

# 4

## **Implementation Issues in Delivering Training Services to Adults under WIA**

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The Workforce Investment Act of 1998 (WIA) represents a potentially important reshaping of the federal government's approach to worker training as part of publicly funded workforce development services. First applied nationwide in program year (PY) 2000, a number of the act's key provisions were to some extent initially greeted with confusion and uncertainty by workforce practitioners charged with implementing them. Moreover, PY 2000 represented a period of rapid economic growth and extremely tight labor markets that limited the demand for training services among what would normally have been the program's traditional clientele. Both of these facts combined to make WIA's first full year of implementation rather tentative. Subsequently, WIA has matured substantially, as the workforce development system has gained greater confidence and comfort with implementing WIA, and changes to the economic climate have increased the demand for training services.

In this chapter, we profile this trajectory with regards to the WIA adult program.<sup>1</sup> We begin by delineating the legislation's key provisions regarding training services and contrast them with previous approaches. We next describe the early evolution of WIA service delivery by drawing on data collected through administrative records and interviews we conducted with workforce practitioners in nearly 50 local workforce investment areas in 23 separate states around the country. We conclude by drawing attention to the inherent tension between some of WIA's key provisions and reflect on the likely implications of WIA reauthorization for resolving them.

## KEY PROVISIONS REGARDING TRAINING IN WIA

WIA replaced and repealed the Job Training Partnership Act (JTPA) and amended the Wagner-Peyser Act in response to a variety of concerns about how the existing public workforce development system was designed and operated. Among these concerns, it was noted that a multitude of employment and training programs—by some counts over 150 separate programs, including, among others, those operating under JTPA, Vocational Rehabilitation, Vocational Education, the Trade Adjustment Assistance Act, and the Wagner-Peyser Act—often operated without effective coordination or collaboration. The resulting system suffered from redundancies and inefficiencies and confronted customers with a confusing maze of programs through which they found it difficult to navigate (U.S. General Accounting Office 1994a,b,c 2000).

Second, JTPA services were limited to those who met narrowly prescribed eligibility criteria, thereby curtailing access to potentially valuable workforce services to the broader population in need of skills upgrading or retraining. In JTPA's adult program, participation was limited to those who were economically disadvantaged and (after the JTPA Amendments of 1992) at least 65 percent needed to be identified as hard to serve, by virtue of having at least one barrier to employment from a list of seven that were specified in the legislation. These stipulations arguably served to target services on those who needed them the most. However, as the U.S. workforce development system moved toward a model of one-stop service delivery over the several years before JTPA's repeal, these eligibility restrictions created awkward problems regarding funding and staffing support and hampered the ability of JTPA-supported programs to operate effectively with its partners (Kogan et al. 1997). Moreover, they hampered the ability of the public workforce investment system to be agile in upgrading workers' skills to meet evolving employers' needs in a rapidly changing economy.

Third, JTPA was faulted for authorizing expensive training services as a first, rather than as a last, resort. Indeed, JTPA was presumptively a training program. Although the requirements were somewhat looser in the dislocated worker program, virtually all persons enrolled

in the JTPA adult program were expected to receive comprehensive services that could include basic skills training and occupational skills training, among other things. Moreover, at least 50 percent of funds for the adult program needed to be spent on direct training services, and job search assistance or preemployment skill building as stand-alone activities were discouraged.<sup>2</sup> Given the hard-to-serve clientele that JTPA was targeting, these restrictions might have been sensible. At the same time, they arguably handcuffed practitioners and, if results from recent welfare-to-work evaluations are an indication, might have promoted training services when less costly interventions might have been more effective in leading to employment quickly (Freedman et al. 2000; Hamilton 2002).<sup>3</sup>

Fourth, because of JTPA's heavy use of contract training, participants' choices among courses of study and available training providers were often limited to a preselected vendor or set of vendors with which the local workforce area had worked out prior agreements. In the worst cases, participants were sometimes assigned to a course of study by a case manager primarily because a training slot in a program for which the local area had developed a contract needed to be filled. For these reasons, JTPA was sometimes criticized for not being sufficiently customer focused (Levitan and Gallo 1988; U.S. Department of Labor 1991).

Finally, JTPA was sometimes decried as being inattentive to the needs of the business community. According to these arguments, the role that publicly funded workforce development programs should play in promoting the nation's economic competitiveness and ensuring a supply of skilled workers for emerging industry needs was too little appreciated.

WIA was enacted to address these concerns, after much anticipation and delay caused by a protracted policy debate within Congress. Building on reforms that some states and the federal government had already begun (D'Amico et al. 2001; Grubb et al. 1999), it does so by purportedly improving system integration and service coordination, providing universal access while rationing services to promote efficiency, promoting customer choice and system accountability, and bringing business to the fore as a key customer of the workforce system.

Among the ways WIA attempts to accomplish these purposes is by mandating the establishment of a one-stop service delivery structure, by which key partners involved in providing public workforce development assistance are to come together to plan and coordinate their services.<sup>4</sup> To the extent that doing so is consistent with their authorizing legislation, partners are to contribute to the costs and maintenance of the one-stop system in a way that should reflect benefits to their own customers.

Apart from mandating a new service delivery infrastructure, WIA also changes eligibility rules and program services in comparison to JTPA. These differences are summarized in Table 4.1. As the table shows, WIA promotes universal access by abandoning JTPA's rigid criteria regarding eligibility for services and thereby allows all adults to access WIA services without regard to income status. To this degree, the public workforce system must become equipped to meet a diverse array of needs and, in so doing, can play a critical role in promoting the efficient matching of workers with job openings and enhancing workers' careers and work skills.

At the same time, recognizing the need to husband scarce resources, WIA also promotes system efficiency by establishing a hierarchy of three service tiers, with limited access to the more expensive, higher tiers of service. At the lowest level of the hierarchy, core services consist of basic informational services, self-services, or light-touch staff-assisted services primarily designed to assist individuals in conducting job search or researching training or other services on their own. Intensive services, the next level of the hierarchy, consist of activities involving somewhat greater staff involvement, but the focus is still on providing short-term assistance—such as pre-vocational services or assessment and counseling—designed to help customers access available job opportunities given their existing occupational skills. Finally, training services, including on-the-job training and classroom occupational skills training, consist of generally longer-term skill-building activities designed to provide participants with occupationally specific skills or credentials.

Abandoning JTPA's rigid criteria regarding eligibility for services, all adults are able to access these services. However, in keeping with the notion that these three service tiers constitute a hierarchy, only those who are deemed unable to achieve their employment objectives

**Table 4.1 Adult Program Side-by-Side WIA and JTPA Comparison Regarding Eligibility and Services**

	WIA	JTPA (Title II-A)
Eligibility and targeting	<ul style="list-style-type: none"> <li>• All adults (ages 18 and over) are eligible for core services</li> <li>• Intensive and training services are available to those who have had at least one service at a lower tier and are deemed unable to meet their employment goals without services at the higher tier</li> <li>• Priority for intensive and training services must be given to recipients of public assistance and other low-income individuals, in local areas where funds are limited</li> </ul>	<ul style="list-style-type: none"> <li>• Eligibility generally restricted to economically disadvantaged adults (ages 22 or older)</li> <li>• 65% must be in specified “hard-to-serve” categories (e.g., basic skills deficient, dropouts, welfare recipients, offenders, homeless, those with disabilities)</li> <li>• 10% need not be economically disadvantaged, but they must still be in a “hard-to-serve” category or be a displaced homemaker, veteran, or alcoholic or addict</li> </ul>
Services	<ul style="list-style-type: none"> <li>• Customers must receive at least one core service before receiving intensive services, and at least one intensive service before receiving training services</li> <li>• Core services consist of, among other things:               <ul style="list-style-type: none"> <li>• Outreach, intake, and orientation to services</li> <li>• Job search and placement assistance, including career counseling where appropriate</li> <li>• Providing labor market info (e.g., job vacancy listings, occupations and skills in demand, etc.)</li> <li>• Providing performance and cost info on training providers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Services shall include an objective assessment of skill levels and service needs</li> <li>• Basic skills training, occupational skills training, and supportive services should be provided, either directly or through referral, where the assessment indicates they are appropriate</li> <li>• Authorized direct training services include, among others:               <ul style="list-style-type: none"> <li>• Basic skills training and GED training</li> <li>• On-the-job training and customized training</li> <li>• Assessment, counseling and case management</li> <li>• Work experience</li> </ul> </li> </ul>

(continued)

**Table 4.1 (continued)**

- Intensive services consist of, among other things:
    - Comprehensive and specialized assessments, to identify employment goals and barriers
    - Developing the individual employment plan
    - Group and individual counseling and career planning
    - Short-term pre-vocational services
  - Training services consist of, among other things:
    - Occupational skills training
    - On-the-job training
    - Skill upgrading and retraining
    - Entrepreneurial training
    - Job readiness training
    - Adult education and literacy services provided in combination with other training services
  - Training services should be provided through Individual Training Accounts, except for on-the job training and customized training, training programs of demonstrated effectiveness for those with multiple barriers, or if there are too few eligible training providers
    - Skill upgrading and retraining
    - Bilingual training
    - Entrepreneurial training
    - Vocational exploration
    - Training to develop appropriate work habits
    - Preapprenticeship programs
    - On-site industry-specific training
  - Authorized training-related and supportive services include, among others:
    - Job search assistance and outreach
    - Supportive services and needs-based payments
  - Work experience, job search assistance, job search skills training, and job club activities are to be accompanied by basic and/or occupational skills training, unless the latter services are not appropriate and the former are not available through the Employment Service
  - Services to older individuals (ages 55 and older) can be separately provided as part of Section 204(d)
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at a lower level of service can advance to the next higher level. Moreover, priority is to be given to public assistance and other low-income individuals, whenever funds are deemed to be scarce. Thus, the intent of these provisions taken together is to provide access to basic services to all adults, while limiting the more costly services to those whose need is demonstrable and most pressing.

Customer choice and empowerment are also key tenets of the legislation. In the first instance, this objective is achieved by allowing the universal customer free and open access to a vast array of informational tools and resources that he or she can use on a self-help basis. As well, customers undertaking training are to be provided with opportunities to choose the training program and provider that they feel best meet their needs. In this regard, although WIA still allows contract training under some circumstances, it aims to empower customers by relying heavily on Individual Training Accounts (ITAs), which can be likened to vouchers that customers are generally free to use to procure training services of their choice, subject to certain limitations. Among these limitations, local workforce agencies can place caps on the duration of training that customers can undertake and the costs that will be approved. Second, the training generally must provide skills for jobs that are deemed to be in demand in the local economy (or in another location to which the customer intends to relocate). Finally, the training program selected by the customer must have been certified by the state and local area as meeting acceptable standards of quality. The latter restriction will typically mean that the vendor has provided basic information about the training program and that previous cohorts of the program's trainees have met state standards for successful training outcomes.

By virtue of these provisions, WIA offers the basis for a substantial systemwide transformation. The extent to which it in fact achieves its objectives of greater system integration, customer empowerment, and efficiency, however, will depend on the ways its key stipulations are implemented in each of the nation's 600-plus local workforce development areas. Moreover, whether it does so without abandoning a decades-long federal commitment to improving the employment prospects of those who are economically disadvantaged by investing substantially in their occupational skills development remains very much an open question.

In the remainder of this chapter we provide a glimpse of the early WIA implementation experience, focusing specifically on training services funded to serve adults. We do so by drawing on recently available data for PY 2001 from WIA's client-level reporting system, the Workforce Investment Act Standardized Record Data (WIASRD), which records client characteristics, services, and outcomes for those who exited WIA during that program year.<sup>5</sup> Moreover, to provide a point of contrast with JTPA, we also use the PY 1998 Standardized Program Information Report (SPIR), the client-level reporting system analogous to the WIASRD that was used under JTPA.<sup>6</sup> Finally, we draw on qualitative information we collected from multi-day site visits to nearly 50 separate local workforce areas from PY 1999 through PY 2001 as part of a number of separate evaluations.<sup>7</sup> Because not all of these local areas were selected randomly, they cannot be construed necessarily as representative of the workforce system as a whole. Nonetheless, they provide substantial coverage across all regions of the country and 23 separate states and, as such, provide important evidence about the range of variation across the WIA workforce development system in its early years.

Among the issues we examine with these data sources are the extent to which local areas focus on training (as opposed to core and intensive services), the ways they establish customers' access to ITAs, limits they impose on the training choices that customers can make, and ways they support customers through the decision-making process.

## **TRAINING AS A FOCUS OF PROGRAM ACTIVITY**

As the above description suggests, WIA can be construed as a dramatic shift in thinking about the role of training in serving program participants. The JTPA adult program, which WIA supersedes, was intended to be predominantly a training program, while WIA establishes a sequence of service levels that will culminate in training only if core and intensive services are deemed not to meet the customer's employment needs. To this extent, Congress recognized when enacting WIA that, given constraints of available funding, service strategies would need to rely on less costly interventions to accompany WIA's

broader scope for eligibility. Moreover, Congress was to some degree demonstrating its philosophical bent toward a “work first” approach that was even more clearly reflected a few years earlier in its revamping of the nation’s welfare system, through the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. In this context, states and local areas need to decide the emphasis they will place on WIA training and the role they see for less costly core and intensive services. Their decisions reflect both practical considerations as well as strategic thinking about how best to invest their WIA dollars for greatest impact given the context of local labor market needs.

### **Emphasis on Training**

Implicit in the legislation is a tension between serving the universal customer with a work-first approach on the one hand, and meeting the needs of low-income and low-skilled customers who are likely to need intensive interventions on the other (O’Shea and King 2001). Table 4.2 provides a preliminary answer to how this tension is being resolved. Using WIASRD data for PY 2001, it tabulates the percentage of WIA registrants in the adult program who exited after using only core services, intensive services but no training, or training services.<sup>8</sup> Data from the PY 1998 SPIR are reported for comparison.

First, among WIA registrants, about 23 percent exited after receiving only staff-assisted core services, 36 percent after intensive services, and 42 percent after training services.<sup>9</sup> No comparable figures are available in the PY 1998 SPIR. Nonetheless, JTPA’s heavier emphasis on training can be deduced in that the incidence of basic skills instruction, on-the-job training (OJT), and other occupational training were all substantially higher in JTPA than they are in WIA. Thus, the incidence of basic skills instruction went from 18 percent to 2 percent,<sup>10</sup> OJT from 9 percent to 5 percent, and other occupational training from 67 percent to 33 percent.<sup>11</sup> Similarly, the average length of participation was longer in JTPA than in WIA, with very short spells of participation (participation of less than three months) substantially more common now than previously (26 percent in JTPA versus 34 percent in WIA), though differences are much more modest when one compares the JTPA figures with those for WIA trainees.<sup>12</sup> All of this is in keeping with WIA’s allowance that limited-duration, nontraining services—and

**Table 4.2 Services Received by Adult Exiters: WIA and JTPA**

	PY 1998 JTPA exiters	PY 2001 WIA exiters			
		Total	Core only	Intensive– no training	Training
Number of cases	163,223	160,529	36,344	57,648	66,537
Highest tier of service					
Core only	NA	22.6	100	—	—
Intensive (no training)	NA	35.9	—	100	—
Training	NA	41.5	—	—	100
Service Received					
Basic skills instruction	18.1	2.1	—	0.1	5.1
On-the-job training	9.4	5.1	—	—	12.8
Other occupational training	63.1	32.9	—	—	82.1
Months of participation					
Up to 3	26.4	34.1	52.9	38.5	20.1
3–6	26.6	24.1	21.2	24.0	25.7
6–9	16.6	16.3	11.7	15.4	19.7
9–12	10.0	10.6	6.3	10.2	13.5
More than 12	20.4	14.8	7.9	12.0	21.1

NOTE: All figures (except Number of cases) are given as percentages. SPIR data represent figures for adults (Title II-A) and older workers (Section 204d) who received more than only an objective assessment. Data from the PY 2001 WIASRD are preliminary figures and exclude JTPA carry-overs. A '—' represents a percentage near zero. NA = not available.

nothing more—might be suitable for many WIA registrants. Finally, as one would expect, spells of participation in WIA are longer as one moves across the three service tiers, from staff-assisted core, to intensive services, and to training.

The table suggests, then, that WIA program operators are making full use of the three levels of service activity that WIA allows, exiting registrants in substantial numbers at all three service levels. Table 4.3 shows, however, that local workforce investment areas (LWIAs) vary greatly in the extent to which they do so. Thus, in just over one-half of the nation's local areas, about half of the WIA exiters have received training service, while much smaller numbers of local areas give more emphasis to core services or to intensive services. Clearly, then, local

**Table 4.3 Service Emphasis among LWIAs (%)**

High emphasis on core services	11.5
High emphasis on intensive services	18.0
High emphasis on training services	56.8
Mixed emphasis	13.7

NOTE: Figures represent the percentage of local areas. "High emphasis" is defined as having more than 50% of WIA exiters, exclusive of JTPA carry overs, exit at the service level indicated. Data are from the PY 2001 WIASRD, excluding JTPA carry overs.

areas are making very different decisions about the mix of services they will provide with WIA funds, reflecting their local priorities and the needs of their communities. To this extent, WIA's provisions designed to devolve decision making to the local level seem to be in evidence. At the same time, a heavy emphasis on training that continues policies carried out under JTPA seems quite strong.

This variability is consistent with observations we gleaned from the multi-day site visits we conducted to 48 separate local areas from PY 1999 to PY 2001. Partly these differences reflected deep-seated disagreements about how WIA should be interpreted and strategic decisions about how best to use WIA funds for greatest impact, but very practical considerations came into play as well.

Thus, some areas demonstrated a strong commitment to training at the outset and sought to continue the high levels of funding for training that they had provided under JTPA, because they believed that doing so would best meet the needs of their communities or that training was WIA's most appropriate mission. Some areas were also able to concentrate on training services with their WIA funds as a consequence of the nature of their one-stop partnerships and the funding decisions that resulted from them. For example, in some local areas nearly all core services and a substantial part of the costs of the one-stop infrastructure were funded by Wagner-Peyser, which freed up substantial amounts of WIA funds for training.

Other areas adopted a strategy of emphasizing core and intensive services, and as a consequence cut back on investments in training considerably. Some did so because they were explicitly adopting a "work-first" interpretation of WIA, and, accordingly, considered training only as a last resort. Administrators in these areas often cited policy direc-

tives they were receiving from their state officials, who in turn felt that this approach was required by WIA. This interpretation seemed much more common in WIA's first year, however, than in its second, when interest in work-first appeared to wane. Clarification that the U.S. Department of Labor issued in mid PY 2000, which encouraged a flexible approach oriented to each customer's needs, seemed important in accounting for this shift.

Local areas also seemed generally more cautious in authorizing training at the outset than they did later on, because of a perceived shortage of funds and other practical considerations. For example, although they might have been very committed to training as a service activity, some program administrators noted that they had much less money to spend on training than they did under JTPA, because of WIA's requirement that they establish a one-stop infrastructure with three separate levels of service. Others expressed a general caution in using training funds in the face of substantial uncertainty regarding for whom training could be authorized and because of other general start-up difficulties, including the need to first certify eligible training providers. Notably, fewer sites made these observations as WIA matured, suggesting that initial investments in establishing one-stop systems had accomplished their objectives, and concerns and uncertainty about the use of training dissipated to a substantial degree.

Finally, the very strong economic conditions during PY 2000 also dampened the demand for training services to some degree. During this program year, jobs were generally plentiful, job seekers wanted to find employment quickly to take advantage of available opportunities, and employers were eager for workers to fill their hiring needs. Accordingly, program administrators found themselves emphasizing relatively shorter-term interventions, because they believed that doing so best met the needs of both employer and job-seeking customers. As the economy cooled in the summer of 2001, however, program administrators foresaw an increasing demand for training services among their program participants.

These observations suggest some structural and systemic factors that gave rise to variability in training incidence rates across local areas, including philosophical predispositions on the part of local WIBs, but also the nature of emerging partnerships and the funding arrangements for one-stop services that result. They also suggest, how-

ever, that training rates might have increased in PY 2001 in comparison to PY 2000, WIA's first year of implementation, as local program administrators gained greater comfort with WIA requirements and as the demand for training services increased in a generally weaker economic climate. Although deficiencies in the PY 2000 WIASRD make comparisons with PY 2001 difficult, evidence suggests that that has indeed occurred.<sup>13</sup>

### **What Counts as Training and Who Is Providing It?**

The discussion in the previous section is hampered by important limitations of measurement. To begin with, the WIA legislation and implementing regulations define the three levels of service in fairly general terms, thereby allowing states and local areas substantial discretion in what activities they classify as each. For example, the line between what counts as WIA staff-assisted core services (which requires WIA registration) and self-help or informational services (which does not) is quite blurry and is operationalized inconsistently from one local area to the next. Further, because the outcomes of WIA registrants generally count as part of a local area's official performance statistics, some areas defer the point of WIA registration as long as they can, either by classifying a range of light-touch services as self-help or by funding them through non-WIA sources (D'Amico and Salzman 2002). Thus, counts of participants, and, by implication, rates of training could vary from one area to the next solely as a function of who becomes classified as a WIA registrant, regardless of what services are actually provided.

Related to this, the distinguishing line between the service tiers is similarly vague. For example, the difference between assessment and counseling that counts as staff-assisted core services rather than intensive services is a fine one, and different local areas make different practical decisions as to where that line should be drawn. More relevant for understanding WIA training services, the distinction between intensive and training services is not a clear one. For example, work experience, thought of as a training service under JTPA, is typically classified as an intensive service under WIA.<sup>14</sup> Similarly, what one local area classifies as training another might call pre-vocational services, classified by the WIA legislation as an intensive service.<sup>15</sup> In

operationalizing this latter distinction, local areas commonly take into account whether the service activity provides training for a specific occupation or not, as well as its duration. Thus, short courses of instruction that arguably provide skills useful in a broad range of occupations—such as courses in computer literacy and basic computer applications—might be classified in some local areas as a pre-vocational service (and, hence, as intensive services), on the grounds that learning the basics of a desktop computer and acquiring some minimum level of proficiency with common office software are basic requirements associated with many occupations. Given that 13 percent of PY 1998 JTPA adult exiters undertook training of between 1 and 40 hours (Social Policy Research Associates 2000), much of the types of services that were provided as training in JTPA might thus now be provided and classified as pre-vocational intensive services in WIA. In other words, whatever the incidence of training services as formally measured by the WIASRD, substantial additional skill building is doubtless being carried out as part of intensive services (and perhaps even, through self-service tutorials, as part of core services).

## **ESTABLISHING CUSTOMER ACCESS TO TRAINING**

As we noted earlier, JTPA established a means test for the adult program and required that 65 percent of enrollees have at least one from a list of characteristics that are deemed to constitute barriers to employment. WIA abandons these provisions, allowing program services to be universally accessible. At the same time, the legislation asserts that whenever funds are limited, priority for intensive and training services in the adult program should be given to those who are low income or on public assistance. An important strategic concern for local areas is balancing the obligation to provide universal access while ensuring adequate service levels to JTPA's traditional hard-to-serve clientele.

## The Characteristics of WIA Registrants and Trainees

Table 4.4 provides evidence to suggest how these objectives are being balanced. It does so by comparing the characteristics of PY 2001 WIA adult exiters—including those who received core services only, intensive services but no training, and training services—with JTPA adult exiters from PY 1998.<sup>16</sup>

**Table 4.4 A Comparison of Recent JTPA and WIA Adult Exiters**

	JTPA Exiters PY 1998	PY 2001 WIA Exiters			
		Total <sup>a</sup>	Core only	Intensive– no training	Training
Number of cases	163,223	160,529	36,344	57,648	66,537
Low income					
Yes	96.0	NA	NA	73.2	70.0
No	4.0	NA	NA	26.8	30.0
Cash welfare recipient					
TANF/AFDC	30.7	NA	NA	19.9	14.3
GA, SSI, RCA	25.7	NA	NA	9.7	10.2
	5.8	NA	NA	9.9	4.2
Highest grade completed					
Not a high school graduate	22.4	NA	NA	22.2	18.4
High school graduate	56.1	NA	NA	51.3	60.0
Post–high school	21.6	NA	NA	26.6	21.6
Labor force					
Employed	18.2	18.3	13.8	12.4	25.9
Not employed	81.8	81.7	86.2	87.6	74.1
Additional barriers					
Disability	10.4	7.6	6.4	9.9	6.3
Limited English	6.5	NA	NA	7.3	6.0
Single parent	43.7	NA	NA	29.0	26.0

NOTE: All figures (except Number of cases) are given as percentages. PY 1998 SPIR data represent figures for adults (Title II-A) and older workers (Section 204d) who received more than only an objective assessment. Percentages are based on those with non-missing data on the item in question. WIA data exclude JTPA carry-overs.

GA = General Assistance; SSI = Supplemental Security Assistance;

RCA = Refugee Cash Assistance; NA = not available

<sup>a</sup> The WIASRD does not require the reporting of many of the characteristics of participants who receive only staff-assisted core services. Thus, the total column for WIA registrants cannot be computed.

The table shows some substantial differences in the characteristics of program exiters that are consistent with what one might expect. Thus, given JTPA's eligibility rules, virtually all PY 1998 JTPA adult exiters were classified as low income. This percentage dropped substantially among PY 2001 WIA exiters to about three-quarters of those who received intensive or training services. Similarly, there has been a pronounced drop in service to cash welfare recipients, with nearly one-third of exiters classified as such in PY 1998, a proportion that is quite a bit higher than the available figures for WIA.<sup>17</sup>

With respect to other barriers, WIA exiters are much less likely to be single parents (44 percent are single parents in JTPA versus fewer than 30 percent in WIA), but they are about as likely as those who exited under JTPA to be individuals with a disability or to be limited English speakers.<sup>18</sup> Curiously, among WIA registrants, those who receive training are somewhat less likely to be low income or welfare recipients, or to be high school dropouts or single parents, than are those who receive intensive services but no training, even though those with these barriers presumably are more in need of training than others.<sup>19</sup>

In Chapter 2 of this volume, Barnow and Smith reflect on a long-standing concern (e.g., Anderson, Burkhauser, and Raymond 1993; National Commission for Employment Policy 1988; U.S. General Accounting Office 1989) that local areas engage in "cream skimming," by serving those more able to find employment from among those eligible. One might expect this concern to be exacerbated in WIA, which purports to promote universal access and lacks the explicit adjustments for participant characteristics in setting performance standards that JTPA had. Evidence to date indeed suggests local areas' ability and willingness to serve a wider customer base than they once did. At the same time, their priority for serving those who are low income still seems clearly in evidence.

### **Establishing Customer Eligibility for Training**

Among the tensions embedded in WIA, local areas need to balance the legislation's requirements to husband resources by sequencing services across the three tiers, while also being customer-focused and responsive to customer needs. Based on our data collection, we con-

clude that local areas generally seem quite flexible and are not adopting a rigid “work first” interpretation of WIA that severely limits access to training. For example, only a few areas of the dozens we studied required customers to demonstrate evidence of repeated unsuccessful job search as a condition for being approved for training.

However, although few sites imposed duration requirements of this sort, some basic steps were always required before training would be authorized. Thus, consistent with WIA, customers needed to undertake at least one core and one intensive service before being approved for training, which might entail registering with the state Employment Service, attending a one-stop center orientation, undertaking an assessment of occupational skills and interests, conducting labor market research, and attending one or more preemployability workshops, among other things. Thereafter, as part of their training decision, they might be expected to research eligible training providers and interview prospective employers or former trainees. To accommodate these various steps, it generally took customers several weeks to complete a core and an intensive service, make a decision to train, and then conduct research associated with selecting a training program and a vendor. The shortest typical period that any site reported was about two and a half weeks, while the longest period was about nine weeks. This variability reflected how case management appointments were sequenced, the specific job search and information gathering that different local areas required, and the extensiveness of the assessment process they used.

These requirements notwithstanding, local areas emphasized their flexible approach to dealing with customers, and pointed out that those who were demonstrably in need of intervention—adults with little work history, for example—could move from core to intensive services, and then on to training, more quickly than others. The customers’ own motivation and initial preferences also seemed to be very important. Thus, customers who missed appointments or took longer to schedule them could undergo protracted periods in core and intensive services before being approved for training. By contrast, those who knew they wanted and needed training, expressed this preference early in the intake process, and were prompt in scheduling appointments and completing research or other requirements could move along quite quickly.

## Helping Customers Make Training Choices

WIA requires that local areas should provide access to training in a way that “maximizes customer choice” (WIA Title I.B.134). At the same time, WIA is very performance driven and demands high levels of system accountability in achieving employment and related outcomes. In keeping with this, local areas have an interest in ensuring that customers make wise training choices, because choices that result in poor outcomes will negatively affect the local area’s attainments on its core measures of performance.<sup>20</sup> Similarly, results from the Career Management Account demonstration suggest that case managers sometimes have difficulty relinquishing control to customers over their training decisions when they feel that customers are making poor choices (U.S. Department of Labor 1999).<sup>21</sup>

Through the visits we conducted to nearly 50 local areas over WIA’s first several years, we concluded that local areas endeavor to ensure both customer choice and system accountability by promoting a model of “informed customer choice,” wherein case managers ensure that those authorized to undertake training receive ample information and assistance, so that they are led to make prudent choices (or at least defensible choices) on their own. (This approach closely approximates the middle approach, Approach 2 in the experimental ITA evaluation described by Decker and Perez-Johnson in Chapter 6 of this volume.)

This general approach of promoting informed choice seemed to be embraced virtually everywhere we visited. However, the specific mechanisms that local areas adopted differed, as did the rigor with which they were applied. Thus, nearly all areas required customers to undertake a formal assessment of their basic skills or occupational interests, although some assessment processes were much more extensive than others. Similarly, customers everywhere were required to conduct basic research on their training choices (e.g., through labor market research and the Consumer Report System, a compendium of information about eligible training providers), but some areas went further by requiring customers to undertake field research, such as visiting prospective training programs and interviewing former trainees or employers. Similarly, all sites require customers to be able to justify their training choices, but some have instituted a formal approval process, whereby customers must make a formal presentation before an

ITA review committee, or, as in one site, participate in a two-week peer-managed workshop during which fellow ITA holders scrutinize each other's training choices. Case managers, meanwhile, play the role of facilitators, guiding customers through the assessment process and other requirements without being overly prescriptive. At the same time, the case manager's opinion clearly can carry considerable weight, especially among participants without clear training plans of their own.

In keeping with WIA's intent, then, it appears that almost everywhere customer choice is being taken very seriously, but that this choice is guided and informed by assessment, research, and other requirements that vary in their specifics. The ITA Experiment, described by Decker and Perez-Johnson in Chapter 6, will shed important light on optimal approaches to providing this guidance, at least from the standpoint of maximizing the return on job training investments.

## **LIMITS ON ITA TRAINING CHOICES**

Notwithstanding their obvious efforts to promote customer choice, nearly all local areas implicitly limit choice by exercising their authority to set limits on the ITA dollar amount or duration, establishing procedures for certifying training programs as eligible to be considered by an ITA holder, and, potentially, by using non-ITA training alternatives in some cases. In a theme that has been recurring throughout this chapter, the decisions that local areas make reflect a balance between the sometimes competing objectives that WIA promotes.

### **Dollar and Time Limits**

In keeping with provisions in the WIA regulations (Section 663.420), states and local boards are entitled to set dollar or time limits on the training they will support through an ITA. Of the 19 states for which we have data, each devolved this authority completely to their local areas. In turn, nearly all the 57 local areas we researched do set either dollar or time limits, or both.

These limits vary greatly, often even within the same state. Thus, as Table 4.5 shows, dollar limits range from under \$2,000 per ITA holder in a small number of local areas, to a high of \$7,500 or more in others, with a modal value of \$5,000.

In setting their dollar caps, representatives from local workforce boards made note of conflicting considerations. On the one hand, they recognized that lower caps would serve to ensure that a greater number of customers could be served overall, given the area's overall funding allocation. Similarly, they wanted to maintain some financial discipline, both for customers who otherwise have no incentive to economize in their choices and for vendors that might price their programs at whatever cap the local board set.<sup>22</sup> At the same time, board members recognized that setting dollar caps too low would serve to exclude from consideration many longer-term and higher-quality training opportunities, especially those offered by private vendors, and would thereby sharply curtail customer choice. Clearly, local areas balance these considerations in very different ways, presumably after taking into account the needs of their customers, the mix of training providers in their area, and the local cost structure.

### Establishing Program Eligibility

Consistent with the WIA legislation, ITAs can be redeemed only from vendors whose programs are "eligible"—certified by states and local workforce areas as meeting acceptable levels of performance. In keeping with this requirement, vendors need to seek eligibility for each

**Table 4.5 Dollar Caps Imposed on ITAs**

	No. of LWIAs	%
Less than \$2,000	2	3.5
\$2,000–\$3,500	8	14.0
\$3,501–\$5,000	19	33.3
\$5,001–\$7,500	12	21.1
Greater than \$7,500 (or no limit)	16	28.1

NOTE: Figures represent the number (percentage) of LWIAs that established their dollar ITA caps at various levels, of 57 local areas (in 19 separate states) for which this information was collected.

training program they wish to offer to ITA recipients; those that are approved are placed on a statewide list of eligible training providers (ETPs). To the extent that vendors decide not to apply for eligibility for their programs, or those that apply are not approved, customer choice is curtailed. On the other hand, higher certification requirements are designed to promote greater system accountability and improved program performance.

States were interested in developing a very inclusive list of eligible programs during WIA's first year or two (during the so-called "initial eligibility" period).<sup>23</sup> Accordingly, they actively marketed the ETP list to vendors and established requirements for initial eligibility that were quite easy for vendors to meet (D'Amico and Salzman 2002). Thereafter, "subsequent eligibility" takes hold. Following the WIA legislation [WIA Section 122(c)], subsequent eligibility should involve the application of performance requirements calculated for seven measures that are based on how well the training program's previous cohorts of students performed, either while in training (e.g., program completion rates) or in the labor market thereafter (e.g., employment, retention, and wage measures). Of these seven measures, three apply to all students in a program's prior cohort of trainees and four apply to prior cohorts who received WIA funding. These performance criteria must be met not for the training provider as a whole, but separately for each program for which the provider is seeking eligibility. The objective is not only to ensure a high level of performance among programs certified as eligible, but also to assemble vendor performance in a Consumer Report System (CRS), which customers are expected to use in making training choices.

In practice, the application of these performance measures involves thorny definitional issues (e.g., what counts as a "program" for which the provider might wish to seek eligibility, or how to define key terms such as "completion" and "enrollee"), difficulties in data management and measurement (e.g., who should gather the necessary data to measure vendors' performance and by what means), and complaints from many vendors who are wary about potentially burdensome reporting requirements. Doubtless because of these reasons, among the 13 states whose requirements we examined in detail, 2 requested a waiver from the U.S. Department of Labor to defer the more stringent rules for subsequent eligibility for at least a few more years (i.e., until

2004 or 2005), and 2 others were intending to establish requirements for subsequent eligibility but had not yet done so when we visited them in early 2002. The remaining 7 states had reached decisions about what their performance requirements for vendors' programs would be during subsequent eligibility, but only after protracted and often contentious discussion and debate.

The resulting definitions, procedures, and performance levels established for subsequent eligibility show substantial disparity (D'Amico and Salzman 2002). Thus, in most states employment outcomes are measured for vendors through unemployment insurance wage matching, but in others, vendors are required to self-report their own data. Some require separate applications for each course of study offered at every unique location, but others define a course of study offered at multiple locations (say, the various campuses of a community college) as a single program for which only one application is required. The performance thresholds that vendors' programs are required to meet also vary across states. For example, some states require vendors' programs to meet performance requirement on all seven measures, but others require that performance on just a few of the measures be met. Similarly, some states set relatively high performance thresholds on each of the measures (for example, one state established a requirement for a program completion rate of 70 percent), while others set much lower thresholds (a completion rate of 25 percent in another state).

Rationales for the decisions that states made with respect to their approaches reflected some similar themes, even if they often led to very different decisions. Among the most common considerations was the states' effort to strike a balance by establishing performance criteria that are high enough to ensure quality, but not so high that customer choice will be impaired by having many vendors excluded from eligibility.

Subsequent eligibility has only recently begun in most states, so it is too soon to be certain how these requirements will play out. However, in general, proprietary institutions seemed agreeable to the ETP requirements and felt that they would have little difficulty in meeting them. By contrast, many public institutions, which have traditionally filled an important role in providing high-quality but low-cost training under JTPA, are balking at the eligibility requirements that WIA

imposes. In their view, the low volume of ITA-funded trainees that they can anticipate, compared with the large numbers of conventional students, does not warrant the time and expense they expend in complying with subsequent eligibility requirements, and, as a consequence, many are threatening to refuse to apply. Finally, many community-based institutions, an important source of contract training for hard-to-serve clients under JTPA, appear to be vulnerable under the ITA system, because their small size and low capitalization are causing many of them to have difficulty in coping with an irregular flow of ITA students.

To the extent that many public institutions refuse to apply for eligibility, as they have threatened, and community-based institutions struggle, customer choice could be severely compromised. Indeed, respondents in some states were expecting that their eligible training provider (ETP) list would shrink by 50 percent or more once subsequent eligibility began. Again, the tension that WIA establishes between customer choice and system accountability is an uneasy one whose resolution can apparently sometimes lead to unexpected and perhaps unwelcome consequences.

Moreover, given the variability in the service areas and target populations that training providers serve, it is highly questionable whether performance requirements as they have been applied are equitable or if they provide customers with a sound basis for making training choices.<sup>24</sup> These considerations give rise to serious concerns about whether ETP requirements are worth their price. In an effort to reduce overlapping requirements and streamline the eligibility process, ways of aligning the ETP process with other certification requirements to which training vendors are already subject should be explored.

### **ITA and Non-ITA Training**

In an effort to promote customer choice and market-based approaches to providing workforce services, WIA suggests that ITAs should be used to provide training under most circumstances. However, local areas have the option of using other forms of training besides the ITA under certain circumstances. These options include contracts that the local area can write to fund on-the-job training or customized training provided by an employer, training programs by

community-based organizations or other private organizations that are of demonstrated effectiveness in serving “special participant populations that face multiple barriers to employment,” and other providers if it is deemed that there are too few providers in the local area to fulfill the intent of the ITA system.

Data from the PY 2001 WIASRD suggest that local areas are making substantial use of these non-ITA alternatives. As Table 4.6 shows, there seems to be a bifurcation between areas that use ITAs extensively and those that use them very little. Thus, about 20 percent of local areas issued an ITA for fewer than 20 percent of their trainees. At the other extreme, 40 percent of them relied on ITAs heavily and, for many of them, exclusively.

Based on the site visits we conducted, it appears that non-ITA training is used for a variety of reasons. To begin with, some local areas noted that non-ITA training typically had lower unit costs. They also cited its advantages for serving targeted customer groups. For example, one site used contracts to provide vocational training, combined with English-as-a-second-language instruction, to a group of dislocated garment workers, because it believed that the mutual support afforded through the single class would be more effective in achieving positive outcomes than would individual choices. Local areas also noted that customized training was virtually assured of leading to job placements for training participants and often provided them with an income stream while they underwent training. It could also be very effective in meeting the needs of the business customer in that it yields

**Table 4.6 Percent of Local Areas with Various Incidence Rates of Using ITAs to Provide Training Services**

	Adult program
Fewer than 20% of trainees	20.0
20%–39% of trainees	11.8
40%–59% of trainees	11.6
60%–79% of trainees	16.5
80% or more of trainees	40.1

NOTE: Figures represent the percentage of local workforce areas with various incidence rates of the use of the ITA among exiters who received training services (excluding JTPA carry-overs). These tabulations are based on PY 2001 WIASRD data, excluding the handful of LWIAs that provided no training.

a trained workforce geared directly to the employers' hiring needs and, more generally, can be structured to advance an area's economic development objectives.

One concern is that, in their efforts to promote customer choice, many local areas may be losing sight of the substantial advantages that contract training can have, both for customers and employers. A challenge for local areas operating within the WIA context, therefore, will be developing an appropriate balance between ITA and contract training, deciding for whom each training regimen is appropriate, and doing so in a way that still promotes customer choice.

## **CONCLUDING OBSERVATIONS**

Since WIA was enacted in 1998, the public workforce development system has been in the midst of a difficult yet potentially profound transformation. From an emphasis on providing adult training services geared toward a narrowly targeted customer pool, as in JTPA, WIA promotes universal access within a hierarchy of service levels that aims to ration more costly interventions to those whose service needs are clearest. System accountability, efficiency, customer choice, and market-based approaches are key tenets underlying the emerging system.

As we have discussed throughout this chapter, though, these principles are sometimes in an uneasy tension. Thus, promoting accountability and high system performance can limit customer choice and result in cream skimming; providing universal access to a range of workforce services limits funds that would otherwise be available to serve priority, low-income customers; promoting the efficient use of resources by adopting a service hierarchy can undermine efforts to remain customer focused; and promoting market-based approaches through the heavy use of the ITA may sacrifice economies of scale or jeopardize the adoption of alternatives that can often be better suited to directly meeting employers' workforce needs or serving customers with special needs.

What is clear is that local areas are making unique decisions about how best to balance these competing objectives, resulting in a matrix of service design and delivery systems that looks vastly different

throughout the nation. To this extent, WIA's effort to devolve control for policy decisions to the local level has clearly been realized. However, how and why these local decisions are made, and with what consequences for program impacts or broader community economic and workforce development, remain uncertain. As the syntheses by Friedlander, Greenberg, and Robins (1997) and by King (Chapter 3 in this volume) suggest, evidence is not conclusive as to what kinds of service strategies work best. Indeed, after summarizing their findings from the JTPA experimental evaluation, Bloom et al. (1997) soberly conclude that ". . . we still do not know what works best for whom" (p. 574). In some sense, then, local workforce boards are making strategic decisions about how to best invest their WIA dollars with little hard evidence to guide them.

The U.S. House of Representatives recently passed H.R. 1261, which reauthorizes and amends WIA. This legislation recognizes, without necessarily resolving, some of the tensions we have drawn attention to in this chapter. The legislation, which has recently been taken into consideration by the Senate, proposes some sweeping reforms of adult program services:

- 1) Funding for the WIA adult and dislocated worker programs would be consolidated with Wagner-Peyser funds to streamline program administration and, potentially, reduce inefficiency. At the same time, this provision could further dilute attention on job training, continuing a trend from JTPA that WIA has already begun.
- 2) The one-stop infrastructure will be supported through funds drawn from each mandatory partner program's own allocation. This provision should lessen the difficult cost negotiations that partners currently undertake and ensure the one-stop system a steady and equitable funding base.
- 3) The proposed legislation clarifies that case managers should be customer focused, and, to this degree, should not require customers to undertake core or intensive services if it is apparent that they need training to attain self-sufficiency.
- 4) In recognition that WIA and the Employment Service might be consolidated under single funding, the proposed legislation stipulates that the unemployed should receive the first priority for pro-

gram services, and only secondarily should priority be given to low-income individuals.

- 5) Prescribed performance measures for the ETP list have been eliminated. This provision recognizes that WIA imposes overly onerous reporting and performance requirements on vendors and, as a consequence, may have inadvertently undermined customer choice. Under the proposed bill, Governors are to establish their own criteria and procedures to certify providers as eligible.

Assuming these or similar provisions are enacted, the research community will have further work to do in examining their implications for program services and customer characteristics. Further, this legislation makes explicit the need to go beyond thinking about WIA as a silo program rather than part of an integrated, or at least coordinated, workforce system. Thus, increasingly—and whether or not H.R. 1261 is enacted—we need to understand how WIA works in concert with its major partners to promote economic and community impacts. Already, we see evidence of joint decision making and planning regarding the financial and staffing support for the one-stop system that makes clear that looking at WIA alone presents only part of the story of how the workforce system is operating and who it is serving. As further evidence of this, the concurrent participation of WIA participants appears to be much more common than it once was. As Table 4.7 shows, about

**Table 4.7 Rates of Concurrent Participation among Adult Exiters: WIA and JTPA**

	PY 1998	PY 2001 WIA Exiters			
	JTPA exiters	Total	Core only	Intensive—no training	Training
Concurrent participation, total (%)	14.4	22.8	14.7	22.7	27.2
Other JTPA/WIA	10.3	2.8	1.7	2.6	3.5
Non-JTPA/WIA	5.7	20.8	13.3	20.9	24.8

NOTE: All figures are given as percentages. SPIR data represent figures for adults (Title II-A) and older workers (Section 204d) who received more than only an objective assessment. Data from the PY 2001 WIASRD are preliminary figures and exclude JTPA carry-overs. When they are added together, the rates of Other JTPA/WIA and Non-JTPA/WIA concurrent participation can exceed the total rate of concurrent participation because some individuals may be a participant under both Other JTPA/WIA and Non-JTPA/WIA programs.

14 percent of JTPA adult participants were coenrolled, primarily in other JTPA programs, while, in WIA, about 23 percent are coenrolled, mostly in non-WIA programs (and, primarily, in Wagner-Peyser).<sup>25</sup> In other words, program partners are increasingly working to form a system, and the research agenda needs to follow suit.

As a result of reauthorization, no doubt important changes and system transformations lie ahead. WIA's first few years have been fraught with some confusions and start-up problems that are understandable in light of the legislation's intended quick pace of implementation. These years have also been a learning experience whose important lessons are only now coming to light. The next few years will be important for judging whether WIA's success in establishing a first-class workforce development system—access to an array of career tools for the universal customer, coupled with concerted efforts to meet the needs of those who need extensive training services to attain self-sufficiency—can be realized.

## Notes

The authors wish to thank Kristin Wolff, Richard West of Social Policy Research Associates, reviewers at the Upjohn Institute, and participants at the Job Training and Labor Exchange Forum for their helpful comments.

1. WIA Title I authorizes training services in the adult, dislocated worker, and youth programs, as well as in targeted national programs. This chapter focuses on adult program services only.
2. Rapid response assistance and job search services as a stand-alone activity are encouraged in the dislocated worker program, but not in the adult program.
3. However, the longer-term efficacy of these less costly strategies is less clear (Friedlander and Burtless 1995; Grubb 1996).
4. Mandatory partners include WIA-funded programs, the Employment Service, and Adult Education, Post-secondary Vocational Education, Vocational Rehabilitation, Welfare-to-Work, Trade Adjustment Assistance, and NAFTA Transitional Adjustment Assistance programs, among others.
5. In WIA, program years run from July 1 of one year to the following June 30. Program years are named on the basis of the calendar year during which the program year starts. Thus, data for PY 2000 cover those who exited WIA from July 1, 2000 through June 30, 2001.
6. WIA was mandated to be implemented nationwide by July 2000. However, some states, the so-called early implementers, began operating under WIA guidelines

during PY 1999. Thus, PY 1998 represents the last full year in which JTPA was operating nationwide.

7. These site visits were conducted by Social Policy Research Associates primarily as part of two separate evaluation studies funded by the U.S. Department of Labor. The first is the *Evaluation of the Implementation of the Workforce Investment Act*. As part of this evaluation, team members visited 23 local areas in 14 states, including 6 early implementing states and 8 others that were randomly selected. The second study is an *Evaluation of the ITA/ETP Demonstration*, being conducted by Social Policy Research Associates, under subcontract to Mathematica Policy Research. This study involved site visits to 13 states and 28 local areas within them, each of which was selected to participate in the demonstration project. Because there is some overlap in coverage between these two studies, a total of 23 states and 48 local areas were visited in total. The earliest site visits were conducted in PY 1999 to the WIA early implementing states (that is, those that agreed to implement WIA's key provisions before the mandatory deadline of July 1, 2000). Other sites were visited in PY 2000 through the middle of PY 2001. Thus, they cover WIA in its earliest stages of implementation, through its second year of full implementation.
8. One complication in using these data is that about 7 percent of PY 2001 exiters are those who are JTPA carry-overs—that is, generally those who enrolled prior to PY 2000, and hence under JTPA's requirements. JTPA carry-overs are excluded from this tabulation.
9. These figures would be slightly more tilted toward training services if JTPA carry-overs were included in the tabulations.
10. No doubt partly accounting for the decline is WIA's stipulations that adult education and literacy activities should not be carried out with WIA funds unless in combination with another training activity, because stand-alone literacy training is viewed as the purview of the partner program, Adult Education.
11. For the SPIR, other occupational training represents the category "occupational skills training (non-OJT)" and can include job-specific competency training, customized training, apprenticeship or pre-apprenticeship program, internships, entrepreneurial training, and training that when structured like a job is designed to impart work maturity competencies. In the WIASRD, this category represents occupational skills training, skill upgrading and retraining, entrepreneurial training, job readiness training, and customized training.
12. In both programs, length of participation is calculated as time elapsed from date of registration to date of exit. Differences in the average length of participation between JTPA and WIA can partly be due to differences in events that trigger registration or exit in the two programs. The computation of average length of participation in WIA is biased downward somewhat, because of the exclusion of JTPA carry-overs, who by definition have had very long spells of participation. If the percentage of WIA exiters who had a spell of participation of less than three months were recalculated after including JTPA carry-overs, the figure would be approximately 31 percent rather than the 34 percent shown.

13. Because the WIASRD was new with PY 2000, data problems were legion, and not all states submitted data. Nonetheless, the best evidence from these data suggests that the percent of WIA exiters who received training services in PY 2000 was approximately 33 percent, in comparison to the 42 percent rate for PY 2001 that we have reported here.
14. JTPA classified as training services any of the following: basic skills training, on-the-job training (OJT), occupational skills training other than OJT, work experience and private internships, and "other employment skills training" including pre-employment and work-maturity training. Of these, WIA stipulates that basic skills instruction can only be classified as training if it is provided in conjunction with another training activity, preemployment and work-maturity are practically speaking (based on our site visits) almost always being classified as pre-vocational services (and, hence, as an intensive service), and work experience is generally classified as an intensive service (pursuant to the Code of Federal Regulations, 20 CFR 663.200).
15. According to WIA, pre-vocational services is an intensive service that consists of the ". . . development of learning skills, communication skills, interview skills, punctuality, personal maintenance skills, and professional conduct, to prepare individuals for unsubsidized employment or training" [WIA Section 134(d)(3)(C)(vi)].
16. As before, the tabulations for WIA exiters exclude JTPA carry-overs. Those for PY 1998 JTPA exiters include data for Title II-A (the adult program) and Section 204d (the older worker program); these two groups are jointly referred to as adults for purposes of this discussion. Given the constraints of available data, most of the WIA data elements shown in the table reflect the characteristics of WIA exiters who received intensive or training services, because they are not required reportable data items for WIA registrants who receive only staff-assisted core services.
17. This decline may be due to a combination of the general fall-off in welfare reciprocity in the nation as a whole over these years, the use of TANF or Welfare-to-Work funds to serve welfare recipients, and changes in WIA's targeting provisions as compared with JTPA. Potentially, some part of the drop-off in both these measures represents an effect of declining poverty and welfare roles nationwide during this period (the poverty rate was 12.7 percent in 1998 and 11.3 percent in 2000, according to the U.S. Bureau of the Census [2002]; similarly, there was a substantial decline in the rates of TANF reciprocity during this same period). Nonetheless, with about 175 million adults living in poverty in 2000, a shortage of customers who would meet WIA's priority guidelines is clearly not a factor. A reluctance of case managers to document low-income status when it is not absolutely necessary to do so to establish program eligibility may also account for the decline to some degree.
18. SPIR and WIASRD definitions of these items are slightly different, which could account for some of the variation in incidence rates. The SPIR defines single parents as a category of family status for those who have "sole custodial support" for one or more dependent children; the WIASRD, by contrast, speaks of those hav-

ing “primary responsibility” for children under age 18. With respect to limited-English speakers, in JTPA this term would refer to those whose native language is not English with an inability to communicate in English, resulting in a barrier to employment; the WIA definition seems somewhat broader, including those with a limited ability to speak, read, write or understand English and whose native language is not English or who live in a family or community where English is not dominant.

19. Potentially those who are low income are less able to support themselves through training than others, or those with barriers might be deemed by the local area to lack the foundation skills to benefit from training. Additionally, welfare recipients might be accessing training through other funding sources, such as TANF.
20. In keeping with WIA, states and, in turn, local areas are held accountable for attaining negotiated levels of performance on the so-called WIA core measures, which relate to customers’ outcomes after they receive services. These core measures include postprogram employment rates, six-month retention rates, and earnings gains, and the rate at which customers are awarded degrees or credentials, among other things. States that fail to meet their negotiated levels are not eligible for incentive awards and may be subject to sanctions.
21. The Career Management Account Demonstration operated in 1995 through 1997 (hence, before WIA was enacted) in 13 grantee sites, and was designed to test ITA-like approaches for delivering training services to dislocated workers.
22. In fact, there is some evidence that training vendors were aware of a local area’s ITA caps and set their prices with this in mind.
23. According to WIA, initial eligibility lasts for 12–18 months, though a 6-month extension can be granted. During this period, degree-granting post-secondary institutions and apprenticeship programs are granted automatic eligibility, so long as they apply; other providers may need to meet performance levels established by the state, at the state’s discretion. During subsequent eligibility, by contrast, no provider is considered automatically eligible.
24. The WIA legislation suggests that service area and customer characteristics should be taken into account in setting performance requirements for vendors, but in actuality this rarely occurs (D’Amico and Salzman, 2002).
25. We caution, though, that these differences could be partly an artifact of measurement. On the one hand, states’ data management systems have recently been striving for greater integration across partner programs, so that information about instances of concurrent participation will be readily at hand; thus, the WIASRD might be more likely to capture the incidence of concurrent participation when it occurs than the SPIR did. On the other hand, the incidence of concurrent participation was a required data field in the SPIR, while it is an optional field in the WIASRD; for this reason, the extent of concurrent participation might have been more likely to be captured by the SPIR than the WIASRD. Note, too, that, in calculating rates of concurrent participation from the WIASRD, we excluded instances where the individual was coded as having participated in the Food Stamps Employment and Training Program; the rather high incidence of partici-

pation in this program that is recorded in the WIASRD (about 4 percent of all adult WIA registrants) leads us to suspect that participation in Food Stamps was being mistakenly captured here.

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