)	0.002 (0.003)	-0.062** (0.032)	-0.003 (0.004)
Average preprogram wage	0.134 (0.380)	0.177*** (0.034)	0.133 (0.277)	0.209*** (0.032)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

Education Levels, Barriers to Employment, and Previous Wage Rates

As expected, many characteristics of participants are related to lower wage rates, either at placement or at follow-up, including:

- School dropouts or high school graduates, relative to college graduates.
- Reading below the 7th grade level.
- Females.
- Those with lower preprogram wages.

Substate areas serving a larger percentage of minorities tend to have lower employment rates, both at termination and at follow-up, but not significantly lower wages. Although serving a larger proportion of women is associated with lower wage rates, it is associated with higher employment rates, particularly at termination.

INFLUENCES OF SERVICES PROVIDED

Types of Services

Table VI-7 presents the estimated effects of different types of services on outcomes achieved. Substate areas serving larger percentages of clients in basic readjustment services only have substantially lower entered employment rates. These substate areas tend to serve larger numbers of participants with shorter-term services, and the lower employment rates probably reflect the difficulty in helping large numbers of workers find reemployment through less intensive services.

On the other hand, the percentage of participants in longer-term training of 26 weeks or more is also associated with lower entered employment rates. In our case studies, EDWAA staff indicated that participants were more likely to drop out of longer-term training, which could explain the reduced entered employment rates.

By 13 weeks after termination, however, the differences in employment among basic readjustment only, short-term training and long-term training are no longer significant, as workers eventually find jobs.

The percentage of training completions in basic skills training has no significant influence on outcomes achieved. However, substate areas that emphasize OJT relative to occupational classroom training have significantly higher employment rates, but lower wage rates, particularly at termination. This finding is consistent with our case study results. The higher employment rates for OJT reflect the common practice of not

Table VI-7
ESTIMATED EFFECTS OF TYPES AND RESPONSIVENESS OF SERVICES ON OUTCOMES
(Standard Errors in Parentheses)

	<u>Entered Employment Rate</u>	<u>Wage at Placement</u>	<u>Follow-up Employment Rate</u>	<u>Wage Rate at Follow-up</u>
Percentage of Terminees Who Received:				
Basic readjustment services only	-0.116*** (0.032)	0.001 (0.002)	-0.028 (0.022)	0.003 (0.003)
Training of 26 weeks or more	-0.073* (0.044)	-0.002 (0.003)	0.024 (0.032)	-0.003 (0.004)
Percentage of Training Completed In:				
Basic skills	-0.041 (0.031)	0.000 (0.002)	-0.012 (0.022)	-0.003 (0.002)
OJT	0.080*** (0.030)	-0.005** (0.002)	0.076*** (0.021)	-0.002 (0.002)
Individual Indexes of Responsiveness				
Early intervention services	-0.339 (2.599)	0.079 (0.188)	1.761 (1.830)	0.303 (0.209)
Basic readjustment services	6.156* (3.486)	-0.081 (0.255)	0.893 (2.447)	0.159 (0.274)
Classroom training	3.085 (5.023)	0.754** (0.368)	-0.281 (3.545)	0.615 (0.401)
OJT	4.962 (5.270)	0.158 (0.383)	3.250 (3.734)	0.425 (0.422)
Supportive services	-2.453 (3.764)	-0.410 (0.274)	-2.411 (2.673)	0.084 (0.303)
Overall Index of Responsiveness of Services	10.954* (6.388)	0.493 (0.469)	7.200 (4.494)	1.322** (0.518)

* Significant at the 0.10 level.

** Significant at the 0.05 level.

*** Significant at the 0.01 level.

enrolling participants until they have found OJT positions. The lower wage rates probably reflect the difficulty many substate areas had in developing OJT positions in higher-skilled jobs.

Responsiveness of Services

Table VI-7 also presents the estimated effects of our indexes of responsive EDWAA services. Although the index of responsive early intervention services is not significantly related to outcomes, when we examined the effects of each component of that index, we found that providing prelayoff services to a high proportion of large-scale layoffs significantly increased the wage rate at follow-up.

Substate areas that provided more responsive basic readjustment services achieved significantly higher entered employment rates. Of particular importance is the provision of crisis management services: substate areas providing both stress counseling and financial management achieved entered employment rates 3.7 percentage points higher than did those that did not provide either service. The intended benefit of these crisis adjustment services is to help dislocated workers handle the crisis of being laid off and to develop plans for reemployment more quickly. Apparently, these services do translate into more rapid reemployment of dislocated workers.

Substate areas providing more responsive classroom training achieve higher wage rates. The effect on wage rates at termination is significant; that at follow-up is still large and close to being significant. The effects of the responsiveness of OJT services on outcomes, although positive, are not statistically significant.

Because the separate indexes of responsive services had similar effects on outcomes, we also created a summary index, representing the average of the separate indexes of responsive early intervention, basic readjustment, classroom training, and OJT.

As shown in Table VI-7, substate areas with more responsive services overall achieved significantly higher entered employment rates and, of particular importance, had significantly higher follow-up wage rates. For example, a substate area scoring at the 90th percentile on this overall index is estimated to have an entered employment rate 3.3 percentage points higher and an average follow-up wage rate \$0.40 per hour higher than a substate area scoring at the 10th percentile of this index.

SUMMARY AND CONCLUSIONS

Although several state policies affect outcomes, most of these effects occur because these policies influence how substate areas organize their program, the types of clients served, and the types of services provided. When these indirect effects are accounted for, the remaining direct influence of state policies on outcomes is relatively small.

Nonetheless, an important pattern of effects for performance standards policies was found. Although substate areas held accountable to a wage standard achieve higher wages, much of this increase results because they serve individuals with higher previous wages. If states adopt a wage standard, therefore, they should be strongly encouraged to adjust for participants' previous wage levels in setting standards. Providing incentives for better performance, however, does improve the outcomes achieved for dislocated workers, even controlling for any effects on clients and services.

Not surprisingly, characteristics of the local area, as measured by existing data sources, strongly affect the outcomes achieved by substate areas. In addition, substate areas with high levels of dislocation, as reported in the survey, achieve significantly lower entered employment rates. This pattern suggests that collecting information on the extent of dislocation on an ongoing basis could help improve the ability of performance standards models to adjust for differences in the local economy.

Substate areas that receive low levels of funding achieve the same outcomes as do those with higher levels. However, substate areas that have a lower ratio of EDWAA to Title II-A funding achieve lower outcomes for dislocated workers, particularly lower wage rates. Thus the problem does not appear to be low levels of funding, per se, but low levels of funding relative to the Title II-A program, which may lead substate areas to focus less on their EDWAA program.

As we found in all the other chapters, substate areas that report difficulty in expending their funds are substantially less likely to meet the intent of the EDWAA legislation. These substate areas achieve lower outcomes for their clients, particularly lower follow-up wage rates, even controlling for the less responsive services offered by these substate areas. These substate areas clearly need further assistance in developing effective EDWAA services.

Overall, state policies, substate area characteristics, and, most importantly, characteristics of the local area account for about half of the systematic variation in the employment outcomes and two-thirds of the systematic variation in the wage rate outcomes.

The way substate areas organize their EDWAA programs had relatively small effects on the outcomes achieved. Although we found evidence that integration of Title II-A and EDWAA services reduced the responsiveness of services, the integration of services did not significantly affect the outcomes achieved by dislocated workers. The one consistent pattern we found is that substate areas that provide more services in-house achieved higher employment rates but lower wage rates for dislocated workers. Consistent with this finding is that substate areas that contracted with providers experienced in serving dislocated workers achieved significantly higher wage rates. Overall, the way substate areas organized their programs account for little of the systematic variation in the outcomes (about 10% for the employment outcomes and less than 5% for the wage rate outcomes).

Substate areas that enrolled more clients who were unemployed for 15 or more weeks achieved substantially lower outcomes. Although this pattern may be due to unmeasured characteristics of the clients themselves (e.g., motivation), it provides support for the importance of recruiting workers soon after they are dislocated. As expected, other client characteristics significantly affect outcomes as well. Overall about a quarter of the systematic variation in outcomes is accounted for by client characteristics.

The types of services provided had perhaps surprisingly small influence on outcomes. Overall, services account for about 20% of the systematic variation in employment outcomes but very small amounts of the variation in wage rates. Although some differences in entered employment rates were evident for basic readjustment services only, short-term training, and long-term training, these differences were not significant at follow-up. However, substate areas that emphasize OJT consistently achieve higher employment rates but lower wage rates, perhaps because of the difficulty in developing OJT positions for high-wage jobs.

The responsiveness of services did affect outcomes. Specifically:

- Prelayoff services to a larger number of large-scale layoffs increased follow-up wage rates.

- Responsive basic readjustment services, especially crisis management services, increased entered employment rates.
- Responsive classroom training services increased wage rates.
- Providing responsive services overall substantially increased both entered employment rates and follow-up wage rates.

These results provide strong evidence that responsive services result in better outcomes for dislocated workers.

VII CONCLUSIONS AND RECOMMENDATIONS

INTRODUCTION

This report has examined numerous aspects of the way substate areas organized their services, what types of clients they served, what types of services they provided, and how responsive the services were to the needs of dislocated workers. It then examined how these aspects of organization and operations were related to each other and to the outcomes achieved by EDWAA participants.

This chapter relates the findings of this report to the major issues addressed in the first two phases of this study: the extent that services provided in EDWAA are responsive to the distinct needs of dislocated workers, and the extent that EDWAA is organized in ways consistent with the themes of the legislation. This section concludes with recommendations based on the results of this report.

RESPONSIVE EDWAA SERVICES

This report examined the impact of responsive services on the outcomes achieved by EDWAA participants. Using the principles of responsive service developed in Phase II of this study, we created indicators of the responsiveness of early intervention, basic readjustment, classroom training, OJT, and supportive services.

This report found that the responsiveness of EDWAA services did affect outcomes. Specifically:

- Prelayoff services to a larger number of large-scale layoffs increased follow-up wage rates.
- Responsive basic readjustment services, especially crisis management services, increased entered employment rates.
- Responsive classroom training services increased wage rates.
- Providing responsive services overall substantially increased both entered employment rates and follow-up wage rates.

These results provide strong evidence that responsive services result in better outcomes for dislocated workers. Technical assistance should be provided to help substate areas develop responsive services. Further, practices that increase the responsiveness of services, discussed below, should be encouraged.

THEMES OF THE LEGISLATION

Phase I of this study examined how EDWAA programs were designed to address the themes of the legislation. This report provided substantial evidence both about the extent that programs are organized in ways consistent with the legislation's themes and about how features called for in the legislation affected services received and outcomes achieved by EDWAA participants. Below we summarize these results for each of the seven themes in the legislation.

Building a Substate Delivery System

The EDWAA legislation requires states to create an ongoing substate delivery system, which was intended to result in broader and more timely coverage of dislocations throughout the state. This report examined several issues related to the substate delivery system, including the effects of the way states distributed funds to their substate areas, implications of designating Title II-A SDAs as substate entities, and the effect of states' effort to assist their substate areas in developing services for dislocated workers.

Targeting Funds to Areas in Need

Allocation Formulas. The formulas that states use to allocate funds to their substate areas vary widely in the emphasis placed on the extent of recent dislocations, the amount of unemployment, and the number of long-term unemployed in the area. The relative emphasis placed on these major factors affected all facets of EDWAA design and operations. State formulas that emphasized the extent of recent dislocations (instead of one of the other two factors):

- Increased the development of nonfinancial coordination linkages.
- Increased recruitment from dislocated-worker-specific sources.
- Increased service to workers from substantial layoffs.
- Increased service to more recently laid-off workers.
- Increased the amount of basic skills training and reduced the amount of OJT provided, although the responsiveness of classroom training was higher in states that emphasized the long-term unemployed.
- Reduced the wage rates attained, presumably because of the higher levels of dislocation in communities receiving more funding.

In our case studies, we found that an important reason that states did not weight the amount of current dislocation more heavily in their allocation formulas was the lack of data. If the current proposal to develop a system for tracking layoffs is approved, it would enhance the ability of states to target funds to areas experiencing the greatest levels of dislocations.

Discretionary Funding. The effects of discretionary funds on EDWAA design and operations are somewhat mixed. Substate areas that received more discretionary funding tended to organize their services in ways more consistent with the legislation—for example, establishing more labor-management committees and developing more nonfinancial coordination linkages. These substate areas also enrolled more workers from substantial layoffs and fewer longer-term unemployed. These results suggest that discretionary funds are being used for large-scale layoffs.

State policies that made discretionary funds available seem to have led substate areas to provide a wider range of services, such as basic skills training and more basic readjustment services, perhaps because these substate areas were less conservative in holding funds in reserve for unexpected events. However, some of these services appeared to be less responsive to the needs of dislocated workers. Nonetheless, substate areas in states that made discretionary funds available achieved higher wage rates for their participants.

These results suggest that policies to hold funds in reserve for substate areas in need can help substate areas manage their programs and increase their ability to serve workers dislocated from large-scale layoffs.

Designating Substate Entities

Most states designated Title II-A SDAs as EDWAA substate entities, for the most part to take advantage of the existing training capacity at the local level. This report investigated several issues relating to this choice.

Funding Levels. Because states usually selected all their SDAs as EDWAA substate areas, some substate areas received relatively small amounts of EDWAA funding. We found that the level of funding had some influence on EDWAA organization: substate areas that received less funding were more likely to integrate their EDWAA and Title II-A services and to provide services in-house. The level of funding, however, had relatively few effects on the types of clients served or the types of services provided, although areas receiving high levels of funding provided more

responsive early intervention services. The level of funding did not significantly affect the outcomes achieved by EDWAA participants.

The ratio of EDWAA to Title II-A funding had a greater influence on services and outcomes. Substate areas with a higher ratio of EDWAA to Title II-A funding provided significantly more responsive classroom training and supportive services. Furthermore, EDWAA participants in these substate areas achieved significantly higher wages at termination and at follow-up. These results suggest that substate areas focus less on the distinct needs of dislocated workers when EDWAA is only a small part of their program operations.

Integration of EDWAA and Title II-A Services. On average, substate areas integrate about half of their EDWAA services with similar Title II-A services. Integration is more likely in areas receiving less EDWAA funding and areas that served dislocated workers in the previous Title III program.

Substate areas with greater integration of services tend to:

- Serve dislocated workers who are more similar to economically disadvantaged clients. For example, these substate areas serve more longer-term unemployed and clients with lower previous wages.
- Provide more long-term training and fewer basic readjustment services only.
- Serve more clients in OJT but provide OJT services that are less responsive to the needs of dislocated workers.
- Provide less responsive early intervention services.

In general, integration of EDWAA and Title II-A services tends to result in enrollment of clients more similar to Title II-A clients and provision of services more similar to Title II-A services. Substate areas that integrate more services appear to focus less on services that are distinct to the EDWAA program, such as basic readjustment and early intervention services. The JTPA Amendments require that Title II-A services be more individualized to the need of each client. These changes may enhance the responsiveness of EDWAA services as well in substate areas that integrate EDWAA and Title II-A services.

These results do not imply that the current substate delivery system should be abandoned. In our case studies, we found many examples of substate areas that

integrated services and yet provided services (including early intervention services) very responsive to the needs of dislocated workers. Thus, integration of services does not preclude responsive services. These results do imply, however, that integration of EDWAA and Title II-A services poses several challenges that substate areas must address. Technical assistance efforts, including the technical assistance guide that we are preparing for Phase III of this study, should disseminate models of responsive services in both integrated and separate settings.

Providing Technical Assistance

The results of this study provide substantial evidence that states can influence the EDWAA programs in their states through technical assistance. Substate areas in states that provide technical assistance:

- Developed more coordination linkages with other programs.
- Provided EDWAA services that were less integrated with Title II-A services.
- Enrolled more recently laid-off workers and fewer long-term unemployed.
- Provided much more basic skills training to dislocated workers, and less short-term training.
- Developed more responsive early intervention services.
- Achieved higher wage rates for their participants.

In our case studies, we found that many substate areas were developing services for dislocated workers without much information about practices and programs in other areas. These results strongly indicate that provision of technical assistance and the sharing of information about EDWAA services can pay off in terms of more responsive services and better outcomes for dislocated workers.

Improving Accountability

The EDWAA legislation gives states responsibility for holding substate areas accountable for their performance and for timely expenditure of program funds. This report examined several issues relating to these provisions.

Performance Standards Policies

Wage Rate Standard. Although not required, 16 states adopted the wage at placement as an EDWAA performance standard, and an additional 5 states adopted it as a goal. Adoption of the wage rate as a standard or a goal had some beneficial effects:

it led substate areas to increase their nonfinancial coordination with other agencies and to develop more responsive basic readjustment services.

Although substate areas in states with the wage standard achieved higher wage rates, much of this is due to their enrolling easier-to-serve clients, including more clients with higher previous wage rates, fewer dropouts, and fewer clients reading below the 7th grade level. The wage standard may have had these unintended effects on the types of dislocated workers served because about half of the states do not adjust the wage standards for differences in the characteristics of clients served.

If the wage standard is adopted, states should be encouraged to adjust standards using the optional DOL model or another approach that adjusts for clients' previous wages and other characteristics. Technical assistance should also be provided to help substate areas understand that, unlike the Title II-A models, the level of their wage standard depends on the previous wage rates of the clients served.

Incentives for Performance. Only four states awarded incentive funds for EDWAA performance in PY 90. However, substate areas in those states achieved significantly higher employment rates and wage rates for their participants (even controlling for any differences in clients served or services provided). Incentives for performance appear to increase substate areas' efforts to obtain positive outcomes for their EDWAA clients.

Expenditure Policies

The EDWAA legislation sets an 80% expenditure requirement for states, and most states established expenditure requirements for their substate areas of 80% or higher.

Substate areas that indicated they had difficulty in meeting their expenditure requirements differed from other substate areas in many ways. Specifically, substate areas having difficulty expending their funds:

- Established labor-management committees for fewer of their large-scale layoffs.
- Recruited less often from dislocated-worker-specific sources, such as from rapid response activities.
- Were more likely to focus on rapid reemployment of participants than on providing long-term training.

- Enrolled fewer clients from substantial layoffs and more long-term unemployed.
- Provided OJT to more clients.
- Provided significantly less responsive early intervention and basic readjustment services.
- Achieved lower follow-up wage rates for their clients (even controlling for the types of services provided).

These results strongly suggest that the legislation's concern about expenditures is well founded. Having difficulty expending funds is more than an indicator of having more funds than needed; it is also an indicator of general management problems. Clearly, substate areas reporting difficulty meeting their expenditure requirements have much less well-developed EDWAA services, resulting in poorer outcomes for EDWAA participants. These substate areas appear to require substantial assistance in developing effective EDWAA programs.

Promoting Labor-Management Cooperation

The legislation encourages cooperation between labor and management in planning services for dislocated workers, including the development of labor-management committees. In the survey, 41% of the substate areas reported establishing at least one labor-management committee or other cooperative arrangement in PY 90; these substate areas established such committees for 45% of their substantial layoffs, on average. Labor-management committees were more common in substate areas with previous experience in serving dislocated workers and in areas receiving discretionary funds.

Our case studies found that labor-management committees helped in recruiting workers into EDWAA and helped tailor services to the needs of workers from specific layoffs. This report found that indeed substate areas that established more committees enrolled more workers from substantial layoffs and provided significantly more responsive early intervention and basic readjustment services. However, we found that substate areas forming more labor-management committees tended to have lower follow-up employment rates. This unexpected result may be due to differences in labor market conditions that we did not measure.

Increasing Coordination

The legislation calls for EDWAA programs to coordinate with other programs serving dislocated workers to increase efficiency and improve service quality. Substate

areas with previous experience serving dislocated workers under Title III established more financial and nonfinancial coordination linkages with other agencies, suggesting that it takes some time to develop effective coordination.

Coordination linkages had substantial effects on the responsiveness of EDWAA services. Substate areas with more nonfinancial linkages provided more responsive early intervention services and more responsive basic readjustment services. Those substate areas with more financial linkages provided more responsive classroom training. These effects occur primarily because coordination allowed substate areas to provide a broader range of services and training options. These results indicate that the legislation's emphasis on coordination is well founded.

Promoting Long-Term Training

The EDWAA legislation emphasizes the importance of long-term training through the requirement that substate areas expend at least 50% of their funds on retraining and by encouraging states to establish incentives for long-term training.

Eight states provided substate areas with financial incentives for providing long-term training in PY 90. Substate areas in these states established more coordination linkages and were less likely to integrate EDWAA and Title II-A services. These substate areas enrolled significantly more dropouts and those reading below the 7th grade level, clients for whom long-term training is particularly appropriate.

Substate areas in states with incentives for long-term training provided much more basic skills training and less short-term training of less than 26 weeks. A similar pattern of increased basic skills training was found for those substate areas that reported being strongly influenced by federal and state retraining policies. Thus, incentives and other policies to increase long-term training had the intended effect of increasing the intensity of training provided to dislocated workers.

Perhaps because of their focus on retraining, however, these substate areas offered less responsive basic readjustment services to dislocated workers. In our case studies, we found that several substate areas were struggling with a trade-off between providing long-term training and providing dislocated workers with the early intervention and basic readjustment services needed to deal with the immediate crisis of being laid off.

Serving a Broad Range of Workers

Aspects of the legislation encourage service to a broad range of dislocated workers, including the recently laid off and longer-term unemployed. This report examined several issues concerning the types of workers served, including the effects of targeting and recruitment policies and the relationship between the types of clients enrolled and the services provided.

Targeting and Recruitment Policies

Targeting and recruitment policies have a strong relationship to the responsiveness of services, although the direction of causation is not clear. Substate areas that actively recruit workers, rather than waiting for them to seek out services on their own, provided more responsive services in many areas, including early intervention, basic readjustment, and classroom training. It may be that active recruitment brings in a broad range of workers, and the substate areas responded by providing more diverse services. Alternatively, well-managed substate areas may both actively recruit workers and provide responsive services.

Substate areas that explicitly targeted dislocated workers in financial need or with barriers to employment indeed served clients with lower previous wage rates, with less education, and with fewer basic skills. Importantly, these substate areas also provided significantly more responsive classroom training, including a wider range of training options, and provided more responsive supportive services to help those with greater need support themselves during training. Thus, substate areas targeting the most in need tend to have developed services responsive to the needs of their clients.

Relationship Between Clients and Services

Although the direction of causation between clients and services is ambiguous, this report found several important relationships. Substate areas serving more workers unemployed 15 or more weeks provided:

- Less responsive early intervention services.
- Less responsive basic readjustment services.
- Fewer basic readjustment services.
- Less basic skills training.
- More OJT.
- More short-term training.

This pattern supports the hypothesis that substate areas with less responsive early intervention services and fewer services to help clients overcome the immediate crisis of being laid off are less successful in enrolling clients soon after layoff. As a result, when these clients do seek help, they have fewer resources to support themselves during training. These clients are thus more likely to receive OJT and shorter-term training, with less basic skills remediation.

In contrast, areas serving more UI recipients provide more classroom training and less OJT, perhaps because these clients have more resources to support themselves during training.

Substate areas that serve more dropouts provide more basic skills training. Unfortunately, this is not the case for substate areas serving more clients reading below the 7th grade level. These substate areas provide more OJT but not more basic skills training. This pattern is consistent with our case studies, where we found that, when provided, basic skills training in EDWAA focused primarily on GED preparation. Few options were available for those with more severe basic skills deficiencies. Technical assistance is needed to help substate areas develop appropriate training options for dislocated workers with substantial basic skills deficiencies.

Encouraging Rapid Response

The findings of this report support the legislation's emphasis on rapid response. As discussed above, clients who enter EDWAA soon after layoff, before their resources are exhausted, can choose among a wider range of services, including basic skills remediation and occupational skills training; those who have been unemployed 15 weeks or longer before entering EDWAA are more likely to receive short-term training, particularly OJT.

Further, substate areas that provide prelayoff services to more large-scale layoffs achieve significantly higher wage rates for their participants; substate areas providing more crisis adjustment services achieve higher entered employment rates. This evidence suggests that prelayoff and crisis adjustment services can help participants adjust more rapidly to being dislocated and help them develop reemployment plans that lead to higher wage rates.

RECOMMENDATIONS

Developing Responsive Services

1. Substate areas should be encouraged to provide prelayoff services, which tend to increase the ability of workers to find high-wage jobs. In particular, rural areas and medium-density areas serving relatively few counties would benefit from technical assistance in developing prelayoff and other early intervention services.

2. Substate areas should be encouraged to actively recruit dislocated workers and enroll them in services soon after being laid off. Workers who have been unemployed 15 weeks or more before enrolling in EDWAA tend to enroll in short-term, less intensive training, probably because they lack resources to support themselves during longer training.

3. Provision of basic readjustment services that go beyond job search assistance should be encouraged. Crisis adjustment services, in particular, increase the proportion of participants who find jobs after leaving the program.

4. Substate areas should be assisted in developing basic skills remediation options, in addition to GED preparation, for dislocated workers with more severe basic skills deficiencies.

5. Substate areas should be encouraged to provide a wide range of classroom training options to meet the diverse needs of dislocated workers. Providing a wider range of retraining options results in higher wage rates for dislocated workers.

Organization of Services

6. To increase their understanding of the distinct needs of dislocated workers and how they differ from the needs of economically disadvantaged clients, technical assistance should be provided to substate areas that integrate EDWAA and Title II-A services and those where EDWAA funds are low relative to Title II-A funds.

7. Technical assistance in developing effective EDWAA programs should be targeted to substate areas having difficulty expending their funds. These substate areas tend to have substantially less well-developed services.

8. Coordination between EDWAA and other programs should continue to be encouraged because of its strong effects on the responsiveness of services.

9. Labor-management cooperation in designing prelayoff and basic readjustment services should continue to be encouraged because of its effects on the responsiveness of these services.

State Policies

10. States should be encouraged to develop allocation formulas that place greater weight on factors measuring the amount of current dislocation in each area. Better data on the incidence of major dislocations would help this effort.

11. Because they substantially improve outcomes, financial incentives for performance should be encouraged, but only if standards are adjusted for client characteristics, especially previous wage levels.

12. States that desire to increase the amount of long-term training provided should be encouraged to provide incentives for such training. It should be recognized, however, that such incentives may lead substate areas to focus less on developing responsive basic readjustment services.

APPENDIX A

Substate Area Questionnaire and Distribution of Responses

A. SUBSTATE DESIGN ISSUES

NOTE: Throughout this questionnaire, we have used the acronym "SSA" to stand for "substate area" or "substate grantee."

A1. During PY 90 (July 90 to June 91), approximately what proportion of the dislocated workers served by your substate area (SSA) were eligible under the following categories?

(PLEASE CIRCLE YOUR BEST ESTIMATE FOR EACH ITEM)

	<u>0</u>	<u>1-25%</u>	<u>26-50%</u>	<u>51-75%</u>	<u>76-100%</u>
a. Laid off and unlikely to return to previous industry or occupation (N=405)	0 (0.2%)	1 (29.1%)	2 (38.3%)	3 (21.5%)	4 (10.9%)
b. Laid off from substantial layoff or permanent closure (N=404)	0 (1.0%)	1 (22.8%)	2 (36.6%)	3 (26.5%)	4 (13.1%)
c. Long-term unemployed with limited opportunity for employment in same or similar occupation (N=393)	0 (5.1%)	1 (57.3%)	2 (28.0%)	3 (8.1%)	4 (1.5%)
e. Self employed (including farmers and ranchers) (N=378)	0 (39.9%)	1 (58.7%)	2 (1.1%)	3 (0%)	4 (0.3%)
f. Displaced homemakers (N=380)	0 (51.1%)	1 (47.4%)	2 (1.6%)	3 (0%)	4 (0%)

A2. Did your SSA give priority for service to any of the following types of dislocated workers in PY 90? (N=424)

(PLEASE CIRCLE ALL THAT APPLY)

a. Those in greater financial need	1	(44.6%)
b. Those with greater barriers to employment	2	(57.1%)
c. Current UI recipients	3	(43.2%)
d. UI exhaustees	4	(45.3%)
e. Older workers	5	(25.0%)
f. Farmers/ranchers	6	(8.0%)
g. Other (please specify) _____	7	(17.9%)

A3. Please indicate how much you agree or disagree with each of the following statements about dislocated workers in your SSA in PY 90. (N=419)

(PLEASE CIRCLE ONE NUMBER FOR EACH STATEMENT)

	<u>Disagree Strongly</u>	<u>Disagree Somewhat</u>	<u>Agree Somewhat</u>	<u>Agree Strongly</u>	<u>Have No Idea</u>
a. Dislocated workers have needs very different from Title II-A participants in the SSA.	1 (2.1%)	2 (10.7%)	3 (33.7%)	4 (53.2%)	0 (0.2%)
b. Most dislocated workers in this SSA are not interested in long-term training.	1 (17.7%)	2 (34.1%)	3 (32.9%)	4 (15.3%)	0 (0.0%)
c. Dislocated workers in this SSA generally want immediate reemployment even if it means earning lower wages.	1 (16.2%)	2 (38.7%)	3 (34.1%)	4 (11.0%)	0 (0.0%)

A4. How influential were each of the following factors in your SSA's choices about the type of services to offer EDWAA dislocated workers in PY 90?

(PLEASE CIRCLE ONE NUMBER FOR EACH FACTOR)

	Not Influential <u>At All</u>	Somewhat <u>Influential</u>	Quite <u>Influential</u>	Extremely <u>Influential</u>
a. Federal policies encouraging retraining expenditures. (N=415)	1 (8.7%)	2 (33.7%)	3 (40.2%)	4 (17.3%)
b. State policies encouraging provision of longer-term training. (N=415)	1 (30.4%)	2 (41.7%)	3 (22.2%)	4 (5.8%)
c. Desire to use existing Title II-A service delivery system as much as possible. (N=416)	1 (32.9%)	2 (33.4%)	3 (22.4%)	4 (11.3%)
d. Desire to use existing dislocated worker service delivery system as much as possible. (N=413)	1 (16.0%)	2 (26.6%)	3 (39.2%)	4 (18.2%)
e. Desire to avoid duplication of ES services. (N=415)	1 (18.8%)	2 (27.5%)	3 (35.4%)	4 (18.3%)
f. Need for economic development in this SSA. (N=412)	1 (35.0%)	2 (35.9%)	3 (17.2%)	4 (11.9%)
g. Federal fixed-unit-price contracting regulations. (N=410)	1 (60.5%)	2 (21.2%)	3 (10.7%)	4 (7.6%)
h. Dislocated workers' need for immediate income. (N=415)	1 (3.6%)	2 (40.0%)	3 (38.6%)	4 (17.8%)
i. Types of services proposed by service providers. (N=413)	1 (24.9%)	2 (35.6%)	3 (29.1%)	4 (10.4%)
j. Limited occupational options that workers might be trained for in this area. (N=415)	1 (13.5%)	2 (31.8%)	3 (33.5%)	4 (21.2%)
k. Limited classroom retraining programs in this area. (N=415)	1 (31.3%)	2 (36.6%)	3 (22.7%)	4 (9.4%)

A5. Overall, did your SSA's EDWAA program focus more on enhancing dislocated workers' skills in their current occupation or on training dislocated workers in skills in new occupational areas in PY 90? (N=419)

(PLEASE CIRCLE ONE NUMBER)

Focused more on enhancing existing skills in current occupation.....1 (5.5%)
 Focused more on training for skills in new occupational areas.....2 (64.0%)
 Both about the same.....3 (30.5%)

A6. Overall, did your SSA's EDWAA program focus more on assisting workers to obtain rapid reemployment or on providing longer-term training in PY 90? (N=417)

(PLEASE CIRCLE ONE NUMBER)

Focused more on assisting workers to obtain rapid reemployment..... 1 (22.3%)
 Focused more on providing longer-term training 2 (37.4%)
 Both about the same..... 3 (40.3%)

A7. Please indicate how much you agree or disagree with each of the following statements about EDWAA services.

(PLEASE CIRCLE ONE NUMBER FOR EACH STATEMENT)

	<u>Disagree Strongly</u>	<u>Disagree Somewhat</u>	<u>Agree Somewhat</u>	<u>Agree Strongly</u>	<u>Have No Idea</u>
a. OJT contracts are useful economic development tools to assist employers in creating new jobs. (N=415)	1 (15.9%)	2 (16.4%)	3 (40.0%)	4 (26.5%)	0 (1.2%)
b. The 50% retraining requirement makes it difficult to offer the amount of basic readjustment services needed by dislocated workers in this SSA. (N=417)	1 (12.7%)	2 (25.7%)	3 (27.3%)	4 (32.4%)	0 (1.9%)
c. Classroom training is a cost-effective way to increase the ability of dislocated workers to obtain high quality jobs. (N=418)	1 (1.2%)	2 (5.5%)	3 (32.8%)	4 (60.0%)	0 (0.5%)
d. Many employers in this SSA are willing to establish labor-management committees. (N=416)	1 (23.6%)	2 (26.0%)	3 (24.8%)	4 (7.5%)	0 (18.3%)
e. Labor-management committees usually do little to increase the effectiveness of EDWAA services. (N=416)	1 (12.0%)	2 (25.2%)	3 (25.0%)	4 (14.2%)	0 (23.6%)

A8. How influential were the following factors in limiting the amount of supportive services (e.g., transportation, child care, needs-related payments) offered to EDWAA participants in your SSA in PY 90.

(PLEASE CIRCLE ONE NUMBER FOR EACH ITEM)

	Not Influential <u>At All</u>	Somewhat <u>Influential</u>	Quite <u>Influential</u>	Extremely <u>Influential</u>
a. Many participants apply for EDWAA after 13th week of UI eligibility. (N=411)	1 (46.0%)	2 (35.0%)	3 (13.1%)	4 (5.8%)
b. It is politically difficult to provide needs-related payments to EDWAA clients while not providing payments to Title II-A clients. (N=408)	1 (59.1%)	2 (17.4%)	3 (10.8%)	4 (12.7%)
c. Dislocated workers have little need for supportive services in this SSA. (N=408)	1 (55.4%)	2 (30.6%)	3 (11.3%)	4 (2.7%)
d. Inadequate EDWAA funding. (N=411)	1 (23.6%)	2 (22.6%)	3 (21.9%)	4 (31.9%)
e. 25% limit on supportive services. (N=410)	1 (31.7%)	2 (31.7%)	3 (18.8%)	4 (17.8%)
f. Lack of budget flexibility because of other EDWAA expenditure limitations and requirements. (N=412)	1 (18.9%)	2 (26.9%)	3 (22.1%)	4 (32.0%)

A9. Were any of the following used in planning and funding decisions for your EDWAA program? (N=424)

(PLEASE CIRCLE ALL THAT APPLY)

Performance outcomes achieved by SSA overall	1	(76.7%)
Performance outcomes achieved by specific service providers	2	(60.1%)
Results of monitoring EDWAA contracts.....	3	(55.0%)
Assessment of skills attained by dislocated workers.....	4	(69.6%)

A10. Has your SSA encountered problems in any of the following areas for which further technical assistance would be useful? (N=424)

(PLEASE CIRCLE ALL THAT APPLY)

a. Procedures to apply standardized EDWAA eligibility criteria.....	1	(33.0%)
b. Rapid response practices	2	(25.5%)
c. Procedures to facilitate labor-management cooperation	3	(29.2%)
d. Procedures to coordinate with other programs.....	4	(18.4%)
e. Assessment procedures appropriate for dislocated workers	5	(42.9%)
f. Development of effective designs and procedures for providing <u>prelayoff</u> services.....	6	(41.5%)
g. Development of effective job search training for dislocated workers.....	7	(23.6%)
h. Development of effective stress and financial counseling services for dislocated workers	8	(42.9%)
i. Development of OJT positions appropriate for dislocated workers.....	9	(34.0%)
j. Development of occupational classroom training programs appropriate for dislocated workers	10	(25.9%)
k. Development of appropriate basic skills programs for dislocated workers	11	(25.9%)
l. Development of effective strategies for providing supportive services to dislocated workers	12	(37.7%)

B. SUBSTATE ORGANIZATION AND MANAGEMENT

B1. Is this SSA also an administrative entity for the Title II-A program? (N=419)

(PLEASE CIRCLE ONE NUMBER)

(95.7%) Yes..... 1

(4.3%) No..... 2 ---> SKIP TO QUESTION B3

B2. For each of the following EDWAA services, please indicate whether it was mostly integrated with Title II-A services, mostly separate from Title II-A services, or not provided in your SSA in PY 90.

(PLEASE CIRCLE ONE NUMBER FOR EACH SERVICE)

	<u>Mostly Integrated with Title II-A</u>	<u>Mostly Separate from Title II-A</u>	<u>Not Provided</u>
a. Recruitment (N=385)	1 (39.5%)	2 (59.5%)	0 (1.0%)
b. Eligibility determination (N=386)	1 (54.4%)	2 (45.1%)	0 (0.5%)
d. Development of EDP (N=386)	1 (54.7%)	2 (44.6%)	0 (0.8%)
e. Case management (N=386)	1 (47.9%)	2 (44.0%)	0 (8.0%)
f. Prelayoff services (N=385)	1 (7.0%)	2 (82.9%)	0 (10.1%)
g. Post layoff basic readjustment services (N=385)	1 (23.1%)	2 (72.2%)	0 (4.7%)
h. Basic skills training (N=387)	1 (64.3%)	2 (29.2%)	0 (6.5%)
i. Administration of OJT (N=386)	1 (71.0%)	2 (23.6%)	0 (5.4%)
j. Class-size occupational skills training programs (N=387)	1 (49.4%)	2 (32.6%)	0 (18.1%)
k. Administration of individual referrals to classroom training programs (N=384)	1 (58.3%)	2 (40.9%)	0 (0.8%)

B3. During PY 90, which EDWAA services were provided by the state (or state contractor), which were provided directly by substate area staff, and which were provided by SSA contractors?

(PLEASE CIRCLE ALL THAT APPLY FOR EACH SERVICE)

	By SSA Contractors				
	State	SSA	ES/UI	CBO*	Public School
a. Recruitment (N=417)	1 (17.0%)	2 (84.9%)	3 (40.5%)	4 (14.9%)	5 (11.8%)
b. Eligibility determination (N=421)	1 (10.0%)	2 (79.3%)	3 (22.6%)	4 (6.4%)	5 (4.3%)
c. Assessment (N=420)	1 (5.5%)	2 (78.8%)	3 (16.9%)	4 (11.0%)	5 (16.2%)
d. Development of EDP (N=418)	1 (4.5%)	2 (81.8%)	3 (11.7%)	4 (10.8%)	5 (8.9%)
e. Case management (N=418)	1 (4.1%)	2 (76.8%)	3 (12.0%)	4 (10.3%)	5 (8.4%)
f. Prelayoff services (N=414)	1 (33.3%)	2 (74.4%)	3 (37.4%)	4 (9.4%)	5 (6.0%)
g. Postlayoff basic readjustment services (N=417)	1 (9.6%)	2 (76.5%)	3 (21.6%)	4 (10.1%)	5 (8.2%)
h. Basic skills training (N=416)	1 (2.4%)	2 (51.2%)	3 (3.1%)	4 (15.1%)	5 (52.6%)
i. Administration of OJT (N=418)	1 (2.9%)	2 (78.7%)	3 (6.2%)	4 (9.6%)	5 (2.2%)
j. Classroom occupational skills training (N=418)	1 (2.9%)	2 (47.4%)	3 (3.8%)	4 (15.1%)	5 (61.5%)

(MATRIX CONTINUED ON PAGE 9)

B3. CONTINUED (from page 8)

During PY 90, which EDWAA services were provided by the state (or state contractor), which were provided directly by substate area staff, and which were provided by SSA contractors?

(PLEASE CIRCLE ALL THAT APPLY FOR EACH SERVICE)

	By SSA Contractors			
	Private School	Union	Other	Not Provided
a. Recruitment (N=417)	6 (6.5%)	7 (18.7%)	8 (8.4%)	0 (0.5%)
b. Eligibility determination (N=421)	6 (1.9%)	7 (4.0%)	8 (4.5%)	0 (0%)
c. Assessment (N=420)	6 (5.0%)	7 (4.5%)	8 (9.0%)	0 (0%)
d. Development of EDP (N=418)	6 (3.1%)	7 (4.3%)	8 (8.1%)	0 (0.7%)
e. Case management (N=418)	6 (2.9%)	7 (3.3%)	8 (6.7%)	0 (6.2%)
f. Prelayoff services (N=414)	6 (1.0%)	7 (15.7%)	8 (7.5%)	0 (7.0%)
g. Postlayoff basic readjustment services (N=417)	6 (2.9%)	7 (7.0%)	8 (7.0%)	0 (4.1%)
h. Basic skills training (N=416)	6 (13.9%)	7 (2.6%)	8 (6.0%)	0 (6.0%)
i. Administration of OJT (N=418)	6 (1.0%)	7 (2.2%)	8 (6.7%)	0 (4.5%)
j. Classroom occupational skills training (N=418)	6 (43.8%)	7 (3.8%)	8 (8.4%)	0 (1.0%)

B4. In addition, did your SSA have any non-financial agreements with any of the following agencies to provide services to dislocated workers? (N=399)

(PLEASE CIRCLE ALL THAT APPLY)

ES/UI	1	(66.2%)
CBOs*.....	2	(23.3%)
Public schools.....	3	(26.8%)
Private schools.....	4	(9.3%)
Unions.....	5	(16.3%)
Other (Please specify:) <u> </u>	6	(9.5%)
None of the above.....	7	(23.8%)

*CBO = community-based organization

B5. What type(s) of contracts did your SSA use with EDWAA service providers during PY 90? (N=415)

(PLEASE CIRCLE ONE NUMBER)

- (54.7%) Cost-reimbursement only 1--- > SKIP TO QUESTION B7
- (8.2%) Performance-based, fixed-unit price only 2
- (24.8%) Both cost-reimbursement and performance-based, fixed-unit price 3
- (12.3%) No EDWAA service providers 4--- > SKIP TO QUESTION B8

B6. (IF YOUR SSA USED PERFORMANCE-BASED, FIXED-UNIT-PRICE CONTRACTS:) Approximately what percentage of the unit price of these EDWAA contracts was reserved during PY 90 for each of the following?

(PLEASE GIVE YOUR BEST ESTIMATES; IF NONE, PLEASE ENTER "0")

- a. Percentage of unit price reserved for placement in training-related job at specified wage: (N=121) MEAN=32.6
- b. Percentage of unit price reserved for employment retention: (N=119) MEAN=16.5

B7. How many of the EDWAA service providers in your SSA had experience serving dislocated workers before EDWAA was enacted? (N=362)

(PLEASE CIRCLE ONE NUMBER)

- None 1 (11.3%)
- Some 2 (45.0%)
- Most..... 3 (21.3%)
- All..... 4 (22.4%)

B8. What role, if any, did your SSA play in the previous Title III program before EDWAA was enacted? (N=414)

(PLEASE CIRCLE ONE NUMBER)

- None 1 (25.1%)
- Received Title III allocation from state 2 (61.1%)
- Received Title III funds for special projects 3 (13.8%)

C. RAPID RESPONSE ACTIVITIES

C1. Many states distinguish between large scale and smaller scale dislocations.
How does your state define large scale dislocations? (N=402)

(PLEASE CIRCLE ONE NUMBER)

- No definition used in this state..... 0 (10.7%)
- Dislocations requiring WARN notification..... 1 (38.6%)
- Dislocations of 50 workers or more 2 (45.5%)
- Other (Please specify:) _____ 3 (5.2%)

NOTE: Several of the following questions ask about "large-scale" and "smaller-scale" dislocations. Please use your state's size definitions in responding to these questions. If your SSA or state does not distinguish layoffs by size, use 50 or more workers as the definition of large-scale layoffs.

C2. About how many large-scale dislocations were there in your SSA in PY 90?
(PLEASE GIVE YOUR BEST ESTIMATE; IF NONE, PLEASE ENTER "0")

Total number of large-scale dislocations
in PY 90: (N=411) MEAN= 9.4

C3. About how many smaller-scale dislocations were there in your SSA in PY 90?
(PLEASE GIVE YOUR BEST ESTIMATE; IF NONE, PLEASE ENTER "0")

Total number of smaller-scale dislocations
in PY 90: (N=403) MEAN=19.4

IF NO LARGE OR SMALLER LAYOFFS IN PY 90, PLEASE SKIP TO SECTION D

C4. Which one of the following statements best describes the role of your SSA relative to the state in leading rapid response activities in PY 90? (N=409)

(PLEASE CIRCLE ONE NUMBER)

- State led rapid response to both large and smaller-scale layoffs..... 1 (16.1%)
- State led rapid response to large scale layoffs; SSA led rapid response to smaller-scale layoffs..... 2 (47.4%)
- SSA led rapid response to both large and smaller-scale layoffs..... 3 (28.4%)
- Other (Please specify:) _____ 4 (8.1%)

C5. Did your SSA staff or contractor(s) usually attend initial meetings with employers who gave notice of layoffs in PY 90? (N=416)

(PLEASE CIRCLE ONE NUMBER)

- (91.8%) Yes 1
- (8.2%) No 2 --> SKIP TO QUESTION C9

C6. Which of the following other agencies or groups usually were represented at the initial employer meeting during PY 90? (N=391)

(PLEASE CIRCLE ALL THAT APPLY)

- State rapid response staff or contractor..... 1 (75.2%)
 - ES/UI 2 (89.8%)
 - Economic development agencies 3 (18.4%)
 - Trade Adjustment Assistance (TAA) 4 (23.3%)
 - Social service agencies..... 5 (21.5%)
 - Educational agencies 6 (22.3%)
 - Plant employee representatives 7 (75.2%)
 - Other union representatives 8 (57.5%)
 - Other (Please specify:) _____ 9 (13.0%)
-

C7. How often was each of the following an objective of the initial meetings with employers?
 (PLEASE CIRCLE ONE NUMBER FOR EACH ITEM)

<u>Objectives of initial employer meeting:</u>	<u>Never</u>	<u>Sometimes</u>	<u>Usually</u>	<u>Always</u>
a. To prevent the layoff. (N=372)	1 (62.9%)	2 (28.8%)	3 (3.8%)	4 (4.6%)
b. To set up an orientation meeting for employees. (N=386)	1 (0.0%)	2 (3.6%)	3 (27.5%)	4 (68.9%)
c. To obtain release time for employees to attend orientation meeting. (N=381)	1 (4.2%)	2 (18.6%)	3 (28.6%)	4 (48.6%)
d. To obtain employer's authorization to provide prelayoff services. (N=383)	1 (5.2%)	2 (14.1%)	3 (30.0%)	4 (50.7%)
e. To obtain employer's contributions to EDWAA services (financial or in-kind). (N=376)	1 (26.6%)	2 (37.0%)	3 (17.2%)	4 (19.4%)
f. To facilitate labor-management cooperation. (N=379)	1 (12.4%)	2 (28.8%)	3 (24.0%)	4 (34.8%)
g. To assess TAA applicability. (N=377)	1 (21.8%)	2 (36.3%)	3 (18.8%)	4 (23.1%)

C8. During PY 90, how soon after the notice of layoff did the employer meeting usually occur? (N=379)
 (PLEASE CIRCLE ONE NUMBER)

Within 48 hours.....	1	(18.2%)
Within one week.....	2	(41.7%)
Within two weeks	3	(27.7%)
Within one month	4	(10.8%)
Later than one month	5	(1.6%)

C9. During PY 90, did your SSA staff or contractor(s) usually attend rapid-response worker orientation meetings? (N=416)
 (PLEASE CIRCLE ONE NUMBER)

(93.0%) Yes 1
 (7.0%) No 2 ---> **SKIP TO QUESTION C12**

C10. Which of the following other agencies or groups usually were represented at the worker orientation meetings during PY 90? (N=424)

(PLEASE CIRCLE ALL THAT APPLY)

State rapid response staff or contractor.....	1	(64.9%)
ES/UI.....	2	(88.4%)
Economic development agencies	3	(11.6%)
TAA	4	(24.1%)
Social service agencies.....	5	(32.1%)
Educational agencies	6	(33.3%)
Plant employee representatives	7	(70.8%)
Other union representatives	8	(54.5%)
Other (Please specify:) _____	9	(13.2%)

C11. How often was each of the following an objective of the worker orientation meetings?

(PLEASE CIRCLE ONE NUMBER FOR EACH ITEM)

<u>Objectives of worker orientation meetings:</u>	<u>Never</u>	<u>Sometimes</u>	<u>Usually</u>	<u>Always</u>
a. To inform workers about EDWAA services (N=386)	1 (0.0%)	2 (0.5%)	3 (4.1%)	4 (95.3%)
b. To inform workers about other community services (N=383)	1 (0.3%)	2 (8.4%)	3 (20.4%)	4 (71.0%)
c. To provide labor-market information (N=379)	1 (5.5%)	2 (29.0%)	3 (26.6%)	4 (38.8%)
d. To provide information about problems workers can expect because of layoff (N=379)	1 (2.9%)	2 (14.8%)	3 (28.8%)	4 (53.6%)
e. To survey/assess workers' needs (N=380)	1 (7.1%)	2 (16.6%)	3 (23.9%)	4 (52.4%)
f. To provide basic readjustment services (e.g., stress management, financial counseling, job-search assistance) <u>during</u> the meeting (N=382)	1 (41.6%)	2 (34.0%)	3 (11.0%)	4 (13.4%)
g. To conduct UI intake (N=382)	1 (32.5%)	2 (42.4%)	3 (12.3%)	4 (12.8%)
h. To conduct EDWAA intake (N=384)	1 (29.7%)	2 (43.7%)	3 (12.5%)	4 (14.1%)

C12. Other than assisting in providing rapid response services, in which of the following ways, if any, did your state participate in providing services to workers affected by specific layoffs during PY 90? (N=414)

(PLEASE CIRCLE ALL THAT APPLY)

Assisted in planning for EDWAA services for affected workers.....	1	(55.3%)
Assisted in obtaining additional funds, if necessary.....	2	(76.8%)
Followed up on SSA delivery of services	3	(52.2%)
Provided prelayoff services directly	4	(24.6%)
Provided postlayoff services directly	5	(17.6%)
Other (Please specify:) _____	6	(3.1%)
None of the above.....	0	(8.9%)

C13. In PY 90, were any labor-management committees or other labor-management cooperative arrangements established for layoffs served by your SSA? (N=415)

(PLEASE CIRCLE ONE NUMBER)

(41.2%)	Yes	1
(58.8%)	No	2 ---> SKIP TO SECTION D

C14. About how many labor-management committees or other labor-management cooperative arrangements were established for large-scale layoffs and for smaller-scale layoffs in PY 90?

(PLEASE PROVIDE YOUR BEST ESTIMATES; IF NONE, ENTER "0")

- a. Number labor-management committees, etc.
for large-scale layoffs in PY90: (N=164) MEAN=2.4
- b. Number labor-management committees, etc.
for smaller-scale layoffs in PY90: (N=147) MEAN=1.1

IF NO LABOR-MANAGEMENT COMMITTEES OR COOPERATIVE ARRANGEMENTS IN PY 90, PLEASE SKIP TO SECTION D.

C15. What role(s) did labor-management committees or cooperative arrangements usually play in layoffs in PY 90? (N=172)

(PLEASE CIRCLE ALL THAT APPLY)

Assessed needs of affected workers	1	(58.1%)
Participated in planning worker orientation meeting.....	2	(91.9%)
Participated in planning <u>prelayoff</u> services	3	(76.7%)
Participated in planning for basic readjustment services	4	(59.3%)
Participated in planning retraining services designed	5	(44.8%)
specifically for the affected workers		
Participated in selecting service providers.....	6	(15.7%)
Approved service plans for individual workers.....	7	(4.1%)
Provided advice to substate area or providers.....	8	(59.3%)

D. RECRUITMENT/INTAKE

D1. How often were dislocated workers recruited into your EDWAA program from each of the following sources during PY 90?

(PLEASE CIRCLE ONE NUMBER FOR EACH ITEM)

	Almost <u>Never</u>	<u>Sometimes</u>	<u>Often</u>
a. Rapid response activities (N=421)	1 (8.1%)	2 (24.9%)	3 (67.0%)
b. Referrals from ES/UI (N=421)	1 (6.4%)	2 (41.1%)	3 (52.5%)
c. Referrals from Title II-A program (N=419)	1 (21.5%)	2 (61.3%)	3 (17.2%)
d. Referrals from service providers (N=409)	1 (26.4%)	2 (54.8%)	3 (18.8%)
e. Referrals from other agencies (N=419)	1 (20.0%)	2 (66.6%)	3 (13.4%)
f. Media announcements (N=418)	1 (24.6%)	2 (56.9%)	3 (18.4%)

D2. During PY 90, which of the criteria did your SSA use to establish eligibility for EDWAA services because the individual was laid off and unlikely to return to previous industry or occupation? (N=421)

(PLEASE CIRCLE ALL THAT APPLY)

Required for "laid off and unlikely to return to previous industry or occupation":

- a. Report from previous employer that applicant was laid-off..... 1 (88.8%)
- b. Laid off sometime within specified time period 2 (46.1%)
(e.g., within past three years)
- c. Evidence of recent unsuccessful job search 3 (40.4%)
- d. Unemployed for at least a specified period of time 4 (50.6%)
- e. Previous industry/occupation on list of declining 5 (70.8%)
(non-demand) occupations/industries
- f. Report from employers in previous industry/occupation 6 (45.1%)
that work is not available
- g. Other (Please specify:) _____ 7 (23.3%)

D3. During PY 90, which of the following criteria did your SSA use to establish eligibility for EDWAA services because the individual was laid off from substantial layoff or permanent plant closure? (N=411)

(PLEASE CIRCLE ALL THAT APPLY)

Required for "laid off from substantial layoff or permanent plant closure":

- a. Layoff met WARN definition of substantial layoff 1 (86.1%)
- b. Layoff met other definition of substantial layoff
(Please specify:) _____ 2 (39.2%)

- c. Applicant employed at plant for specific length of
time (Please specify:) _____ 3 (9.7%)
- d. Applicant was regular employee, not temporary employee
of plant 4 (54.3%)
- e. Layoff occurred no more than a specified length of
time before application for EDWAA services
(e.g., no more than two years ago). (Please specify:) _____ ... 5 (24.1%)
- f. Other (Please specify:) _____ 6 (15.1%)

D4. During PY 90, which of the following criteria did your SSA use to establish eligibility for EDWAA services because the individual was long-term unemployed with limited opportunities for employment in same or similar occupation? (N=414)

(PLEASE CIRCLE ALL THAT APPLY)

Required for "long-term unemployed with limited opportunities for employment in same or similar occupation":

- a. Unemployed 15 or more of past 26 weeks 1 (93.5%)
- b. Unemployed for some other period of time (Please specify:) 2 (6.3%)
(N=11) MEAN=14.2 weeks
- c. Evidence of recent unsuccessful job search 3 (46.4%)
- d. Evidence of recent unstable work history 4 (22.2%)
- e. Employed at some time within specified time period
(e.g., within past three years) 5 (19.3%)
- f. Previous occupation/industry on list of declining
(non-demand) occupations/industries..... 6 (62.8%)
- g. Few ES listings for previous occupation/industry 7 (46.1%)
- h. Report from employers in previous industry/occupation
that work is not available. 8 (33.3%)
- i. Applicant is UI exhaustee..... 9 (54.6%)
- j. Other (Please specify:) _____ 10 (8.5%)

D5. Please indicate for which of the following EDWAA services were individuals usually enrolled as participants in PY 90.

(PLEASE CIRCLE ONE NUMBER FOR EACH ITEM)

	Usually Enrolled While Receiving <u>Service</u>	Not Usually <u>Enrolled</u>	Not <u>Provided</u>
a. Rapid response orientation (N=398)	1 (7.3%)	2 (85.7%)	0 (7.0%)
b. Prelayoff basic readjustment services (N=398)	1 (28.4%)	2 (60.1%)	0 (11.6%)
c. Assessment (N=402)	1 (55.7%)	2 (42.5%)	0 (1.7%)
d. Development of employability plan (N=406)	1 (71.9%)	2 (26.8%)	0 (1.2%)
e. Job search assistance, as a stand-alone service (N=406)	1 (74.9%)	2 (17.5%)	0 (7.6%)
f. Other basic readjustment services (N=407)	1 (80.8%)	2 (15.7%)	0 (3.4%)
g. Retraining services (N=411)	1 (95.1%)	2 (4.4%)	0 (0.5%)

E3. During PY 90, were participants in any of the following services contacted regularly to discuss their progress, either by SSA or service provider staff?

(PLEASE CIRCLE ONE NUMBER FOR EACH ITEM)

	<u>Yes</u>	<u>No</u>	<u>Service Not Provided</u>
a. Participants in stand alone basic readjustment services (N=416)	1 (85.3%)	2 (4.3%)	0 (10.3%)
b. Participants in classroom training (N=421)	1 (98.6%)	2 (0.7%)	0 (0.7%)
c. Participants in OJT (N=420)	1 (93.8%)	2 (0.5%)	0 (5.7%)

E4. During PY 90, what kinds of monitoring were usually done either by SSA or provider staff to assess EDWAA clients' progress in OJT contracts and in classroom training programs? (N=420)

(PLEASE CIRCLE ALL THAT APPLY IN BOTH COLUMNS)

	<u>Progress in OJT</u>	<u>Progress in Classroom Training</u>
a. In person visits during training	1 (87.4%)	2 (82.6%)
b. Telephone contacts	1 (70.2%)	2 (74.8%)
c. Written reports from instructor or employer	1 (74.8%)	2 (78.1%)
d. None of the above	1 (0.5%)	2 (0.2%)

F. PRELAYOFF SERVICES

F1. Did your SSA provide prelayoff services (beyond orientation to available services) in response to any layoffs in PY 90? (N=422)

(PLEASE CIRCLE ONE NUMBER)

(55.2%) Yes 1
(44.8%) No 2--> SKIP TO SECTION G

F2. For about how many large layoffs and smaller layoffs did your SSA provide prelayoff services during PY 90?

(PLEASE GIVE YOUR BEST ESTIMATES; IF NONE, PLEASE ENTER "0")

- a. Number of large layoffs for which prelayoff services provided: (N=206) MEAN=4.5
- b. Number of smaller layoffs for which prelayoff services provided: (N=185) MEAN=5.1

F3. What factors influenced which layoffs received prelayoff services in PY 90? (N=226)

(PLEASE CIRCLE ALL THAT APPLY)

- a. Size of layoff 1 (53.5%)
- b. Whether a labor-management committee was formed 2 (13.3%)
- c. Whether a WARN notice was received 3 (46.5%)
- d. Amount of advance warning of layoff 4 (75.2%)
- e. Whether employer gave release time for services 5 (63.7%)
- f. Whether additional state or federal funding was available to respond to layoff..... 6 (19.5%)
- g. Other (Please specify:) _____ 7 (11.5%)
- h. Prelayoff services provided to all layoffs..... 8 (27.4%)

F4. Please indicate which of the following prelayoff services were offered to EDWAA clients during PY 90 and whether they were usually provided as group workshops or usually provided individually to each EDWAA client.

(PLEASE CIRCLE ONE NUMBER FOR EACH TYPE OF SERVICE)

	<u>Not Provided</u>	<u>Usually Provided As Group Workshops</u>	<u>Usually Provided Individually</u>
a. Labor market information (N=213)	0 (6.1%)	1 (69.0%)	2 (24.9%)
b. Career exploration (N=202)	0 (11.4%)	1 (39.1%)	2 (49.5%)
c. Resume preparation (N=210)	0 (11.0%)	1 (47.1%)	2 (41.9%)
d. Job search training (N=204)	0 (12.7%)	1 (70.1%)	2 (17.2%)
e. Job search assistance (N=206)	0 (12.6%)	1 (36.4%)	2 (51.0%)
f. Financial counseling (N=200)	0 (31.0%)	1 (35.0%)	2 (34.0%)
g. Stress management (N=202)	0 (32.2%)	1 (45.5%)	2 (22.3%)
h. World of work training (N=194)	0 (41.8%)	1 (45.9%)	2 (12.4%)
i. Assessment (N=209)	0 (10.0%)	1 (26.8%)	2 (63.2%)
j. Development of employability plan (N=210)	0 (16.7%)	1 (6.7%)	2 (76.7%)
k. Relocation counseling (N=199)	0 (39.7%)	1 (10.1%)	2 (50.3%)
l. ESL training (N=194)	0 (50.0%)	1 (24.7%)	2 (25.3%)
m. Basic skills remediation (N=205)	0 (29.3%)	1 (33.7%)	2 (37.1%)
n. Training in occupational skills (N=203)	0 (26.1%)	1 (30.5%)	2 (43.3%)

F5. Where were prelayoff services usually provided during PY 90? (N=214)

(PLEASE CIRCLE ONE NUMBER)

At the work site.....	1	(59.8%)
At substate or provider offices.....	2	(12.1%)
At some other location.....	3	(3.3%)
Varied	4	(24.8%)

G. POSTLAYOFF BASIC READJUSTMENT SERVICES

G1. Please indicate which of the following postlayoff basic readjustment services were offered to EDWAA clients during PY 90 and whether they were usually provided as group workshops or usually provided individually to each EDWAA client.

(PLEASE CIRCLE ONE NUMBER FOR EACH TYPE OF SERVICE)

	<u>Not Provided</u>	<u>Usually Provided As Group Workshops</u>	<u>Usually Provided Individually</u>
a. Labor market information (N=402)	0 (3.0%)	1 (52.2%)	2 (44.8%)
b. Career exploration (N=392)	0 (4.1%)	1 (35.2%)	2 (60.7%)
c. Resume preparation (N=399)	0 (2.8%)	1 (44.9%)	2 (52.4%)
d. Job search training (N=405)	0 (3.0%)	1 (67.9%)	2 (29.1%)
e. Job search assistance (N=405)	0 (1.0%)	1 (34.3%)	2 (64.7%)
f. Financial counseling (N=394)	0 (31.0%)	1 (21.6%)	2 (47.5%)
g. Stress management (N=389)	0 (33.2%)	1 (33.9%)	2 (32.9%)
h. World of work training (N=383)	0 (30.0%)	1 (47.0%)	2 (23.0%)
i. Assessment (N=403)	0 (1.5%)	1 (18.4%)	2 (80.1%)
j. Development of employability plan (N=412)	0 (1.5%)	1 (2.9%)	2 (95.6%)
k. Relocation counseling (N=395)	0 (35.4%)	1 (4.3%)	2 (60.3%)

G2. During PY 90, were EDWAA basic readjustment services provided to any participants as a stand-alone service or were they provided only to those in retraining? (N=411)

(PLEASE CIRCLE ONE NUMBER)

Provided as a stand-alone service.....	1	(79.8%)
Provided only to those in retraining.....	2	(20.2%)

G3. On average, about how many hours of postlayoff basic readjustment services did the typical EDWAA participant receive in PY 90 (not including independent job search)?

(PLEASE CIRCLE YOUR BEST ESTIMATE FOR EACH SERVICE)

	Participants in Basic Readjustment Services Only	Participants in Retraining Services
	(N=386)	(N=385)
a. Less than 4 hours	1 (10.1%)	1 (4.9%)
b. 4 - 8 hours	2 (17.6%)	2 (13.0%)
c. 9 - 20 hours	3 (23.3%)	3 (19.7%)
d. 21 - 40 hours	4 (19.4%)	4 (17.4%)
e. More than 40 hours	5 (14.0%)	5 (29.9%)
f. Don't know	9 (12.7%)	9 (13.5%)
g. Service not provided	0 (2.8%)	0 (1.6%)

H. OJT

H1. In PY 90, did your SSA offer OJT to any EDWAA participants? (N=423)

(PLEASE CIRCLE ONE NUMBER)

(93.4%) Yes 1

(6.6%) No 2 ---> SKIP TO SECTION I

H2. How frequently were the matches between EDWAA clients and OJT jobs initiated in each of the following ways in PY 90?

(PLEASE CIRCLE ONE NUMBER FOR EACH TYPE OF MATCH)

	Almost			
	<u>Never</u>	<u>Sometimes</u>	<u>Usually</u>	<u>Always</u>
a. Client searched for employer (N=387)	1 (16.3%)	2 (64.9%)	3 (15.5%)	4 (3.4%)
b. SSA or provider referred individual to employer (N=389)	1 (1.3%)	2 (18.5%)	3 (65.8%)	4 (14.4%)
c. Employer referred individuals to SSA or provider (N=378)	1 (59.5%)	2 (37.0%)	3 (3.2%)	4 (0.3%)

H3. Did your SSA tend to use OJT more for some types of EDWAA clients than for other types in PY 90? (N=393)

(PLEASE CIRCLE ONE NUMBER)

(57.0%) Yes 1

(43.0%) No 2--> SKIP TO QUESTION H5

H4. Which of the following types of EDWAA clients were especially likely to receive OJT in PY 90? (N=224)

(PLEASE CIRCLE ALL THAT APPLY; MORE THAN ONE MAY APPLY TO A SINGLE CLIENT)

Those with the <u>most</u> job-relevant experience	1	(38.4%)
Those with the <u>least</u> job-relevant experience	2	(38.4%)
Those lacking the basic skills prerequisites for classroom training programs.....	3	(25.4%)
Those who needed immediate income	4	(76.8%)
Those dislocated from <u>high</u> -wage jobs.....	5	(17.9%)
Those dislocated from <u>low</u> -wage jobs	6	(25.9%)
Other (Please specify:) _____	7	(14.3%)

H5. What other services were usually received by EDWAA OJT participants in PY 90? (N=373)

(PLEASE CIRCLE ALL THAT APPLY)

Assessment	1	(97.9%)
Labor market information.....	2	(85.5%)
Career exploration	3	(70.5%)
Resume preparation	4	(78.8%)
Job search training	5	(73.5%)
Job search assistance.....	6	(82.8%)
Financial counseling	7	(26.5%)
Stress management.....	8	(26.8%)
World of work training.....	9	(34.6%)
Classroom training	10	(22.8%)
None of the above.....	00	(0.3%)

I. CLASSROOM TRAINING

**11. In PY 90, did your SSA offer basic skills training to any EDWAA participants?
(N=422)**

(PLEASE CIRCLE ONE NUMBER)

(86.7%) Yes 1

(13.3%) No 2--> SKIP TO QUESTION 13

12. Was basic skills training provided as a separate, stand-alone course or included in occupational skills curricula? (N=367)

(PLEASE CIRCLE ONE NUMBER)

Always as a stand-alone course..... 1 (22.1%)

Always as part of occupational skills curricula..... 2 (15.0%)

Provided both ways 3 (62.9%)

13. In PY 90, did your substate area offer classroom training in occupational skills to any EDWAA participants? (N=423)

(PLEASE CIRCLE ONE NUMBER)

(99.3%) Yes1

(0.7%) No 2--> SKIP TO SECTION J

14. Among EDWAA participants in classroom training in occupational skills, how many received the following types of classroom training in PY 90?

(PLEASE CIRCLE ONE NUMBER FOR EACH TYPE OF CLASSROOM TRAINING)

	<u>None</u>	<u>Some</u>	<u>Most</u>	<u>All</u>
a. Training in existing programs to which they were individually referred (N=416)	1 (0.0%)	2 (19.0%)	3 (55.5%)	4 (25.5%)
b. Class-size training operated specifically for dislocated workers (N=379)	1 (49.6%)	2 (44.9%)	3 (4.7%)	4 (0.8%)
c. Class-size training operated for JTPA participants in general (either EDWAA or Title II-A) (N=383)	1 (36.6%)	2 (44.4%)	3 (17.2%)	4 (1.8%)
d. Customized training designed for a specific employer (N=372)	1 (61.3%)	2 (36.8%)	3 (1.9%)	4 (0.0%)
e. Other training involving partnerships with specific employers (N=364)	1 (74.2%)	2 (25.5%)	3 (0.3%)	4 (0.0%)

15. During PY 90, how frequently were the matches between EDWAA participants and classroom training in occupational skills programs initiated in each of the following ways?

(PLEASE CIRCLE ONE NUMBER FOR EACH TYPE OF MATCH)

	<u>Almost Never</u>	<u>Sometimes</u>	<u>Usually</u>	<u>Always</u>
a. Client searched for relevant class (N=413)	1 (13.1%)	2 (49.2%)	3 (33.9%)	4 (3.9%)
b. SSA referred individual to program (N=415)	1 (3.4%)	2 (37.6%)	3 (48.9%)	4 (10.1%)
c. Provider referred prospective student to SSA (N=393)	1 (47.1%)	2 (48.1%)	3 (4.6%)	4 (0.3%)

16. Did your SSA tend to use classroom training in occupational skills more for some types of clients than for other types in PY 90? (N=418)

(60.3%) Yes 1

(39.7%) No 2 --> SKIP TO QUESTION 18

17. During PY 90, which of the following types of EDWAA clients in your SSA were especially likely to receive classroom training in occupational skills? (N=252)

(PLEASE CIRCLE ALL THAT APPLY)

- Those with the most job-relevant experience 1 (9.9%)
- Those with the least job-relevant experience 2 (80.6%)
- Those with basic skills deficiencies 3 (56.3%)
- Those dislocated from high-wage jobs..... 4 (19.4%)
- Those dislocated from low-wage jobs 5 (46.8%)
- Other (Please specify:) _____ 6 (20.6%)

18. What other services were usually received by EDWAA participants in classroom training in occupational skills in PY 90? (N=415)

(PLEASE CIRCLE ALL THAT APPLY)

Assessment	1	(93.3%)
Labor market information	2	(85.1%)
Career exploration	3	(75.4%)
Resume preparation	4	(78.1%)
Job search training	5	(73.5%)
Job search assistance	6	(80.5%)
Financial counseling	7	(33.5%)
Stress management	8	(28.0%)
World of work training	9	(39.5%)
OJT	10	(16.6%)
None of the above	00	(1.0%)

19. Who was primarily responsible for assisting EDWAA participants in finding jobs after completing classroom training in occupational skills in PY 90? (N=368)

(PLEASE CIRCLE ONE NUMBER)

SSA staff	1	(44.8%)
Classroom training provider staff	2	(20.7%)
Placement contractor staff	3	(10.1%)
Individuals find jobs on their own	4	(7.6%)
Varies by provider	5	(16.8%)

J. SUPPORTIVE SERVICES

J1. Did your SSA provide any supportive services to EDWAA participants in PY 90?
(N=421)

(PLEASE CIRCLE ONE NUMBER)

- (89.8%) Yes..... 1
(10.2%) No..... 2--> SKIP TO SECTION K

J2. What types of supportive services, if any, were offered to any EDWAA participants in each of the following categories? (N=375)

(PLEASE CIRCLE ALL THAT APPLY FOR EACH TYPE OF PARTICIPANT)

SERVICES OFFERED TO EACH KIND OF PARTICIPANT:

	<u>Transportation</u>	<u>Child Care</u>	<u>Needs-Related Payments</u>	<u>Other Services</u>
a. Classroom training participants	1 (79.5%)	2 (65.6%)	3 (27.5%)	4 (45.3%)
b. OJT participants	1 (25.9%)	2 (22.4%)	3 (4.3%)	4 (36.8%)
c. Participants who received <u>only</u> basic readjustment assistance	1 (39.5%)	2 (21.3%)	3 (5.9%)	4 (34.1%)

J3. Overall, what proportion of all EDWAA PY 90 participants received any kind of supportive services (transportation, child care, needs-related payments, etc.)? (N=375)

(PLEASE CIRCLE YOUR BEST ESTIMATE)

- Less than 25% 1 (41.1%)
 25% to 49% 2 (27.7%)
 50% to 74% 3 (20.3%)
 75% or more 4 (10.9%)

- J4. Altogether, what was the average amount of money that was provided to recipients of EDWAA supportive services in PY 90? (Please do not include the value of in-kind services.) (N=366)

(PLEASE CIRCLE YOUR BEST ESTIMATE)

Less than \$25 per week	1	(31.4%)
\$25 to \$49 per week	2	(46.2%)
\$50 to \$99 per week	3	(20.5%)
\$100 per week or more	4	(1.9%)

- J5. What proportion of all EDWAA PY 90 participants received needs-related payments? (N=358)

(PLEASE CIRCLE YOUR BEST ESTIMATE)

None	0	(67.0%)
Less than 5%	1	(12.3%)
6% - 10%	2	(5.6%)
11% - 20%	3	(3.9%)
20% - 50%	4	(7.3%)
More than 50%	5	(3.9%)

- J6. For those receiving needs-related payments, what was the average amount of needs-related payments received in PY 90? (N=118)

(PLEASE CIRCLE YOUR BEST ESTIMATE)

Less than \$25 per week	1	(16.9%)
\$25 to \$49 per week	2	(44.1%)
\$50 to \$99 per week	3	(26.3%)
\$100 per week or more	4	(12.7%)

K. PY 90 FISCAL INFORMATION

K1. How much difficulty did your SSA have in meeting each of the following EDWAA expenditure requirements or limitations in PY 90?

(PLEASE CIRCLE ONE NUMBER FOR EACH ITEM)

	<u>DIFFICULTY IN MEETING REQUIREMENTS</u>			
	<u>None</u>	<u>Little</u>	<u>Moderate</u>	<u>Great</u>
a. Overall expenditure requirement (N=417)	1 (43.9%)	2 (28.8%)	3 (20.9%)	4 (6.5%)
b. Retraining expenditure requirement (N=417)	1 (45.3%)	2 (24.9%)	3 (21.6%)	4 (8.2%)
c. Administrative expenditure limit (N=418)	1 (42.6%)	2 (23.4%)	3 (18.7%)	4 (15.3%)
d. Supportive services expenditure limit (N=410)	1 (53.4%)	2 (23.4%)	3 (16.1%)	4 (7.1%)

K2. Did your SSA take any of the following steps to balance the supply and demand for EDWAA services? (N=416)

(PLEASE CIRCLE ALL THAT APPLY)

Stopped recruiting and enrolling EDWAA clients partway through PY 90	1	(34.6%)
Prioritized among eligible applicants.....	2	(31.3%)
Cut back on types or extent of services provided	3	(28.8%)
Applied for additional funding	4	(62.0%)
Other (please specify:) _____	5	(5.3%)
No need to balance supply and demand for services.....	6	(24.5%)

K3. Did the state deobligate any of your PY 90 EDWAA funds because of underexpenditure? (N=416)

(PLEASE CIRCLE ONE NUMBER)

(15.1%) Yes1

(84.9%) No2

K4. Did your SSA voluntarily deobligate any of your PY 90 EDWAA funds? (N=414)

(PLEASE CIRCLE ONE NUMBER)

(7.2%) Yes1

(92.8%) No2

K5. How much did your SSA have available from each of the following sources in PY 90?

(PLEASE ENTER AN AMOUNT FOR EACH SOURCE; IF NONE, PLEASE ENTER "0")

a. Initial PY 90 EDWAA allocation (N=396)	MEAN=\$1,054,203
b. 10% funds for PY 90 (if separate) (Please enter "0" if <u>not</u> separate) (N=320)	MEAN= \$73,850
c. 40% funds for PY 90 (N=309)	MEAN= \$191,455
d. National Reserve funds for PY 90 (N=296)	MEAN= \$145,155
e. Carryover from PY 89 (N=353)	MEAN= \$118,083

APPENDIX B

Definition of Variables Used in Analysis

DEFINITION OF VARIABLES USED IN ANALYSIS
(Question Numbers in Parentheses)

1990 State Plan Data	Mean
• The percentage of the total weight given to long-term unemployed data (i.e., long-term unemployed and any state factors related to the duration of unemployment) in the state's substate allocation formula.	21.8
• The percentage of the total weight given to unemployment data (i.e., insured unemployed, unemployment concentrations, and any state factors related to unemployment) in the state's substate allocation formula.	42.4
• Whether the wage at termination was used by the state as a performance standard or goal for substate areas.	0.45
• Whether the state held 10% or 40% funds in reserve for substate areas in need.	-0.78
• Whether the state included specific plans for technical assistance in its PY 1990 EDWAA plan.	0.48
• Whether the state provided financial incentives to substate areas for providing long-term training.	0.25
• State policy toward needs-related payments (-1 for discouragement, 0 for no policy, +1 for encouragement).	-0.02
• Whether the state provided financial incentives to substate areas for performance.	0.07
 Local Area Characteristics	
	Mean
• The substate area unemployment rate in PY 1990.	6.65
• The percent of employment in manufacturing in CY 1990.	20.08
• The total number of dislocations (C2+C3) relative to the size of the labor force in the substate area during PY 1990.	0.63
• The number of large dislocations, as a percentage of the total number of dislocations (C2/(C2+C3)).	0.35
• Whether the substate area's population density was less than 48 per square mile (first quartile).	0.25
• Whether the substate area's population was between 48 and 413 per square mile (second and third quartiles).	0.50

Local Area Characteristics (continued)	Mean
• Whether the substate area served more than a three county area with a population between 48 and 413 per square mile.	0.25
• The average annual earnings in the area served in CY 1990 (in thousands).	20.98
• The real three-year growth rate in earnings in retail and wholesale trade between CY 1987 and CY 1990.	-2.79
• The percent of the substate area's population with twelve or more years of education.	63.34

Substate Area Characteristics	Mean
• Whether the SSA had experience serving dislocated workers under Title III, prior to EDWAA (B8=2 or 3).	0.75
• The extent that the SSA's service providers had experience serving dislocated workers under Title III, prior to EDWAA (B7; this item, which ranged from 1 to 4, was normalized by dividing by 4).	0.64
• Whether the SSA's funds from all sources totaled less than \$250,000 in PY 1990 (K5).	0.36
• Whether the SSAs funds from all sources totaled between \$250,000 and \$750,000 in PY 1990 (K5).	0.41
• The proportion of the SSA's total funds in PY 1990 that were from state and federal reserve funds or carried over from PY 1989, capped at 0.80 (K5).	0.32
• Total EDWAA program expenditures, as a proportion of Title II-A program expenditures (PY 90 WAPR and JASR data).	0.19
• The extent that the SSA had difficulty meeting EDWAA expenditure requirements (K1a; this item, which ranged from 1 to 4, was normalized by dividing by 4).	0.47
• Influence of state and federal policies—the average degree of influence of the following on types of services to offer dislocated workers (the items, which ranged from 1 to 4, were normalized by dividing by 4):	0.59
- Federal policies encouraging retraining (A4a).	
- State policies encouraging the provision of longer-term training (A4b).	
• Influence of existing programs—the average degree of influence of the following on types of services to offer dislocated workers (the items, which ranged from 1 to 4, were normalized by dividing by 4):	0.59

Substate Area Characteristics (continued)	Mean
- The desire to use the existing Title II-A service delivery system as much as possible (A4c).	
- The desire to use the existing dislocated worker service delivery system (A4d).	
- The desire to avoid the duplication of Employment Service services (A4e).	
- The types of services proposed by service providers (A4i).	
• Influence of limited opportunities—the average degree of influence on types of services to offer dislocated workers (the items, which ranged from 1 to 4, were normalized by dividing by 4):	0.59
- Limited occupational options that workers might be trained for in the area (A4j).	
- Limited classroom retraining programs in the area (A4k).	

Substate Area Organization and Orientation	Mean
• Extent of integration with Title II-A program—the average of the following three categories of services:	0.48
- Proportion of "up-front" services integrated:	
-- Recruitment (B2a)	
-- Eligibility determination (B2b)	
-- Development of EDP (B2d)	
-- Case management (B2e)	
- Proportion of training services integrated:	
-- Basic skills training (B2h)	
-- Administration of on-the-job training (B2i)	
-- Class-size occupational skills training (B2j)	
-- Administration of individual referrals to classroom training (B2k)	
- Whether postlayoff basic readjustment services were integrated (B2g)	
• Extent of services provided in-house—the average number of the following:	0.55
- Proportion of "up-front" services provided in-house:	
-- Recruitment (B3a)	
-- Eligibility determination (B3b)	
-- Assessment (B3c)	
-- Development of EDP (B3d)	
-- Case management (B3e)	
- Proportion of training services provided in-house:	
-- Basic skills training (B3h)	
-- Administration of on-the-job training (B3i)	
-- Classroom occupational skills training (B3j)	

Substate Area Organization and Orientation (continued)	Mean
- Postlayoff basic readjustment services (B3g)	
- Posttraining placement services (I9)	
• The percentage of large layoffs for which labor-management committees were formed (C14a/C2)	18.66
• The extent of nonfinancial coordination—the average of the following:	0.34
- The proportion of the following agencies with which the substate area had nonfinancial agreements (B4):	
-- ES/UI	
-- CBOs	
-- Public schools	
-- Private schools	
-- Unions	
-- Other	
- The proportion of the following agencies that were usually represented at the worker orientation meetings during PY 90 (C10):	
-- State rapid response staff or contractor	
-- ES/UI	
-- Economic development agencies	
-- TAA	
-- Social service agencies	
-- Educational agencies	
-- Plant employee representatives	
-- Other union representatives	
-- Other	
• The extent of financial coordination —the average of the following (B3):	0.40
- The proportion of the following services provided by ES/UI:	
-- Recruitment	
-- Eligibility determination	
-- Assessment	
-- Development of EDP	
-- Case management	
-- Prelayoff services	
-- Postlayoff basic readjustment services	
-- Basic skills training	
-- Administration of OJT	
-- Classroom training in occupational skills	
- The proportion of these services provided by CBOs	
- The proportion of these services provided by public schools	
- The proportion of these services provided by private schools	
- The proportion of these services provided by unions	
- The proportion of these services provided by other agencies	

Substate Area Organization and Orientation (continued)	Mean
<ul style="list-style-type: none"> • The extent of coordination with schools—the average of the following: <ul style="list-style-type: none"> - The proportion of the following services for which the SSA had contracted services with either public or private schools: <ul style="list-style-type: none"> -- Recruitment (B3a) -- Eligibility determination (B3b) -- Assessment (B3c) -- Development of EDP (B3d) -- Case management (B3e) -- Prelayoff services (B3f) -- Postlayoff basic readjustment services (B3g) -- Basic skills training (B3h) -- Administration of on-the-job training (B3i) -- Classroom occupational skills training (B3j) - The extent to which the SSA had any nonfinancial agreements with either public or private schools. - Whether educational agencies were usually represented at the worker orientation meetings during PY 90. 	0.21
<ul style="list-style-type: none"> • The extent of coordination with ES/UI—the average of the following: <ul style="list-style-type: none"> - The proportion of the following services for which the SSA had contracted services with ES/UI: <ul style="list-style-type: none"> -- Recruitment (B3a) -- Eligibility determination (B3b) -- Assessment (B3c) -- Development of EDP (B3d) -- Case management (B3e) -- Prelayoff services (B3f) -- Postlayoff basic readjustment services (B3g) -- Basic skills training (B3h) -- Administration of on-the-job training (B3i) -- Classroom occupational skills training (B3j) - Whether the SSA had any nonfinancial agreements with ES/UI. - Whether ES/UI was usually represented at the worker orientation meetings during PY 90. 	0.56
<ul style="list-style-type: none"> • The extent of promotion of rapid reemployment—the average of the following: <ul style="list-style-type: none"> - The extent to which the SSA agreed with the statement that dislocated workers are not interested in long-term training (A3b) - The extent to which the SSA agreed with the statement that dislocated workers want immediate reemployment (A3c) - The extent of the influence of dislocated workers' need for immediate income on planning services (A4h) 	0.43

Substate Area Organization and Orientation (continued)	Mean
<ul style="list-style-type: none"> - Whether the program focuses on getting workers rapidly employed (A6) (Scale for the above variables, which ranges from 1 to 4, was normalized by dividing by 4). 	
<ul style="list-style-type: none"> • The extent of an economic development orientation—the average of the following: <ul style="list-style-type: none"> - The need for economic development in the SSA was quite or extremely influential on planning the types of EDWAA services (A4f) - The SSA agreed with the statement that OJT contracts are useful economic development tools to assist employers in creating new jobs (A7a) (Scale for the above variables, which ranges from 1 to 4, was normalized by dividing by 4). 	0.47
<ul style="list-style-type: none"> • The average use of the following methods of recruitment through dislocated-worker-specific sources: <ul style="list-style-type: none"> - Rapid response activities (D1a) - Referrals from ES/UI (D1b) (Scale for the above variables, which ranges from 1 to 3, was normalized by dividing by 3). 	0.84
<ul style="list-style-type: none"> • The average use of the following methods of recruitment through existing community sources: <ul style="list-style-type: none"> - Referrals from Title II-A program (D1c) - Referrals from service providers (D1d) - Media announcements (D1f) (Scale for the above variables, which ranges from 1 to 3, was normalized by dividing by 3). 	0.63
<ul style="list-style-type: none"> • The extent of prioritization of services to those in need—the average of the following: <ul style="list-style-type: none"> - Whether priority for EDWAA services was given to those in greater financial need (A2a) - Whether priority for EDWAA services was given to those with greater barriers to employment (A2b) 	0.62

Client Characteristics	Mean
<ul style="list-style-type: none"> • The percentage of the SSA's clients that were laid off and unlikely to return to previous industry or occupation (A1a). This item was recategorized to the midpoint ranges (i.e., 12.5, 37.5, 62.5, and 87.5). 	40.93

Client Characteristics (continued)	Mean
• The percentage of the SSA's clients that were long-term unemployed with limited opportunity for employment in same or similar occupation (A1c). This item was recategorized to the midpoint of the ranges (ie., 0, 12.5, 37.5, 62.5, and 87.5, respectively).	24.08
• The percentage of the SSA's clients that were laid off from substantial layoff or permanent closure (A1b). This item was recategorized to the midpoint of ranges (i.e., 0, 12.5, 37.5, 62.5, and 87.5, respectively).	44.62
• The percentage of the SSA's EDWAA terminees in PY 90 that were UI claimants upon application (WAPR).	55.92
• The percentage of the SSA's EDWAA terminees in PY 90 that had been unemployed for 15 or more weeks of the 26 weeks prior to application (WAPR).	33.35
• The percentage of the SSA's EDWAA terminees in PY 90 that had less than a high school education prior to application (WAPR).	13.98
• The percentage of the SSA's EDWAA terminees in PY 90 that had a high school diploma or equivalent, or had attended some post-high-school institution prior to application (WAPR).	78.19
• The percentage of the SSA's terminees that were college graduate and above (WAPR).	7.75
• The percentage of the SSA's EDWAA terminees in PY 90 that had reading skills below the 7th-grade level at application (WAPR).	10.46
• The percentage of the SSA's EDWAA terminees in PY 90 that were 55 years of age or older at application (WAPR).	7.53
• The average preprogram hourly wage of the SSA's EDWAA terminees in PY 90 (WAPR).	\$8.22
• The percentage of the SSA's EDWAA terminees in PY 90 that were women (WAPR).	45.69
• The percentage of the SSA's EDWAA terminees in PY 90 that were a minority (WAPR).	22.14

EDWAA Services	Mean
<ul style="list-style-type: none"> • Index of the quality of early intervention services provided by the SSA in PY 90—the average of the following: <ul style="list-style-type: none"> - Whether objectives of worker orientation meetings included all the following: <ul style="list-style-type: none"> -- To inform workers about EDWAA services (C11a) -- To inform workers about other community services (C11b) -- To provide labor market information(C11c) - The proportion of large layoffs in PY 90 for which prelayoff services were provided (F2a/C2) - The proportion of small layoffs in PY 90 for which prelayoff services were provided (F2b/C3) - Whether prelayoff services provided in PY 90 were usually provided at some place other than at substate or provider offices (F5) - The proportion of the following prelayoff services offered to EDWAA clients during PY 90 (F4): <ul style="list-style-type: none"> -- Labor market information -- Career exploration -- Resume preparation -- Job search training -- Job search assistance -- Financial counseling -- Stress management -- World of work training 	0.30
<ul style="list-style-type: none"> • Index of the quality of basic readjustment services provided by the SSA in PY 90—the average of the following: <ul style="list-style-type: none"> - The proportion of the following career planning services offered to EDWAA clients during PY 90 (G1): <ul style="list-style-type: none"> -- Labor market information -- Career exploration -- Assessment -- Development of employability plan - The proportion of the following job search assistance services offered to EDWAA clients during PY 90 (G1): <ul style="list-style-type: none"> -- Resume preparation -- Job search training -- Job search assistance -- World of work training - The proportion of the following crisis adjustment services offered to EDWAA clients during PY 90 (G1): <ul style="list-style-type: none"> -- Financial counseling -- Stress management 	0.73

EDWAA Services (continued)

Mean

- The number of hours of postlayoff basic readjustment services (for both participants in basic readjustment services only and participants in retraining services) received in PY 90 (G3). The items were categorized to the midpoint of the ranges (i.e., 3, 6, 15, 30, and 60, respectively), summed, and quintiles were calculated. The quintile number was used as the independent variable for analysis.
- Index of the quality of classroom training services provided by the SSA in PY 90—the average of the following: 0.30
 - Whether basic skills training was offered as part of occupational skills curricula (I2).
 - Whether the SSA's EDWAA program focused equally on enhancing dislocated workers skills in their current occupation and on training dislocated workers in skills in new occupational areas in PY 90 (A5).
 - The proportion of the following job search assistance services usually received by EDWAA participants in classroom training in occupational skills (I8):
 - Resume preparation
 - Job search training
 - Job search assistance
 - The proportion of EDWAA clients in classroom training in occupational skills who received the following types of training (I4):
 - Class-size training operated specifically for dislocated workers
 - Class-size training operated for JTPA participants in general
 - Customized training designed for a specific employer
 - The proportion of the following agencies providing classroom training services (B3):
 - CBOs
 - Public schools
 - Private schools
- Index of the quality of on-the-job training services provided by the SSA in PY 90—the average of the following: 0.37
 - The frequency that matches between EDWAA clients and OJT jobs were initiated by the SSA or provider referring individuals to employers (H2a, b).

EDWAA Services (continued)

Mean

- The negative value of the frequency that matches between EDWAA clients and OJT jobs were initiated by employers referring individuals to the SSA or provider (H2c).
- Whether the SSA tended to use OJT more for some types of EDWAA clients than for other types in PY 90 (H3).
- A negative value of whether those lacking the basic skills prerequisites for classroom training programs were especially likely to receive OJT (H4).
- The proportion of the following services usually received by EDWAA OJT participants in PY 90 (H5):
 - Assessment
 - Career exploration
- Index of the quality of the supportive services provided by the SSA in PY 90—the average of the following: 0.32
 - The proportion of EDWAA PY 90 participants who received needs-related payments (J5).
 - The proportional average amount of needs-related payments received in PY 90 (J6). This item was categorized, with responses 1 to 4 indicating less than \$25 per week, \$25 to \$49 per week, \$50 to \$99 per week, and \$100 per week or more; it was normalized by dividing by 4.
 - The percentage of EDWAA participants who received any kind of supportive services in PY 90 (J3). This item was categorized, with responses 1 to 4 indicating values of less than 25%, 25% to 49%, 50% to 74%, and 75% or more; it was normalized by dividing by 4.
 - The average amount of supportive services in PY 90 (J4). This item was categorized, with responses 1 to 4 indicating less than \$25 per week, \$25 to \$49 per week, \$50 to \$99 per week, and \$100 per week or more; it was normalized by dividing by 4.
 - The proportion of the following client categories that received transportation or child care supportive services in PY 90 (J2):
 - Classroom training participants
 - OJT participants
 - Participants who received basic readjustment services only

EDWAA Services (continued)	Mean
• An overall index of the quality of training and basic readjustment services—the average of the following four indexes:	0.43
- Early intervention services index	
- Basic readjustment services index	
- Classroom training services index	
- On-the-job training services index	
• The percentage of the SSA's EDWAA participants in PY 90 that received basic readjustment services only (WAPR).	28.56
• The percentage of terminees enrolled in training activities who received fewer than 26 weeks of training (WAPR).	48.61
• The percentage of terminees enrolled in training activities who received 26 or more weeks of training (WAPR).	22.83
• The percentage of retraining completions in classroom training in basic education or attained GED (WAPR).	15.30
• The percentage of retraining completions in on-the-job training (WAPR).	34.51
• The percentage of retraining completions in occupational classroom training (WAPR).	50.18

EDWAA Outcomes	Mean
• The percentage of EDWAA terminees (excluding those called back/remained with the layoff employer) who entered unsubsidized employment (WAPR).	76.02
• The average hourly wage at termination (WAPR).	7.64
• The percentage of EDWAA terminees employed at follow-up (WAPR).	75.81
• The average hourly wage at follow-up (WAPR).	7.89

2.2

