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Older Workers

Computer literacy training frequently improves **Senior Community Service Employment Program** participants' preparation for unsubsidized employment. That is what a grantee told lawmakers as the House of Representatives began its efforts to reauthorize the nation's senior services funding law.. 579

Displaced Workers

Workers, employers and public leaders charged with workforce development need to **better prepare for and handle downsizing** as it becomes an increasingly more common business practice in the modern economy, according to a report from the John J. Heldrich Center for Workforce Development..... 580

Trade Adjustment Assistance

Noting that **poor job placement and earnings outcomes** in the Trade Adjustment Assistance program led White House analysts to label the program "inefficient," officials are urging states to tighten up their programs and keep a watchful eye on performance outcome numbers 581
TAA State Performance Outcomes 589
White House PART analysis 592

Offenders

Faced with a rising number of ex-offenders returning to the city uneducated and

unequipped for employment, Baltimore agencies have stepped up efforts to provide **coordinated services** to former inmates 582

Ticket to Work

A Florida initiative enables adults with mental and physical disabilities to **decide how to spend their funds on job training, medical care, social and work support services**. Thus far, more than 1,000 recipients of social security benefits in the state have "cashed out" of traditional services and now manage their care 584

Workforce Development

Asking for futurist insight into keeping **workforce policy responsive to employment trends**, lawmakers heard the competing strategies of strengthening and deregulating the social safety net from two former Labor Department economists..... 585

Work Supports

Employer involvement in work supports is a promising strategy to help more low-income families tap critical assistance, propose authors of a report by The Finance Project. Work supports can have a significant impact, but poor families are either unaware of or have difficulty obtaining services — that's where employers can help..... 587

Bulletin Board: Announcements, Grants, Legislation 578



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Bulletin Board

ANNOUNCEMENTS

FINANCIAL AID — The Department of Education published annual statutory changes to the need analysis used for federal student financial aid programs in the May 26 *Federal Register*. These changes affect who is eligible to receive financial aid, such as Pell Grants, and the amount granted.

✓ For more information, contact Marya Dennis at (202) 377-3385.

JOB CORPS — ResCare, a Louisville-based corporation specializing in running residential health and education services, announced it will soon have another Job Corps center in its stable. The company won a \$14.5 million two-year contract to run the 280-student Northlands Job Corps Center in Vergennes, Vermont.

MANPOWER — Manpower Inc. announced the May 24 launch of its first international partnership office in China. The office aims to provide workforce development services to government agencies, state-owned enterprises and foreign companies located in Shanghai.

"This is an unprecedented partnership program between a governmental institution in China and a global employment services corporation on employment, vocational training and employment services," said Senior Vice President of Corporate Affairs David Arkless, in a news release.

VETS — Employment and Training Administration Deputy Assistant Secretary for Veterans Employment and Training Charles Ciccolella was nominated by the president to lead the Veterans Employment and Training Service.

GRANTS

BASE CLOSURES — The Employment and Training Administration announced that National Emergency Grants will be made available to states to plan for and deal with job losses that result from the base realignment and closure process that is currently under way (ETR 5/23/05, p. 553). ETA plans to award funds to states in two phases, the initial to support planning and the second to support direct services. States that could be affected by the secretary of defense's recommendations, which are under review, are eligible to apply for planning funds. Ap-

see BULLETIN BOARD, p. 588



Current National Developments

Older Workers

SCSEP PROVIDER PUSHES FOR MORE COMPUTER TRAINING

Computer literacy training frequently improves Senior Community Service Employment Program participants' preparation for unsubsidized employment. That is what a grantee told lawmakers as the House of Representatives began its efforts to reauthorize the nation's senior services funding law.

The Education and the Workforce Subcommittee on Select Education invited stakeholders in the various social services governed by the Older Americans Act to share their ideas for its renewal at an April 24 hearing.

Jesse Leos, national SCSEP director for SER-Jobs for Progress, represented the one program in the workforce development arena that is authorized by the law. Although SER-Jobs for Progress has been the leading national Hispanic employment and training organization since 1964, it is one of the newest of the 13 national SCSEP grantees.

Now running the program for its second year, the national nonprofit organization delivers services through 26 subgrantees, most of which are its affiliates. Through the SCSEP program, individuals at least 55 years old with incomes below 125 percent of the poverty line are placed in subsidized jobs and provided services; some eventually move into unsubsidized employment.

Classroom Instruction

Leos recommended that lawmakers tailor the program to encourage grantees to provide more classroom-style computer literacy training opportunities to participants.

This strategy helped SER-Jobs for Progress affiliates attract partners such as CVS and Home Depot. The organization tailored computer literacy classes for these companies and offers them to SCSEP participants before placing individuals in subsidized community service jobs.

Classes help ensure that regardless of the tasks and experiences their community service jobs entail, participants have the basic computer skills they will need should they seek unsubsidized employment, he said.

"Many of our participants are very, very experienced with working with other people, but technology has frequently passed them by," Leos said. "This puts them at a disadvantage because employers are looking for these skills. We have to

provide employers with an incentive for hiring our older workers."

Integrating more classroom training into SCSEP programs is something grantees could do without lawmakers necessarily having to provide distinct funding for it, he told MII after the hearing.

"Through the law, perhaps they can find a way to channel existing program resources to providing more up-front training," Leos said.

He urged lawmakers to consider ways of integrating more supportive services, especially transportation, into the senior employment program and to "solidify" the integration of these programs into one-stop career centers.

Other witnesses at the hearing — representing health programs, nutrition programs and other services authorized by the Older Americans Act — challenged lawmakers to increase funding authority, the statutory ceiling for annual appropriations.

More Funding

Michael O'Donnell, executive director of the East Central Illinois Area Agency on Aging and a board member of a national association for administrators of aging programs, asked lawmakers to raise funding authorization by 25 percent across the statute's programs.

"Additional funding is needed to meet the needs of the population we currently serve and is essential to meet the needs of the nation's aging baby boomers," O'Donnell said. "Now is the time to include authorization levels in the act that will enable Congress to allocate the funding that is needed to provide a range of aging services that the Older Americans Act envisioned."

Aside from expectation that the number of individuals eligible for the law's services will increase based on an aging population bubble, O'Donnell said agencies are also feeling the pinch of rising costs.

His agency's bus service, which helps seniors and people with disabilities travel from their homes to social services, experienced the doubling of both gas and insurance costs since fiscal year 2000, he said.

This hearing occurred a week after a Senate subcommittee began taking testimony about the law from federal administrators (ETR 5/30/05, p. 566).

Rep. Patrick Tiberi (R-Ohio), chairman of the House subcommittee, said that he planned to hear testimony on the subject over several months, listening to seniors, advocates and the administration.

He highlighted demographic statistics depicting the graying of the nation, which he said make this

Older Americans Act reauthorization “all the more important.”

Rep. Rubén Hinojosa (D-Texas), ranking member of the subcommittee, said he is interested in ensuring that its programs adequately serve the nation’s growing ranks of Hispanic seniors.

“According to the Administration on Aging, by 2028 Hispanic Americans will be the largest ethnic group in the over-65 age bracket,” Hinojosa said. “Unfortunately, we have not made the same progress for our Hispanic elderly as we have for all people.”

He contrasted a steep decline in poverty for all seniors with a more level poverty rate for Hispanic seniors.

Since the Older Americans Act became law in 1965, the 65-and-older poverty rate combining all ethnic groups has declined from about 30 percent to about 10 percent. The poverty rate for Hispanic seniors, however, has fluctuated between 20 and 25 percent since the early 1980s.

—Ryan Hess

Displaced Workers

PUBLIC LAYOFF POLICIES NEED TO CHANGE WITH JOB CHURN, LOSSES

Workers, employers and public leaders charged with workforce development need to better prepare for and handle downsizing as it becomes an increasingly more common business practice in the modern economy, according to a report from the John J. Heldrich Center for Workforce Development.

Layoff policies and responses demand the attention of those with a hand in them because even in an accelerating economy permanent layoffs and related joblessness are common, says the paper, produced by the think tank at Rutgers, the state university of New Jersey.

Getting Back to Work: New Public/Private Strategies for Laid-Off American Workers, describes increased job churning in the labor market, as captured by federal and private economic surveying. It also describes the trend’s impact on workers, captured by the center’s own Work Trends series of surveys.

For instance, more than half of workers are concerned about their own job security and throughout the recovery from the 2001 recession, 1 in 5 workers became unemployed due to a layoff.

“It is becoming a bigger problem and I think we are trying to get people to pay attention, prepare and evaluate what their responsibilities should be,” co-author Carl Van Horn, director of the Heldrich Center, told MII.

The report recommends a variety of ways the workforce development world can better meet the needs of workers, given the pervasiveness of layoffs in the modern economy.

At the local level, the report says, dislocated workers encounter varying depth and quality of services available to them through public workforce agencies.

Often, jobseekers have found that services available are oriented to the needs of less-skilled workers and job placement services tend to offer them many leads, but not necessarily leads that meet their skills or demands, it says.

For instance, the authors quoted one dislocated worker as saying in a qualitative interview that one-stop services “just throw information at you and hope that it sticks; it’s not geared to the individual.”

Upscale Idled Employees

Another aspect of modern layoffs that the report points out is that their increased prevalence across many sectors of the economy affects workers at various skill and tenure levels, not just those at the bottom of the career ladder.

Interviewers found that laid-off workers do tend to value job search assistance and some had praise for certain offerings of some career centers, such as peer support groups for dislocated professionals and workshops or seminars targeted to sets of workers at different points in their careers.

The report suggests that reemployment services should be better integrated with the provision of unemployment insurance, since UI checks tend to be viewed by dislocated workers as one of the most important public benefits available, and in many states UI filing can be done over the phone or Internet.

At the state and federal levels, *Back to Work* suggests updating UI and layoff notification policies to make them more effective in the modern economy.

States should consider expanding their UI eligibility policies to include more part-time, low-wage and self-employed workers. Federal policymakers should consider rethinking extended benefits triggers, given that even in the current period of modest joblessness, historically high percentages of the unemployed have been without work for more than 15 weeks, the report suggests.

It also says federal funding decisions targeted at supporting the jobless need to take greater account of program eligibility rules.

“Toothless” WARN

Funding for trade adjustment programs nearly doubled between fiscal years 2000 and 2004, but WIA funding declined slightly. This is out of sync with the needs caused by today’s dislocations, since trade adjustment programs focus on manufacturing but layoffs are becoming increasingly common in other sectors of the economy.

Citing a 2003 report from the Government Accountability Office, the Heldrich Center authors describe the Worker Adjustment and Retraining Notification Act as a “relatively toothless mandate.”

That GAO report found that the layoff notification law fails to cover most layoffs and employers have largely failed to follow its requirements (ETR 11/03/03, p. 147).

The Heldrich Center report recommends that federal lawmakers revise the law to more strongly and clearly demand that companies inform workers of impending layoffs. The report also calls on employers to better handle downsizing.

The think tank's surveying found that 38 percent of dislocated workers in recent years received no advance notice of a layoff and most received no severance pay, other benefits or services.

Researchers conducting qualitative interviews heard horror stories from workers, such as coming to work one day to find all the computers in an office unit had been disconnected and being told hours later that the unit was being downsized.

Work through Last Day

"Looking at the research, there is no evidence that giving people advance notice lowers their productivity, but people just walk around with that myth in their heads," Van Horn said.

The report urges employers to notify workers of layoffs as soon as a decision is made. If they consider this impossible, then employers should at least compensate with severance pay, it says.

From their surveying, the researchers found that more than two-thirds of employers report trying to avoid or postpone layoffs through reducing overtime, instituting wage freezes or similarly targeted measures, yet only about a fifth of displaced workers report that their employers attempted alternatives to cutting jobs.

It is possible that the difference in opinion comes from employers failing to communicate their layoff prevention plans to employees for fear they will start hunting for other jobs, the report says.

Public Image

By being more forthcoming about the realities of downsizing, employers stand to improve their public image as well as their ability to attract workers in the future should they need them, the report argues.

It also suggests that employers seek out opportunities to work with public sector service providers to leverage the outplacement services that can be made available to workers.

Through dislocated worker interviews, the researchers found that individuals place differing values on commonplace services and benefits and would like to have a menu of options open to them, as opposed to a single offering.

For workers, the report recommends paying attention to their companies and industries and, when they are faced with dislocation, being prepared to engage in multiple job search strategies.

"We think it is clearly the case that stability in the workplace is less common and individuals need to engage in their own careers with that in mind," Van Horn said.

Continuing this vein of research, the Heldrich Center's next round of Work Trends surveying, with results likely to be published in late spring or early summer, is set to focus on older workers, exploring such subjects as their layoff experiences and what strategies they use when faced with dislocation, he said.

✓ To find out more about *Getting Back to Work: New Public/Private Strategies for Laid-Off American Workers* and the Work Trends series of surveys contact the Heldrich Center for Workforce Development at (732) 932-4100.

—Ryan Hess

Trade Adjustment Assistance

WATCH OUTCOME NUMBERS OR GET WHITE HOUSE DUNCE CAP, SAYS ETA

Noting that poor job placement and earnings outcomes in the Trade Adjustment Assistance program led White House analysts to label the program "inefficient," officials are urging states to tighten up their programs and keep a watchful eye on performance outcome numbers.

Through *Training and Employment Guidance Letter No. 32-04*, Employment and Training Administration officials warn state workforce agencies that performance lags have been noticed and offer a number of ideas on bringing the program closer to its goals.

The national goals for the TAA program in this fiscal year are for 70 percent of those exiting programs to enter employment, for 89 percent of them to retain their jobs and for those who do to be earning at least 80 percent of the wages paid by the jobs that foreign trade took from them.

"Performance in fiscal year 2004 indicated that considerable improvement in outcomes must be realized if the national goals are to be achieved in fiscal year 2005," the guidance says.

Last year, FY04, states reported that 63 percent of program exiters found employment, 89 percent of them retained their jobs and on average they earned 74 percent of their previous wages.

Low Placements

The problem: ETA's goal was for 70 percent of exiters to find jobs and for their wage replacement rate to reach 90 percent. At the national level the trade program failed to meet most of its performance targets in fiscal years 2003 and 2002 as well.

At the state level, half of states reported job placement rates below the national goal for fiscal year

2004 and 41 states reported wage replacement rates below the national goal (see table, p. 589).

Unlike many other workforce programs, TAA lacks individually negotiated performance goals for states, or any fiscal sanctions or incentives tied to state-level performance.

Still, performance statistics are generally compiled for the purpose of a consequence and a consequence for the TAA program, noted by ETA's memo, is that the White House has noticed.

The Office of Management and Budget's Performance Assessment Rating Tool lists TAA as "ineffective." PART, a program scoring device, is fed by surveys about programs filled out by agency officials. The device scores programs in four areas: purpose and design, planning, management and results. Results are weighted to be by far the most important area of the PART (ETR 2/9/04, p. 340).

Results are also the area in which TAA received the worst score (see PART evaluation, p. 592).

Numbers in Error?

ETA's guidance to states acknowledges that, because of reporting problems, results compiled in the Trade Adjustment Performance Report may paint a picture that differs from what is really going on in the program.

Agency officials offer advice in the letter on ways to improve outcomes both through service strategies and reporting practices.

"The reported outcomes are either the result of positive outcomes not being captured in the Trade Adjustment Performance Report, the program being unable to effectively move participants into sustainable employment, or both," the guidance says. "It is essential that any inaccuracies in the reporting be identified and all positive outcomes reported to ensure that reported data fully represents the outcomes achieved."

Among other ideas, the guidance suggests that TAA-funded activities develop individualized service plans, co-enroll participants in other one-stop programs, and encourage workers who are prepared to seek available jobs to do so.

Five Tips

It outlines five ideas for shoring up performance reporting practices.

For example, it urges states to use the national Wage Record Interchange System to capture the outcomes of participants who move elsewhere to find work.

"This could add significantly to reported outcomes, particularly since participants have job search and relocation allowances available to help them find work outside their commuting areas," the guidance says.

Advising states on who they should be counting, the letter recalls earlier program guidance that says

participants need not be considered "exited" if their trade program services have ceased but they remain enrolled in other services.

"It has been brought to our attention that some states may be exiting participants and reporting them on the [performance report] while they are still receiving services under WIA," the letter says. "This inaccurately results in participants being reported as not reemployed, even though the individuals are still receiving services and are not necessarily seeking work."

States are allotted funds based partially on their use of the program in prior years. However, the guidance warns that this may not be the case forever.

"A workgroup of federal, state and local representatives is discussing methodologies for distributing TAA training funds, including how performance might be factored into the formula," it says. "Therefore, each state's performance status in fiscal year 2005 may affect their funding in future years."

—Ryan Hess

Offenders

CHARM CITY AGENCIES JOIN TO WELCOME EX-CONS BACK HOME

Faced with a rising number of ex-offenders returning to the city uneducated and unequipped for employment, Baltimore-area agencies have stepped up efforts to provide coordinated services to former inmates.

More than 100 government agencies, nonprofit and community-based service providers, major foundations, advocacy groups and churches are participating in a citywide initiative to help convicts make the transition back into the community and avoid re-incarceration.

Mayor Martin O'Malley (D) launched Baltimore City's Ex-Offenders Initiative in 2002 to beef up inadequate resources and improve coordination among agencies and service organizations, said Felix Mata, initiative manager. Mata described new programs, partnerships and lobbying efforts during a session at the 2005 Workforce Alliance national conference, May 18.

More than half of the 18,000 convicts released from Maryland penitentiaries each year return to Baltimore, he said. A smaller fraction of the state's convicts in 2000 received education and vocational training than those in 1980, as rising prison populations have put a strain on these services, according to an Urban Institute study.

No Remediation in Prison

As a result, the typical ex-offender in Baltimore now has a sixth-grade education and poor work experience and has received little or no remediation in prison, Mata said.

The lack of skills among the city's ex-offenders likely contribute to the recidivism rate. The Urban Institute found that one-third of Baltimore ex-convicts surveyed were arrested within six months after their initial release. More than 50 percent of the city's ex-offenders are back in prison in three years, Mata noted.

Meanwhile, Maryland inmates who receive correctional education are nearly a third less likely to be re-incarcerated, according to a 2001 study by the Office of Correctional Education and the Correctional Education Association.

The Mayor's Office of Employment Development invited the 100 area agencies, service providers, advocates and churches to participate on the Baltimore Citywide Ex-Offender Task Force in 2002. The task force met for 18 months to develop pilot projects, address employer needs, survey existing services, review legislation and increase the involvement of the faith-based community. A steering committee, appointed by O'Malley in March 2004, is now carrying out the task force's recommendations.

Support

"Baltimore service providers are now making conscious decisions to work together to confront the myriad of reentry challenges facing ex-convicts," said authors of the Baltimore Citywide Re-entry and Re-integration Steering Committee report in March 2005. "Policymakers are now actively involved in initiating changes to ensure that each ex-offender can access the support and resources needed to find employment."

The Office of Employment Development lobbied the Maryland legislature to allocate \$1 million in additional funding to the state prison's education programs, Mata said. The funds came out of the \$2 million in profits that the state made in 2004 from inmates building chairs and desks, he said. The additional funding enabled more inmates to enroll in basic learning and GED services.

Baltimore City's Ex-Offenders Initiative has netted some early positive results in tackling the range of barriers facing offenders.

In a partnership with the Maryland Department of Public Safety and Correctional Services, OED staff members now meet with convicts near their release to explain services available to them, Mata said. Convicts are given a resource guide that lists service providers in the Baltimore area.

The public safety department has created the Re-entry Enforcement Services Targeting Addiction, Rehabilitation and Treatment program, also known as RESTART, to provide education, substance abuse treatment and re-entry support services to inmates, Mata said.

OED convenes regular career fairs for ex-convicts. And the city helped develop a re-entry transitional employment initiative, Project Bridge,

which has brought together several nonprofit providers to serve more than 200 ex-convicts, Mata said.

The city recognizes local businesses that hire ex-offenders by holding employer appreciation breakfasts.

Getting a broad range of Baltimore businesses to hire ex-convicts, however, will be a challenge, said Harry Holzer, professor at the Georgetown Public Policy Institute, during the Workforce Alliance session.

Employers Fearful

In a survey of employers, Holzer found that convicts are the least likely to be hired out of fear that they might steal from the company or hurt coworkers. Employers are particularly reluctant to hire ex-offenders in jobs that require handling money or serving customers.

Federal law already prohibits ex-convicts from working at hospitals, schools, day care centers and hospices to limit their contact with the elderly, children and the sick. The USA Patriot Act, passed after the September 11, 2001, terrorist attacks, also restricts ex-convicts from obtaining or keeping jobs at airports, ports and in hazardous materials transportation.

"The jobs ex-convicts can obtain usually offer low wages, few benefits and lack promotion opportunities," Holzer said. "Their job prospects are further derailed by low education, limited work experience, substance abuse and mental illness."

Baltimore plans to open a one-stop reentry center in July to address the multiple issues facing ex-offenders. The center will provide ex-convicts with education services, job training and photo identification, as well as information on child support, housing, health care and transportation.

Immediate Action

"Ex-offender reentry and employment hinges on removing immediate barriers such as the need for photo identification, temporary housing and health treatment," said steering committee report authors.

Task force members are lobbying the Maryland state legislature to pass a bill that would suspend child support obligations while offenders are in prison. Mata said the average inmate owes the state \$8,000 in child support, a debt that continues to accumulate during incarceration. The task force also is pushing for legislation that would forgive the balance of child support owed to the state if an ex-offender consistently makes payments for six months following release from prison.

Under current law, states can garnish up to 65 percent of ex-offenders' wages to pay for child support, Holzer said.

Mata said the measures not only would reduce ex-offenders' debt but also encourage them to seek

legitimate employment upon their release from prison.

“Ex-offenders who owe a significant amount of child support cannot survive off their garnished wages when they are only making five or six dollars an hour. They turn to drug dealing or to other illegal means to make money and avoid paying child support,” Mata said. “By easing the burden, we are promoting honest work.”

The task force also supports the expunging of misdemeanor charges from an ex-offender’s criminal record. Arrests that did not lead to convictions can be sealed under law in 40 states, said Debbie Mukamal, director of the Prisoner Re-Entry Institute at the John Jay College of Criminal Justice, during the Workforce Alliance meeting. No states permit convictions to be concealed.

She said that service providers should sit down with ex-convicts before they apply for jobs to check the accuracy of their rap sheets because most medium and large companies perform background checks before hiring new employees.

Many employers obtain rap sheets from online companies that may not provide the most current information, she said. The rap sheets might include only the original felony charge, instead of the misdemeanor that the individual was convicted under after plea bargaining.

—David Altstadt

Ticket to Work

SELF-DIRECTED DISABILITY CARE INCLUDES WORK PREP IN FLORIDA

Juan “Papo” Pollo launched his first vending machine in 2002 selling live minnows, worms and processed squid to fishermen in south Florida. The vending machine provided a test run for the 26-year-old with developmental disabilities to learn how to stock bait and collect deposited money.

Pollo passed that test and now operates 11 machines at bait and tackle shops, gas stations and Wal-Marts in the Sunshine State — making money en route to his dream of financial independence.

Pollo participates in a Florida initiative that enables adults with mental and physical disabilities to decide how to spend their medical care and social services funds. Thus far, more than 1,000 recipients of social security benefits in the state have “cashed out” of traditional services and now manage their own care.

Under the Florida Freedom Initiative, disabled individuals who manage their finances can increase their wages fourfold without affecting their Supplemental Security Income benefits and qualify for greater education, housing and transportation supports.

The initiative, in place since winter 2004, is a demonstration — a test run of sorts — for how other

states might possibly conduct their work incentive programs for the developmentally disabled, under the Ticket to Work and Work Incentives Improvement Act of 1999. The Social Security Administration granted a waiver for Florida’s demonstration project in an effort to devise and test new benefits rules and other offerings meant to entice people with disabilities to attempt employment.

The Centers for Medicare and Medicaid Services also granted Florida a \$500,000 Real Choice Systems Grant to for the initiative.

The Ticket to Work and Work Incentives Advisory Panel conducted a panel discussion of the project during a May 24 meeting.

Self-Determination

“The Florida Freedom Initiative is designed to change how people with disabilities maintain long-term support while breaking the cycle of poverty and achieving self-determination,” said Shelly Brantley, director of the Agency for Persons with Disabilities in Florida, during the panel discussion. “In short, the initiative allows persons with disabilities to live the American Dream.”

The initiative expands on the Consumer Directed Care Act passed by state lawmakers in 2002. Disabled Floridians, who have a CDC plus purchasing plan, spend their monthly budget of cashed out benefits to choose their social and medical services, after they receive counseling on purchasing services and spending limits. They have the authority to hire and fire providers and may select a representative to manage the plan. Persons with developmental disabilities also decide whether to participate in the freedom initiative, Brantley said.

Under the initiative, participants can earn up to \$280 per month before their benefits are reduced by half of additional earnings — which is four times more than the current SSI’s earned income disregard limit. The funds are deposited in individual freedom accounts maintained by state banks or credit unions. Participants may hold up to \$10,000 in the accounts, Brantley said.

Assets

SSA allows participants to save these funds and earn interest on them without having the money count against their SSI benefits. It also disregards certain nonfederal individual development account savings.

Participants who leave the demonstration project have 24 months to spend down their accounts, during which their Medicaid State Plan, Medicaid Waiver and SSI benefits are protected, Brantley said.

“Participants can build assets to eventually purchase a home, start a small business, get a better job or earn more money at a current job without losing benefits,” Brantley said.

Participants can use the funds to purchase or lease a car, regardless of their ability to drive. The funds also can pay for college or trade school tuition so participants can gain skills needed for a job, she said. Under the demonstration project, postsecondary education is considered an acceptable activity to achieve an employment goal through SSA's Plan for Achieving Self Support. PASS, a savings allowance option in the SSI program, allows participants to save toward expenses that will help them achieve outlined employment goals.

Pollo developed his business, Pop's Vending, LLC., with the help of Florida Division of Vocational Rehabilitation staff members. He uses funds from the Florida Developmental Services Medicaid Waiver Program and PASS to cover costs and his paid supports for the business.

Business "Coach"

Pollo hired a "coach" to teach him how to run the business and a "companion" to drive him to the vending machines and help stock the live bait and collect the deposited cash.

An avid fisherman, Pollo decided to buy his first vending machine after family members read an article about the new trend in selling live bait. When he initially went to VR to propose the business plan, he met resistance.

"The VR staff person did not respect me or think that I could do it," Pollo said during the Ticket to Work Advisory Panel meeting. "We went back to VR and talked to another person who did not say no."

Pollo's mother, Lillian Rangel-Diaz, has fought hard to give Pollo a chance to get a good education and gain financial independence. Through her insistence, Pollo was integrated into general education courses at South Miami Senior High School and graduated in 1998 at the age of 19.

"We want self-determination to choose what's best for Papo, not a team of professionals telling us what to do," Rangel-Diaz said. "I am tired of trying to work in the complex system of services and benefits for Papo. We want a simpler system."

She said the current state programs that train adults with developmental disabilities should be shut down. She called for real transition services, including higher education, so that people with disabilities can obtain competitive jobs.

The training programs place only 2 percent of participants in permanent jobs, Brantley said. She said private industry should provide training to disabled high school students through internships.

"How can we justify a system that does not promote best outcomes?" Brantley said. "The workforce is shrinking in Florida as our population ages. We need to better train and educate the developmentally disabled and encourage industries to start hiring them in greater numbers."

Pollo said he hopes his vending machine business leads to financial independence one day.

"I want to buy my own house and boat," he said.

—David Altstadt

Workforce Development

SENATORS GAZE AT WORKFORCE POLICY WONKS' CRYSTAL BALLS

Asking for futurist insight into keeping workforce policy responsive to employment trends, lawmakers heard the competing strategies of strengthening and deregulating the social safety net from two former Labor Department economists.

The Senate Committee on Health, Education, Labor and Pensions gave audience to Jared Bernstein, a Clinton appointee, and Diana Furchtgott-Roth, who served both the Reagan and current Bush administrations, in a May 26 hearing.

Lawmakers asked the economists to suggest policies to maximize the potential of the future workforce, given trends toward an aging population, increased global trade and advances in technology.

Bernstein, who now works at the liberal Economic Policy Institute, took issue with policymakers talking only of skill shortages and ignoring weakness in the social safety net. Furchtgott-Roth, a neo-conservative at the Hudson Institute, suggested increasing future workplace flexibility through deregulation to encourage greater labor force participation.

Insecurity at the Bottom

Bernstein built his suggestions around lower-skilled workers having less economic and social security than in the past, in terms of wages, retirement benefits and health care, in part because global trade has cost manufacturing jobs.

"While the benefits of globalization are prodigious, many who have been hurt by trade competition feel devalued when elites stress solely those benefits and ignore the negative impact of these trends on working families," he said. "Moreover, if policymakers do not acknowledge and try to address these costs, we will increasingly encounter a public that views protectionism as the best way to insulate themselves from the downside of global competition."

He suggested a standard Democratic platter of policymaking: raising the federal minimum wage, broadening Medicare to cover the non-elderly, tailoring unemployment insurance policy to cover those with shorter work histories and extending Trade Adjustment Assistance coverage to all industries as well as other measures.

"Cutting social insurance benefits, shifting retirement savings into the stock market, pushing back overtime protections and minimum wages, ignoring the glaring and obvious need to protect and expand our health care and pension systems — these harmful trends have all been rationalized under the guise

of preparing our workforce to compete in the global economy," he said.

In an era of scarce public resources, Bernstein called it "essential" to hold the "mantra of a skills shortage" to the flame of analysis.

College Mirage

Often those who talk about skill shortages base their arguments on the premium a college degree brings to wages, he argued. This doesn't take into account that this premium is in part driven by inflation-adjusted wage stagnation among non-degreed workers, that recent college graduates largely do not share in the earnings advantage and that in the late 1990s wages briefly soared for low-skilled workers as a booming economy demanded labor.

Also, education trends show that a greater share of the nation's workforce is and will be college educated, while employment projections predict that the bulk of future employment will not require degrees, Bernstein said.

"While most of the fastest growing occupations call for at least a college degree, these occupations are growing from a low base and are thus not contributing the most jobs to the future economy," he said.

Bernstein said he was not calling into question the value of a skilled workforce, but instead was challenging the value of speaking only in those terms when discussing workforce policy.

To provide some unspoken context, Senate Democrats were repeatedly stopped by the Republican majority from attaching amendments to raise the minimum wage to a number of bills and lost battles to turn back a DOL decision to revise overtime legislation in the 108th Congress.

"We must deal effectively with both sides of this division," said Sen. Edward Kennedy (D-Mass). "We must invest in our economy to create more high-paying jobs. We must strengthen labor protections, so that workers aren't harmed by globalizations but share in the prosperity they create. At the same time, we must invest in higher education and job training to fill the high-paying jobs of the future and help ensure our future competitiveness in this global economy."

Flexibility

Furchtgott-Roth told lawmakers that, compared with other G-7 countries, the United States provides employers with greater "flexibility" — in other words, fewer rules regarding the hiring and firing of workers — and simultaneously enjoys lower unemployment and faster employment growth.

The nation could increase flexibility by changing Fair Labor Standards Act policy to allow workers to accept compensatory time off instead of increased wages when they work overtime, she said.

"As a working mother with six children, I am fully aware that there are many important parts of a worker's life, including time with family," she said. "Extra time spent at work one week is manageable if there is an option to be able to take more time off at another point."

Also, comparing U.S. workforce behavior with that of other countries, the conservative economist said Americans are more willing to work longer hours than workers in other nations because they pay less tax on their income.

Regarding health care, Furchtgott-Roth said she agreed with Bernstein that it should not be a responsibility of individual employers, but she prefers allowing health insurance companies to write interstate, association policies to government-provided public health care.

This approach offers insurers the flexibility they need to package marketable plans, but ensures quality through competition, she argued.

"Just as we have more flexible labor markets than our major competitors, we need to expand that flexibility as we move forward into the 21st century," Furchtgott-Roth said.

Reauthorization

Sen. Mike Enzi (R-Wyo) asked the economists to share their opinions on Workforce Investment Act reauthorization.

The conservative described the nation's workforce system as inefficient and called for increasing the system's "flexibility" by adopting the administration's WIA-Plus program consolidation proposal.

Personal Reemployment Accounts would give workers more flexibility in choosing services to fit their needs, she said.

Bernstein said he sees strength in the model of local employers working with local training and workforce officials to identify local skill deficiencies and future job openings.

"A lot of the information we are gathering here today will be useful in our reauthorization of the Workforce Investment Act and other legislation within this committee's jurisdiction," Enzi said, reflecting his ongoing interest in working on a WIA bill.

The committee reported out S 1021, Enzi's WIA bill, a week before the hearing. The measure does not embrace the WIA Plus concept, nor any program consolidation, nor even Personal Reemployment Accounts.

Enzi has said little of the bill's content in public appearances. Washington insiders are placing low odds that the Senate bill, as it stands, will be the model for whatever final legislation is handed to the president.

—Ryan Hess

Work Supports

ENLIST EMPLOYERS TO INCREASE CLIENTS' ACCESS TO SERVICES

Employer involvement in work supports is a promising strategy to help more low-income families access critical assistance, note authors of a 2005 report by the Finance Project.

Work supports such as transportation assistance, child care subsidies and earned income tax credits can have a significant impact, the report authors say, but poor families are either unaware of the programs or have difficulty obtaining services. The report notes that strategies to improve the availability of supports often overlook the vital role of employers.

Employer-focused Strategies

“Less attention has been given to employer-focused strategies to improve access to work supports,” say the report authors. “These strategies create opportunities to access low-income workers outside of public systems, build employer support for programs that help low-income workers, leverage employer resources, reframe supports from simply a social service issue to a workplace issue and build relationships with employers that can lead to further workforce development activities.”

The Finance Project, an independent nonprofit based in Washington, D.C., disseminates information about children, families and communities with the goal of improving policies, programs and financing strategies.

Its latest report, *Work Supports and Low-Wage Workers: The Promise of Employer Involvement*, describes several strategies for promoting the value of work supports among employers and the advantages that transitional aid provides for employers and their workers.

The report cites how employers have successfully helped low-wage workers obtain supports, either by promoting existing public and community programs or investing in new benefits for workers.

Employers that promote or provide work supports have decreased turnover and absenteeism, improved recruitment and retention, increased productivity and greater company loyalty, and improved morale among low-wage workers, according to surveys and case studies the report cites.

SCHIP at Work

In one case example, the international retail corporation TJX Companies, Inc., worked with federal and state agencies to inform employees who had recently left welfare about available work supports. Each of its stores and distribution centers put up posters and displayed brochures about the State Children's Health Insurance Program, food stamps, fuel assistance, volunteer tax assistance, the earned

income tax credit and financial literacy resources. By using outreach materials from government sources, the corporation's costs were kept low.

Marriott International enhances access to work supports with a confidential toll-free phone service for employees who need social service referrals for family, child care and elder care issues. Managers had reported spending up to half their time helping employees with these problems before the phone service was implemented.

The company estimates that it has earned a 4-to-1 return on its investment in the resource phone line by reducing turnover and absenteeism, the authors say.

The company also operates on-site child care centers and offers education and training for low-income workers.

Bank of America invests in work supports by reimbursing lower-income employees for a portion of their child care expenses. The bank has reported increased employee loyalty and retention, reduced absenteeism and increased productivity among workers using the day care centers, according to the Finance Project report.

In some cases, employers have worked directly with the public and nonprofit organizations.

Subsidized Bus Routes

In Philadelphia, United Parcel Service has collaborated with the Southeastern Pennsylvania Transportation Authority and the nonprofit Transportation Management Association to establish new bus routes to serve a new UPS facility near the city's airport.

“UPS officials researched where key bus routes were needed and subsidized part of SEPTA's costs until the transportation authority broke even,” the authors state.

Some employers have become more engaged in public policy that relates to work supports. Corporate Voices for Working Families has brought together 46 companies to lobby for early childhood learning and after-school care, elder care, workplace flexibility and economic self-sufficiency for working families.

Corporate Voices publishes information on corporate programs and policies for low-wage workers and an EITC toolkit for employers, according to the report.

Still, the authors state that many employers are not engaged in work support initiatives for a number of reasons. They may be unaware of the potential value of work supports or have few connections to public and community organizations that serve low-income families, or they might fear getting involved and perceive more cost than benefit to offering work supports.

The report authors recommend increased efforts to raise awareness of public supports, share information on approaches to involving employers in work

supports and for policies and programs that help low-income working families.

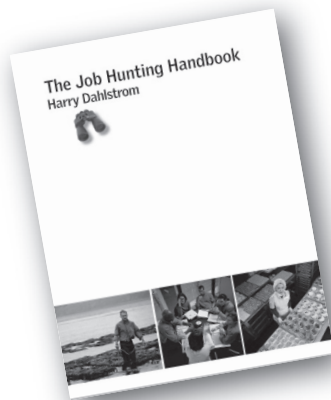
✓ *Work Supports and Low-Wage Workers: The Promise of Employer Involvement* was published by The Finance Project, 1401 New York Ave., NW,

Suite 800, Washington, D.C. 20005; telephone (202) 587-1000.

—David Altstadt

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BULLETIN BOARD, continued from p. 578

plications are due by June 10. *Training and Employment Guidance Letter No. 16-03, Change 2*, issued May 24, instructs states on how to apply.

✓ For more information, contact regional ETA offices.

HOUSE BILLS INTRODUCED

VETERANS — HR 2365 would extend the length of time veterans can use their Montgomery GI Bill educational benefits from 10 to 14 years. Introduced May 19 by Rep. Robert Filner (D-Calif).

TUITION DEDUCTION — HR 2564 would make permanent the 2005 levels at which tuition expenses can be deducted from federal income tax liability. Introduced May 24 by Rep. Phil English (R-Pa).

CAPACITY BUILDING — HR 2683 would provide capacity building funds to community-based organi-

zations to support their community development efforts. Introduced May 26 by Rep. Stephanie Tubbs Jones (D-Ohio).

CIVILIAN VOLUNTEER SERVICE — HR 2723 and HR 2724 would require that all young people serve either in the military or a Civilian Volunteer Service Reserve program. Introduced May 26 by Rep. Charles Rangel (D-NY).

HIGHER EDUCATION — HR 2739, the College Affordability and Accountability Act, would reauthorize the Higher Education Act. The bill, among its key provisions, would provide additional financial aid to students at schools that keep their costs below a measure of inflation tailored to the postsecondary education marketplace. Introduced May 26 by Rep. John Tierney (D-Mass). ☆



Text

TAA AND NAFTA-TAA: OUTCOMES IN FISCAL YEAR 2004; OMB 'PART' ANALYSIS

Editor's Note: The following data are drawn from the Trade Act Participant Report for Fiscal Year 2004.

Legend for the table below:

"NS" means "not submitted";

"Entered Employment" means the percentage of participants employed in the first quarter after program exit;

"Retention" equals the percentage of those employed in the first quarter after program exit that remained employed in the third quarter after program exit;

"Wage Replacement" is the average percentage of pre-separation earnings after program exit as measured by the percent of earnings in the second and third quarters after program exit, compared with earnings in the second and third quarters prior to separation;

"No. of Exiters" is the total number of people who exited the program during the reporting period.

The last page contains the Office of Management and Budget's Program Assessment Rating Tool evaluation summary on Trade Adjustment Assistance. The page was issued as part of an unpublished supplement to the Fiscal Year 2006 budget proposal. The conclusions are based on a questionnaire circulated to federal program officials.

State	Entered Employment	Retention	Wage Replacement	No. of Exiters
Alabama	39.00%	92.00%	74.00%	1,104
Alaska	77.00%	83.00%	61.00%	31
Arizona	71.00%	91.00%	82.00%	518
Arkansas	64.00%	91.00%	71.00%	494
California	65.00%	90.00%	67.00%	1,006
Colorado	78.00%	100.00%	74.00%	227
Connecticut	56.00%	92.00%	69.00%	388
Delaware	0.00%	0.00%	0.00%	0
District of Columbia	NS	NS	NS	NS
Florida	90.00%	98.00%	70.00%	282
Georgia	70.00%	93.00%	84.00%	1,415
Hawaii	NS	NS	NS	NS
Idaho	90.00%	94.00%	71.00%	347
Illinois	64.00%	87.00%	70.00%	454
Indiana	59.00%	90.00%	77.00%	800

State	Entered Employment	Retention	Wage Replacement	No. of Exitors
Iowa	69.00%	95.00%	62.00%	421
Kansas	64.00%	93.00%	59.00%	214
Kentucky	67.00%	91.00%	85.00%	288
Louisiana	71.00%	87.00%	85.00%	138
Maine	81.00%	94.00%	81.00%	1,028
Maryland	77.00%	92.00%	111.00%	31
Massachusetts	78.00%	88.00%	75.00%	467
Michigan	69.00%	88.00%	76.00%	907
Minnesota	69.00%	83.00%	68.00%	841
Mississippi	53.00%	88.00%	76.00%	1,791
Missouri	70.00%	92.00%	86.00%	786
Montana	68.00%	82.00%	90.00%	72
Nebraska	88.00%	91.00%	67.00%	150
Nevada	96.00%	86.00%	79.00%	33
New Hampshire	70.00%	100.00%	71.00%	74
New Jersey	64.00%	94.00%	75.00%	571
New Mexico	69.00%	97.00%	77.00%	57
New York	44.00%	87.00%	59.00%	1,185
North Carolina	62.00%	91.00%	90.00%	3,160
North Dakota	80.00%	100.00%	90.00%	5
Ohio	60.00%	86.00%	66.00%	1,235
Oklahoma	63.00%	85.00%	60.00%	223
Oregon	74.00%	85.00%	71.00%	1,087
Pennsylvania	70.00%	90.00%	66.00%	3,082
Puerto Rico	NS	NS	NS	NS
Rhode Island	76.00%	91.00%	82.00%	193
South Carolina	60.00%	90.00%	75.00%	1,380
South Dakota	80.00%	93.00%	97.00%	56
Tennessee	47.00%	87.00%	76.00%	3,512
Texas	63.00%	89.00%	74.00%	3,680
Utah	75.00%	89.00%	69.00%	305

State	Entered Employment	Retention	Wage Replacement	No. of Exiters
Vermont	70.00%	76.00%	72.00%	74
Virginia	63.00%	89.00%	91.00%	792
Washington	56.00%	82.00%	60.00%	1,916
West Virginia	48.00%	79.00%	60.00%	179
Wisconsin	72.00%	91.00%	81.00%	1,428
Wyoming	81.00%	85.00%	100.00%	16

Source: U.S. Department of Labor

Program: Trade Adjustment Assistance

Agency: Department of Labor
Bureau: Employment and Training Administration

Rating: Ineffective

Program Type: Direct Federal

Last Assessed: 1 year ago

Key Performance Measures from Latest PART	Year	Target	Actual
Annual and Long-term Measure: Percentage of participants employed after program exit. (This new measure will be implemented in 2005. Data shown are for similar current measure).	2002	78%	66%
	2003	78%	62%
	2004	70%	63%
	2005	70%	63%
Annual and Long-term Measure: Percentage of participants who retain employment after exit. (This new measure will be implemented in 2005. Data shown are for similar current measure).	2002	90%	80%
	2003	90%	86%
	2004	88%	89%
	2005	89%	
Annual and Long-term Measure: Percentage change in participants' earnings. (This new measure will be implemented in 2005. Data shown are for similar current measure: % wage replacement).	2002	90%	89%
	2003	90%	73%
	2004	90%	74%
	2005	80%	

Recommended Follow-up Actions

Better link the TAA program to the WIA dislocated worker program to assure that TAA-eligible workers receive the full range of reemployment services needed to return to work.

Improve financial management practices to ensure that states operate within the annual cap on TAA training expenditures. DOL has instituted new financial reporting and issued planning estimates to states for TAA training.

Publish TAA regulations to implement the 2002 Trade Act amendments, and use the rule to strengthen accountability.

Status

Action taken, but not completed

Completed

Action taken, but not completed

Update on Follow-up Actions:

Trade Adjustment Assistance (TAA) provides training and cash benefits to workers who lose their jobs due to imports and other trade-related events. TAA eligibility and benefits were expanded in the 2002 Trade Act. The assessment found that TAA serves a subset of all dislocated workers, many of whom are also eligible for the Workforce Investment Act (WIA) dislocated worker program. TAA provides a narrow set of expensive benefits and relies on other programs to provide the less costly job search assistance. DOL is working to establish better links between TAA and the WIA program to assure that TAA-eligible workers receive the full range of reemployment services needed to return to work. DOL is continuing to develop the regulations necessary to implement the 2002 Trade Act amendments.

Program Funding Level (in millions of dollars)

2004 Actual	2005 Estimate	2006 Estimate
1,341	1,060	969