



Title: EMPLOYMENT AND TRAINING ISSUE UPDATE #7

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EMPLOYMENT AND TRAINING ISSUE UPDATE

I. SUMMARY

This Employment and Training Issue Update highlights the Job Training Partnership Act (JTPA) Amendments of 1986. The amendments were described as an effort to "update and perfect" the nation's job training programs. The programs are by no means perfect after these relatively minor adjustments, but improvements were made and the National Council of La Raza hopes to see some increased momentum toward fair and effective job training program development.

Congress worked long and hard on the budget process, trying to meet the strict fiscal constraints currently in effect at the federal level. Despite efforts to curtail some key employment and training programs, Congress approved a budget that does minimal damage to JTPA on the whole. A brief summary of the employment and training budget for Fiscal Year 1987 is included.

An overview of the unemployment figures for 1986 shows that Hispanics continue to suffer from extraordinarily high rates of unemployment. The nation as a whole, in fact, is experiencing unprecedented rates of unemployment for what is being called a "recovery" period. For January through October 1986, the average rate of unemployment for the nation stands at 7.0%. This is only the official rate; when "discouraged" workers and those who work part-time because they cannot find full-time employment are counted, the picture is even bleaker. The "real rate" of unemployment for October 1986, which takes into account the "discouraged" and underemployed, was 12.7% for the overall population, and 18.2% for Hispanics.

The November elections are behind us, and the new 100th Congress will bring a number of employment-related issues to the forefront of the legislative agenda. The final section of this update takes a brief look at issues to watch for in the upcoming Congressional session.

II. THE JOB TRAINING PARTNERSHIP ACT AMENDMENTS OF 1986

A. The Amendments

The 99th Congress passed, and on October 16 President Reagan signed into law, the Job Training Partnership Act Amendments of 1986. By and large, the amendments are technical revisions of the Act, though some do represent significant changes regarding services to the disadvantaged including Hispanics. A summary of some of the key amendments follows.

1. Education Set-Aside

Eight percent of Title II-A appropriations are reserved at the state level for educational activities under the original law. Congress just voted to mandate the following three activities under this education set-aside: literacy training for youth and adults, dropout prevention and reenrollment services, and school-to-work transition services. No requirement was set as to the percentage of these funds to be used for the designated activities. Therefore, careful monitoring will be necessary to ensure that these activities are implemented. It is hoped that this amendment will lead to targeting more money to potential high school dropouts and will provide an incentive to states to fund community-based organizations for such programs.

2. Summer Youth Program

A statement of purpose has been added to the summer program. Also, service delivery areas (SDAs) will be required to assess the reading and math skill levels of program participants and describe in their local plans how they will spend funds for basic and remedial education. Each SDA will be required to establish written goals and objectives for the program, such as improvement in school retention and completion, improvement in academic performance, improvement in employability skills, and demonstrated coordination with other community service organizations. Previously, Summer Youth Employment Programs (SYEPs) stressed placement in short-term (usually subsidized) jobs in public agencies or nonprofit organizations. By mandating these written goals and objectives, Congress has facilitated the development of programs which provide services other than just job placement. This is particularly important to minority youth, who tend to fall furthest behind in academic skill levels during summer months. SYEP money could become a good source of funds for service providers interested in diversifying their funding bases while providing meaningful summer programs for youth.

3. 40% Youth Expenditure Requirement

Under the original law, each SDA was required to spend at least 40% of its Title II allocation on services to eligible youth aged 16-21. A new amendment states that funds may be counted toward the 40% youth requirement when used for 14- to 15-year-olds enrolled in pre-employment skills training. Though 14- to 15-year-olds could be served under the original law, as specified in "Exemplary Youth Programs" [Title II-A, Sec.

205(c)(1)], this amendment may foster greater interest in preventive programs for potential high school dropouts.

SDAs within local districts which operate on a year-round, full-time basis may now offer the summer program during the vacation period considered equivalent to summer vacation.

4. Identification of Dislocated Workers

Under Title III of the original Act, there is no specification regarding self-employed individuals who may suffer dislocation. The amendment states that dislocated workers also include self-employed individuals (including farmers) who are unemployed as a result of general economic conditions or natural disasters in their community. The Secretary of Labor will develop regulations specifying categories of covered individuals and conditions.

States are also now authorized to serve otherwise eligible individuals who live outside the state but work in a labor market area within the state.

5. Projects for Special Populations

Under Title IV-D (Federally Administered Programs; National Activities), the Secretary is now required to include national activities for populations with multiple barriers to employment and individuals not otherwise targeted in JTPA, including displaced homemakers and the handicapped. A definition of a displaced homemaker is included in the amendment.

6. Pilot Projects

In addition to the original authorization to fund pilot projects for populations with special employment-related needs, the Secretary is now authorized to fund such projects for training people who are threatened with job loss due to technological change, international economic policies, or general economic conditions.

7. Intrastate Hold-Harmless Allocation Requirement

This amendment mandates a 90% hold-harmless provision based on SDA's Title III and II-B allocations for the two preceding years. This is in addition to the 90% hold-harmless provision on the state level. The purpose of this amendment is to prevent wide fluctuations in funding within states so that long-term planning is promoted.

8. Use of Incentive Grant Funds

Under the original law, 6% of the allotment to each state was to be spent by the governor on incentive grants to SDAs that had exceeded their performance standards. Governors may now use the funds for preventive technical assistance grants to SDAs. Such technical assistance can be provided to address potential problems before they arise. In addition, states will be able to use the 6% monies for post-program data collection for no more than two years.

B. Implications

The probable effects of the amendments will not be clear until the Department of Labor issues regulations for implementation. Draft regulations are not expected for several weeks. Once the regulations are issued, a comment period will allow for local input. While Secretary of Labor William Brock appears to be committed to providing good basic and remedial education to all JTPA participants in need of such services, the National Council of La Raza feels that groups and individuals at the local level need to make their concerns known, so that good intentions are translated into appropriate regulations and effective, equitable service delivery programs. Moreover, JTPA is still in need of further revisions, to address problems such as "creaming" and lack of support services and training stipends.

[Special thanks to Carolyn B. Eberle and Mary DeGonia of 70001, Ltd. for information regarding the employment legislation.]

III. EMPLOYMENT AND TRAINING BUDGET FISCAL YEAR 1987

Thanks largely to the work of a coalition of labor, youth advocacy, civil rights and religious groups, JTPA funding survived the appropriations process intact. A couple of important programs may suffer, but it is hoped that necessary funding for these can be restored in the 100th Congress. A brief summary of major employment and training funding follows:*

- . JTPA funding increased overall by 10%.
- . State grants for employment of disadvantaged youth and adults are funded at \$1.84 billion -- a \$60 million increase over FY 1986.
- . Summer Youth Employment funding increased for the summer of 1988 by \$114 million. However, funding for summer '87 remains cut by \$90 million, resulting in 150,000 fewer youth to be served, unless a supplemental appropriation is proposed and approved by the Congress.
- . Dislocated workers programs are funded at \$200 million, double the FY 1986 level.
- . Job Corps funding increased by \$44 million and a moratorium was imposed on the closing of centers until January 1988.
- . Congress provided \$110 million for the Work Incentive Program (WIN) for just three quarters (this is half the 1986 level), pending new welfare reform proposals in the next Congressional session.

*See attached JTPA Appropriations table.

JOB TRAINING PARTNERSHIP ACT APPROPRIATIONS HISTORY
(Dollars in Millions)

PROGRAM	TQ	FY 1984	FY 1985	FY 1986	PS/FY 1986	FY 1987	
Title IIA- Training		\$1414.6	\$1886.2	\$1886.2	\$1863.2	\$1783.1	\$1840.0
Title IIB- SYEP	824.5a	824.5b	724.5c	664.2d	636.0d	750.0e	
Title III- Dislocated Workers	94.3f	223.0	222.5	100.0	95.7	200.0	
Title IV- Native Americans	46.7	62.2	62.2	62.2	59.6	61.5	
Migrants	45.3	65.5	60.4	60.4	57.8	59.6	
Job Corps	414.9	599.2	617.0	640.0	612.5	656.4	
Veterans	7.3	9.7	9.7	9.7	9.3	10.1	
National Activities	46.3	61.7	61.1	61.1	59.6	78.5	
TOTALS		\$2893.9	\$3732.0	\$3643.6	\$3487.0	\$3311.4	\$3656.0

Notes:

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|------------------|--|
| a Summer of 1984 | d Summer of 1987 |
| b Summer of 1985 | e Summer of 1988 |
| c Summer of 1986 | f While all other JTPA programs took effect at the beginning of FY 1984, the Title III program also received appropriations in FY 1983, totalling \$110 million. |

KEY

TQ = Transition Quarters from October 1, 1983 to June 30, 1984

PS = Post-Sequestration

FY = Program Year (July 1 - June 30). It corresponds to the same fiscal year's appropriation bill. Example: The appropriations bill for FY 1987 which would normally fund the period of October 1, 1986 - September 30, 1987 provides JTPA funds for the PY 1987, July 1, 1987 - June 30, 1988.

[JTPA appropriations information courtesy of Jon Weintraub, Legislative Aide to Representative Pat Williams (D-MT).]

IV. HISPANIC UNEMPLOYMENT

Unemployment continues to be a serious problem in 1986, especially for Blacks and Hispanics. Unemployment rates for October remain at or above levels reported for January 1986. For Blacks and Hispanics, this means that double-digit unemployment continues to be a tragic reality.

UNEMPLOYMENT RATES - 1986

	OVERALL	WHITE	BLACK	HISPANIC
January	6.7%	5.7%	14.4%	10.1%
February	7.3	6.4	14.8	12.3
March	7.2	6.2	14.7	10.3
April	7.1	6.1	14.8	10.4
May	7.3	6.2	14.8	11.0
June	7.1	6.1	15.1	10.6
July	6.9	6.0	14.0	10.5
August	6.8	5.8	14.6	11.0
September	7.0	6.0	14.8	11.1
October	7.0	6.0	14.4	10.5

V. ISSUES TO WATCH FOR IN THE 100th CONGRESS

The National Council of La Raza will monitor pending legislation affecting employment and related issues when the 100th Congress convenes in January 1987. The Council will continue to work in coalition with labor, civil rights and religious groups to ensure that policy makers are able to make informed decisions and that they understand the probable impact of various policies upon Hispanics and other disadvantaged groups. Among issues certain to be addressed in the coming Congressional session are welfare reform, "workfare" and "New Federalism." Congress may also seek to further amend JTPA.

Two employment and training bills were introduced this year in the Senate by Senators Specter (R-PA) and Moynihan (D-NY), and in the House of Representatives by Representatives Kemp (R-NY) and Gray (D-PA). One bill, entitled the "Opportunities for Employment and Preparation Act of 1986," sought to amend JTPA. The second bill, titled "Aid to Families and Employment Transition Act of 1986," sought to amend the Aid to Families with Dependent Children program (AFDC) and Medicaid legislation. These legislative initiatives were designed to better target and coordinate needed employment-related services for the long-term unemployed and long-term AFDC recipients. These bills were introduced during the summer of 1986, but died with the close of the 99th Congress. They will be reintroduced in the next Congress.

One "New Federalism" proposal was introduced late in the 99th Congress, in the form of a bill introduced by Senators Durenberger (R-MN) and Evans (R-WV) which proposes that the federal government gradually assume increased responsibility for costs of Aid to Families with Dependent Children (AFDC) and Medicaid, provide a block grant for long-term care, encourage employment programs — includ-

ing workfare — for AFDC recipients, and provide some special "fiscal capacity" grants to states and localities with low taxable resources. At the same time, the bill finances these changes by "devolving" — or eliminating — federal funding for many major federal programs, among them almost all federal housing programs, the Community Development Block Grant, Title XX Social Services Block Grant, Urban Mass Transit, and Vocational Education. The bill would leave all funding responsibility for these to the states. The bill will probably be reintroduced early in the 100th Congress.

