

JOB TRAINING



Jack Betts

Unemployed men wait for day labor in Raleigh.

Off the Dole and Onto the Payroll: Do Jobs Programs Get People Out of Poverty?

by Bill Finger
and Jack Betts

If there is one sure ticket out of poverty, it is effective job training—training that results in a sufficient skill level to get and keep a job that pays a living wage. Many poverty-stricken North Carolinians have gone through government-sponsored job training programs and are now supporting themselves and their families. In other cases, however, job training programs have failed. Some potential workers have not availed themselves of job training opportunities. Others have enrolled in training programs, but find themselves unemployed once the training is over. Still others have completed training programs only to find themselves sliding back and forth between employment and unemployment, between self-sufficiency and dependency. More than 880,000 North Carolinians are in poverty, yet job training programs accommodate only about 55,000 persons each year.

How well do these programs work? How could they be improved to help more North Carolina citizens get off the dole and onto the payroll? In the following pages, Insight takes a hard look at the three main job programs in North Carolina designed to assist the poor and finds the following:

—The Job Training Partnership Act, a federally funded program administered by the Department of Natural Resources and Community Development, initially finds work for about 7 in every 10 participants—but only about one of every two welfare recipients who participate in the program gets a job through JTPA, and only half the participants work steadily for three months after a JTPA program. Is that enough?

—The Human Resources Development program, run and funded by the state Department of Community Colleges, finds jobs for about 6 out of every 10 participants, but the program is small and can help only a small fraction of those in poverty. Is that enough?

—Workfare, also known as the Community Work Experience Program, run through local social services departments, requires the state's able-bodied welfare recipients to register for work, but at best only about 40 percent get jobs—and often those are minimum-wage jobs that cannot lift the worker out of poverty. Is that enough?

The record, in the following pages of North Carolina Insight, suggests that the state is not doing enough—and Insight recommends ways for the state to do more.

Jesse Braboy, age 22, puts down a load of thin-gauge steel he's loading into a truck and asks the other guys to cover for him. In the office of the 15-person steel fabrication company, he talks openly about his ups and downs in getting his life on track. A few years ago, his parents split up, he dropped out of college, and he was in a tailspin. He drifted through two jobs in Raleigh before landing back in his hometown of Fayetteville. He needed a job but didn't know where to turn. "My friend heard about the Jobs Training Service Center, so I went down there with him," Jesse explains. He and his buddy walked through the storefront on Hay Street, a downtown area known over the years for

bars and strip joints but now in the midst of a major renovation and facelift. Inside the storefront, 24 Cumberland County employees work out of cubicles lining both sides of the room, administering an annual budget of \$1.6 million in federal funds from the *Job Training Partnership Act*.

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After dropping out of high school, Quennia Hargrove, now 26, says she "let six years of my

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life slip away." Not until 1987, though, when she had a baby girl, did she find herself back in the same welfare office where her mother and father used to take her as a child, the vast Cumberland County Department of Social Services (DSS). The three-story building fills an entire block in downtown Fayetteville, housing a \$77 million operation, the second largest program in the state, behind only Mecklenburg County. Quennia (an Indian name, from her mother's side, pronounced Kawanna) walked into the crowded waiting room, where lines form at a counter and mothers and young children spill over the rows of molded plastic seats. While she waited to see her social worker, she happened upon a brochure. She read it and mailed in the form asking for more information. She sent the form to Fayetteville Technical Community College, which runs a program called *Human Resources Development*.

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Gervis Hilliard, 28, recently cut back her volunteer work at the Cumberland County library from three days to one day a week. The reason? She went to work. The library system hired her at \$5.25 an hour for a 16-hour a week position shelving books. For most of the last seven years, Gervis has received a monthly AFDC (Aid to Families with Dependent Children) check. When Gervis started getting paid at the library, the Cumberland County DSS office reduced her AFDC check of \$266 a month; she still qualifies for Medicaid, food stamps, and some day care assistance. But Gervis wants off the welfare rolls altogether. "I've got to keep busy," says Gervis. "You know, idle hands, idle mind." She applied for a library assistant position, which has a salary of \$11,425. She got a shot at that job thanks to a series of events that began in October 1987 when Gervis' second child turned three. The DSS computer automatically kicked out a letter informing Gervis that she had to register for work—in something called the *Community Work Experience Program*.

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The Job Training Infrastructure

Job Training Partnership Act (JTPA). Human Resources Development (HRD). Community Work Experience Program (CWEP). What do these three acronyms have in common? They are the three primary government programs in North Carolina that attempt to get people *out of poverty*

and *into the work force*—though only JTPA is a true job training program. The other two (HRD and CWEP) are pre-employment programs with a job-training element to them. In 1987-88, the three programs together had \$58.5 million available to be spread among 55,200 participants—which averaged out to \$1,060 in job training expenses per person (see Table 1, page 70). The vast majority of that—\$957 per person—came from federal sources, while smaller amounts came from state and local funding—\$87 and \$16 respectively. Just for comparison purposes, the state spends far more per year on each student in public schools or in public colleges than it does on those in job training programs. In fact, the state spends far more in public funds on in-state students attending private colleges than it does on job training—\$1,500 per student. The state spends \$3,473 per public school student and \$3,841 on public college and university students.

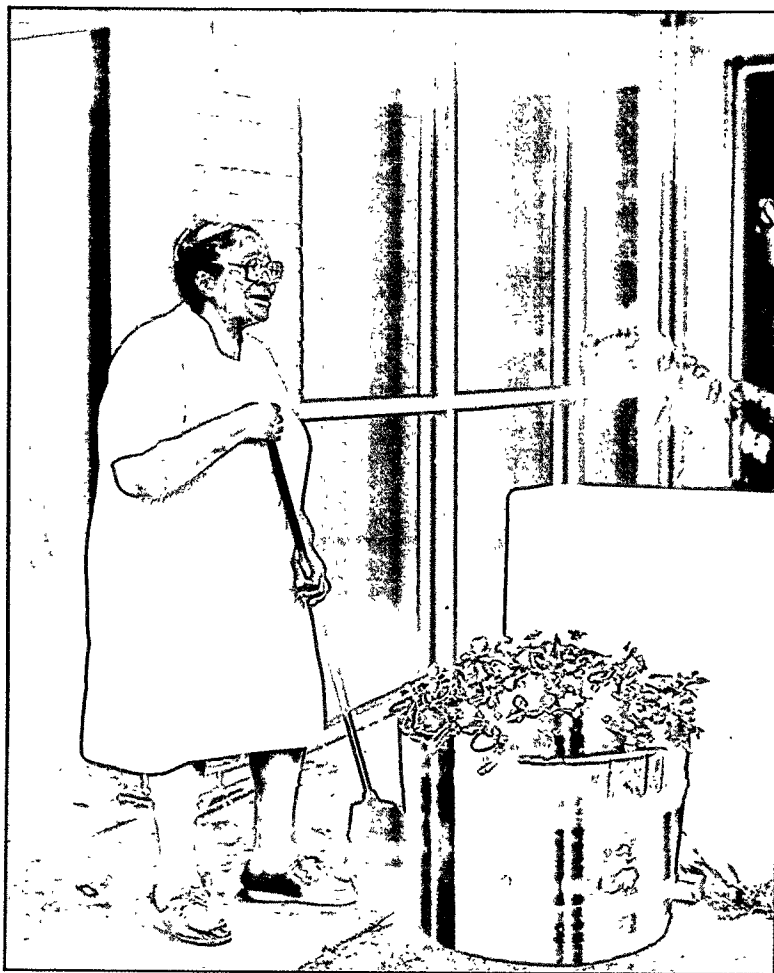
Overall, most of the job training money—\$52.8 million—came from federal sources while the state contributes only a small amount for job training of the poor—about \$4.8 million. Counties contributed the remainder—\$900,000, plus other funds in cash and in kind that are not reported to state agencies.

The \$58.5 million spent in 1987-88 will get only a small portion of the 55,200 participants out of poverty and into the work force. Would more money help with the effort? Should the money be concentrated on basic education and classroom training, or on-the-job training, or specialized job-skill training? Who should administer the money and how should it be coordinated with other programs? How much should be offered as incentives to the private sector, and how much should go directly to the people in poverty? What kind of measurements should be required to evaluate the programs?

And how many of those in poverty can job training programs help? North Carolina's poverty population is an estimated 884,000. Counting those in what the experts call *near poverty*—those whose incomes keep them just barely above federally-established poverty levels—as many as 1.2 million North Carolinians live in economic straits. No one keeps count, but experts estimate that perhaps half of those below the poverty level—or 442,000—are physically and mentally able to work. In fact, many of them do work part-time or full-time. Many do not, and they could be helped by job training programs. But in a typical year, state programs reach only about 55,000 per-

Glossary of Acronyms

- AFDC:** Aid to Families with Dependent Children, the main federally funded welfare program, which is administered by the state Department of Human Resources through the county Departments of Social Services.
- CETA:** Comprehensive Employment and Training Act, the federal job training program operated from 1973 to 1983, preceding the Job Training Partnership Act.
- CWEP:** Community Work Experience Program, a federally supported program, operated at a state's option, requiring welfare recipients who meet certain criteria to register to work in public or non-profit organizations or take other training. Also known as Workfare, the program is operated by the N.C. Department of Human Resources through 41 county Departments of Social Services.
- DET:** Division of Employment and Training, N.C. Department of Natural Resources and Community Development.
- DHR:** N.C. Department of Human Resources.
- DSS:** Department of Social Services, located in each of the state's 100 counties, or the Division of Social Services, a state agency in the Department of Human Resources. In this article, DSS refers to the county Departments of Social Services.
- ESC:** Employment Security Commission in the N.C. Department of Commerce.
- HRD:** Human Resources Development, a program run by the N.C. Department of Community Colleges that seeks to help individuals get jobs through a combination of personal development, classroom instruction, and job training.
- JTPA:** Job Training Partnership Act, the main federally-funded job training program since 1983, administered by the N.C. Department of Natural Resources and Community Development.
- NRCD:** N.C. Department of Natural Resources and Community Development.
- OJT:** On-the-Job Training.
- PIC:** Private Industry Councils, which supervise the local operation of Job Training Partnership Act programs through the 28 Service Delivery Areas.
- SDA:** Service Delivery Area, a geographic area as well as a designated unit of local government providing job training programs within the state. There may be more than one such unit in each SDA. Organizations administering actual programs within SDAs are called Administrative Entities.
- WIN:** Work Incentive program, which emphasized education, soon to be supplanted by the federal government in favor of the Family Support Act of 1988, the landmark welfare reform bill that places greater emphasis on job training.



education at the state and local level so that we have a unified attack on economic and social problems related to employment. With the kind of state and federal budgets we're working with, I don't see how we can succeed without a coordinated attack. In the education field, for example, the job training effort has had no impact on making the crusade for excellence relevant to the needs of at-risk youth."

Those who know the welfare system raise other concerns. "You can do all the welfare reform you want," says E. C. "Chip" Modlin, Cumberland County Department of Social Services (DSS) director for 13 years. "But until you get more jobs and increase the minimum wage, you aren't accomplishing all you can."

Private industry leaders also see job training as part of a larger challenge. "To the extent we can, we're talking about economic development rather than job training," says

sons—or one in eight persons who may need them—because of the lack of funding.

Such questions have vexed the experts for 25 years, since the Johnson Administration's War on Poverty launched the forerunners of today's job training programs. The put-people-to-work programs that Franklin Roosevelt created during the Depression did not transfer successfully to the relative prosperity of the post-war era. And not until the welfare reform push in 1988, 53 years after public assistance programs began with the 1935 Social Security Act (which included what is now AFDC), did job training move to the heart of this system. But the cumulative knowledge of the experts has increased.

"I'm optimistic about the infrastructure that the federal government has put into place for JTPA," says George Autry, founder and president of MDC, Inc., a national manpower research center based in Chapel Hill that was founded in the late 1960s.¹ "But it's underfunded. I'm pessimistic about its success in coordinating welfare and

Ronald Davis, vice president of administration for Carolina Steel Corporation and chairman of the N.C. Job Training Coordinating Council, the state group with overall responsibility for job training policies. "There are sections of the state where there's been heavy unemployment for some time. You can train all day long, but until you have a job for the person to go to, it's irrelevant."

And sometimes those jobs are less than what's needed. One recent study by the Southern Regional Council found that while North Carolina ranked fifth best in the United States in the number of new jobs produced in recent years, many of those jobs provided little hope for improving workers' quality of life because of generally low pay, poor working conditions, inadequate worker protection, and low quality of life.²

Even more alarming is another recent report that found that half of all new jobs created since 1979 were below the poverty line for a family of four. The report, released in September 1988 by the U.S. Senate Budget Committee, said that this

had led to an increase in poverty wage earners from 22.3 percent of the country's workers to 26.5 percent. "The sad truth," said former U.S. Sen. Lawton Chiles of Florida, the committee chairman, "is that jobs paying below the poverty level are growing faster than any other kind. And jobs that provide a middle-class standard of living are a shrinking part of the job landscape." Chiles' committee found that 395,000 new jobs had been created in North Carolina between 1979 and 1987, but that 231,000 of those—or 58 percent—were jobs paying below the poverty line of \$11,611 for a family of four.³

Autry, Modlin, and Davis perceive four limitations of existing job training efforts:

- inadequate funding of programs;
- few opportunities for high-paying jobs;
- the proper minimum wage level, which keeps the working poor below the poverty level; and
- lack of coordination of welfare and education programs.

Preventive v. Corrective

Government jobs programs can be characterized as either *preventive* or *corrective*. The most significant preventive programs are the public schools—particularly vocational education, remedial efforts, and dropout prevention projects—and the community college system, including literacy training, adult basic education, and specialized training for new companies. Economic development efforts also fall into the preventive camp. Such efforts need to be targeted to transitions in the economy to help prevent certain groups of workers (farm laborers, mill workers, and the like) from remaining underemployed or falling into more severe poverty conditions.⁴

The state's primary jobs programs—JTPA, HRD, and CWEP—are corrective; that is, their central mission is to get people into the work force and off of welfare (though JTPA, especially its youth programs, has preventive elements, too). Many other programs work closely with these three as subcontractors, as additional funding sources, or as support services. The state's Employment Security Commission (ESC), for example, works hand-in-hand with all three programs, but the central ESC mission is *job placement*—matching an employer's opening with an unemployed person—not *job training*. Local Community Action Agencies provide a variety of

training and placement mechanisms. The degree programs and skill training efforts in the community colleges, similarly, are an important opportunity which a person in poverty might use to get into the work force, but many people not in poverty also use these resources. Finally, apprenticeship programs administered through the state Department of Labor help train skilled craftsmen, but those who qualify for apprenticeships generally are not in the poverty pool.

In this article then, the term *jobs program* refers to a government program with the primary goal of getting individuals off of welfare and into the job stream—where they one day may earn wages above the poverty level. Ironically, not one of these programs has a stated goal of getting its participants out of poverty, although that distinction is nothing more than semantic to those who believe that a good job is the only sure ticket out of poverty.

How do the stories of Jesse Braboy, Quennia Hargrove, and Gervis Hilliard reflect the overall job training efforts in North Carolina? Is the government money spent on them a successful investment of taxpayer dollars? With a \$44.8 million budget this year, JTPA is the central cog for corrective job training programs. The HRD and CWEP efforts each have budgets of about \$4 million. Hence, the JTPA funds and administrative structure in large part drive the overall job training system in this state.

Job Training Partnership Act

When Jesse Braboy went along with his buddy to the Cumberland County Job Training Service Center, he knew nothing about JTPA, but his new employer, David McCune, president of McCune Technology, Inc., did. Other JTPA participants had worked at the company, and McCune is one of 12 businessmen on the local Private Industry Council (PIC), one of 28 PICs in the state. "We oversee what the JTPA program does, approve what the money goes for," says McCune. The 21-person Cumberland County PIC oversees the Jobs Training Service Center, designated by the state as a Service Delivery Area (SDA).

The governor of a state has overall responsibility for JTPA. In North Carolina, the Division of Employment and Training (DET), located in the Department of Natural Resources and Community Development, administers JTPA. A 20-member Job Training Coordinating Council ad-

Table 1. Comparison of Job Training Funds in North Carolina 1987-88 for Job Training Partnership Act (JTPA), Human Resources Development (HRD), & Community Work Experience Program (CWEP) (in millions of dollars)

Program	Federal Funds	State Funds	County Funds	Total Funds	Percent of Total Funds	Number of Persons Served	Percent of Total Served
JTPA	\$51.1	\$0.0	\$0.0*	\$51.1	87.4%	42,800	77.6%
HRD	0.0	3.9	0.0	3.9	6.6%	5,162	9.3%
CWEP	1.7	0.9	0.9	3.5	6.0%	7,238	13.1%
TOTALS	\$52.8	\$4.8	\$0.9	\$58.5	100 %	55,200	100 %

* Does not include local funds spent in kind or in cash for JTPA programs

Total Funds From All Sources: \$58.5 million

Total Number of Persons Served: 55,200

Per Person Spending

Total spent on job training from all funding sources:

\$ 1,060

Average spent on job training from *state* funding:

\$ 87

Average spent on job training from *federal* funding:

\$ 957

Average spent on job training from *county* funding:

\$ 16

Table prepared by Bill Finger and Jack Betts

vises the governor on jobs issues. The division directly administers JTPA funds that go to the Service Delivery Areas and passes other JTPA funds to three other departments: Public Instruction, Community Colleges, and Commerce (Employment Security Commission). The SDAs contract with a wide variety of agencies and private organizations.

JTPA took effect on Oct. 1, 1983, replacing its forerunner, the much-criticized Comprehensive Employment and Training Act (CETA). JTPA operates with four key precepts that CETA lacked. The JTPA program:

- shifts policy development, program administration, and monitoring responsibilities from the federal to the state level, with the gover-

nor having the power to delegate much of this responsibility to local governments;

- gives extensive responsibility to the private sector to work in partnership with local governments, most significantly by requiring that at least 51 percent of Private Industry Council members be from private businesses;

- sharply reduces stipends for participants in training and eliminates public service employment, a much-criticized feature of the CETA program because a lot of this work did not provide training useful for the job market; and

- institutes performance standards designed to reflect JTPA's three chief goals—increasing employment, increasing earnings, and reducing welfare payments. Among other things, these

performance standards measure the number of participants who got jobs, the wage level achieved in the jobs, the impact on welfare recipients, and, on a limited basis, job retention and other follow-up information.

JTPA funds for North Carolina have decreased dramatically in the program's six-year existence. From its first-year high of \$83.4 million in 1983-84, the North Carolina share of JTPA money plummeted to \$44.8 million in 1988-89—a 46 percent decrease. As Table 2 indicates, this is part of a long-term trend. Federal job training funds over the past 10 years have dropped drastically—from \$179 million in 1979-80 for the CETA program to a projected \$38.4 million next year in 1989-90 for JTPA—a decline of nearly 80 percent in a decade, without considering the effects of inflation. The Gramm-Rudman-Hollings Act led to reductions in JTPA nationally, and a declining unemployment rate in North Carolina reduced this state's share of the shrinking national fund. The unemployment rate is a significant factor in determining allocations among the states.

There are three major parts to the JTPA system: Title IIA, Title IIB, and Title III. Title IIA (\$31.1 million, 69 percent of this year's allocation) funds the comprehensive programs administered by the SDAs and special jobs programs administered by several different state departments (see Table 3). Title IIB money (\$10.9 million, 24 percent) goes for summer youth programs and is administered entirely by the SDAs. Title III, the dislocated worker program (\$2.8 million, 6 percent) assists people who lose their jobs and is administered by the Employment Security Commission.⁵ This article will examine mainly Title IIA of JTPA, because that is the section that deals chiefly with adult job training.

The basic structure of JTPA can be changed only in Washington, but the law gives administrative responsibility for JTPA—and substantial program flexibility—to the states. To evaluate how well JTPA is working in North Carolina requires an examination of three general areas: leadership and administration, budget and program activities, and performance indicators and follow-up efforts.

The state's leadership has not yet made job training programs a state priority, certainly not on a par with economic development or education programs. Decisions in Raleigh have a critical impact on how well JTPA works in North Carolina. The governor has significant authority in

Table 2. Federal Funds for Job Training Programs in North Carolina, 1979-1990

Year	Federal Funding (Millions)	Program
1979-80	\$179	CETA
1980-81	129	CETA
1981-82	111	CETA
1982-83	67	CETA
1983-84	83.4*	CETA/JTPA
1984-85	67.1	JTPA
1985-86	60.9	JTPA
1986-87	51	JTPA
1987-88	51.1	JTPA
1988-89	44.8	JTPA
1989-90	38.4 (estimate)	JTPA

*Of this sum, \$61.8 million was for JTPA programs; \$21.6 million was for the final months of CETA. This table does not reflect CWEP funding.

Source: Office of State Auditor and Division of Employment and Training, NRCD

determining the local JTPA structure delivering the services, how much JTPA funds must be used in coordination with related programs, and which program activities and performance indicators receive priority. The JTPA program in North Carolina (1983-88) has overlapped the last years of the Hunt Administration (1977-85) and the Martin Administration.

In 1985, Gov. James G. Martin, a Republican, took office. The uncertainties of a new Republican administration reinforced a growing interest in job training programs in the General Assembly, controlled by Democrats. Perhaps part of the reason for concern about the program is that it had four different directors from 1982-1986.

Even though the leadership in the division has recently stabilized, in 1988 and early 1989 the Martin administration itself was uncertain what department should house DET when a restructuring of the state's environmental programs began at NRCD. In 1985, meanwhile, the General Assembly had enacted a new N.C. Employment and Training Act.⁶ The act emphasized such issues as

◆
"One bright sunny morning in the
shadow of the steeple

By the relief office I saw my people —

As they stood there hungry,

I stood there wondering if

God Blessed America for me."

—Woody Guthrie

following up on participants in job training programs to see if they stayed in the work force or fell back into poverty. Another bill requested a "comprehensive inventory" of job training programs from the Office of State Budget and Management.⁷ These new laws reflected widespread concern about the way job training programs were working in North Carolina.

The job training inventory included 109 pages of appendices listing all the employment programs, including the subcontractors involved. But the report itself cautioned against relying heavily on the information because the inventory *did not* review the role of the Service Delivery Areas, examine inter-agency coordination of programs, or analyze the data it had compiled.⁸

Meanwhile, the new Martin administration was changing the administration of JTPA drastically. In late 1985, DET began a major overhaul of the JTPA hub, the Service Delivery Areas. Under JTPA, local governmental units may apply to the state to become an SDA; each SDA has its own Private Industry Council. In the summer of 1986, the Governor enlarged the system from 12 to 26 SDAs, and added two more in 1988. The administrative organizations for the current SDAs include 15 councils of government, six counties, three cities, and four other administrative structures. (The governmental unit itself employs the local SDA staff, but each PIC, within federal and state guidelines, oversees the SDA program and budget.) With the change in the SDA system, DET's direct funding area went from 82 to nine counties, and in 1988, down to five. When Governor Martin took office in January 1985, the DET staff was 137 strong; 16 months later, it was down

to 47. In other words, the state delegated much of the decision-making to the local level, and cut its central staff 66 percent.

The 1985 legislative actions, the inventory, and the Governor's overhaul of the SDA system and DET staff prompted then-Speaker of the House Liston Ramsey and then-Lt. Gov. Robert B. Jordan III to request the Office of State Auditor to conduct an operational audit of North Carolina's JTPA program. In December 1986, State Auditor Edward Renfrow released the audit, which contained evaluative information as well as a number of recommendations.⁹

Just after the audit began, the Division of Employment and Training got its fourth director in four years, Joel New. "I walked

into my new office and found the auditors there just ahead of me," says New, who took over in 1986. "Few people have such a luxury. It was very helpful in steering me through what I needed to do. We've adopted many of the recommendations and are at work on others."

The nonpartisan tone of the auditor's report tended to remove partisan politics and executive-legislative branch bickering over JTPA. The report found, for example, that the much-reduced staff size at DET "eliminated unnecessary duplication and activities, established an environment for a more efficient and responsive organization for the program, was capable of managing its federal and state mandates, and reduced the need to divert administrative funds from multiple sources to support DET administrative cost."¹⁰ The report also dealt with various legislative concerns about DET's reporting on JTPA.

Some questions remain about the wisdom of moving to 28 Service Delivery Areas. "We have too many SDAs in North Carolina which are not big enough and lack the staff support and expertise they need," says Richard Mendel, a research associate at MDC, Inc. "Some PICs do a good job, but most aren't very deeply involved in the program."

"Hogwash," says DET Director New, whose office must monitor all 28 SDAs. "It's true that some PICs are more involved than others. But we need the flexibility that the SDAs provide. A local SDA can better respond to the particular situation in a local area."

While differences remain on the ideal number of SDAs, the state has no plans to change any of the 28 different delivery units of JTPA funds. The

Table 3. Job Training Partnership Act Funding, 1988-89.

Section of Act	Who May Participate	Administered by	N.C. Budget
Title IIA (69.3 percent)			
Basic Grant (78 percent of IIA funds)	90% for economically disadvantaged; 10% for barriers to employ- ment (any income level); 40% of these funds must be spent on youth	Division of Employment & Training to the 28 Service Delivery Areas (NRCD to SDAs)	\$24,221,167
Incentive Grants & Technical Assistance (6 percent of IIA funds)	same as Basic Grant funds	NRCD to SDAs	1,863,167
State Administration (5 percent of IIA funds)		NRCD	1,552,639
Older Persons (3 percent of IIA funds)	100% for the aged and economically disadvantaged	NRCD, mostly to SDA's, some to Employment Security Commission (ESC), and some to the Division of Aging through SDAs	931,583
State Education & Coordination Grants (8 percent ¹ of IIA funds)	80% for economically disadvantaged; 20% for barriers to employment (any income level)	Department of Public Instruction, Community Colleges, and NRCD	2,484,222
Subtotal Title IIA	(69.3 percent of all JTPA funds)		<u>\$31,052,778</u>
Title IIB (24.3 percent)			
Summer Youth Program	All must be economically disadvantaged and aged 16-21; SDAs may also choose to serve ages 14-15.	NRCD to SDAs	\$10,903,115
Title III (6.3 percent)			
Dislocated Worker Program	Criteria based on layoff time, not income level	ESC	\$ 2,824,875
Total JTPA ²			<u>\$44,780,768</u>

¹The 8 percent fund is divided into two funds, coordination (20%) and program (80%). In 1988-89, one-third of the coordination funds go to the Division of Employment and Training, Public Instruction, and Community Colleges. The program funds go to Public Instruction (45%) and Community Colleges (55%).

²There are some other small funds within JTPA which are for special services outside job training, primarily \$183,000 for veterans' services.

Source: N.C. Division of Employment and Training

SDAs each have distinctive economic and social characteristics that may require different types of training. And because local conditions may vary so much from SDA to SDA, the standards are adjusted for each area and for the participants they serve. The standards reflect local conditions—not state conditions. The central question regarding state-level administration, then, is the quality of leadership provided to the SDAs on program activities, performance standards, and coordination with related efforts.

Program activities and budget constraints may limit the JTPA's effectiveness. In allocating the Title IIA Basic Grant funds (see Table 3, page 73), SDAs must spend at least 70 percent on training (school, classroom training, on-the-job training, etc.), and no more than 15 percent on administration and 15 percent on support services (transportation, day care, uniforms, etc.). Last year, the split was 77 percent on training, 15 percent on administration, and only 7 percent on support services (less than half of what is allowed). In other words, the state spends the *maximum* (in terms of percentages) on administration, only about *half* of what is allowed on support services such as transportation and day care, and slightly more than the *minimum* required on training. Program officials say that the local training organizations make the decisions on how much should be spent on such items as support services, administration, or training. None of the SDAs spent all of the funds available for the program, however.

The Cumberland County PIC, at the recommendation of the Jobs Training Service Center staff, plans to spend \$271,000 this year for on-the-job (OJT) training, the program involving Jesse Braboy. McCune Technology hired Jesse at \$4.30 an hour and agreed to train him for 1,816 hours, about nine months; the SDA agreed to pay McCune Technology one-half of Jesse's starting wage rate, \$3,904 for the entire program. Jesse has recently completed the program and is now making \$5 an hour—above the minimum wage of \$3.35, but below the state average manufacturing wage of \$8.26 an hour. That average wage is the second lowest in the nation, ahead of only Mississippi, and is more than \$2 per hour less than the average national manufacturing wage of \$9.91. Still, Braboy's \$5-an-hour wage is considered a good one by JTPA standards for a starting wage in an entry-level job located in the eastern part of the state.

"The government is paying the employer to

help train a person," says McCune. "It's good for the employer and the employee, a good 50-50 thing. He is getting experience and the employer is getting a financial savings. With the tax credits, Jesse won't cost the company anything the first year, except the fringe benefits." McCune put Braboy on the company health plan from day one and absorbs the cost of his vacation and holidays. After two years, Braboy is eligible for the company retirement plan.

Without stipends for training or public service employment, the features that sank CETA, the approved JTPA program activities generally have received fair marks. One criticism has surfaced over the JTPA emphasis on private sector involvement and on having on-the-job training as a major program activity. A 1986 article in *The New Republic*, for example, called JTPA "corporate welfare" and said JTPA subsidized companies for "routine business costs."¹¹

While supporting on-the-job training in general, New acknowledges that an employer might keep a person only as long as the JTPA subsidizes that position, and then let that worker go when the subsidy expires. "We're aware that there is some abuse. Once aware of a specific instance, we move to correct it," says New. "And the SDAs don't do business with that company again."

McCune, the Fayetteville businessman, adds, "It's better to have the person working than unemployed. They [the Jobs Training Service Center] do good screening, putting people where they're best suited. But if a company lays the guy off, it is milking the U.S. government. If that happens, we need to get rid of that company [from the program]."

Perhaps the most important issue in the JTPA system of programs—in terms of preparing people for employment and getting them out of poverty—is Title IIB, the summer youth program. In North Carolina in 1988-89, Title IIB received 24 percent of all JTPA funding, \$10.9 million, the largest single program area in JTPA. The summer youth program has generally focused on finding some kind of a summer job for teenagers from poor families, "getting some money into these kids' pockets," as one SDA staffer puts it. But these jobs usually are not part of a job-training track, and the program has a number of critics.

In 1986, Congress enacted several significant amendments to JTPA, including one addressing the educational shortcomings of Title IIB. Beginning in 1987, SDAs had to include in the summer youth program remedial education and an assess-



Jack Betts

Federal Economic Development Administration funds helped finance this new plant near Wake Forest.

ment of reading and math skills. Even so, in 1987, 99 percent of the summer youth money went for this “work experience,” while other funds came from the Basic Education Plan. In 1988, the money was better targeted towards remedial education, but a major coordination issue overshadowed the impact of the JTPA amendment.

As part of the state’s new Basic Education Plan, the legislature had appropriated a large new pot of money for dropout prevention—\$21 million, nearly twice the Title IIB fund. The Division of Support Services in the Department of Public Instruction administers this program through the local school systems, a structure entirely different from the JTPA/SDA setup. At best, the Title IIB and the dropout prevention funds can function as multipliers, giving each program greater impact. But neither bureaucracy has authority over the other, and the success of the program depends somewhat on the degree of coordination between the two.

JTPA’s statutory emphasis on youth funds (all Title IIB funds, plus 40 percent of the Title IIA Basic Grant funds) raises questions in the minds of many policymakers about how the money is spent. Although the program has helped put money in the pockets of many disadvantaged youth, these critics wonder aloud whether it will help them work their way out of poverty. “JTPA

does not work with kids under 14, even though ages 9 to 15 are when attitudes are solidified,” says Mendel of MDC, Inc. “Too little of the youth money is a long-term investment in skills that they are going to need. We need to build in these kids some competencies and attitudes that they need to succeed in life.”

But there’s another way to look at budget constraints, too. As Table 3, page 73, indicates, at least 40 percent of the Title IIA Basic Grant and Incentive Grants money must go for youth programs. Of the available \$26.1 million from the two, that means \$10.4 million goes for youth training programs (although many 21-year-olds in OJT programs are classified as youth). Combine that with the Title IIB Summer Youth funds of \$10.9 million, and the total earmarked for youth is about \$21.3 million—or almost half (47.6 percent) of the total money available under JTPA.

That gives JTPA a strong *preventive* character, but it also limits the resources available for *corrective* programs. Out of the remaining half must come costs for state administration, support services, training for the elderly, and education and coordination grants. And after subtracting the totals spend for older persons, state administration, and dislocated workers (more than \$5 million total), it becomes obvious that *less than*

— *continued on page 78*

**Table 4. Job Training Partnership Act Performance Standards
North Carolina Record, 1987-1988**

Performance Measures ¹	1987-88 National Standard	1987-88 N.C. Calculated Standard ²	N.C. Actual Performance
ADULT PROGRAMS			
1. Entered Employment Rate (# entering employment divided by total # of adult terminations ³)	62 %	58 %	69 %
2. Average Wage at Placement (for all adults who entered employment at time of termination)	\$4.91 /hour	\$4.07 /hour	\$4.69 /hour
3. Welfare Entered Employment Rate (# of welfare participants who got jobs divided by total # of welfare recipients who terminated)	51 %	43 %	55 %
4. Cost Per Entered Employment (total costs divided by total number who entered employment)	\$4,374	\$4,593	\$2,067
YOUTH PROGRAMS			
5. Positive Termination Rate (# in employment or attained an employability enhancement ⁴ at termination, divided by total youth terminated)	75 %	70 %	70 %
6. Cost Per Positive Termination (expenditures divided by # of youth in employment or # who attained an employability enhancement at termination)	\$4,900	\$4,006	\$1,925
7. Entered Employment Rate (# who entered employment when program ended, divided by total # at end of program)	43 %	28 %	44 %

FOOTNOTES

¹These seven standards have been in place for the first five years of JTPA, 1983-88. In the 1988-89 year, all 28 Service Delivery Areas (SDAs) in North Carolina must continue to use performance standards listed in this table as 1, 2, 3, and 5. North Carolina has dropped items 4 and 6. Also, each SDA may choose to use either the "Entered Employment Rate" standard for youth, listed as item 7 in this table, or a new standard called "Employability Enhancement Rate" (item 4, Table 5).

²No state-level performance standards actually exist; performance standards are established for each Service Delivery Area. Each SDA may adopt the national performance standard developed by the U.S. Department of Labor or may develop its own standard using a formula that must include

such factors as unemployment rate, rural/urban mix, number of handicapped persons, and extent of poverty. NRCDD's Division of Employment and Training developed this so-called "N.C. Calculated Standard" shown here using the same factors as used for each SDA. This column is included only for comparison purposes, to show the relationship between N.C. and federal standards. For example, the average wage at placement in North Carolina is substantially lower than the federal standard, which reflects the fact that wage levels are relatively low in this state.

³The word "terminations" in this case refers to trainees who complete, or leave, their programs.

⁴The term "employability enhancement" refers to skills a trainee gains that enhance his chances for employment.

Source: Division of Employment and Training, NRCDD

Table 5. Job Training Partnership Act Follow-Up Standards in North Carolina

New JTPA Performance Standards in Effect in N.C., 1988-1989 ¹	1988-1989 National Standard ²	North Carolina Record 1987-1988 ³
ADULT		
1. Follow-Up Employment Rate (# employed, part- or full-time, in 13th week after termination, divided by # of trainees who completed follow-up interview)	60%	66%
2. Follow-Up Welfare Employment Rate (same as method in item 5, Table 4, except using only adults who were on welfare when they entered JTPA)	50%	NA
3. Follow-Up Average Earnings (average wage for employed respondents at 13th week after termination from JTPA program)	\$177/week	\$196/week
YOUTH		
4. Employability Enhancement Rate (# who attain an employability enhancement when program ends, whether they got a job, divided by total # at end of program)	30%	NA

FOOTNOTES

¹In 1988-89, the 28 Service Delivery Areas in North Carolina will use the first three standards listed above and may choose either "Employability Enhancement Rate" or "Entered Employment Rate" (listed as item 7 in Table 4). This is the first time that follow-up indicators have been part of the national performance standard system.

²In Table 4, a North Carolina "calculated standard" is shown for comparison's sake for each national standard. No such comparison can be drawn for this table, because performance standards are developed for each SDA by using the characteristics of the persons actually served in that SDA—at the end of the program year—and not by the general characteristics of the SDA at the beginning of the year.

³For the termination period April 1, 1987, through March 31, 1988, the Division of Employment and Training attempted a follow-up interview with every person who completed the program. The interviews were made about 13 weeks (90 days) after completion of the program, and 4,763 adults and 1,435 youths were interviewed. The 66 percent and \$196 weekly wage figures were taken from that study and are shown here only for comparison purposes. Figures for state performance on items 2 and 4 above were not part of the follow-up interviews.

Source: Division of Employment and Training, NRCDC

half of the money is available for mainline adult (over 21) job training programs.

Performance indicators seem to show that JTPA works well, but are state standards high enough, and does the state perform enough follow-up? One of the most acclaimed aspects of JTPA is its system of performance standards. These performance standards apply *only* to participants funded by the Basic Grant and Incentive Grant parts of Title IIA. For the first five years of operation (1983-88), the U.S. Department of Labor required the states to follow seven nationally established performance standards. While a governor could choose to establish additional standards to measure JTPA's performance, neither Hunt nor Martin has done so.

For the 1988-89 program year, the U.S. Department of Labor augmented the seven original standards (see Table 4, page 76) with a choice of several new ones, and gave the states flexibility to choose among the new standards. This year, North Carolina has chosen to use five of the original seven standards, and add four new standards from the U.S. Labor Department's list. From among these nine, the SDAs have some flexibility

to choose standards (see footnotes to Tables 4 and 5, pages 76-77, for more).

The state is dropping two standards used in the first five years related to cost per participant (one standard for youth and one for adults). "They have become rather meaningless," the DET staff explained to the Evaluation Committee of the Job Training Coordinating Council.¹² "The Department of Labor's pressure to remove dollar limits on what the SDAs can spend and their desire to serve the truly hard-to-serve make these two standards less important in meeting the goals of JTPA."

Previously, the U.S. Department of Labor had emphasized efforts to hold down JTPA spending, an effort that bred criticism about *creaming*. Short for *skimming the cream off the top*, creaming refers to spending JTPA funds on those persons most nearly ready for the job market, which results in good performance results. It costs much more to train the hard-core unemployed, and by raising the cost standard to \$4,500 (the average spent last year in North Carolina was \$2,067), the U.S. Labor Department hopes to encourage more training of those described as "the less job-ready."

Table 6. Comparison of Selected Performance Results for JTPA Adult Training Programs, 1984-1987

Program Year	% of Adults Who Get a Job*		Average Hourly Wage		% of Welfare Recipients Who Get a Job**	
	Calculated/Actual	Calculated/Actual	Calculated/Actual	Calculated/Actual	Calculated/Actual	Calculated/Actual
1984	34.4%	68.6%	\$3.87	\$4.26	18.6%	53.5%
1985	50.6%	68.3%	\$3.80	\$4.34	37.6%	51.3%
1986	57.8%	71.2%	\$3.87	\$4.42	44.1%	56.8%
1987	57.8%	68.8%	\$4.07	\$4.69	42.9%	54.9%

* Also called Entered Employment Rate

** Also called Welfare Entered Employment Rate

Source: Division of Employment and Training, Department of Natural Resources and Community Development

Performance Standards Are Not Program Goals

The performance standards used in the JTPA program are not meant to be annual goals, nor are they meant to be yardsticks for evaluating JTPA's effectiveness, DET officials say. Instead, the standards orient the program to job placement, and give program officials a barometer of how an SDA is performing relative to the economic and other characteristics of that SDA. The standards are reset each program year at the end of the year, based on such factors as unemployment rates and the trainees' characteristics. There are "national departure points," a set of basic standards for a particular set of client characteristics, and as those characteristics vary, so does the standard vary. That's why an SDA's standard is not set until the end of a program year. In addition, SDAs may request adjustments to standards in response to local conditions. Thus, raising performance standards in Raleigh may not benefit the trainees—or "client population," in JTPA jargon—or affect the performance results measurably, DET officials say.

One report, soon to be published by the U.S. General Accounting Office (GAO), documents this problem. Lawrence H. Thompson, assistant chief of the GAO, told the U.S. House of Representatives Education and Labor Committee in October 1988 that young poor workers were being shortchanged by the JTPA program because those who are less "job ready" were being ignored by the program while more employable youth were being helped. "It would appear that less JTPA funding is spent on those less ready for jobs, even though they may need more assistance to prepare them for employment," Thompson testified.¹³

Some would consider spending JTPA money on Jesse Braboy, an articulate high school graduate with some college under his belt, as an example of creaming. "The original JTPA standards encouraged program operators to recruit the most job-ready [participants] and place as many as possible," says George Autry, the MDC, Inc. president. "The incentives need to be adjusted so that we can reach further down into the labor market and provide better quality training by raising the basic competency of people we recruit."

DET Director New thinks using on-the-job training money for someone like Braboy is appropriate. "Without it, he might have stayed in pov-

erty," says New. But like Autry, New thinks the new emphasis in the standards might move JTPA towards a broader purpose: "Our emphasis should be moving people out of poverty. We're doing nothing if we train them, put them in a job, and they're still in poverty. We should not count that as an accomplishment, but the federal government still allows it."

Besides an over-reliance on short-term placements for the least cost, another criticism of the original JTPA standards was the lack of follow-up. New and his staff recommended adding new standards requiring follow-up efforts on the progress of participants, all of which were adopted by the council and the Governor. In 1985, the legislature required the Job Training Coordinating Council to develop a "long-

term tracking system to measure the effectiveness of the Job Training Partnership Act with respect to permanent job placements. Such a system . . . [to last at least a year] . . . shall be implemented by July 1, 1986."¹⁴ But the legislature didn't fund such a system, and the system was not implemented.

As requested, the State Auditor reviewed how well DET was complying with this follow-up requirement, summarizing federal and state efforts in its report. The Auditor endorsed the legislative concern about the importance of follow-up procedures but reminded the lawmakers that such procedures cost money—particularly because of the difficulty of finding former participants who have no incentive to keep in touch with DET. "When the General Assembly establishes reporting requirements for JTPA that exceed the existing system's capabilities, sources of funds should be identified to support the reporting requirements that will minimize the diversion of funds from training programs," the report recommended.¹⁵

DET and SDA staffers routinely contact people 13 weeks after leaving a program, and DET has begun some sampling of former participants one year after they leave. "We need to do the full one-year follow-up, not just a sample, but



dards and five of the seven national standards (performance standards are set by DET for each SDA, and they are established at the end of a program year, not in advance. See box, p. 79 for more). By that measure alone, the state's programs would seem to be working. But two main questions arise: Are the standards high enough? And even when the state's standards are met, are the performances good enough to make a serious contribution to getting jobless North Carolinians out of poverty?

Just considering adult training programs, the *entered employment rate* shows that 69 percent of the state's trainees get a job. That's nearly seven out of 10 of those who enter training. What's more, standard three, the *welfare entered employment rate*, indicates that 55 percent of those who were on welfare got jobs—a little better than one out of every two persons on welfare.

In addition, regular follow-up surveys of trainees, taken 13 weeks following completion of a program, show that the number of workers still on the job drops slightly to about 66 percent. And of all those who get a job in the first

it would take \$500,000," says New. "If the General Assembly wants us to do it, they need to give us the money."

New believes the new performance standards, particularly one called *employability enhancement rate* (which seeks to measure the number of youth trainees whose employment prospects are enhanced by a program), address some of the major weaknesses of the original JTPA standards. "The stress is moving away from outputs to understanding what we did with the people. There's more weight on the quality of the product," New says.

So how do North Carolina's job training programs stack up? As Table 4 indicates, the state's JTPA programs meet or better all seven state stan-

place, only about 55 percent work the *entire* 13-week (or 90-day) period. Among JTPA analysts, that figure does not seem low. John Hice, an analyst at DET, says, "Results must be looked at in context. To supply just a portion of that context, those 55 percent who were employed throughout the 13 week period between termination and follow-up include a large number of people who were not employed in any of the 26 weeks prior to application; 47 percent of that group of people were employed throughout the 13 weeks after termination." In addition, many of those workers are out due to sickness, child care problems, or transportation problems, DET officials say.

But to a layman, the figures would seem to be shockingly low. If a person can't hold a job for

13 weeks, that person is certainly not a good risk for staying out of poverty in the long run. Fred Aikens, a legislative analyst, says that's enough to worry legislators. "Fifty-five percent are holding jobs for 13 weeks," observes Aikens. "What happened to the other 45 percent? That's what the legislators really want to know. They want to know if people are really staying employed."

DET officials caution against using the performance-standard results as a measure of program effectiveness. "Alone, the status of program trainees cannot be taken as a measure of program effectiveness," says Hice. "Trainee status is also impacted by demographic and local economic conditions that vary from SDA to SDA. If these factors are not taken into account or controlled for, then the variance of results from program to program will be misleading."

Another performance standard that seems to show the program is working is that of average wage at placement. The state's performance in 1987-88 was \$4.69 for the average trainee—or the equivalent of about \$187.60 per week, or \$9,698 for a year based on working 40 hours a week, 52 weeks a year. That is just above the official poverty line of \$9,690 for a family of three. But again, the state doesn't know for sure because it has no year-long tracking mechanism in place to determine how long former job trainees actually work, at what wage, and whether trainees stay out of poverty.

These performance standards, then, are helpful in understanding how JTPA works, but for those looking for an answer as to how well JTPA works, additional follow-up questions could provide more of an answer. But until NRCD and the legislature seek better answers to those questions by providing realistic funding needed to get the answers, no one will know how well JTPA works to get North Carolinians out of poverty and onto the payroll. "If CETA was too often guilty of constantly taking its pulse, it can be said fairly that JTPA presently could drop dead without even having had a prior suspicion of ill health," says R.C. Smith of MDC, Inc.

But DET officials do know that enrollees generally like the JTPA program. As part of regular follow-up surveys, DET employees asked trainees how they rated the program, and 87 percent rated it either excellent or good, while less than 3 percent rated it poor. But when asked what enrollees had hoped to get out of the JTPA program, more enrollees (37.4 percent) said they signed on to get schooling and financial aid than

those who said they wanted a job (36.2 percent), while another 18 percent said they wanted to learn a skill. The survey also found that 81 percent felt they had met their goals.

Human Resources Development

Quennia Hargrove is still smiling after a full day of math, biology, and English courses at Fayetteville Technical Community College, all prerequisites for the high school diploma she plans to earn there. She has no car or day care assistance, but she leaves her 18-month old with her mother and catches a ride to school with a neighbor. She still receives her AFDC check.

"I don't want to be on welfare the rest of my life," she says. "I want to give my daughter the best possible care I can with the money I earn from my own work, so she'll work when she grows up, too." Just a year ago, Quennia was not talking with such resolve. She was still drifting through the period of her life she now remembers as having slipped away. Her six-week course through the Human Resources Development (HRD) program changed all that. "My classmates and my teachers helped me get motivated," she says. "We were like a family. I decided in that course that I wanted to be a nurse." By the end of the HRD course, she says, "you will know what you want to do. I recommend HRD to anyone."

Quennia is one of the success stories of the \$3.9 million HRD program, operating in 45 of the state's 58 community colleges. The program operates with a staff of 150 persons, only two of them in Raleigh. The local staffs average three people; some are as large as five, including the Fayetteville program. State officials are quick to point out that HRD is not a full-service job training program. "We are a pre-employment training program for long-term unemployed and underemployed adults," says Peggy Graham, the HRD state coordinator. "We specifically target our money to people on welfare, displaced homemakers, and the economically disadvantaged."

Four elements distinguish HRD from other job training programs. It is performance-based, with a local program's funding level decided by its *efficiency index* (more below). Second, it conducts three follow-up surveys with every participant—after three, six, and 12 months—and must keep these results for five years. Third, it is *entirely state funded*. Finally, it is a self-contained program, doing its own recruitment, assessment, self-esteem building, some basic edu-

cation, skill training, placement, and follow-up.

In the 1987-88 program year, 5,162 persons enrolled in HRD statewide and 3,855 completed the course. About six of every 10 HRD graduates (counting current and previous-year graduates) got a job, and one-fourth continued job training (some did both and are in both statistics).¹⁶

Like the hard data available for evaluating the JTPA program, there are pluses and minuses for the HRD program. For instance, of those who graduated from the program in 1987, about 56 percent wound up with jobs—but of those who *originally* enrolled in HRD, fewer than half (42 percent) graduated and got jobs. Yet follow-up programs show that these rates do improve over time (see Table 7).

"We do some short-term skill training for security guards, geriatric workers, bakery assistants, and others," says Graham. "These are usually entry-level jobs. Many of them are fortunate to get any kind of job. But we follow up on them, encouraging them to get further skill training and education."

The Fayetteville program, for example, has recently held classes on retail sales and on basic skills (self-esteem building, interviewing skills, resumé writing, and motivation). In the sixth day of the retail class, the 12 students were practicing on a cash register donated by a local business and writing four sample letters—an application letter, an answer to an advertisement, a thank-you letter for an interview, and a letter of resignation.

"We practice a letter of resignation because it's important that our students know you can't just walk away from a job," says Sharmon Herring, the Fayetteville HRD coordinator. Why a thank-you note? "You'd be surprised at how many of our students have gotten jobs . . . because of that letter."

HRD started in six community colleges 20 years ago through a pilot program started by MDC, Inc. (then called Manpower Development Corporation). Inaugurating the program in 1969, then-Gov. Robert W. Scott sounded a theme that has survived for two decades: "I think we have another very vivid example of private enterprise working together with government to solve or seek a meaningful solution to a very persistent and nagging problem . . . lifting our employment picture, particularly as it relates to the disadvantaged and those with below-average incomes."

In 1973, the General Assembly funded the program and placed it within the community college system, now headed by the same Bob Scott.

With its focus on pre-employment training and a budget of less than \$4 million, HRD has significant constraints in scope and in funding. But its enduring track record also contains three valuable lessons for other manpower programs—lessons about bureaucracy, a performance index, and follow-up.

Despite its longevity, HRD has not established a separate bureaucracy but still functions within the existing community college system. This administrative choice, plus the efficiency index, has meant that only a small portion of HRD funds go to administrative costs.

Second, the performance index emphasizes the difference in income between what a participant was making at the beginning and at the end of the program, not whether the trainee got a job and what it paid. Thus, if 90 percent of the students in an HRD class are on AFDC, a placement into a skill-training program or a low-paying job that provides needed work experience results in a good performance index—or efficiency index, as it's called. The formula translates education into an income figure and includes a special three-fold multiplier for a reduction in welfare benefits.

"You can't fudge on that formula too much," says State Coordinator Graham. "It keeps us honest." The formula is a major factor in determining the funding allocation for a local program. Hence, this index is an ever-present reminder of how to evaluate the students.

Not only that, but HRD administrators also keep track of total income produced by graduates, and the total amount of public assistance funds saved by getting graduates off welfare (see Table 7). For instance, program records show that graduates had earned more than \$10 million and the state had reduced their welfare payments, saving \$1.2 million in public assistance in fiscal year 1987-88 alone.

And follow-up is an equally important factor, as one HRD instructor explains. "I'm sitting on a time bomb in Spring Lake," says Sharmon Herring, referring to her basic HRD class in a satellite center outside Fayetteville. "Almost everyone in that class is on AFDC." All students allowed to complete the class (some are cut by the program) go into the index calculation. If they are not motivated enough to enroll in an education or training program, they hurt the Fayetteville efficiency index—and possibly the program's budget. The formula thus motivates the HRD staff to concentrate on follow-up.

The index emphasizes the long term. *How a person inches out of poverty—the progress a person makes—is more important than a short-term job placement.* This emphasis breeds an effective follow-up system. Besides graduating 3,855 students last year, HRD also followed up on another 4,621 graduates from the preceding year. Of these, 82 percent had jobs or were in skill training programs at the end of the 12-month follow-up period.¹⁷

As impressive as these statistics are, *the style of the follow-up is what sets HRD apart.* The personal contact drives the follow-up system more than the statistics. “We’ve kept all of our files since we opened up,” says Herring. “We get calls all the time from people who are changing jobs and want to come back and see their resumé.”

One participant in the retail sales class, Barbara Chapel, went through an HRD class nine years ago. Over the years, she’s worked as a laborer and cement mason while raising three boys alone. Now unemployed, she sought out HRD for a second time around. “I’m a go-getter, but there were times when I needed help,” she

says, referring to her periods back on AFDC. “But you get depressed sitting in that house.” Now 35 years old and the mother of teenagers, Chapel hopes to add retail sales skills to her knowledge of construction. “I know there’s a Lowe’s or an auto parts store or an FCX just dying to hire me,” she says.

This strong relationship is what makes the HRD program so different from JTPA. Follow-up in the JTPA system, to the extent that it takes place, concentrates on statistics. This is partially a by-product of the program’s size. JTPA does not encourage people like Quennia Hargrove to take the next step, enrolling in her nursing assistant program.

In 1979, Chet Fuller of *The Atlanta Journal* traveled around the South and wrote a series of articles on his experiences, called “A Black Man’s Diary.” The HRD program impressed him, he wrote, because of “the amount of follow-up involved to see how well former students are making out in the workaday world.” Just as Bob Scott’s 1969 remarks about HRD ring true today, so does the ending to Fuller’s decade-old review:

Table 7. Performance of Enrollees in Human Resources Development Program, 1983-1988

Fiscal Year	Students Enrolled	Job Placements	Percent Who Got Jobs	Total Job Placements for Year ¹	Job Placement Percentage ²	Graduates Receiving Follow-Up	Income Increase (millions)	Welfare Decrease (millions)
1983-84	4,258	1,849	43%	2,548	59.8%	4,085	\$11.7	\$1.3
1984-85	4,469	1,721	39%	2,614	58.5%	4,372	11.9	1.6
1985-86	4,394	1,758	40%	2,565	58.4%	4,379	11.5	.8
1986-87	5,304	2,330	44%	3,308	62.4%	4,406	10.1	.9
1987-88	5,162	2,148	42%	3,151	61.0%	5,245	10.3	1.2

¹This figures represents the number of Human Resources Development graduates from all previous years who got jobs in the current calendar year, while the column marked “Job Placements” refers only to those current year graduates who got jobs in the current calendar year.

²This percentage figure compares the total number of graduates who got jobs in the calendar year to the number of students enrolled for the calendar year.

Source: N.C. Department of Community Colleges

"The more I think about that program, the more I wonder why North Carolina is the only state using it."¹⁸

Community Work Experience Program

Gervis Hilliard epitomizes the *work ethic* even though she has never heard the term. Her father was a carpenter and her mother raised eight children. Among them are a nurse, a photo lab technician, and factory workers. Someday, Gervis hopes to work as a librarian. "I didn't have any experience," says Gervis. "That was my difficulty. I thought here's my chance to get it." Placed at the library as part of the Cumberland County work experience program, Gervis has blossomed. "It has worked for me," she says. "If you want to work, experience gives you the proof that shows you can do it."

County Social Services offices have operated job programs for more than 20 years, beginning with the Work Incentive program (WIN), which at one point operated statewide but which is now being phased out. The Community Work Experience Program (CWEP), a separately funded federal program, began in 1982. Many referred to CWEP as *workfare*, because it could be construed as punitive—forcing a welfare recipient to work off a welfare payment through community work. It emphasizes the value of experience for getting people into jobs (which must be in the public or non-profit sector, not the private sector). In the last six years in North Carolina, CWEP has evolved into a generic term within the professional welfare world, referring to all AFDC employment and training programs funded both by CWEP and WIN.

Currently, the CWEP program is not mandatory statewide. In 1987-88, 38 of the 100 N.C. counties operated CWEP programs; those counties had 56,971 AFDC cases, or 61 percent of the statewide caseload of 93,532. In the 38 counties (by 1989, the number of counties with CWEP programs was up to 41), 42 percent of the AFDC recipients 16 years or older (23,782 people) registered for the program. Registration is mandatory for those who can work—those who are mentally and physically able and whose youngest child is at least three. Of those registered, only 7,238 received services, or about three of every 10 (see Table 8).¹⁹ One reason that less than one-third of the registrants get services is that some counties don't have sufficient staff to process the paper-

work. In addition, there just aren't many jobs suitable for CWEP participants. In short, the program could accommodate only 7,238 participants in 1987 even though three times that many were registered. Statewide, \$3.5 million went towards CWEP training programs.²⁰

As Table 8 indicates, the CWEP program has served only a fraction who would be eligible. Of the 56,971 AFDC cases in the CWEP counties, 32,450 were exempt for several reasons, notably the presence of children younger than 3 in the household. That left 23,782 to register. Of those, 5,212 were temporarily excused from participation for such reasons as short-term illness or other family considerations. That left 18,570 available for CWEP services, but only 7,238 actually received services.

Expressed in percentages, about 12.7 percent of all AFDC cases wound up receiving CWEP services; 41.7 percent of the AFDC cases actually registered for CWEP; less than a third, or 30.4 percent, of the CWEP registrants actually participated; and about 17.7 percent of the CWEP participants actually got into work experience, while the others were involved in various kinds of development or training programs. Of the 23,782 registrants, the department says, 9,875 got jobs at some point during the year.

Like the HRD program, CWEP also reported significant savings on public assistance. In 1986-87, for instance, the program reported it had saved at least \$1.4 million in welfare payments that government agencies did not have to make. But the program that year cost \$3.56 million to make those savings. Legislative analyst Nina Yeager draws this conclusion: "The report illustrates that the state spent approximately four dollars in General Fund appropriations for every dollar savings recouped from employment programs. These figures exclude the cost of day care for AFDC recipients who are involved in work experience or training efforts."

In 1987-88, the same sort of *savings* occurred. The CWEP program reported saving at least \$1.1 million in AFDC payments—but the program cost from all sources was \$3.5 million. In other words, \$3.50 spent, \$1.10 saved. But Mary Deyampert, director of the Division of Social Services in the Department of Human Resources, says the comparison is unfair, and that welfare payment savings are understated. "The savings are understated for the year because they only represent the amount each AFDC payment was reduced or terminated during the first month the individual be-

Table 8. Participants Involved in Community Work Experience Program (CWEP) in North Carolina, for 38 Participating Counties, 1987-88

CWEP Registrants From Total AFDC Caseload

Number of AFDC cases	56,971
Number of recipients 16 or older	56,232
Number of 16 & older recipients who are exempt from program	- 32,450
Number of mandatory/voluntary registrants who are 16 & older	23,782

Those Actually Receiving CWEP Services

Number of total registrants	23,782
Number registered for CWEP but temporarily excused	- 5,212
Number registered and available for assessment and program activities	18,570
Number with no reported employment program activity	-11,332
Number of registrants actually participating	7,238
Number of registrants who got jobs	9,875

Unduplicated Count of 7,238 Registrants Actively Participating

Number in vocational training	1,179
Number in Adult Basic Education or General Education Development program	930
Number in job preparation/job search	3,790
Number in work experience	1,279
Number in grant diversion.....	8
Number in on-the-job training	22
Number in post-secondary education	131
Number in services only	476
Number in post-termination support services	1,547
Total:	7,238

Percent of AFDC cases registered for CWEP:	41.7%
Percent of AFDC cases receiving services:	12.7%
Percent of CWEP registrants who participated in programs:	30.4%
Percent of CWEP participants in work experience:	17.7%
Percent of CWEP registrants who got jobs:	41.5%

Source: "Community Work Experience Program—Annual Report, 1987-1988," Division of Social Services, Department of Human Resources, Oct. 1, 1988, see Tables 1-3 (pp. 4-7).



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came employed and any subsequent savings which resulted from a further reduction in benefits. The savings do not represent the amount that continued to be saved as a result of individuals remaining in paid employment." On the other hand, the department does not publish welfare cost increases for CWEP participants who lose a job and go back on welfare.

Many county programs began moving away from the punitive workfare approach in the 1970s, but not until 1986 did the General Assembly, with Gov. Jim Martin's urging, redirect the CWEP program statewide. The legislature appropriated \$600,000 to expand CWEP into 18 counties.²¹ It also required the counties to develop uniform program components under CWEP, including assessment of vocational and academic skills, development of an employability and training plan, job training, work experience, and follow-up. A county had to "ensure that each participant is being provided necessary transportation and child care prior to requiring the participant to participate in a program component."²²

State Sen. Russell Walker (D-Randolph), chairman of the Senate Appropriations Committee on Human Resources, pushed through these 1986 requirements and follows the issue closely.

"You still have wide variations in these programs," says Walker. "We have to go beyond those that are just make-work type operations. It's not good policy to make someone go to a job just to get a check, without any real training that will elevate them towards getting a permanent job. A lot of these people work in a school cafeteria, for example, but are not advancing toward getting a job."

Nationwide, some employment and training programs have been successful at getting welfare recipients into jobs. One such program in Massachusetts received a lot of attention during the 1988 presidential campaign. It has been a model for work programs elsewhere, but so far, the idea has not caught on in North Carolina.

How do the CWEP programs in North Carolina stack up? Advocates of poor people in North Carolina generally give CWEP poor marks, and those working within CWEP offer only mixed reviews.

"These people are being placed in dead-end jobs, not jobs that lead to self-sufficiency," says Blanche Lyons, director of the N.C. Hunger Coalition.

"We try to open up opportunities," says Chip Modlin, the Cumberland County Social Services

director. "It's not a one-shot deal."

The programs vary extensively from county to county. A Durham County Social Services Department cooperative venture with the local Chamber of Commerce got a lot of praise for helping AFDC clients find permanent jobs in the Research Triangle Park. Some counties cooperate closely with the HRD and JTPA systems, combining several funding sources into workable programs that do not duplicate functions. State-wide, however, critics say that the system does not appear to have a significant impact. They generally make five criticisms of the program:

■ First, the *local DSS offices are understaffed*. While a large number of clients are required to register (in those counties that choose to operate CWEP), only three of 10 clients who registered received services last year. Of the 425 full-time employees at the Cumberland County Department of Social Services office, only 6.5 positions—fewer than 2 percent of the staff—work with employment and training programs. In 1987-88, this small staff had responsibility for supervising 2,367 people, who, like Gervis, had to register for CWEP. That works out to an average caseload of 364 registrants per caseworker. State officials say, however, that the caseload is not that bad in other counties.

■ Second, the data suggest that *CWEP is not necessarily the primary factor in getting welfare clients into jobs*. Last year, DHR reported that 9,875 of the 23,782 CWEP registrants entered employment, an impressive 41.5 percent, with a \$1.1 million saving in welfare payments.²³ But there's a flaw in the data. Only 7,238 registrants were participating in the training effort—2,700 fewer people than the program claims to have gotten jobs. In reality, then, how much credit can CWEP take for the 9,875 who had their welfare check reduced or eliminated? The data system does not routinely evaluate the performance of the program and compare the outcomes of the 9,875 who received only CWEP services with those who received no CWEP services, or with those who participated in CWEP combined with JTPA or HRD, or with no manpower program services at all.

■ Third, *the department does not monitor how many of these stay in jobs and off welfare*. "We do not have the capacity to do the tracking of the job retention rate," explains Burgess. But the department can monitor people who return to AFDC and has done periodic surveys on retention.

A 1987 Department of Human Resources study strongly suggests that CWEP has a *minimal impact* on getting a person off public assistance and out of poverty. In the CWEP counties, the department reported, 75 percent of former clients remained off the welfare rolls for at least a year, but the non-CWEP counties did nearly as well, with a 69 percent rate.²⁴ In other words, CWEP, for all its efforts, makes only a 6 percent difference. But Quentin Uppercue, head of planning and information for the Division of Social Services in Human Resources, views the results more positively: "The study seems to show that CWEP has had some impact."

■ Fourth, *counties have very little money available for support services* to help cushion the transition into the job market. The total state budget for CWEP from *all sources* in 1987-88 was just \$3.5 million, yet 38 counties (41 by 1989) had CWEP programs. Each participating county, then, had an average of \$92,000 to operate its entire CWEP program—and that's not nearly enough. "Most people want to work," says Modlin. "But you've got to phase people off welfare. You can't go cold turkey into an entry-level, underemployed position. We need more money for training, placement, screening." Last fall, a bipartisan coalition in Congress took a large step in that direction, passing a \$3.3 billion welfare reform bill. Much of the law focuses on job training requirements and provides new funds for support services to help with that effort. The state does not yet know how much it will receive.

■ Fifth, *staying on welfare sometimes may be a better deal than getting a low-wage job*. In North Carolina, AFDC payment levels, plus food stamps, meet only 62 percent of the poverty line (see table on page 14). Even so, AFDC, food stamps, and the medical coverage of Medicaid together may amount to more financial security than a person can get at many entry-level jobs, which usually pay the minimum wage of \$3.35 an hour. In 1987, the General Assembly addressed this issue through the Family Support Act, which broadened Medicaid coverage to encourage recipients to work and made it easier for teenagers on AFDC to finish high school.²⁵ In 1988, Congress considered raising the federal minimum wage, but the bill lost momentum in the legislative maneuverings of the election year. A higher minimum wage could alleviate somewhat this shortcoming with CWEP, but the experts also debate whether a higher minimum wage would reduce the number of entry-level jobs available—

thus hurting rather than helping the poor.

Senator Walker's 1986 bill required the Department of Human Resources to submit a plan to the U.S. Department of Health and Human Services to operate what is called the AFDC grant diversion program. This program, which is voluntary, allows a person's AFDC benefits to be "diverted" to an employer who hires, trains, and pays the welfare recipient. "It's a kind of OJT-welfare program," explains Lucy Burgess, chief of the Employment Programs Section for the Department of Human Resources.

In theory, the grant diversion program could encourage people to work rather than staying on welfare because it would cut welfare payment *only* by the amount of new wages a person earns. But as a practical matter, a grant diversion program can work only if tied into the larger job training system of JTPA. In 1988, only eight people in the entire state were using grant diversion, and all of them were in Davidson County, where the DSS works closely with the JTPA system.

For all of its shortcomings, the CWEP program has helped people like Gervis Hilliard get into the job stream. Next year, the state welfare system will have substantial new federal funds for support services with its job training. These funds might broaden the impact of CWEP beyond those already well-motivated. To have the maximum impact, however, state executive and legislative officials will need to monitor closely how these funds will be used.

"There is a lot of opportunity to strengthen and expand our efforts," says Burgess. "We're in an expansion mode now and should be able to increase the availability of services to our clients. We should be able to help stabilize those people who go to work through that transition period with increased child care funds and longer Medicaid coverage. And we need to strengthen our program—with JTPA, with grant diversion, with interagency efforts. We need to increase the number of welfare clients enrolled in employment and education programs."

Conclusions and Recommendations

Nearly 400 people gathered at the Europa Hotel outside of Chapel Hill in October 1988 for the first annual North Carolina Partnership Conference, a three-day event sponsored by the Division of Employment and Training. "Job training is emerging with a new emphasis," con-

ference moderator George Autry told the crowd. Autry ticked off the list—welfare reform, the greatly expanded displaced workers program (under the federal Trade Adjustment Act), attention to literacy, a study on the future of the community college system in North Carolina, and a new Worker Training Trust Fund established by the 1987 General Assembly.²⁶ "There is unprecedented attention to employment and training efforts. We welcome the ferment. The stew is simmering and is now on the front burner again," Autry observed.

Renewed interest in such training is a point that William C. Friday, former president of the University of North Carolina, welcomes these days. Spending on what he describes as "human capital" declined in the 1980s. "It's been going on a long time," notes Friday. "The emphasis on government policy the last few years has been on revitalizing the economy and improving the business climate, and job training has been cut. But those cuts [such as the 80 percent cut in North Carolina's JTPA budget] could not have come at a worse time."

In 1988, both JTPA and CWEP were six years old, and the presidential campaign had job training proponents on both tickets. The June 1988 issue of *The Washington Monthly* reflected this new national interest, with 13 short essays on "poverty programs that work."²⁷ Introducing the series, the editors wrote: "After an interlude of shoulder-shrugging disillusion, the country seems ready to begin confronting the problems of the poor again. . . . The Jobs Clubs and the training programs and the computerized literacy plans and the small business incubators and the preschool programs and the community colleges that we describe do make differences in individual lives."

Most of the programs described were initiated by private, nonprofit and for-profit companies, not through governmental efforts. The 13 programs varied a great deal but they reportedly worked for very similar reasons, summed up by one of the writers: "Hundreds of papers are written each year seeking to identify the elements of successful job training programs. But these elements are not complex—strong ties with employers, a curriculum geared toward demand, motivated students, and most of all a dogged persistence in helping them contact employer after employer in finding work."

Jesse Braboy, Quennia Hargrove, and Gervis Hilliard are headed out of poverty because of these same elements—contacts with employers,

relevant curriculum, good motivation, and dogged staff follow-up. But many others in the JTPA, HRD, and CWEP programs are not so lucky. To broaden this positive impact to more people in poverty, officials in North Carolina should monitor closely three general aspects of the existing job training programs: follow-up, performance standards, and coordination.

1. *State jobs programs, particularly JTPA, need more complete follow-up data to determine how long program graduates are staying on the job and whether they are staying out of poverty.* HRD checks on its graduates three times—at three, six, and 12 months into the program. Neither JTPA nor CWEP reviews its participants regularly past the 90-day point. “We need to review the participants on an annual basis to see if they are being trained for the right jobs and are staying employed,” said Fred Aikens, a senior fiscal analyst at the General Assembly who monitors the JTPA system, in the fall of 1988. Several months later, however, Aikens had changed his mind after reviewing the sketchy results of one-year sampling. “We really don’t need to do the 12-month follow-up because we know that about half the people are not working after 90 days,” Aikens now says.

But the 12-month follow-up—adequately funded—could divulge a wealth of new information for DET. The skimpy information from DET’s 12-month sampling data, gathered in 1988, does not show whether workers are receiving adequate training, whether they need more training or education assistance, whether they are managing to remain employed regularly, or whether they are getting out of poverty. The legislature’s Joint Commission on Governmental Operations appears to be leaning against recommending mandatory 12-month follow-up surveys, and DET has not asked for funds to pay for such surveys. Beyond even good data, though, comes a key element—personal involvement with the clients. This is impossible to legislate but comes instead through leadership at every point in the bureaucracy, especially at the local level. The key to the HRD follow-up is the tradition of staying in touch with graduates. DET officials say that JTPA workers do keep in touch with participants at the local level, but with so many program participants—far more than the HRD program—JTPA faces a difficult task in keeping tabs on each participant.

2. *State officials should consider adopting the efficiency index model used by the HRD pro-*

gram as an effective measure of JTPA success, and performance standards should be raised. The efficiency index used by HRD offers a valuable model that should be broadened and put to good use under the governor’s discretion within JTPA. The new JTPA performance standards, being used for the first time in 1988-89, de-emphasize quick job placement. This might help with the long-term goal of getting people out of poverty. But the performance standards apply only to part of Title IIA funds. The governor has the authority under JTPA to request that performance standards be established for the rest of Title IIA and for Title IIB funds, but no such initiatives have come during the first six years of JTPA. In 1986, the State Auditor recommended such new standards as “critical to the effective administration and evaluation of JTPA.”²⁸

Another way that performance standards could be expanded is for the Job Training Coordinating Council to require that more JTPA subcontracts be performance-based. Such subcontracts require, for example, that a company or agency administering the actual JTPA training gets paid only if the participants get certain kinds of jobs. “We shoot for \$6 an hour for our preapprenticeship training contracts,” says Charles Jeffress, N.C. assistant commissioner of labor, discussing the JTPA subcontracts run by that department’s pre-apprenticeship division. “But all of these contracts have a \$5-an-hour minimum.” In this kind of arrangement, the subcontractor gets paid (with the JTPA money) only if the performance promises are met.

State officials should also consider whether they are setting certain performance standards too low. While nearly 7 out of 10 enrollees get jobs, the number who stay in those jobs trails off. The 1987-88 N.C. average standard for entered employment rate was only 58 percent, and was easily topped by the performance of 69 percent. Similarly, the welfare entered employment rate standard was 43 percent, easily beaten by the actual performance of 55 percent. While the state has done an admirable job of meeting or beating the average standards, the standards need to be set and met at a considerably higher level if the state is to gain ground on its poverty problem. If this is not done, then stringent evaluation standards should be adopted.

DET officials maintain that performance standards are not goals. They measure performance in an SDA based on economic factors and other characteristics unique to that SDA area, and

they are set at the end of a program year, not at the start. Thus, raising performance standards alone would not set new targets to shoot for in the JTPA system. But higher standards might give a more realistic picture of actual JTPA performance.

3. *State program officials should make serious efforts to develop coordination plans to take better advantage of the far-flung program offices.* There are 28 SDAs, 28 PICs, and several advisory bodies for JTPA; there are 45 different HRD programs run by local community colleges; and there are 41 separate county-run CWEP operations in Departments of Social Services. Obviously, coordination would be by far the most elusive issue to monitor, but in 1989 it may be the most important—and for that reason state agencies must find a way to coordinate programs. While the “simmering stew” of job training programs has moved to the front burner, hungry and often competing bureaucracies are waiting with ladles. The JTPA program already has spawned a sprawling bureaucracy through 28 separate administrative structures, prompting the State Auditor to

observe that “job training and employment resources in North Carolina are diffused and decentralized. This fragmented system results in multiple agencies providing comparable services from multiple funding sources. JTPA represents only one component of a very large and diverse delivery system which may, as structured, result in duplication of efforts, increased administrative cost, interagency tensions, and other inefficiencies.” In 1989-90, the new funds coming from welfare reform and from the federal Trade Readjustment Act for displaced workers will seek a bureaucratic home.

“We have the potential of laying bureaucracy on bureaucracy,” says Sanford Shugart, vice president of programs in the N.C. Community College



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system. “Programs with that kind of money could set up conflicting priorities and turf. We need to make the best use of the system we have.

JTPA programs already reach into multiple delivery systems: Employment Security Commission offices, welfare offices, Service Delivery Areas, community colleges, vocational rehabilitation offices, and other agencies. But to Shugart, these multiple points of *entering the training systems* could evolve into separate training systems themselves. Excessive bureaucracy should be avoided. “In North Carolina, the basic delivery system is the community college,” says Shugart. DET officials debate that point, and so do officials from other agencies dealing with training programs. The task for state officials is to evaluate

whether there is any consensus on the delivery vehicle, and if not, how to develop one. The Job Training Coordinating Council has such a responsibility within its legislative mandate to provide "management guidance and review of all State administered employment and training programs."²⁹

The council and the legislature need to evaluate what kind of system or combination of systems can make best use of job training funds. An updated and expanded version of the 1986 inventory of JTPA programs would help, especially if it examined all 28 Service Delivery Areas and focused on coordination of such items as the \$21 million in dropout prevention funds under the Basic Education Plan and Title IIB summer youth programs, and how they best might be used; or cooperation with HRD programs to identify areas where JTPA can provide more training components; or improving the use of Division of Vocational Rehabilitation programs and Employment Security Commission services in JTPA programs.

"How can we get the biggest bang for our buck?" asks Aikens, the legislative fiscal analyst. "We still look at things individually, even though we have several bureaucracies at work. The legislature tried to fashion the council into a structure that could advise the governor and the legislature on how all the job training dollars are being used and should be used—Human Resources, ESC, NRCD, DPI [Department of Public Instruction], Community Colleges. We've just got to have a strong concerted effort to pull all of those under one umbrella. It's a tough cookie to crack."

In addition to these three issues, the state must also consider the budgetary implications of job training programs:

4. *With federal job training funding in decline, the state must recognize it has to take more responsibility in job training.* Since its inception, funding available for JTPA, the main job-training program, has steadily declined, and state funds come to less than \$5 million. That has not been enough money to provide extensive job training in a state where more than 800,000 are in poverty and many more live just above the poverty line. And with the federal welfare reforms tak-

ing place in 1989, North Carolina either will have to ante up more money for job training or see its federal jobs funds drop even further. The reform will require the state to involve 7 percent of its eligible AFDC recipients in job training programs by 1990, and 20 percent by 1995. Unless the state meets those goals, its job training funds will drop substantially. (See "Welfare Reform: No Vacation from Poverty," page 48, for more.)

For these reasons, the North Carolina General Assembly should immediately begin planning for the increased job training outlays it needs to make to beef up the HRD program, to provide more job training for the CWEP program, and to consider ways to augment federal JTPA funding, the main training program in North Carolina. North Carolina will need to put more money into training programs, set and meet tougher performance standards or goals, and develop ways to reach more of those in poverty.

* * *

Evaluations, inventories, case studies, performance standards, and coordination can all help to make job training programs work better. But in the end, says George Autry, "It is a matter of will. The nature of big government and bureaucracy is not to be creative. There's too much turf protection. So the impetus has to come from outside the bureaucracy."

But all that must change if job training programs and education programs are going to mesh, train the poor to work, and help them find jobs. "Federal welfare reform," says Peter Carlson, a National Alliance of Business official who spoke at the N.C. job training conference, "will require



*"Across the cities, across this land,
Through the valleys and across the sand,
Too many people standing in line,
Too many people with nothing planned,
There's too many people with empty hands."*

—"Empty Hands"

by John Mellencamp and George Green



the governor [of each state] to provide some leadership to bring together the social services people and the employment and training people, to make them do it right. And state legislatures are going to *have* to get involved to come up with the money to get these programs rolling. Success will be determined by whether there is a political will to solve the problem."

Government job training programs worked for Braboy, Hargrove, and Hilliard because they were motivated and got help entering the job stream. But not everyone is so well-motivated, nor does everyone get so much individual help. These efforts will have to improve to reach further into the poverty rolls, to those who lack motivation, who have handicaps to overcome, and who need more than just one chance.

George Autry, who developed many of the jobs programs in North Carolina, believes any workable solution to this puzzle must ultimately revolve around the basic JTPA structure. "There are not enough dollars and will not be enough in the foreseeable future to solve the nation's structural employment problem," says Autry. "But there are increasing funds for welfare reform, worker readjustment, new state initiatives for disadvantaged youth, and so forth. None of these programs alone can solve the problem. JTPA is the only one that can serve as the glue to maximize our painfully modest efforts in overcoming penury, the only one that can act as leverage in an effort to prevent permanent establishment of an underclass." □

FOOTNOTES

¹MDC, Inc., has published numerous reports over the years regarding job training. Three of the most recent are "America's Shame, America's Hope—Twelve Million At Risk" (1988); "The Bridge to the Next Century—A Commentary by the MDC Community College National Advisory Panel for the Commission on the Future of the North Carolina Community College System" (May 1988); and "Workforce Literacy in the South—Meeting the Economic Challenge of the 1990s" (September 1988). MDC, Inc. is located at 1717 Legion Road, P.O. Box 2226, Chapel Hill, N.C. 27514, (919) 968-4531.

²"The Climate for Workers in the United States," Southern Regional Council, 1988, p. 35.

³"Wages of American Workers in the 1980s," Senate Committee Print 100-124, U.S. Senate Budget Committee, Sept. 26, 1988, p. 32.

⁴See Bill Finger, "North Carolina: An Economy in Transition," *North Carolina Insight*, Vol. 8, No. 3-4, April 1986, pp. 3-20; see also Jack Betts, "Job Training—From Classroom to Boardroom," pp. 84-95, same issue.

⁵The federal Trade Readjustment Act, passed in 1988, removes the dislocated worker program from JTPA and increases funding for this program substantially, effective in

1989. Ironically, the much larger dislocated workers fund will come to North Carolina outside the JTPA, but could be administered by the JTPA Service Delivery Areas, and not by the Employment Security Commission.

⁶G.S. 143B-344.11 to -344.15 (Chapter 343 of the 1985 Session Laws).

⁷Chapter 479 of the 1985 Session Laws (SB 1, Section 118).

⁸"State Administered Employment and Training Programs—An Inventory of JTPA Related Programs," Office of State Budget and Management, May 1986, p. 3.

⁹"Operational Audit Report—North Carolina Job Training Partnership Act Program," Office of the State Auditor, December 1986.

¹⁰*Ibid.*, p. 4.

¹¹"Son of CETA: Job Training? No, Corporate Welfare," *The New Republic*, April 14, 1986, pp. 16-17.

¹²Minutes, Evaluation Committee, N.C. Job Training Coordinating Council, March 23, 1988, p. 7.

¹³"JTPA Said to Neglect Neediest," *Education Week*, Washington, D.C., Oct. 5, 1988, p. 19. The General Accounting Office report on JTPA will be published in May 1989.

¹⁴G.S. 143B-144.14.

¹⁵"Operational Audit Report," p. 23 (quote) and pp. 21-22, background information.

¹⁶"Human Resources Development Program, 1987-88 Performance Summary," Continuing Education Section, Division of Adult and Continuing Education, N.C. Department of Community Colleges, August 1988, Chart 2 (pages not numbered).

¹⁷*Ibid.*, Chart 3.

¹⁸Chet Fuller, "People on 'Trash Heap' Given Revitalized Lives," from "A Black Man's Diary" series, *The Atlanta Journal*, Dec. 24, 1979, p. 1-A.

¹⁹"Community Work Experience Program—Annual Report, 1987-1988," Division of Social Services, Department of Human Resources, Oct. 1, 1988, Tables 1-3 (pp. 4-7). The 1987 General Assembly required the department to produce this report (Chapter 738 of the 1987 Session Laws).

²⁰*Ibid.*, pp. 20-25 (tables and text explain the complicated sources of funding that have evolved within CWEP programs). Note that most of the \$3.5 million came through the CWEP funding structure (50 percent federal, 25 percent state and county); the rest came through WIN (90 percent federal, 10 percent local). Subsidies for child care used for a CWEP client are not included in the \$3.5 million. Child care subsidies come from other state allocations or the federal Community Service Block Grant, which can be used for various services. The funds are divided into three general spending categories: county administration, participant transportation, and vocational education and training.

²¹Chapter 1014 of the 1985 Session Laws, 2nd Session (HB 2055, Sec. 128).

²²*Ibid.*, HB 2055, Sec. 128 (b) and (c).

²³"Community Work Experience Program—Annual Report, 1987-1988," pp. 11-12.

²⁴"Questions and Answers About the Community Work Experience Program in North Carolina," Division of Social Services, Department of Human Resources, March 1987, p. 17.

²⁵Chapter 738 of the 1987 Session Laws, known as the Family Support Act, now codified as G. S. 108A-28.

²⁶G.S. 96-5(f) (Chapter 17 of the 1987 Session Laws).

²⁷"Don't Give Up—Poverty Programs That Work," *The Washington Monthly*, June 1988, pp. 28-40, quotes from pp. 29 and 32.

²⁸"Operational Audit Report," p. 47.

²⁹G.S. 143B-344.14(10).