



Perspectivas Públicas

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ISSUE UPDATE

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EMPLOYMENT AND TRAINING ISSUE UPDATE

The area of Employment and Training is currently undergoing a shift in federal policy. The federal government has decentralized employment and training programs and has made the State and local governments responsible for the administration of these programs. The newly implemented Job Training Partnership Act, which replaced CETA, exemplifies the "New Federalism" approach of the Reagan Administration. However, this new approach is one that is void of targeting language, thus, endangering the access to federal employment and training programs by minorities and disadvantaged individuals. Furthermore, the regulations drafted by the Department of Labor exacerbate the problem by placing an emphasis on performance. Performance standards should be carefully scrutinized because they are a two-edged sword. On the one hand, they have the potential to drive the system toward providing better services to clients. On the other hand, they may encourage program operators to cream, while the law encourages quite the opposite. Therefore, the main problem with JTPA is that its decentralized structure, void of targeting and federal oversight, will more than likely undermine Hispanic participation, not only as clients, but also as program operators.

Enclosed is an Update on Employment and Training legislation for the 98th Congress, First Session. The JTPA Update includes the final performance standards and funding allocations. Finally, a section on the state of the Hispanic Workforce addresses the issues of wages and unemployment.



I. EMPLOYMENT AND TRAINING ISSUE UPDATE

A. Legislation: 98th Congress, First Session

1. HR 1718: Emergency Jobs Bill

Purpose: Appropriated \$4.65 billion for a variety of federal programs intended to create jobs for the unemployed and provide humanitarian relief to victims of the recession, and appropriated \$5.0 billion for advances to the unemployment trust fund. This bill is considered Phase I of the Democrats' major anti-recession legislation of the 98th Congress.

Status: Passed the Congress (Public Law #98-8). It was rushed through Congress and signed last March 1983 to bring fast relief to about a dozen states that had run out of unemployment benefits. Proponents of the measure say the package will create nearly one million temporary and full-time jobs.

2. HR 1036: Community Renewal Employment Act

Purpose: To provide employment opportunities to long-term unemployed individuals, especially in high unemployment areas, through grants to State and local governments for labor costs associated with the repair, maintenance or rehabilitation of essential public facilities; for essential public safety, health and social service activities; and for conservation and improvement of public lands. The bill is Phase II of the Democratic anti-recession legislation and it restores, to a certain extent, the public service employment component that was repealed from the new Job Training Partnership Act.

Authorization: \$3.5 billion.

Status: The bill passed the House in September. The Senate companion bill, S.1812, is awaiting action in the Senate. The bill faces an uncertain future in the Republican-controlled Senate, not to mention the threat of a Presidential veto.

3. HR 999: American Conservation Corps Act

Purpose: To provide employment for young men and women in conservation related projects. Patterned on the Depression-era Civilian Conservation Corps (CCC) the proposed American Conservation Corps would provide needed jobs to youth, including unemployed and disadvantaged youth.

Authorization: \$50 million in Fiscal Year 1983 and \$250 million annually for Fiscal Years 1984-1989.

Status: The bill passed the House in March. The Senate companion bill, S.724, was not reported out of committee due to problems with the targeting language that was included in the House version. The future of this bill during the second session remains uncertain, depending on the negotiations made with regard to targeting language. NCLR will continue to apply pressure on the relevant committee staff to ensure that such language is retained. It seems more than likely that the issue of targeting language will surface during conference deliberations.

II. JOB TRAINING PARTNERSHIP ACT (JTPA) UPDATE

A. Funding under JTPA

JTPA started its first year of implementation on October 1st with something CETA never had: appropriations legislation. HR 3913, making Fiscal

Welfare Entered Employment Rate 41%
(Percent of adult welfare recipients entering employment at termination.)

Youth

Entered Employment Rate 41%
Positive Termination Rate 82%
(Percent of youth who had a positive termination, i.e., at termination, the youth had either entered unsubsidized employment; or had met one of the youth employability enhancement termination definitions; or had attained youth employment competencies recognized by the PIC.)
Cost Per Positive Termination \$4,900

Program Year 1984-85:

Adults

Entered Employment Rate 55%
Cost Per Entered Employment \$5,704
Average Wage at Placement \$4.91
Welfare Entered Employment Rate 39%

Youth

Entered Employment Rate 41%
Positive Termination Rate 82%
Cost Per Positive Termination \$4,900

A youth will be considered a positive termination if he/she has achieved, at termination, one of the following outcomes:

- Entered unsubsidized employment;
- Met one of the youth employability enhancements definitions as defined in the instructions to the approved JTPA annual status report (JASR), i.e., entered Non-Title II training, returned to full-time school, or completed major level of education; or
- Attained youth employment competencies recognized by the PIC. Employment competencies are those skills and habits which are regarded as useful for seeking and holding employment.

One of the complex questions that the Department of Labor has had to negotiate with the Office of Management and Budget (OMB) involves the issue of the parameters to be set by the Secretary of Labor to limit a governor's power to establish variations from the national performance standards for a state or individual SDA. Section 106(e) of the JTPA statute allows governors to "prescribe, within parameters established by the Secretary, variations on the standards under this subsection based upon specific economic, geographic, and demographic factors in the state and in service

delivery areas within the state, the characteristics of the population to be served, and the type of services to be provided."

The Department of Labor's final agreement with the Office of Management and Budget allows the Department to provide--but not require use of--a regression analysis model which adapts national performance to 15 local conditions which might affect performance. One of the variables included in this model is the number of Hispanics served. However, the model does not include a variable which takes into consideration the number of participants served who have a limited English-speaking ability. Governors are free to devise their own adjustment methodology, and according to DOL officials, they may include a variable to take into account participants of limited English-speaking ability. However, nearly every state has chosen to use the DOL model without modification during the nine-month interim period of JTPA.

After an SDA's performance standards have been tailored to local conditions by the regression model, the governor may still adjust them further--taking into account any recent events or pertinent factors which were not included in the regression formula. The governor's adjustment factors must be within the parameters that have been set by the Secretary of Labor. The parameters are as follows:

1. Procedure must be:
 - . Responsive to the Intent of the Act,
 - . Consistently applied among SDAs within the State,
 - . Objective and equitable throughout the State,
 - . In conformance with widely accepted statistical criteria;
2. Source data must be:
 - . Of public use quality,
 - . Available upon request;
3. Results must be:
 - . Documented,
 - . Reproducible; and
4. Adjustment factors must be limited to:
 - . Economic factors,
 - . Labor market conditions,
 - . Characteristics of the population to be served,
 - . Geographic factors,
 - . Types of services to be provided.

Since JTPA is performance driven, these standards are critical in that they measure the "success" of an SDA and its programs. Therefore, it is important for local community-based organizations which run employment and training programs to make sure that their state governor has adopted adjustment factors which take into account the characteristics of the Hispanic population of their area, such as limited English-speaking ability and level of education. It behooves community groups to ensure that these factors are considered so that their performance will be judged by standards which truly reflect the characteristics of the client population.

C. JTPA State Allocations

The Department of Labor has released 1984 JTPA Title II-B summer youth allocations totalling \$724.5 million, program year 1984-85 allocations for

JTPA Title II-A (disadvantaged adults) totalling \$1.886 billion, and JTPA Title III (dislocated workers) totalling \$223 million. States have already received funding for the nine-month interim period. Charts 1 and 2, attached, itemize the allocations for the nine-month interim period and for the program year on a state basis, including the state match required for Title III funds.

III. HISPANIC WORKFORCE

Figures on 1982 Hispanic unemployment released by the Bureau of Labor Statistics show that manufacturing and services industries still claim the largest group of Hispanic workers.

First, with 1,305,000 workers, is the manufacturing industry, representing a quarter of all Hispanics employed during 1982 (20.4% of Blacks and 20.4% of Whites were employed in the manufacturing industry for the same period). However, the average weekly earnings in the manufacturing industry show that Hispanics earned less (\$236) than Blacks (\$260) or Whites (\$336).

Employment in the services industries was almost as high, with 1,009,000 employed, or just short of 20%. In contrast, 24.4% of Blacks and 21.4% of Whites were employed by service industries. The average weekly earnings in the services industries indicate that Hispanics earned more than Blacks (\$226 compared to \$217) but considerably less than Whites (\$278).

Economists forecast that new employment will occur in the service sector which is expected to grow at twice the rate of manufacturing industries. Manufacturing represented 25 percent of all jobs in 1959, but only 19 percent in 1982. This trend will continue throughout the 1982-1995 period, although manufacturing will still account for almost one of the six new jobs. Service-producing industries are projected to account for almost 75 percent of all new jobs between 1982 and 1995. Though 45% of the Hispanic workforce is employed by manufacturing or service industries, the statistics indicate that the wage gap is not narrowing. High growth rates in these industries will be of little significance unless Hispanics achieve wage parity. This problem is of extreme importance for Hispanic females, whose earnings are the lowest of all American workers.

Women of every race and ethnic group earn less than men. Hispanic women employed full-time have the lowest incomes of any major population group; their median income in 1982 was just \$11,363, as compared with \$12,376 for Black women, \$13,847 for White women, and \$15,589 for Hispanic men. Real income in 1982 dollars decreased by 1.9% among Hispanic women, the only group of women to experience a loss in real money income between 1981 and 1982.

Hispanic unemployment remains a problem of grave proportions. The attached unemployment charts indicate that the recovery has not yet trickled down to the Hispanic community. Though a decrease in Hispanic unemployment was reported between the months of November and December 1983, the decline is of questionable significance due to the small size of the Hispanic sample. Furthermore, Hispanic unemployment rates tend to jump up and down because of the small sample, thus lowering the validity of any decreases in the rate.

CHART 1
Attachment I

U.S. DEPARTMENT OF LABOR—EMPLOYMENT AND TRAINING ADMINISTRATION, OFFICE OF
FINANCIAL CONTROL AND MANAGEMENT SYSTEMS, FY 1984¹ JTPA ALLOTMENTS TO STATES

	Title B-A	Title B		Total
		Allotment	State match	
Alabama	33,508,253	1,782,891	0	1,782,891
Alaska	3,527,158	123,845	89,076	222,921
Arizona	16,406,848	803,018	842,413	1,445,429
Arkansas	15,357,588	682,234	682,234	1,364,468
California	151,306,432	7,872,100	6,137,890	13,809,790
Colorado	12,830,407	678,672	678,672	1,357,344
Connecticut	14,158,893	611,888	611,888	1,223,776
Delaware	3,837,183	138,444	138,444	276,888
District of Columbia	4,822,998	224,338	178,471	402,809
Florida	48,453,518	2,184,479	2,184,479	4,368,958
Georgia	28,821,257	1,140,157	1,140,157	2,280,314
Hawaii	4,361,803	186,572	186,572	813,144
Idaho	5,885,218	257,837	257,837	615,874
Illinois	74,717,895	4,488,008	2,897,805	7,183,813
Indiana	88,367,842	2,186,835	1,319,861	3,518,896
Iowa	15,291,504	805,283	805,283	1,610,526
Kansas	7,872,888	388,451	388,451	786,902
Kentucky	25,829,683	1,114,488	891,561	2,006,079
Louisiana	28,864,477	1,148,818	819,884	2,068,312
Maine	6,229,281	282,022	282,022	524,044
Maryland	22,741,584	1,121,251	1,121,251	2,242,502
Massachusetts	29,269,423	1,406,715	1,406,715	2,813,430
Michigan	61,815,000	6,058,450	0	6,058,450
Minnesota	18,748,778	1,018,438	1,018,438	2,036,876
Mississippi	18,564,188	778,145	486,887	1,265,032
Missouri	28,718,356	1,348,977	1,348,977	2,697,954
Montana	4,888,443	188,215	188,215	386,430
Nebraska	4,883,807	251,088	251,088	502,176
Nevada	5,082,854	283,040	288,438	571,478
New Hampshire	3,841,472	184,858	184,858	389,716
New Jersey	41,253,801	2,025,737	2,025,737	4,051,474
New Mexico	8,248,888	320,883	320,883	641,766
New York	100,415,145	4,317,083	4,317,083	8,634,166
North Carolina	33,851,420	1,823,883	1,823,883	3,647,766
North Dakota	3,527,158	78,833	78,833	157,666
Ohio	77,539,003	4,883,825	1,845,570	6,809,495
Oklahoma	9,550,788	388,088	388,088	786,176
Oregon	19,071,782	1,073,388	844,021	1,717,389
Pennsylvania	73,737,252	4,288,753	2,573,252	6,862,005
Puerto Rico	48,808,880	1,518,027	0	1,518,027
Rhode Island	6,567,231	318,015	282,812	600,827
South Carolina	21,852,021	1,053,808	843,127	1,897,036
South Dakota	3,527,158	88,182	88,182	176,364
Tennessee	22,707,808	1,872,508	1,803,505	3,676,013
Texas	62,129,434	2,387,870	2,387,870	4,775,740
Utah	6,772,185	288,387	288,387	576,774
Vermont	3,527,158	88,670	88,670	177,340
Virginia	84,258,410	1,185,885	1,185,885	2,371,770
Washington	30,329,817	1,721,841	688,856	2,410,297
West Virginia	13,701,550	826,295	0	826,295
Wisconsin	28,484,888	1,844,888	1,475,873	3,320,761
Wyoming	3,527,158	71,848	71,848	143,696
American Samoa	381,888	14,575	0	14,575
Guam	1,214,385	80,881	0	80,881
Northern Mariana	83,750	4,885	0	4,885
Trust Territories	685,340	33,247	0	33,247
Virgin Islands	1,484,857	74,188	0	74,188
National total	1,614,813,000	70,887,500	68,833,556	119,321,056

¹ These allotments cover the transition period of 10/1/83-6/30/84.

**CHART 2
JOB TRAINING PARTNERSHIP ACT ALLOTMENTS
July 1, 1984 — June 30, 1985**

	Title II-A	Title II-B	Allotment	Title III State match
Alabama	\$ 45,718,867	\$16,599,358	\$ 4,079,060	\$ —
Alaska	4,702,878	1,775,415	296,493	237,194
Arizona	24,071,745	8,776,397	1,900,800	1,520,640
Arkansas	18,543,748	7,189,673	1,340,825	1,340,825
California	206,967,087	75,371,390	18,211,123	14,568,898
Colorado	19,964,704	7,285,204	1,803,294	1,803,294
Connecticut	16,990,435	8,311,427	1,383,095	1,383,095
Delaware	4,702,878	1,775,415	303,277	303,277
District of Columbia	6,164,813	6,746,288	841,283	433,026
Florida	68,059,421	24,927,300	5,521,134	5,521,134
Georgia	36,691,694	13,843,092	2,801,742	2,801,742
Hawaii	5,475,161	2,279,027	342,631	342,631
Idaho	7,899,117	2,885,806	635,620	508,496
Illinois	104,953,189	37,980,866	10,866,051	4,346,420
Indiana	46,838,441	17,450,907	4,810,706	2,886,424
Iowa	18,910,217	6,893,857	1,853,741	1,853,741
Kansas	11,914,392	4,465,938	824,805	824,805
Kentucky	32,658,550	11,933,738	2,680,337	1,808,202
Louisiana	37,972,870	13,877,463	3,088,379	1,853,027
Maine	8,039,947	3,282,930	637,866	637,866
Maryland	27,289,918	10,515,210	2,310,360	2,310,360
Massachusetts	36,182,469	16,839,184	2,902,123	2,902,123
Michigan	103,925,839	37,478,242	11,578,385	—
Minnesota	27,178,542	9,913,311	2,465,109	2,465,109
Mississippi	24,295,227	8,916,856	1,932,727	1,159,636
Missouri	36,008,001	13,959,367	3,242,489	3,242,489
Montana	6,016,550	2,207,122	457,198	457,198
Nebraska	7,707,682	3,147,874	574,908	574,908
Nevada	7,475,521	2,703,689	753,523	602,818
New Hampshire	5,194,295	1,898,617	374,280	374,280
New Jersey	49,504,570	21,762,233	4,503,918	4,503,918
New Mexico	11,408,864	4,193,889	818,114	654,491
New York	123,452,151	50,848,855	10,422,943	10,422,943
North Carolina	44,786,303	16,366,076	3,650,676	3,650,676
North Dakota	4,702,878	1,775,415	185,629	185,629
Ohio	102,687,464	37,111,204	11,438,077	4,575,231
Oklahoma	16,879,681	6,268,877	1,317,932	1,317,932
Oregon	24,002,603	8,713,064	2,350,768	1,880,614
Pennsylvania	102,848,422	37,306,913	10,823,137	4,329,255
Puerto Rico	60,360,805	22,269,883	3,391,510	—
Rhode Island	7,804,484	3,140,596	669,235	669,235
South Carolina	28,042,343	10,222,019	2,315,906	1,852,725
South Dakota	4,702,878	1,775,415	206,188	206,188
Tennessee	43,949,827	15,992,744	3,805,859	2,283,515
Texas	93,620,142	34,374,879	8,719,377	6,719,377
Utah	9,249,966	3,389,474	758,998	758,998
Vermont	4,702,878	1,775,415	225,398	225,398
Virginia	32,317,888	12,625,007	2,395,540	2,395,540
Washington	38,329,076	13,883,123	3,828,532	2,297,119
West Virginia	21,433,067	7,765,585	2,241,181	—
Wisconsin	43,147,634	15,599,138	4,280,996	3,408,797
Wyoming	4,702,878	1,775,415	263,359	263,359
American Samoa	350,026	55,003	31,038	—
Guam	1,457,238	670,830	129,217	—
Northern Marianas	125,000	25,730	11,084	—
Trust Territories	1,285,908	74,374	114,025	—
Virgin Islands	1,781,828	380,370	157,999	—
Native Americans	—	13,176,511	—	—
Undistributed	—	—	55,750,000	—
National Total	\$1,886,151,000	\$724,549,000	\$223,000,000	\$111,164,598

Source: U.S. Department of Labor

UNEMPLOYMENT RATES 1983 (Seasonally Adjusted)

	OVERALL	WHITE	BLACK	HISPANIC
JANUARY 1983	10.4%	9.1%	20.7%	15.4%
FEBRUARY 1983	10.4%	9.2%	19.8%	15.5%
MARCH 1983	10.3%	9.1%	20.1%	15.7%
APRIL 1983	10.2%	8.9%	20.7%	14.6%
MAY 1983	10.1%	8.9%	20.6%	13.8%
JUNE 1983	10.0%	8.6%	20.6%	14.0%
JULY 1983	9.5%	8.2%	19.5%	12.3%
AUGUST 1983	9.5%	8.2%	20.0%	12.9%
SEPTEMBER 1983	9.3%	8.1%	19.0%	13.1%
OCTOBER 1983	8.8%	7.7%	18.1%	12.3%
NOVEMBER 1983	8.4%	7.3%	17.3%	12.3%
DECEMBER 1983	8.2%	7.1%	17.8%	11.6%

QUARTERLY HISPANIC YOUTH UNEMPLOYMENT RATES 1983

JANUARY - MARCH 1983	32.5%
APRIL - JUNE 1983	29.6%
JULY - SEPTEMBER 1983	27.3%
OCTOBER - DECEMBER 1983	23.8%

AVERAGE YOUTH UNEMPLOYMENT RATES (16-19 years) 1983

HISPANIC YOUTH	28.3%
BLACK YOUTH	48.5%
WHITE YOUTH	19.5%