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ABSTRACT

Prepared as a basic background document for an interagency task force on youth employment, this report analyzes youth employment policies and programs for the 1980s. The main body of the report consists of three sections. Section 1, entitled "Policy Perspectives on the Youth Employment Problem," contains a discussion of pathways to career development; detours, delays, and dead ends in youth employment; a sequential and probalistic interpretation of the youth employment problem; the universe of need; and priorities among needs. In section 2, "Lessons from Program Emperience," the following topics are covered: program elements; underlying approaches; delivery, design, and organizational lessons; and management of youth employment and training programs. Section 3, entitled "Restructuring and Reorienting the Youth Employment and Training System," covers new program directions, budget and policy options, and recommendations. Six appendixes, constituting over half the document, provide a graphic analysis of youth employment problems, the employment and training portions of the Youth Act of 1980, program elements, management information systems for the local program, interest group perspectives, and an analysis of youth program resource allocations. (Related reports on educator and employer perspectives and youth perspectives on factors affecting youth employment are available separately through ERIC--see note.) (MN)

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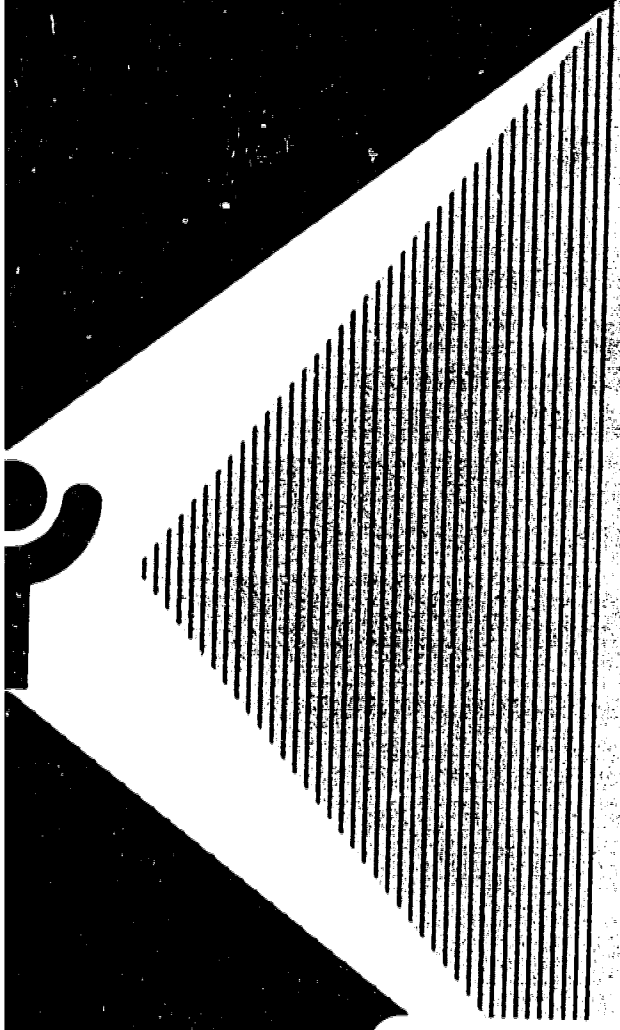

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Ernest G. Green. Assistant Secretary for
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Youth Knowledge Development Report 2.12

YOUTH EMPLOYMENT
POLICIES AND PROGRAMS FOR THE 1980s
BACKGROUND ANALYSIS FOR THE DEPARTMENT OF LABOR
EMPLOYMENT AND TRAINING COMPONENTS OF THE YOUTH ACT OF 1980

ROBERT TAGGART

April 1980

OVERVIEW

The Youth Employment and Demonstration Projects Act of 1977 was intended as a "stopgap" measure to mitigate the youth unemployment crises while conducting research, evaluation and demonstration activities which would provide the foundation for improved programs and policies for the 1980s. YEDPA was initially authorized for one year and then extended for two more in order to provide time for an orderly process of review and policy development. Under the leadership of the Vice President, an interagency Task Force on Youth Employment worked through 1979 carefully sifting through the evidence on youth employment problems and programs.

This analysis was prepared as a basic background document for the Task Force, attempting to synthesize all that was being learned under the YEDPA "knowledge development" effort. While the impacts of most of the carefully structured demonstration projects were not available in 1979, there was an extensive body of research and evaluation material which had been produced. Likewise, many important practical lessons were learned from the YEDPA implementation experience. The aim of this volume was to synthesize theory and practical lessons into a foundation for legislation. Initially, the analysis included detailed legislative recommendations, most of which were adopted by the Department of Labor, the Vice President's Task Force and subsequently President Carter, leading to the submission of proposed legislation, the Youth Act of 1980. The analysis was reworked to make it consistent with the formulation in the Youth Act. The result is a theoretical and practical rationale of the Administration's proposals, as well as detail on some of the major elements. Dimensions of the proposals will unquestionably be changed, and the timing of legislation is uncertain, the basic parameters will be retained. This document, then, can help in understanding and justifying these policy choices.

This volume is one of the products of the "knowledge development" effort implemented under the mandate of the Youth Employment and Demonstration Projects Act of 1977. The knowledge development effort consists of hundreds of separate research, evaluation and demonstration activities which will result in literally thousands of written products. The activities have been structured from the outset so that each is self-standing but also interrelated with a host of other activities. The framework is presented in A Knowledge Development Plan for the Youth Employment and Demonstration Projects Act of 1977, A Knowledge Development Plan for the Youth Initiatives Fiscal 1979 and Completing the Youth Agenda: A Plan for Knowledge Development, Dissemination and Application in Fiscal 1980.

Information is available or will be coming available from the various knowledge development activities to help resolve an almost limitless array of issues, but answers to policy questions will usually require integration and synthesis from a number of separate products, which, in turn, will depend on knowledge and availability of these products. A major shortcoming of past research, evaluation and demonstration activity has been the failure to organize and disseminate the products adequately to assure the full exploitation of the findings. The magnitude and structure of the youth knowledge development effort puts a premium on organization and dissemination of findings.

As part of its knowledge development mandate, therefore, the Office of Youth Programs of the Department of Labor will organize, publish and disseminate the written products of all major research, evaluation and demonstration activities supported directly by or mounted in conjunction with the knowledge development effort. Some of the same products may also be published and disseminated through other channels, but they will be included in the structured series of Youth Knowledge Development Reports in order to facilitate access and integration.

The Youth Knowledge Development Reports, of which this is one, are divided into twelve broad categories:

1. Knowledge Development Framework: The products in this category are concerned with the structure of knowledge development activities, the assessment methodologies which are employed, validation of measurement instruments, the translation of knowledge into policy, and the strategy for disseminating findings.

2. Research on Youth Employment and Employability Development: The products in this category represent analysis of existing data, presentation of findings from new data sources, special studies of dimensions on youth labor market problems and policy analyses.

3. Program Evaluations: The products in this category include impact, process and benefit-cost evaluations of youth programs including the Summer Youth Employment Program, Job Corps, the Young Adult Conservation Corps, Youth Employment and Training Programs, Youth Community Conservation and Improvement Projects, and the Targeted Jobs Tax Credit.

4. Service and Participant Mix: The evaluations and demonstrations summarized in this category concern the matching of different types of youth with different service combinations. This involves experiments with work vs. work plus remediation vs. straight remediation as treatment options. It also includes attempts to mix disadvantaged and more affluent participants, as well as youth with older workers.

5. Education and Training Approaches: The products in this category present the findings of structured experiments to test the impact and effectiveness of various education and vocational training approaches including specific education methodologies for the disadvantaged, alternative education approaches and advanced career training.

6. Pre-Employment and Transition Services: The products in this category present the findings of structured experiments to test the impact and effectiveness of school-to-work transition activities, vocational exploration, job-search assistance and other efforts to better prepare youth for labor market success.

7. Youth Work Experience: The products in this category address the organization of work activities, their output, productive roles for youth and the impacts of various employment approaches.

8. Implementation Issues: This category includes cross-cutting analyses of the practical lessons concerning "how-to-do-it." Issues such as learning curves, replication processes and programmatic "batting averages" will be addressed under this category, as well as the comparative advantages of alternative delivery agents.

9. Design and Organizational Alternatives: The products in this category represent assessments of demonstrations of alternative program and delivery arrangements such as consolidation, year-round preparation for summer programming, the use of incentives and multi-year tracking of individuals.

10. Special Needs Groups: The products in this category present findings on the special problems of and adaptations needed for significant segments including minorities, young mothers, troubled youth, Indochinese refugees and the handicapped.

11. Innovative Approaches: The products in this category present the findings of those activities designed to explore new approaches. The subjects covered include the Youth Incentive Entitlement Pilot Projects, private sector initiatives, the national youth service experiment, and energy initiatives in weatherization, low-head hydroelectric dam restoration, windpower and the like.

12. Institutional Linkages: The products in this category will include studies of institutional arrangements and linkages as well as assessments of demonstration activities to encourage such linkages with education, volunteer groups, drug abuse and other youth serving agencies.

In each of these knowledge development categories, there will be a range of discrete demonstration, research and evaluation activities, focused on different policy, program and analytical issues. For instance, all experimental demonstration projects have both process and impact evaluations, frequently undertaken by different evaluation agents. Findings will be published as they become available so that there will usually be a series of reports as evidence accumulates. To organize these products, each publication is classified in one of the twelve broad knowledge development categories, described in terms of the more specific issue, activity or cluster of activities to which it is addressed, with an identifier of the product and what it represents relative to other products in the demonstration. Hence, the multiple products under a knowledge development activity are closely interrelated and the activities in each broad cluster have significant interconnections.

The analysis in this volume incorporates most of the findings in the "program evaluations" and "research on youth employment and employability development" categories which were the first to yield substantial products and, thus, could be incorporated. This analysis should be read in conjunction with A Review of Youth Employment Problems, Programs and Policies which includes a series of background papers of the Vice President's Task Force on Youth Employment. The Consolidated Youth Employment Program (CYEP) Planning and Employment Implementation in the "design and organization alternatives" category reports an experience under a demonstration project which implements many of the concepts recommended by this analysis.

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CONTENT

POLICY PERSPECTIVES ON THE YOUTH EMPLOYMENT PROBLEM

Pathways of Career Development

The youth employment problem is multi-dimensional. There is not one problem but an interrelated set of problems paralleling the development and transition process which occurs for almost everyone from age 14 to 21. Youth employment problems cannot be addressed without understanding of the general patterns of development and transition which are positive and constructive for most youth.

The teen years are a period of dramatic change. At age 14 and 15 almost every young person is in school, neither seeking nor holding a job; even in the summer, less than a third look for work.(Appendix 1) Jobholding begins to increase at 16 and 17 among both students and the minority who drop out of school at this age. On the average, half of 16- and 17-year-olds are working or looking for work during the school year, with the proportion increasing to three-fifths during the summer months. At age 18 and 19, most students leave high school, either going on to college or full-time employment. Seven of every ten males and a lesser proportion of females at this age hold or look for jobs, and one of every three has completed formal education. Finally, by the early twenties, most young people are employed and self-supporting. Less than three of ten are outside the labor force, with half of these still in school and most of the rest keeping house.

During the critical years of transition, young people become more committed to work. They seek more permanent and rewarding jobs as they look to the future. Only a seventh of all 16- and 17-year-old workers hold full-time jobs compared to three-fifths of employed 18- and 19-year-olds and four-fifths of workers age 20 to 24. Conversely, nearly half of all 16- and 17-year-old workers hold part-time jobs for less than half of the year compared with just a fourth of 18- and 19-year-olds with work experience and one in ten 20- to 24-year-olds.

The shift from part-time intermittent work to full-time year-round employment is achieved through frequent job changing and penetration into new occupations. There is a significant change in occupational and industrial employment patterns over the teen years. Chart 2. Sixteen and 17-year-olds are concentrated in sales, service and laborer occupations, while 20- to 24-year-olds are more likely to be clerical, professional or technical workers. There is a shift from wholesale, retail and private household work to manufacturing and services. These changes are observable for both sexes though they are much more extreme for males.

The increased stability of employment and changed occupational patterns results in higher earnings. In May 1978, the mean wage of 14- and 15-year-old workers was $1.87 compared to $2.54 for 16- and 17-year-olds, $3.22 for 18- and 19-year olds, and $3.81 for youth age 20 and 21. (Chart 3)

This progression from school to work reflects major changes in the average competencies and attitudes of young people. In the early teens, the labor market is only vaguely understood. Knowledge is based on adult role models and perhaps sporadic odd-job work such as lawn-mowing and babysitting. Career goals are generalized and frequently unrealistic. Little is known about the demands of the workplace. Basic information is acquired by most youth between ages 14 and 16, as independence and income needs increase. Through trial and error in the labor market, increased networks of friends who work, and through exposure in the educational process, most youth develop a knowledge of how to look for and hold a job, and some sense of what they want to be doing in the near-term as well as the long-term, in other words, a set of basic employability skills.

Moving through a succession of short-duration jobs, most teenagers stabilize their work patterns over time to the point where they have developed and can demonstrate the maturity to stay on a job long enough for formal or informal on-the-job training to occur. Most youth graduate from high school with the basic skills in reading and writing necessary to learn within a job setting. Skill training is usually generalized or multi-occupational in secondary schools, but as youth leave high school many enter jobs where they can be trained and stay long enough to learn a skill or else

they seek career training in post-secondary institutions, private agencies, public programs or perhaps the military, with the aim of acquiring the preparation and credentials for entry into the occupation of their choice. In other words, by the early twenties, most youth have narrowed their occupational choices, have matured and are ready to begin career employment, and have acquired a vocational competency either formally or informally.

Paralleling this process of competency acquisition and stabilization is a progression in the way youth are viewed and treated by employers. On the average, employers consider younger teenagers to be unstable and untested. The employment of these youth is "risky" -- their productivity is uncertain, their likely tenure is suspect and their manageability on the job is unknown. A clean resume -- a reasonable school record, some work experience, perhaps some personal contacts -- reduces the risk of hiring and the acceptability of teenage job applicants. But the employers who hire teenagers, especially younger ones, usually do so with the expectation that the relationship will be short-term. There are some work clusters where short-term work is integrated with more stable work at higher wages so that the employer will try out large numbers and then hold onto the more stable ones. Typically, however, employers wait to hire for career entry, i.e. for jobs with training and wage progressions, until youth are in their late teens and are less volatile. When there is an abundant supply of youth relative to demand, as in recent years, employers minimize risk by increasing the age of career entry and increasing the reliance on resumes and credentials demonstrating desired attributes.

The youth development and labor market demand patterns thus intersect. Each subsequent job tends to be somewhat more substantive, more responsible and providing greater exposure to options. Gradually, the young person builds up a resume of experience, credentials and contacts which convinces employers that the individual will produce, will remain on the job, and will be manageable. The employers are more willing to hire and to invest in training on the job. The young adult then moves from the external labor market into the internal labor market or into a career pathway where the cause and effect relationship between experiences or actions and outcomes is more direct.

The predominance of these sequential development and transition patterns among youth, paralleled by employers attitudes and actions, does not imply an orderly, stair-step or cause and effect progression in the acquisition of competencies or in the acceptance by the labor market. Most of what is learned about the labor market in the teens is basic information necessary to hold any job rather than the basis for significantly narrowing career choices. In other words, youth rarely set lasting career goals in their youth which form the basis for a planned sequence of activities. By the same token, the part-time and summer jobs held by teenagers rarely link to the occupations, industries or firms which will provide employment in the twenties. Teen jobs are usually menial and quite temporary. Only as the settling-down process occurs, and as youth mature, do the labor market choices begin to narrow and decisions or experiences become closely related to subsequent outcomes. But here, still, there is great deal of uncertainty and many possible career redirections ahead.

There are also discontinuity points in the progression. Early school leaving, drug or alcohol addiction, arrest and incarceration and early childbirth, particularly out of wedlock, can interrupt the progression temporarily and can also leave negative records which in the future impair progress. There are some positive discontinuities. The high school diploma makes a difference because it is accepted as a credential. Youth with like ability are better off in the labor market if they have the sheepskin. Leaving the nuclear family is also a maturation point for most youth who do not go on to higher education. Marriage is another experience which tends to alter labor force behavior abruptly, leading to greater stability. There is also a discontinuity point in moving from the "secondary" to the "primary" labor market, or from part-time, intermittent work with acknowledged short-term commitments on both the employer and worker sides, to jobs and work patterns with stability, wage progression possibilities and training. The transition point varies for each youth; there is not always a distinct demarcation; but most youth recognize a point of career entry where they look to a job for the future rather than as a stop-gap.

Detours, Delays and Dead-Ends

Most youth follow the same sequence of experiences and competency development, and only a minority are permanently checked by the discontinuities. However, there is wide variation in the pace of movement from one stage to the next, as well as in the successful adjustment within each stage. Individual ability and motivation vary greatly and explain much of the difference. However, the odds are stacked against certain groups whatever their innate ability and motivation. Youth from disadvantaged backgrounds, minorities who have suffered from limited opportunities in the early childhood developmental period, young women who have been socialized into stereotypes which deter them from competing evenly in the labor market, and those youngsters who have mental or physical impairments, start off with a handicap. There is also shortfall in the quality and quantity of opportunities needed at each stage as the basis for competency development. The shortfall affects most seriously the young people who need help most. Rather than receiving compensatory opportunities, those who start off with a handicap frequently face constrained opportunities, have their problems compounded by greater exposure to negative events, and benefit from less peer, parental and institutional support in mitigating the consequences of such events. They are also less likely to benefit from the more positive developmental events.

The cumulative result over the development and transition period is a massive disparity in the preparation for and access to adult careers. There is no single factor which explains the differences, but rather a combination of initial deficits, stunted opportunities, limited support and higher risk of adversity.

For instance, most youth enter the teen years with a developing awareness of the world of work. Their families are work oriented, likely having a male breadwinner as well as a secondary earner. Friends

and relatives talk about their jobs and careers. Reading materials, adult interactions and the like are a source of career education. Values are inculcated which will make the youth acceptable in the labor market. In sharp contrast, the youth from a poor family is likely to enter the teens with a limited understanding of career options. He or she has had no experience looking for work because odd-jobs have not been readily available. The network of peers and relatives provides little help in job access and information. There has been limited socialization to the demands of the workplace. The result is that the disadvantaged youth starts off at the labor market threshhold with a deficit which results in a higher rates of failure, delay in successful entry and sometimes lasting alienation and fear.

The labor market exacerbates such difficulties. On the average, youth from poor families or minority youth have been less socialized to the labor market at any age, so that employers seeking nothing more than maturity and dependability for entry jobs will discount each applicant in these groups by the average deficit of the groups. If there is no individual to provide testimonial, and no resume that the individual can use to prove his or her individual competence, youth with potential are constrained from demonstrating and developing this competence.

For most young people age 16 to 18, work means menial, low wage part-time employment during the school year and full-time during the summer. The majority of youth can find jobs if they look hard enough and although they may experience unemployment, it is frictional in nature. Upon graduation from high school, many youth simply bide time in "bridge jobs" until they mature and make career decisions. For those with a diploma, such jobs are relatively easy to find.

Disadvantaged and minority teenagers concentrated in central cities and isolated rural areas, face far less encouraging job prospects. There is a large deficit of part-time and summer jobs, with the result that the employment population rate for nonwhite in-school youth age 16 to 21 is two fifths that of whites. (Chart 4-9) For graduates in the large cities there is also a shortage of bridge jobs as well as greater competition from adult female heads of household and undocumented workers. The job competition is made more difficult by

the fact that minority and disadvantaged graduates are more likely to have deficits in their preparation because of inadequate schooling. For out-of-school graduates, the employment/population ratio among 16-24 year-old nonwhites is three-fifths that of white graduates. Dropouts are worst off with an employment/population ratio of less than half that of white graduates.

In all these cases, the average race, sex and income-related differentials in acquired experience lead employers to give preference to other youth at the hiring door. The lack of work experience, and of resumes, credentials and contacts, again hamper disadvantaged youth. They are unable to provide the capacities and characteristics which are assumed for others who are more advantaged. Without work on the resume, the next job application is equally problematic.

Despite these obstacles, the employment rates for most of the minority and disadvantaged in-school youth and graduates increase with age and begin to equal those of more advantaged youths by the early twenties. Most youth successfully transition to the first rungs of career ladders. However, many are left behind. As the employment and unemployment difficulties are reduced, disparity emerges between the occupations and industries of employment by race, sex and family background. A larger proportion of minority and disadvantaged young adults remain in "secondary labor market" jobs characterized by high turnover, low wages and limited training opportunities. Although there is a convergance in employment rates, it is somewhat deceiving in that for some the jobs will lead upward while for others they will lead nowhere. Some young adults who are career ready simply have trouble making a career connection. Others are unable to transition because previous experiences have not prepared them or they lack resumes. They may have to spend a few more years in bridge jobs, although they are not necessarily trapped. Career opportunities are artifically constrained for disadvantaged and minority young adults even if they have reasonable preparation. Discrimination is a major and perhaps the single most important factor. There is no doubt that flagrant racial discrimination still exists--that blacks and whites with equal credentials in every way will not have the same chance of being hired. Because of better networks, white youth will more likely hear about good career jobs; the absence of active recruiting by employers has a discriminatory outcome. Another dimension is the tendency of employers to ascribe to all youth in a cohort, for instance black males, the average characteristics of the cohort, such as the average educational achievement differential. Young adults who could make it are simply not given the chance at adult career ladders. This is especially true when there is an excess supply at the career entry point so that employers have no incentive to take any risks in trying out those who might or might not make it.

A smaller group clearly lacks the competencies required for career entry. If they do not receive help, their future chances will be limited. Those left behind may turn to the military or CETA programs, but these do not provide enough opportunities.

A Sequential and Probabilistic Interpretation

These generalizations about career development pathways and problems obscure the dynamism and diversity of the transition experience for youth. There are many minority youth from low-income families who enter the teens with adequate labor market awareness, who find a progression of jobs during the school year and summer while in high school, who graduate and find their way down stable and attractive career pathways. There are others who experience failure at every turn, sometimes through no fault of their own. Some youth may make it in the adult labor market without any of the conventional preparatory experiences. Others may do well all along the process but then fail to make the career connection. There is almost unlimited variation within the broad parameters of the development and transition process, and this can only be captured from a perspective which views youth experiences sequentially and probabilistically:

o There are not clear paths of success and paths of failure, or building blocks which guarantee progress or obstacles which are insurmountable. Rather, there is a cumulative series of experiences which have a statistical pattern of interrelationship in the short-term as well as the long-term. More extensive and attractive opportunities will, on the average, lead to more positive outcomes, but the connection is not deterministic. Adjusting for individual differences, longitudinal evidence suggests that there is a correlation between labor market awareness in the teen years and subsequent employment and earnings. Employment in summer jobs is related to school-year work and vice-versa. Work experience during the teen years is related to earnings during the early twenties. School completion or noncompletion is related to unemployment and the occupational distribution in the twenties which, in turn, is related to long-run earnings. There are correlations between teenage unemployment and juvenile delinquency, as well as between criminal activity and subsequent unemployment problems. Likewise, there is a two-way relationship between employment problems and drug use, illegitimacy, and other social pathologies.

While these statistically significant relationships are predictive they are not prescriptive in the sense that causes and effects are not clear enough to reliably orient personal or programmatic decisions. The measurable impact of any short experiences--and most development and transition experiences of youth are, by nature, of short duration--are rarely determinative of future outcomes.

o Opportunity deficits reduce the success changes of all youth who depend on these opportunities, even though there will be enormous variance in success rates. Conversely, increased opportunity has its impacts not just on the individuals who benefit directly, but indirectly on all of those affected by the deficit. For instance, if jobs are created, the youth who fill them benefit while in the job, but they had some probability of being employed otherwise. The work they would have found instead goes to others. Although the individuals who secure the new jobs may stay only a short time, the chances of all similar youth finding work are improved. The direct benefits on the youth who hold the jobs for a short time are supplemented by these indirect effects. Youth opportunities are rarely direct routes for specific individuals, but rather additional options which improve changes of a larger number.

o Opportunities for minorities and females are constrained at each step in the development and transition process by the tendency of "gatekeepers" to ascribe to each youth the average difficulties of the cohort. Opportunities are also limited by the tendency of the "gatekeepers" to follow the path of least resistency relying on networks for recruitment and testimonial. Finally, opportunities are constrained by blatant discrimination. All three patterns are discriminating. The first two forms of discrimination are relatively more important for teenagers because disadvantaged youth lack a resume to prove their abilities and have limited networks to help them find jobs. At the career entrance point, these factors are still important, but discrimination becomes more demonstrable in the sense that it is possible to document that individuals with like experiences and characteristics are not hired equally.

o Negative or positive probabilities of success or failure are multiplicative rather than additive. Attempts to explain racial differentials in terms of race plus other variables correlated with status always leave a large unexplained variance. This residual is usually ascribed to discrimination. Another way to say it is that the whole is more than the sum of the parts. For the advantaged youth, each dimension is supportive of the other, so that a setback on one front may be compensated for on another. For the disadvantaged youth, the dimensions more likely are negative, intensifying the problems which are encountered.

o Negative probabilities are also multiplicative for individuals over time. If negative experiences recur over a period of years, they tend to become reinforcing. The individual with three or more periods of unemployment or an extended period of unemployment has far more serious problems than one with a short exposure. Progress for some youth is simply "compound interest" from the advantages provided prior to entry into the labor market. The converse holds for disadvantaged youth. For instance, recidivism rates increase with the number of previous arrests. Incarceration usually occurs and this puts the youth in a milieu which may be condusive to further crime.

o The cause and effect relationships between present labor market experiences and future labor market outcomes become stronger as an individual ages. Young people are much more likely to remain in the occupations and industries where they work at age 21 than at age 16. They are more likely to be in career tracks where success is cumulative. On the other hand, derailment from such a track is far more serious than losing a job at age 15 or 16. It means essentially that the young adult must begin again. Likewise, almost all teenagers work in low paying, high turnover menial jobs with no training, but this does not constrain their prospects. A twenty-year-old in the same status has more severe consequences. The same holds for negative experiences.

o As the cause and effect relationships between experiences and future outcomes become stronger with the passage of time, labor market status variables become more predictive. Put another way, unemployment for a young teenager is less an indicator of future problems than unemployment for a twenty-year-old. A sorting occurs over time as the individuals who will make it in the labor market are separated from those who will not, so that point-in-time status increasingly reflects this sorting. In other words, not only are the identifiable problems more serious, but real problems are more identifiable.

o As patterns become more rigid and channelled with age, they become more difficult to reroute. It is a conventional wisdom that the earlier an intervention in the life of a youth, the more impact it can have, since the process of development and transition is sequential. The young teenager has little knowledge about the labor market so that a helping hand may be very important in setting him or her off in the right direction. By the late teens, failure in the labor market may have already instilled attitudes and behaviour which reinforce the negatives.

This sequential and probabilistic interpretation of the development and transition process has implications for efforts to equalize opportunities and to assist those who have fallen behind at different stages. Most of these implications are correlatives of the points addressed above:

o There are innate tradeoffs between earlier and later interventions. Earlier labor market interventions have the greatest probability of impact on youth who need this assistance, and they tend to be less costly because the problems which they address are less entrenched than they will be by the late teens. On the other hand, it is difficult to identify those who really need help among the younger group, and resources therefore tend to be utilized for many who would make it on their own. Later interventions can be more targeted and can have a more direct impact on future outcomes.

o When addressing one-dimensional problems, the interventions can be fairly direct. However, when there is a Gordian knot of overlapping negative probabilities, there is no clean way to cut through or to carefully unravel each thread. It is necessary to address all dimensions or else improvement on one front will be under cut by problems on other fronts. This applies sequentially as well as statically. If early opportunities are improved for youth with severe problems, but then they are left to fend for themselves, it is likely that early progress will retrograde.

o Discrimination is a pervasive factor in explaining the difficulties which emerge by race and sex. For teenagers and for youth jobs, discrimination is difficult to address directly because the hiring procedures tend to be informal, the jobs short-term, and the discrimination indirect. At this stage, efforts to provide usable labor market information and to offer job search assistance for youth in order to substitute for inadequate networks, and efforts to document accomplishments, are probably more effective than efforts targeted on potential employees. At the career entry point, after youth have had some period to acquire credentials and demonstrate competence, job access activities become more important. Minority youth and females do not get into the same career tracks as others with equal credentials and ability. It is possible at this point to help leverage them into these career tracks.

o Reductions in opportunity deficits are not the only answer for the problems of youth with more serious handicaps to employment. The cumulative impact of already available opportunities can also be improved by better sequencing of activities so that there is less slippage and misdirection. The impact can be improved by interventions which increase the positive cause and effect relationships so that success in one experience will have the same impact

on the subsequent probability for the disadvantaged as for the advantaged youth. Efforts to overcome discrimination fall into this category and are critically important. Finally, supportive mechanisms which offset negative experiences, particularly the potential discontinuity events, can help youth to better realize opportunities.

o The effects of short-term developmental or preparatory experiences at an early age are more difficult to assess than those more intensive and narrowly directed experiences at a later age. For instance, a counseling and occupational information experience in schools is brief and low cost. It must be broadly offered because it is difficult to determine exactly who needs it and who does not. The short-term impacts on any youth, and certainly the aggregate cumulative impact, cannot be measured easily. Likewise, the effect of a nine-week summer job is likely to be modest; the impacts of a five or ten percent reduction in the summer job deficit will be spread among all those eligible and affected, making the aggregate impact difficult to determine. A work experience for out-of-school youth will more likely be full-time, hence having a greater impact on the present and future. The youth in such jobs will be different than those who are still in school, and more clearly in need. Finally, at the career threshhold, interventions can be targeted and their direct effects more clearly measured.

o If opportunities are expanded earlier in the hierarchy, there will presumably be less of a deficit later. Even if it is hard to measure, there is evidence of causality. More or longer periods of work experience will increase probabilities of future employment and will marginally reduce the universe of need for remediation or career entry assistance later. Likewise, improvements in the quality of experience at each level will presumably increase their impacts and further reduce deficits although this effect is largely hypothetical. Viewed in this way, there is not a single universe of need but a vector of needs among youth of different ages and in different circumstances, and the elements in the vector are interrelated.

o Employment status variables are a poor mechanism for identifying youth with serious immediate or potential problems, particularly for teenagers, both because of the volatility and marginality of labor force attachment, and the fact that labor market sorting has not yet fully occurred. Targeting could be most effectively achieved by the use of employment pattern rather than status variables, and by consideration of success or failure in developmental activities other than employment.

The Setting

While this sequential and probabilistic interpretation provides perhaps the best explanation of the developmental process of individuals and the differentials which exist, on average, between groups, it does not explain why youth employment problems are so severe and the causal factors which can be addressed to improve the situation. Employment difficulties are related to poverty, discrimination, race, limited education and the like, yet while the number of poor has declined in the last decade, while progress has been made in equalizing employment opportunity, and though average educational attainment of the youth population has moved upward, the measured absolute and relative rates of youth unemployment have increased, as have the differentials between minority and nonminority youth. The trends are disturbing in their own right, but their failure to respond to other positive developments makes them particularly disturbing (Charts 10-18).

Perhaps the best explanation is offered by the dual queue notion. Age and experience are important hiring criteria, so that youth are concentrated at the end of the labor queue. Among youth, there is a second queuing on the base of race, social background, experience and educational attainment. Aggregate supply and demand determine how far back in the labor queue employers will reach. In reality, there is not a single employment line, but an ordering by employment probabilities. Probabilities increase for those at the end of the line as demand increases relative to supply. In other words, youth are affected disproportionately by aggregate changes, and disadvantaged youth most of all. The demographic bulge, and the increased consumption demands leading youth to more frequently combine school and learning, have expanded the number of youth at the end of the queue. Demands may also have changed because of technology, a rigidified internal labor market and perhaps the minimum wage, but this was offset by rapid expansion in part-time employment in retail and service sectors so that aggregate employment grew rapidly in the last deacde. It was simply offset by the even more rapid growth of the youth population. With more youth competing for jobs, employers could pick and choose among these young applicants, leading to increased disparities between minority and nonminority youth, the disadvantaged and nondisadvantaged, i.e., teenagers and young adults between the favored and unfavored subqueues in the youth population. This would, then, explain the rise in both youth employment and unemployment as well as increasing differentials among youth.

The demographic trends would appear favorable unless offset by declines in demand, changes in technology or internal labor market rigidity or slowed growth in the types of jobs in the economy which employ youth. On the other hand, youth who are more attractive to employers will decline in numbers while those who are further back in the labor queue will increase absolutely and relatively. The result may be to widen differentials among youth, i.e., with advantaged youth experiencing improving prospects but disadvantaged youth becoming worse off absolutely and relatively. The widening of differentials during the employment growth from 1976-1978 would suggest that the disadvantaged youth compete in a segmented labor market or at least with reduced probabilities, and are likely to be worse off in the future.

The University of Need

It is possible to reasonably define youth employment problems in different ways that produce variances of several millions in the needs categories (Charts 24-27). Needs definition is a critical exercise because the resulting measures are the fundamental ingredient for funding level and allocation decisions.

Based upon the preceding analysis of the youth transion and development process, needs are defined in four categories: Basic employability skills needs relate to the deficits in "coping skills," in world-of-work awareness and in the ability to find and hold a job which result from a dearth of developmental opportunities. Preparatory work experience needs address the deficits in part-time in-school, seasonal and "bridge" jobs which help prepare youth for later career entry.

Remediation needs are a count of young adults at the normal career entry point who lack the basic vocational and educational skills to begin an adult career. Finally, career employment needs address the problems of young adults who have minimally adequate preparation but are unable to make the career connection.

The basic employability skills deficit is most difficult to define because of the lack of good indicators of coping skills and world-of-work awareness, as well as data limitations. Needs are estimated from the National Longitudinal Survey by counting youth with below average knowledge of the world-of-work and lack of a significant work experience. World-of-work knowledge is measured by a set of questions given to the sample of youth. Scores on these questions have been found to have significant correlation with future earnings. Three estimates of need are derived. The high estimate includes all youth with below average scores who have not worked for 2 weeks or more. The intermediate estimate includes only those with below average scores who are from low-income families and who have not worked 13 weeks or more in the last year for 35 hours a week. Since 13 weeks of employment corresponds to a full-time summer job, perhaps with employment over the Christmas vacation, this is probably a reasonable standard of successful labor market entry. The lowest estimate counts only those from low-income families with below average scores who have never worked for 2 weeks or more.

The employability skills gap is calculated from the Current Population Survey by adjusting the employment/population ratios of lower income youth at each age to those of advantaged youth. Separate calculations are made for the school year and summer for students and, year-round for out-of-school youth. The estimates are made with three low-income levels: The BLS lower living standard; 85 percent of this standard and 70 percent.

The need for intensive remediation is estimated from the Current Population Survey by counting those persons age 21 who are unemployed, out of school, lack a high school diploma and are from families or households with low income, plus those who are out of school and have a high school diploma but have been unemployed 15 weeks or more in the preceding year and are from families with low income defined, again, by the three separate standards. It is estimated that half of those in need of remediation are ready for intense effort at age 18 and 19 and half at age 20 and 21.

The deficit for career entry employment is calculated from the Current Population Survey by counting persons who at age 21 are out of school, who have a diploma, who were in the labor force more than 40 weeks in the previous year, who earned less than $6,000, and were in families or households with low income. It is assumed that one-third of these could be placed in career entry employment at age 18-19 and the remainder at ages 20 and 21.

The ultimate universe depends on the family and household limits in each of these needs categories. The most inclusive universe of need is generated when the high estimate of the pre-employment preparation deficit is counted along with the work experience deficit for youth from families with incomes below the BLS Lower Living Standard, and with the intense remediation and career entry employment deficits calculated for young persons from families with incomes below 85 percent of the BLS Lower Living Standard. This gradient in the income cutoffs is based on the notion that more expensive interventions later in the development and transition process need to be and can be more targeted. Table 1.

A second set of options uses the intermediate estimate of the pre-employment preparation The work experience deficit includes only those below 85 percent of the lower living standard and the intensive remediation and career entry employment counts use 70 percent of the standard as the income cutoff. Table 2.

Finally, the most targeted universe restricts the pre-employment prepration to the low estimate and work experience as well as intensive remediation and career entry employment count to youth from families or households with incomes less than 70 percent of the BLS Lower Living Standard.

Clearly, the numbers are critically dependent on the assumptions. The assumptions in the intermediate needs estimates are probably the most acceptable. While these provide a sense of the relative dimensions of the problems, there are several points which must be considered in their interpretation.

TABLE 1

UNIVERSE OF NEED

MINIMUM ESTIMATE

	Basic Employability Skills	Preparatory Work Experience			Career Entry Training & Remediation	Career Entry Employment
		In School	Summer	Out-of-School		
14-15	396	78	44	4		
16-17	227	358	450	6		
18-19	109	201	417	91	32	16
20-21	42	155	317	162	32	32

TABLE 2

UNIVERSE OF NEED

INTERMEDIATE ESTIMATE

	Pre-Employment Preparation	Preparatory Work Experience			Career Entry Training & Remediation	Career Entry Employment
		In School	Summer	Out-of-School		
14-15	1029	91	17	7	-	-
16-17	780	373	495	10	-	-
18-19	473	212	472	127	32	16
20-21	267	153	375	215	32	32

TABLE 3

UNIVERSE OF NEED

MAXIMUM ESTIMATE

	Pre-Employment Preparation	Preparatory Work Experience			Career Entry Training & Remediation	Career Entry Employment
		In School	Summer	Out-of-School		
14-15	2,270	116	0	7		
16-17	1,044	408	536	12		
18-19	311	250	468	142	41	54
20-21	111	85	375	283	41	110

First, the deficits are calculated as gaps remaining after present government programs are included.

Second, reduction in the pre-employment and work experience deficits would reduce those for remediation and career entry; in other words, total need is not the sum of the separate totals.

Third, it is assumed that the group with remedial needs would attain career entry if its deficits were met. In other words, remedial assistance would presumably include career entry employment assistance if this were required.

Fourth, if these deficits were filled, it would not mean the end of measured youth labor market problems. Early pre-eemployment assistance would equalize chances but there would be only modest direct effects on teenage unemployment. Elimination of the preparatory work experience deficit would bring the unemployment rate of all youth to that currently for advantaged youth, which is still far above the rate for adults. The remediation and career entry efforts would catch those who did not otherwise make it into the first rungs of career ladders, but only those with the most severe problems would be helped. For instance, the non-income targeted universe for career entry assistance and remediation is nearly eight times as large as the targeted universe. However, if all the deficits as defined were met, the youth career development and transition process would certainly be smoother for those burdened by the lack of opportunity. There would be much closer to an equal chance for career access.

Priority Among Needs

The seriousness of elements in this vector of needs, and the priorities for intervention, are not indicated by number counts alone. It is also necessary to consider the immediate and long-run consequences of unfilled needs, as well as the resources involved in meeting them. (Charts 19-23) In the final analysis, prioritization must also depend on theoretical and normative judgements.

1. Long-Term Implications

The long-term impacts of experiences along the path of development and transition are difficult to measure and probably understated by most available assessment techniques. There are so many factors affecting youth during these critical years, and these factors are so interrelated over time, that statistical sorting techniques can provide only a sense of the direction of causality and a crude approximation of the degree. Descriptors of youth are limited so that it is difficult to control for the differences. Such controls are a necessary precondition for sorting. For instance, to measure the long-run impact of high school part-time employment, the future employment and earnings of a group of youth who work more must be compared to those of a group who work less, all else being equal. But all else is seldom equal. Regression analysis may control for age, socioeconomic status, race and other variables, but motivation might be involved in the choice to work, or perhaps disenchantment with schooling, and this would certainly be reflected in future outcomes although not controlled by the demographics. Statistical techniques also have problems in dealing with cumulative and longitudinal phenomenon. The simple fact is that the explanative power of any youth status or change on future status or change is limited by the inadequacies of measurement and statistical techniques.

There is, nevertheless, an increasing body of evidence documenting the long-term importance of positive youth career development and transition experiences:

To assess the impacts of work and nonwork on future employability and income for teenage males, Meyer and Wise studied the 1972 National Longitudinal Survey of high school seniors. They concluded that an additional 10 hours of work per week during the senior year produced an 11 percent increase in weeks worked following graduation and a 3 percent increase in weekly earnings. However, after controlling for individual differences, there was no evidence of a lasting effect 5 years subsequently.

A study by Ellwood used the data from another National Longitudinal Survey to determine impacts of work on the future employment and earnings of out-of-school males. The study found that an extra 10 weeks of employment one year was related to between two and three more weeks of employment the next. Ten weeks out of work in the first year after school reduced wages 5 percent 8 years subsequently.

The National Longitudinal Survey data were used by Corcoran to assess impact of youth employment for females. The study found that, controlling for all variables, the odds a woman would work in a given year were eight times higher if she had worked the previous year than if she had not. Ten years after completing school, a woman who spent 2 years out of the labor force immediately after school earned between 3 and 5 percent less per hour than women who worked continuously.

A study of differentials for blacks and whites by Osterman found that whites who had no unemployment in 1968 had 26 percent less than average unemployment in 1966 and 22 percent less in 1970. For blacks, those with zero unemployment in 1968 had 12 percent less in 1966 and 34 percent less in 1970. Becker and Hills found that for the "average" unemployed youth, short joblessness did not have negative consequences. For black teenagers with 15 weeks or more unemployment, however, the future impacts were significant.

Studies have also looked at the long-range impacts of occupational information and training. Parnes and Kohen studied 18-26 year old employed men not enrolled in school. Controlling for years of school completed and mental ability, an increase in occupational knowledge equivalent to a five point rise in occupational test score (out of a possible 56) was related to an annual earnings increment of about $140 for a steadily employed white youth and $290 for a black. A study by Stevenson corroborated these findings.

Meyer and Wise studied the effects of high school vocational or industrial training on employment and wage rates after graduation. They found that no measure of high school vocational or industrial training was significantly related to subsequent employment or wage rates. However, on-the-job training subsequent to school leaving was related to higher future wages.

Flanagan found that white young males increased per hour wages by 7 percent for each year of vocational training past high school. For black males, the gain was almost double.

A study by Stevenson found that training, if applied on a job, had a high payoff, ranging from $1500 higher annual earnings for white males to $2300 per year for black females. The effects were lasting.

Grasso studied the relative merits of various high school curricula on earnings. He found that while youth in high school vocational training programs did not receive higher starting rates of pay, white youth benefitted from post-school training although blacks did not.

Hernstadt, Horowitz and Sum found that regardless of curricular, youth who worked during school experienced higher employment and wages in the 21 months after graduation than those who did not work.

The high school diploma and the educational attainment it represents also appear to pay off over the long run. According to a study by King using the National Longitudinal Survey data, there is little difference between the earning experience of graduates and dropouts, after adjusting for personal characteristics, one year after leaving school. But after 9 years, graduates make $.15 to $.45 more per hour than dropouts with the same characteristics. After 13 years the advantages increase to $.30 to $.60. In addition, dropouts experience greater unemploymert. Mott and Shaw have found that in the first 10 months after leaving school, 28 percent of white female dropouts and 50 percent of blacks experience some unemployment compared to 19 and 29 percent respectively for comparable white and black female graduates.

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Again, these studies are far from definitive concerning the magnitudes of long-term impacts. Different assumptions and analytical techniques will produce different findings. However, as a generalization, the evidence seems to be mounting that youth labor market experiences are cumulative, that short-term problems have long-term consequences, and that the causality is probabilistic rather than deterministic in the sense that work or training increases future chances modestly but is certainly no guarantee of success.

2. Immediate Consequences

Even if there were no long-term implications of youth employment problems, the immediate consequences would argue for strong action. Reams of statistics and volumes of analysis have described these problems, but perhaps the most telling dimensions are the following:

o Youth unemployment accounts for a major share of aggregate unemployment and is a problem of increasing absolute dimensions. Any effort to reduce overall unemployment must address the problems of youth; and greater emphasis is warranted to the extent these problems have become more severe.

	14-19 as Proportion Annual Unemployed	14-21 as Proportion Annual Unemployed	Number Average 14-19 Unemployed (thousands)	Number Average 14-21 Annual Unemployed (thousands)
1964	25%	34%	963	1305
1969	33%	43%	981	1256
1974	31%	42%	1637	2205
1978	29%	40%	1830	2494

o Youth unemployment problems are critical because they are so inequitably distributed. In most social welfare areas, there has been progress towards greater equality. Youth employment is a glaring exception. Secular trends have widened race and class disparities. The job gap between white and nonwhite youth, and between the rich and poor, has widened considerably.

Employment/Population Ratio Nonwhites
Employment/Population Ratio Whites

	Males		Females	
	16-19	20-24	16-19	20-24
1959	85%	98%	58%	101%
1964	84	99	68	97
1969	76	98	64	97
1974	59	87	50	81
1977	50	78	44	74

Employment/Population Ratio Disadvantaged Males 14-21	Employment/Population Ratio Advantaged Males 14-21
.67	.86
.72	.78
.77	.66

o The hardship related to youth joblsesness is significant and increasing. There are those who argue that youth are rarely breadwinners so their needs are not serious. Yet considering families and households as units, and the spending needs of youth as one component of family or household needs, then the earnings deficits of youth are the same as income deficits of the units. Part-time school year and full-time summer employment of a poor youth can provide two-fifths of a poverty level income for a nonfarm family of four. If the employment/population ratio of all 14-21 year olds in poverty were raised to the levels of nondisadvantaged youth, the extra family and household earnings would close the income deficit of all poor families and households by one eighth.

Youth account for a substantial and increasing share of labor market related hardship as measured by the National Commission on Employment and Unemployment Statistics. In 1967, there were 429 thousand youth age 16-19 and 811 thousand age 20-24 who were in the labor force 27 weeks or more predominately full-time or involuntarily part-time, who had annual earnings below the family poverty level due to intermittent or no employment, and who resided in families or households with incomes below 150 percent of the poverty threshold. By 1976, the numbers had risen to 581 thousand and 1,160 thousand respectively. The youth share of persons whose employment and earnings problems were related to family and household income problems i.e., those counted by the NCEUS hardship measure, rose from 20.6 percent in 1967 to 27.8 percent in 1976.

o Joblessness among youth has substantial social costs and consequences. The most immediate and frequently ignored dimension is foregone productively. Even if it is assumed that jobless youth on the average can produce only 90 percent of the minimum wage because of lack of preparation or experience, the net cost of employment to society is only the 10 percent differential between useful output and job creation outlays. Whether this margin is 0, 10 percent or more is subject to debate. Work valuation assessments of public programs have reached the rather surprising conclusion that economically disadvantaged youth participants produce

output valued (by alternate supply price estimates) at close to their wages and salaries. Whatever the appropriate discount, the personal consequences of employment must be weighed against this margin rather than the total pricetag of filling the job gap, and the cost to society of youth joblessness must be assessed in terms of the goods and services they could produce.

Joblessness among youth is also associated with many outcomes which carry heavy costs to society. Particularly significant are the relations between youth unemployment and homicide mortality, automobile accidents, and criminal aggression. There are also correlations with birth out of wedlock and narcotic arrests. Even slight improvements of employment can have major effects. For instance, the carefully studied supported work demonstration documented a one-sixth drop of arrests for youth during their participation. The criminal justice costs for a larcency or felony assault have been estimated at around $2700, so that even this small decline in crimes offset between 3 and 5 percent of wage and salary costs to youth under supported work.

o The youth employment problem is most amenable to actions which will reduce unemployment with a minimum of inflationary pressures. For young teenagers at the portals of work, joblessness is largely frictional. Clearly, the lack of labor market and job knowledge are major factors for youth, whereas, adult frictional unemployment is unquestionably closer to its theoretical minimum and cannot be as readily eased by improved information. Measured teenage unemployment can be reduced at a low cost by targeted actions because of the limited hours of work and wages of most jobless youth. There is little inflationary pressure from such actions because of the excess supply of youth and the fact that they are competing for the lowest jobs so that bottlenecks are not being created. Intensive remedial education and training that leads to career entry has social benefits which exceed costs for young adults who can apply skills over a full career. Finally, career access assistance makes sense because disadvantaged youth are stereotyped by employers; if the government bears the risk, employers can do the sorting they would not otherwise undertake and the youth who are hired at their potential rather than below it will pay back society more than the cost of the risk reduction in increased output. In other words, youth employment and employability development efforts are probably the best investment of scarce resources if the aim is to reduce unemployment without exacerbating inflationary pressures.

3. Costs of Meeting Needs

The budget costs of reducing these opportunity deficits depend on assumptions about hours of work or training required to fill the gaps, the wage levels and allowances paid, the intensity and mix of services and the administrative expenses. Based on current experience and a range of assumptions about the types of activities which would be initiated, the unit costs are estimated for interventions of different types at different points in the development and transition process (Table 4).

The translation of the number counts of youth with current needs and their unit costs of meeting these needs into the aggregate pricetag to provide full career opportunities rests on assumptions concerning the impacts of early interventions in reducing later needs. Estimation of the aggregate pricetag is a highly speculative exercise, cumulating impact assumptions on top of cost assumptions and university of need assumptions. A best guess is that an aggregate expenditure of $7 billion would be required to redress the vector of youth employment problems as defined by the intermediate needs assumptions, with $6.3 billion in work-experience and pre-employment assistance to bring youth up to the career threshold and $700 million for intensive remediation or career entry employment to get them over the threshold and into adult careers. The estimated costs by opportunity category and age groups are presented in Table 5. These more detailed projections are even more speculative than the aggregate estimates, but at least yield a sense of relative magnitudes.

TABLE 4.

UNIT COSTS OF PROVIDING YOUTH CAREER OPPORTUNITIES

	Pre-Employment Assistance	Preparatory Work Experience			Career Training and Remediation	Career Entry Employment
		In-School	Summer	Out-of-School		
14-15	$175	$650	$730	$4350	-	-
16-17	1000	1240	980	6300	$5250	-
18-19	2150	2500	1365	8000	5250	$ 9000
20-21	2150	2700	1470	10000	5250	9000

TABLE 4.

ASSUMPTIONS

AGE	PRE-EMPLOYMENT ASSISTANCE	WORK EXPERIENCE: IN-SCHOOL	WORK EXPERIENCE: SUMMER	WORK EXPERIENCE: OUT-OF-SCHOOL	CAREER TRAINING AND REMEDIATION	CAREER ACCESS
14-15	Testing - $55 Counseling - $95 Labor Mkt. Info. - 25	Weeks - 32 Wkly. hrs. - 5 paid/5 unpaid Wage - $2.90 Support Cost Factor - 1.4	Weeks - 9 Wkly hrs. - 20 paid/5 unpaid Wage - $2.90 Support Cost Factor - 1.4	Weeks - 50 Wkly. hrs. - 20 paid/8 unpaid Wage - $2.90 Support Cost Factor - 1.5		
16-17	Counseling - $100 Basic Skills - $450 Stipend - $250 Job Search Assistance - $200	Weeks - 32 Wkly. hrs. - 10 paid/2 unpaid Wage - $3.10 Support Cost Factor - 1.25	Weeks - 9 Wkly. hrs. - 28 paid/2 unpaid Wage - $3.10 Support Cost Factor - 1.25	Weeks - 50 Wkly. hrs. - 30 paid/5 unpaid Wage $3.10 Support Cost Factor - 1.4	Job Corps .6 yrs. $6500 Nonresidential Trng. - $4000 - 1000 hrs. 50 percent Residential 50 percent nonresidential	PSE 1 year - $11,500 OJT 6 months subsidized-$6500 50 percent PSE 50 percent OJT
18-19	Intensive Counseling - $250 Basic Skills - $600 Job Search Assistance & Follow-up - $500 Stipend - $750	Weeks - 32 Wkly. hrs. - 20 Wage - $3.25 Support Cost Factor - 1.20	Weeks - 10 Wkly. hrs. - 35 Wage - $3.25 Support Cost Factor - 1.20	Weeks - 50 Wkly. hrs. - 37.5 Wage - $3.25 Support Cost Factor - 1.30	Same As Above	Same As Above
20-21	Same As Above	Weeks - 32 Wkly. hrs. - 20 Wage - $3.50 Support Cost Factor - 1.20	Weeks - 10 Wkly. hrs. - 35 Wage - $3.50 Support Cost Factor - 1.20	Weeks - 50 Wkly. hrs. - 40 Wage - $3.50 Support Cost Factor - 1.30	Same As Above	Same As Above

TABLE 5

ESTIMATED AGGREGATE COSTS OF PROVIDING FULL CAREER OPPORTUNITIES

MINIMUM NEEDS ESTIMATE

	Pre-Employment Assistance	Preparatory Work Experience: In-School	Summer	Out-of-School	Career Entry Training and Remediation	Career Entry Employment	TOTAL
14-15	80	48	29	17			174
16-17	170	422	419	38			1049
18-19	118	453	513	112	152	126	1674
20-21	45	378	420	480	152	261	2136
14-21	413	1301	1381	1247	304	387	5033

INTERMEDIATE NEEDS ESTIMATE

14-15	180	56	12	30			278
16-17	585	439	461	63			1548
18-19	510	478	581	576	152	126	2423
20-21	288	373	497	1360	152	261	2931
14-21	1463	1346	1551	2020	304	387	7180

MAXIMUM NEEDS ESTIMATE

14-15	397	72		30			499
16-17	783	481	499	69			1832
18-19	335	565	576	304	205	459	2444
20-21	120	208	497	1160	205	945	3135
14-21	1635	1326	1572	1563	410	1404	7910

Assumptions:

1. Pre-employment assistance provided to all 14-15 year olds will reduce by 25 percent the needs for more intensive pre-employment assistance among 16 and 17 year olds; meeting the needs at this age will, in turn, reduce by 50 percent the requirements for aid to older youth.

2. Increased chances of work among 14 to 17 year olds will reduce by 5 percent the need deficit at age 18 and above for youth work experience.

3. Career Entry Training and Remediation will be offered once to those in need. It is assumed that ½ of the universe will receive help at age 18-19 and ½ at age 20-21, on the presumption that some will be slower to mature than others.

4. Career Entry Employment will be offered once to those in need. It is assumed that 1/3 of youth in need will receive help at age 18-19 and 2/3 at age 20-21.

5. Expanded pre-employment assistance will help youth find jobs on their own and stay longer in jobs. Meeting the pre-employment deficit will reduce the work experience [illegible]

6. Improvement in teenage employment chances will reduce the need for career entry employment and remediation by 5 percent.

7. Career Entry Training and Remediation opportunities and Career Entry Employment options subtract from out-of-school employment opportunity deficits among the 18-21 year olds who are assumed to be adequately mature for career investments and entry.

4. The Normative Framework. The preceding evidence suggests some of the tradeoffs and considerations in prioritizing among these needs and in allocating scarce resources among alternative interventions: Early needs are more widespread, have more limited and/or less measurable immediate and future implications, and can be met at a lesser cost while those encountered further along in the development and transition process have greater immediate and future implications but can only be met at a higher cost.

There are two somewhat distinct frameworks which might be used to prioritize needs: The first would have as its primary goal the equalization of chances for successful adult career entry. This perspective, which might be labelled the "developmental outcome framework," would weigh needs at the early stages in the development and transition process in light of their impact at the end of the process. Problems of youth would be addressed with first consideration to alleviating problems in adulthood. A second framework would have as its primary goal a reduction in the measured youth problems simply because they are real and serious in their own right. This perspective, which might be labelled the "direct impact framework," would consider any future benefits as another argument for addressing present problems.

It is the view of the Department of Labor that the "developmental outcome framework" is more appropriate for weighing labor market problems and prioritizing needs and interventions than the "direct impact framework." This judgement is based on four major considerations:

First, the demographic changes projected for the 1980's should improve teenage job prospects. The teenage cohort will decline before the early twenties cohort, so that the impact will be noticeable first in declining competition for entry and part-time youth jobs. It is also likely that the growth in female part-time labor force participation will ease, further reducing competition for such jobs. The labor market will also tighten for career entry positions, albeit at a slower pace, but it is under such tight demand conditions that intensive remedial and career access efforts will have their greatest effectiveness. In other words, a focus on older youth and later interventions with a career ladder focus makes more sense in the expected economic scenario.

Second, pre-employment services and work experience are the "path of least resistence" in manpower programming. These activities are less risky and easier to arrange than intensive remediation and career entry employment. They are also politically more popular at the local level because the resources touch more youth because of lower unit costs. There is no doubt that institutional inertia has pushed in the direction of work-experience and pre-employment assistance. In the current mix of local youth programs, these approaches are probably overemphasized.

Third, the improvements which might be made in work experience and pre-employment assistance efforts will not have an impact on career entry until the cohort benefiting from the improved or increased preparatory opportunities moves into career entry. In other words, it will take five to seven years for the full effects of better or more teen work experience and basic skills development opportunities to be felt at the career entry juncture. For the near term, activities directed to this juncture will need relatively more emphasis than the preparatory activities because a relatively larger proportion of youth will be entering the career threshhold uprepared or without the needed credentials and resumes.

Fourth, there is an implicit assumption that there will be expanded pre-employment and career education activities in the schools, along with more work-education combinations. Although there will continue to be extensive overlap between school-funded efforts and those of the employment and training system, the first priority of employment and training activities should be remediation unless other systems prove unwilling or unable to provide adequate preparatory opportunities.

Thus, from the perspective of the Department, the primary aim of youth programs should be to provide all youth an equal chance to develop the competencies and track record to compete evenly for career employment when they permanently enter the primary labor market. The aim is career preparation and career entry, with scarce resources allocated to those activities which are most likely to achieve this end for youth who would otherwise have the greatest problems. This does not imply a radical change in the mix of activities or participants, nor does it downplay the importance of pre-employment assistance and teenage work experience for their own right as well as a means to the end of career preparation. Rather, the framework leans at the margin in the direction of more concentrated efforts for older youth.

Both the "direct impact" and the "developmental outcome" frameworks share the recognition that reducing the job gap for teenagers is an immediate and important goal. All the evidence points to the fact that the opportunity shortfall at all levels is an important issue that must be addressed. In other words, the most straightforward way to address the youth employment issue is not to prioritize among needs, but to meet them all. This is not a heroic goal. As defined in this analysis, the vector of youth employment needs can be met. The shortfalls in pre-employment opportunities, youth jobs, and career entry employment and intensive remediation could be filled for an estimated $7 billion. This is certainly within the realm of possibility over the next decade, particularly if the reduced size of the youth cohort helps to alleviate the deficits.

Indeed, given the cumulative and probabilistic nature of the problem, it would appear to make sense to move towards a full opportunity approach. If all youth have equal chances at some levels but not others, then there are likely to be continuing disparities larger than the differences in experience would warrant. A pervasive phenomenon in the youth development and transition process is that the gatekeepers at each opportunity point tend to discount an undifferential cohort by the average characteristics of the group, restricting opportunity for those who are capable and motivated within the cohort. This magnifies differentials over time. If all opportunity deficits were filled, and differentiation were handled more effectively than in the current opportunity structure, there would be not excuse or rationale for such discounting. There is reason to hope that the end result of full equalization of opportunity would be greater than the sum of the marginal impacts of opportunity increments.

Whether this is the case, the documented immediate and long-term benefits of equalizing youth employment opportunities--the social output from youth work, the reduced negative outcomes resulting from widespread joblessness, the benefits of a more equitable society and of an improved unemployment/inflation tradeoff, and the cumulative impacts on career development--justify dramatic action.

LESSONS FROM PROGRAM EXPERIENCE

Past experience with youth employment and training programs, and extensive analysis of the Youth Employment and Demonstration Projects Act (YEDPA) efforts over the last 2 years, provide a number of lessons concerning the effectiveness of alternative activities and strategies in meeting youth employment needs. These lessons provide the basis for restructuring and reorienting the youth employment and training system, as well as the background for budget and policy choices.

The Program Elements - What We Have Learned

There are four major building blocks of youth employment and training programs: pre-employment assistance, work experience in the public sector, private sector access activities, and remedial training and education. A range of approaches are subsumed by these categories. Most programs and projects contain elements of all four. Yet in each category, there are some generalizations which seem warranted by program experience.

1. Public and Nonprofit Sector Work Experience. Part-time school year and summer jobs for students plus year-round "aging vat" or "bridge" jobs for high school dropouts or graduates not ready for career entry, constitute the primary activity in CETA for persons 21 and under. These public and nonprofit sector jobs are generally temporary and of limited intensity. The school-year jobs usually last less than the school term and are typically 10 hours weekly. Summer jobs average 9 weeks and 26 hours per week. The length of stay in out-of-school work experience is normally less than 6 months, with 35 hours of work weekly.

There is no evidence of substantial short-term post-program employment and earnings gains resulting from such limited duration work experiences. Available measurement tools cannot isolate the modest expected impacts of such activities. Also, the immediate results may not be indicative. Non-participants tend to be looking for work and have some probability of finding it by the time participants leave the program and begin experiencing frictional joblessness. Hence, comparisons of pre/post changes for participants and nonparticipants may yield little evidence of impacts. Basically, however, these short-term "aging vat" jobs do not lead to employment tracks any more than other short-term jobs held during the teen years. They simply contribute to a cumulative experience. But these long-term effects are difficult, if not impossible, to measure, just as it is difficult to determine the future employment and earnings consequences of any teen work experience.

In contrast, the direct effects of work experience are measureable and significant. Well-run youth projects can be highly productive, paying back social costs in useful products. Recent work valuation estimates have documented a surprisingly high output level ranging from $2.98 per hour of work for the Summer Youth Employment Program (SYEP) to $3.57 for Young Adult Conservation Corps (YACC). Jobs can reduce the likelihood and consequence of negative events such as crime. The supported work findings suggest a noticeable in-program decline in arrests. The Entitlement findings indicate that jobs can be used to lure youth back to school and to forestall early leaving. It is estimated that the effective dropout rate has been reduced by up to 10 percent in the Entitlement sites, and that one-third of eligible dropouts have been lured back to school. Because youth employment programs pay minimum wages for limited hours of work, significant reductions in measured unemployment can be achieved per dollar of public expenditure. Targeted jobs programs can be an effective income maintenance strategy because they emphasize work, have positive long-term effects, and concentrate resources to large families. The useful social output combined with these in-program benefits can justify the costs of the public work experience investment if the programs are well run.

Youth work experience programs are not always well run. YEDPA put increased emphasis on supervision and disciplined work experience, and there is evidence that there were improvements in these as well as existing efforts. The summer program was ignored for many years and loose standards prevailed for worksite activity. In the last two summers, there has been enormous improvement providing encouragement about the possibility of running large-scale work experience programs with disciplined productive work settings, but suggesting also that good management requires a great deal of continuing Federal attention to what goes on at work and training sites.

One thrust of Youth Employment and Training Programs (YETP) has been to enrich work experience with occupational information, counseling, efforts to overcome sex-stereotyping and the like. There has been some progress as well in adding such "enrichments" to SYEP. It is unproven whether these enrichments add to the impact of the experience although the conventional wisdom is that they do. Vocational exploration programs in which youth receive either classroom exposure to private sector requirements, field trips and other periodic experiences, or actual job shadowing and rotation, were tested in the 1978 summer program. The

evidence from the 1978 summer program documents only modest impacts on labor market knowledge aspirations and awareness. Since the enrichments typically account for only a minor part of expenditures and activities, it is innately difficult to separate their impact from that of work experience alone.

There has been little success in creating "meaningful" jobs in the sense of new career opportunities for teenagers. There are a broad array of work options available under youth programs, but the preponderance remain entry clerical, maintenance, social service aide and conservation positions. The effort to link jobs to youth aptitudes and aspirations are limited, and evaluators of YEDPA programs have questioned the whole concept because of limitations in available work options and the uncertainty of youth participants about what they want to do until they have gained some work experience. The evaluators have suggested that career planning should be based on a sumulative approach with decisions and job assignments based on past experience rather than just test-based employability plans for the future. Potential job progressions within programs have not been fully utilized because of the categorical nature of intake, assessment and assignment. In some prime sponsors with a limited number of low income youth who are known on an individual basis by program operators, the progression may occur, for instance, with increasingly responsible jobs from summer to summer. New York City this last summer allowed for some youth to be called back into more responsible positions in job settings of the previous summer. But this is the exception rather than the rule.

More sophisticated work experience programs for youth characterized by linkages to education and apprenticeship, more skilled supervision, and greater expenditures for materials can be and have been structured and are attractive where successful. Youth benefit more in the long-run from such successful projects and they are more productive in terms of output per man-hour. However, the project failure rate rises with the complexity. Participant hours per dollar of program expenditure are reduced by supervisory and material costs. Such projects rarely emerge in local settings because they require too long a gestation period and concentrate resources to a greater degree than is viable. Whatever the relative benefits and costs of more elaborate work projects, they have accounted for and are likely to account for only a small proportion of all work experience activities at the local level.

The quality of these work experience activities is difficult if not impossible to judge from pre/post status changes of participants. In-school and summer terminees tend to return to school. Other participants leave and continue to move around in the labor market. The aggregate short-term employment and earnings impacts of work experience are difficult to measure because of the frictional unemployment associated with program leaving. If impact measurement cannot be done with large samples over entire programs, it certainly cannot be done for individual projects. The only dimensions that can be measured are whether youth are working hard, are supervised, feel they are productive and perform according to labor market standards of time attendance and behavior. These qualities of worksites can only be judged by onsire review. There has been great consistency between what youth, supervisors and outside reviewers believe is a quality work experience in such reviews. In the summer program, worksite visits revealed enormous variance within and between prime sponsors which were totally unobservable from program data. The summer program was only improved when worksite monitoring was dramatically expanded.

While limited duration, basic work experiences predominate in serving young people, CETA also provides some transitional or career entry employment opportunities which provide access to permanent jobs. A small portion of project-type work experience positions have apprenticeship linkages. More broadly, Public Service Employment provides career entry opportunities for some of the youth who represent a fifth of participants (although the majority of youth in Public Service Employment positions are in project-type work which is indistinguishible from preparatory work experience.) Perhaps the best indicator of the potential of such programs comes from the Public Employment Program in 1972 which placed a heavy emphasis on the transition into permanent employment. The post-program earnings gains for younger participants were about 60 percent higher than for older participants. However, there was also evidence of "creaming," and those most likely to transition were those who were most employable. The New Careers program experience suggested the difficulties of rearranging job structures permanently and the need to institutionalize the transition process to assure that the new career ladders had more than one or two rungs. In other words, where career entry employment can be arranged, young adults can benefit greatly. A significant effort must be exerted to assure a transition from the subsidized job to a permanent job, to promote subsequent upward mobility and to avoid "creaming." There needs to be careful structuring of career entry experiences to assure multiple steps and subsequent access to regular jobs as well as control over the assignment into these positions.

2. Intensive remediation efforts are premised on the belief that individuals failing in or failed by the mainstream developmental institutions and processes can, through concentrated training, education and other assistance, become more employable and will, as a result, have greater future success in the labor market. The 15 years of Job Corps experience provide more information about this approach than any other component of the manpower tool kit. The most important lesson is that the future can be redirected by such interventions. Perhaps the most sophisticated and dependable assessment to date of many manpower programs has revealed that Job Corps enrollees experience statistically significant increases in labor force participation, full-time employment and weekly earnings. Arrests are markedly reduced during and after participation. Residential mobility for economic reasons is increased. Welfare and social insurance dependence declines. The current value of these benefits exceeds social costs under conservative methods of estimation. In other words, intensive remediation for youth is a profitable social investment.

Evidence suggests that skill- or occupation-specific vocational training in an institutional setting works best for young adults who are mature enough to stick with a course over the time necessary for its completion and who have a fairly stable notion of what they want to do so that they will continue in a training-related occupation. Youth must be old enough that employers will hire them when they complete the training course.

This is most easily documented in the Job Corps program. In fiscal 1978, only a fourth of enrollees who entered at age 16 completed their course of training compared to two-fifths of those who entered at age 19 and over. Among completers, those who were 18 or under had a recorded placement rate of 70 percent, with half of these in a training-related job. The placement rate of graduates 21 and over was 77 percent of whom two-thirds found a training-related job. Put in another way, the proportion of older youth who completed training and were placed in a training-related occupation was more than double that of the younger enrollees.

The experience is consistent across all institutional training--teenagers tended to have higher termination rates and lower training-related placements than young adults. Even in vocational education, the body of evidence does not suggest that secondary vocational education increases subsequent

employment and earnings. Rather, it is post-secondary vocational education which produces most of the gains. There are doubtlessly many youth who are mature and directed enough in the teens to complete and benefit from specialized training, but this must be determined on an individualized basis; on the average, their retention and placement rates are not high enough to justify the investment at this point.

This reality is, in fact, recognized by decisionmakers in the employment and training system. In CETA, Title II (then Title I) local programs there were only 62,500 youth 19 and under in classroom training activities in 1978. Most of this was basic skills and world-of work type courses. In Job Corps, 16- and 17-year-olds are usually placed in generalized training such as maintenance or cooking which can be applied even if they drop out early; if they stay longer, they are usually shifted into more specific training occupations. Job Corps advanced training programs operated by unions frequently have an age requirement.

The same pattern apparently holds true for intensive remedial education. In Job Corps, for instance, the proportion of those who entered at age 16 or 17 lacking a high school diploma who subsequently attain a GED is 10.9 percent compared to 12.9 percent among those 18 or 19 even though education is stressed as the major component for younger enrollees and even though older youth tend to be more anxious to get on with vocational training. The experience with the Career Intern Program of alternative education suggests that those youth who have left school and are ready to return voluntarily do better than those identified as having problems in high school and referred directly into the program. Finally, early findings from the mixed services demonstration project which randomly assigns out-of-school youth to work, work mixed with remediation, and classroom training, finds significantly greater dropout rates in the latter case, suggesting that young people may need some aging before they are ready to return to the classroom.

Another lesson is the importance of alternative settings for such intensive remediation. The Job Corps provides a structured and positive environment away from home. The decision to leave home is frequently a demonstration of maturity or a sorting process. Under the Entitlement program, it has proved difficult to attract dropouts back into regular school; the dropout enrollment at local sites only increased when separate educational components were introduced. The common element in successful intensive remediation appears to be self-paced learning and individualization. Remediation is necessary in the first place because the youth could not

move at the average of their peers, so that return to the same environment is demeaning. Likewise, simply being slotted with all those who have fallen behind is not helpful because the achievers are dragged down by the less committed youth. In a separate setting, where the entrance requires some motivation, and where there is self-paced learning which does not emphasize comparative deficiencies, a positive dynamic can be achieved.

3. Basic Employability Skills Development. There is a broad assortment of activities which aim to provide youth with greater knowledge of career options, how to search and apply for jobs, the demands of the workplace, motivation and self-confidence to enter the labor market, a helping hand to overcome personal barriers and follow-up on the job to reduce the chances of failure. The activities include basic life skills training, job search assistance, counseling, special efforts to overcome sex stereotyping, vocational exploration and cluster skills training. The term "pre-employment" assistance is sometimes used to describe such activities, but they may be integrated with work, may be needed at several stages of development, and may include follow-up after employment. Basically, however, the activities aim to provide a minimum set of competencies or coping skills with which youth can then make it on their own in the workplace. For youth age 14 and 15, this assistance is quite generalized and limited in scale. Usually it is offered in the school and summer under the rubic school-to-work transition services. For out-of-school and older youth who evidence more severe problems, more intensive assistance is required.

There is almost no hard evidence about the impacts of employability skills development assistance, the most effective delivery approaches, or the different mechanisms for dealing with different groups. The reason is that the services tend to be of limited duration and cost, so that their impact is by nature modest and, therefore, difficult to measure. The activities have the aim of changing knowledge and behavior which will not necessarily be reflected in immediate changes in employment and earnings. Psychometric measurement of in-program changes is a tenuous exercise. Large-scale, control group experiments now underway under YEDPA with school-to-work transition services, job search assistance and pre-employment services for out-of-school youth should provide some better indicators of impact, but the evidence is a year away.

For now, however, policy decisions must reast on the judgements of practitioners who deal with youth on a day-to-day basis. Employability skills development has been given extensive emphasis under local programs, and is also the major focus for non-CETA programs dealing with special needs groups. Practitioners generally agree that assistance is necessary before most disadvantaged youth can successfully enter jobs and

that a helping hand is needed when failure is encountered in the labor market or a personal problem disrupts progress. Practitioners stress the need for role models and peer support networks, as well as arrangements that provide continuity of support for individuals so that their positive experiences become more cumulative. There are also those who emphasize the importance of intensive follow-up on the job, i.e., that there should be post-employment as well as pre-employment assistance since, for teenagers, entrance into a job is only the beginning of a sequence rather than a career decision. Most observers agree that there has been inadequate emphasis on follow-up with employers and youth under CETA programs.

4. Private Sector Access. There is a fundamental perception that youth participants in employment and training programs should receive a set of discrete services and then be placed in "real" private sector jobs. In fact, placement rates into unsubsidized employment are quite low. In fiscal 1978, less than a fifth of terminees of YETP and YCCIP entered private employment, with the rest returning to school or other programs or nonpositively terminating. In 1978, only 3.6 percent of all YETP participants were in private sector on-the-job training. This is characteristic of all youth programs which serve primarily teenagers.

This has led to an active effort to find mechanisms of private sector involvement and access through new intermediaries and through financial incentives. On the assumption that red tape is an impediment to hiring and training low income youth, and that reimbursement is needed for the extra costs, the Targeted Jobs Tax Credit provides half the first year wage for the hiring of certified low income youth as well as students in cooperative education programs. The Youth Incentive Entitlement Pilot Projects (YIEPP) program provides for 100 percent wage subsidy to the private employer, with payrolling from the prime sponsor. Private Industry Councils have been created to intermediate with employers. In addition, under the discretionary authority of YETP, there have been tests of a wide range of techniques for accessing private sector jobs. The lessons are not all in, but there are some preliminary indicators which are consistent with past experience:

First and foremost, it is unrealistic to expect high direct placement rates for programs which provide short duration or seasonal and in-school work experience, where participants are selected because of their labor market difficulties, and where funds are concentrated in areas where there are significant private sector job deficits.

The impediments are not just red tape nor can they be overcome by "bribes" to employers. The Entitlement program provided the first test of the full wage subsidy. In the 17 project sites, a very substantial effort was made to line up business commitments to provide part-time and summer jobs. As of September 1979, only 15 percent of the jobs were in the private sector. This is four times the percentage under YETP, but the private sector remains only a modest component of the effort to fill the job deficit for the in-school poor youth in the Entitlement case accounting for only one in seven of the needed employment opportunities. Anecdotal evidence suggests that even the 100 percent subsidy may not cover the costs of supervising the Entitlement youth. There has been no evidence of increased hiring for the sake of subsidies. The proportion of Entitlement youth in private sector jobs has stablized. Likewise, there has not been a massive surge in the use of the Targeted Jobs Tax Credit. Through July 1979, only 1400 economically disadvantaged youth age 16-18 had been hired under this mechanism, and only 6300 19- to 24-year-olds.

Employers and the public complain about red tape in government programs, but it is not necessarily disfunctional. In private sector subsidy programs, restrictions are necessary to protect against abuse. Under the contract JOBS program in the late 1960's, early subsidy contracts had few strings attached but in many cases participants were similar to those who would have been hired anyway and there was little on-the-job training. Procedures were then tightened by putting more requirements in the contracts. The result was fewer employers willing to participate, but also less "windfall" subsidization. On the other hand, other restrictions might not be worth the effort. Attempts to reduce subsidy levels in private sector Entitlement jobs after participants stayed for a period of time have not been successful. Either the youth are job ready and will be picked up by the employer or they are not, and a reduced subsidy formula creates red tape which discourages continued participation by the employer.

There has been a continuing search for model private sector approaches, but considering all the funds available under CETA and the fairly consistent pressure to place participants in the private sector, it is surprising how few "models" have emerged. In certain circumstances, those models are tautological in the sense that motivated employers have taken an initiative which is then called a model simply because it occurred. There are few easily replicable packages.

Finally, it must be realized that private sector access is inversely related to age. While rhetoric stresses placing youth in the private sector, it is really older participants in longer-term activities where linkages can be established for whom this is a feasible option. The figures for on-the-job training under YETP and Title II are suggestive.

Age	1978 Proportion in OJT	
	YETP	Title II-B (then Title I)
Under 16	2	0
16-19	3	11
20-21	10	22
22-44	--	21

For younger participants residing in job deficit areas, immediate private sector placement is unrealistic. The aim should rather be to provide teenagers a cumulative track record to improve their competitive prospects in the future. Employment and training programs do not do a very good job because there is no way to tell whether a participant has had positive or negative experiences. Private employers have a negative perception of CETA youth, so much so that motivated youth are better served by downplaying their program participation so that they will not be typecast as a "disadvantaged" individual.

Because of misconceptions and inflated expectations about the potentials of private involvement, some realistic possibilities have been neglected: First, the Entitlement approach of payrolling private sector jobs part-time in school and during the summer can increase opportunities for a disadvantaged clientele. Although the full wage subsidy is not an "open sesame," it is a necessary tool if poor students are to gain private sector work experience during their teens.

Second, intermediary groups such as 70001 and Jobs for Youth and certain community based organizations can provide a continuing and personal linkage to employers, as well as a mechanism for sorting among disadvantaged youth. To maintain credibility with employers, these groups have to realistically assign young people to jobs they can effectively fill. To do this, they must sort among the disadvantaged. In the 1960's, OIC established its reputation with

employers by screening in and further motivating the more mature and upwardly mobile among the disadvantaged, thus giving employers a more dependable product. There are many community based programs filling this function today at the local level.

Third, some institutional skills centers have established a track record with employers to a large extent by determining the specific competencies they require, then meeting these competencies. There is a comprehensive certification system in Job Corps for specific vocational skills acquired. This system has proven useful with employers, particularly in occupations such as welding.

Fourth, while OJT is too cumbersome to the employer because it requires payrolling and reimbursement, the tax credit is too general in that it certifies the participant but does not assure the job is a real training or career entry opportunity for this individual. It should be possible to certify career entry positions and to have a try-out period which is payrolled without red tape. This would allow participants to prove themselves and overcome negative labeling.

Fifth, placement assistance should be generalized for younger participants, with particular emphasis on teaching them how to look for work. Placement components related to preparatory work experience should also be generalized. Ties between public sector jobs and the private sector should become more distinct as the jobs become more nearly like permanent adult employment; career entry employment requires very formalized linkages as noted previously. Advanced training likewise should have specific linkages while less advanced training should offer more generalized placement assistance. The Job Corps again provides a model where advanced union programs are now being followed directly by Industry Work Experience and then unsubsidized employment so that the extensive training investment is not wasted.

Underlying Approaches

Youth employment and training programs and policies rest on a foundation of assumptions and understandings which are only rarely questioned. Targeting, participation standards and requirements, the structuring of services for individuals over time, and the tradeoff between income maintenance, employment and human resource development goals, are the crosscutting issues. Recent youth program experience suggests the need for reexamination and perhaps modification of some of the underlying approaches to these issues:

1. Sorting vs. Support. A predominant but unstated theme of employment and training programs is to provide a supportive environment for disadvantaged youth so that they will not reencounter the failure they have experienced in the schools or the labor market. It is assumed that the longer they can stay in structured activities, the more likely they are to benefit. For instance, Job Corps has found a significant relationship between length of stay and post-program employment and earnings, so that retention has been emphasized and performance standards for centers are keyed to retention rates. The Entitlement program and other local efforts aimed at discouraging early leaving or promoting return assume that the best thing for youth is to remain in school, again because of the correlation between the diploma and subsequent earnings. Youth programs are judged by turnover and positive termination rates, so there is an incentive to keep participants as long as possible. In the summer program, local operations have an incentive to retain youth who are not performing both because the summer will be over soon, there are few other contructive options, and any vacant slots cannot be easily refilled.

It is not clearcut, however, that the youth who on the margin are most likely to drop out of programs will necessarily benefit from a longer stay. The average experience of completers vs. noncompleters may not be predictive of the experience of a likely noncompleter who is coaxed to stay.

The Job Corps experience suggests that if youth are forestalled from dropping out for personal and nonrecurring reasons, they can complete training and be successfully placed. It is not at all clear, however, that providing incentives to others who have continuing difficulty adjusting or are not ready for the Job Corps experience really produces a positive outcome for them. The 50 percent 9 day dropout rate in Job Corps works as a sorting mechanism, and those who stay are then a better bet for more expensive continuing training. In a system like CETA where a youth may be coaxed to stay in an activity for 90 days, this does not mean that he or she is then ready for intensive remediation because the sorting process may not have been allowed to occur.

Sorting does not mean that youth who do not perform are abandoned. In Job Corps, there are second chances to reenter after a period calculated to allow some maturation. Youth who cannot move forward into advanced components are given special remediation tailored to their needs. Likewise, in well run and smaller summer programs, there are a progression of jobs from summer to summer. The youth who are effective move up from year to year while the others continue in the more menial positions until they can prove themselves. The aim is to provide an individual incentive for performance and options for those who have more serious problems.

The retention emphasis for each component and program agent has several negative consequences. It tends to undermine standards in all activities. Youth who do not produce are retained alongside those who do. The discipline which is an important part of the work experience is lost. There is no chance for the individual to respond to increasing responsibilities and to mature when there is no expectation of performance.

Completion of a unit of service in CETA has very little meaning, since all youth are held as long as possible. The experience cannot, then, be used as a reference for a more advanced experience in the next employment and training activity or as proof of accomplishment to potential employers. This last factor is perhaps most critical. The activities in CETA are not referenced to any individual standards of achievement, so that it is impossible to tell what a youth has learned or can do. Since for many youth these programs are the only work experience until the late teens or early twenties because of the dearth of private job opportunities, it is a serious drawback that the experience cannot be used to document competencies and development.

Evidence suggests that structured and demanding activities have the greatest success. Worksite assessments under YEDPA and SYEP combining participant and supervisor interviews with outside reviewer assessments have consistently found that all parties consider the best worksites to be those with clear standards and enforcement of rules. In Job Corps centers that operate most effectively, Corpsmembers socialize new recruits into a standards of individual performance. Peer support tends to work.

There have been some efforts in recent programs to increase performance standards. Under YETP, a "service agreement" approach has been widely used in which services are prescribed for each youth on an individual basis with roles and responsibilities explained. Worksite agreements setting work standards and expectations have been required under YETP, SYEP and the Youth Community Conservation and Improvement Projects (YCCIP). The Entitlement program conditions the job guarantee on school attendance and performance. The notion of academic credit for work experience assumes a completion of a set of learning activities on the job. In the summer program, the theme in fiscal 1979 was to demand "a day's work for a day's pay," and although there were still cases of slack standards, the demands were greater than ever before and much more like in private sector jobs.

Sorting by activity completion is straightforward where individual standards of performance are enforced in the activities. Sorting by measured competence acquisition is more complex and rests on identifications of a reasonable set of benchmarks of employability development. There has been very little effort outside Job Corps to document competencies attained as opposed to registering completion of service units. In Job Corps, there is a complete and detailed system for measuring demonstrated vocational skills. There is also extensive use of the GED. A GED and positive performance ratings are needed in Job Corps for entry into advanced career training options. The aim has been to provide credentials, and to create an internal progression of experiences and rewards based on performance.

Private sector employers frequently attest that they simply want a youth who will show up on time and work hard. It should be possible to certify that a youth has demonstrated this maturity in an employment and training program. A measure of pre-employment competence or basic life skills would be of less use as a reference for employers than as a benchmark for moving the youth into more advanced activities and perhaps for giving a tangible recognition of accomplishment. Vocational competencies can be measured in a variety of ways, and Job Corps has one system that could be easily adapted. Educational certification standards are being developed in a number of States and the GED or high school diploma is an option if agreement is not possible on other benchmarks.

However, the underlying view that has to be changed is the notion that it is wrong to sort disadvantaged youth by identifying and referencing achievement. As programs reach an expanding portion of the universe of need, it is critically important that they provide opportunities which are like those in private sector. The requirement for performance and the risk of failure are a necessary part of any opportunity. As the opportunities are equalized for positive experiences, for instance, as disadvantaged minority youth come to have the same chances of employment in school and out during the teen years as nondisadvantaged nonminority youth, then application of labor market standards of success or failure, with rewards and punishments, becomes more feasible because the option for the youth who fails is not so bleak and the cause of this cannot be blamed as much on previously limited opportunities. It is necessary to provide second and third chances and a helping hand, but there is a need to tighten performance requirements and to utilize programs as a proving ground as well as a developmental opportunity.

2. Duration and Sequencing of Activities. The CETA reauthorization limited the period of work experience in CETA to 1000 hours in a single year, 2000 hours in any 5 years, and 30 months overall. There are exemptions for in-school work experience and a number of other loopholes, but the basic concept is to limit dependence so that "remedial" activities do not become continuing alternatives.

This is based on the reasonable notion that persons should receive employment and training services and then become employable. However, it does not square with the labor market needs of youth which may require several years of "aging vat" work experience (cumulated perhaps over summers or in short doses in-school) which may not immediately increase employability enough to guarantee placement, particularly where the participants reside in areas where there are significant job deficits, and where the participants are the victims of discrimination. It is estimated, for instance, that the Summer Youth Employment Program already provides two-fifths of the employment for 14- to 19-year-old nonwhites in the summer months. To reduce the job gap would require further expansion of summer components. In turn, youth in need would be working primarily in the public sector because that is where the majority of jobs would be for the eligible population. Participants would run up against the hours limitation before they matured to the point where career investments would be feasible.

Simply put, the limitation in service should begin once the youth enters career training or a career ladder employment opportunity, not during the developmental sequence. At current funding levels, or at any realistically projected funding levels, there will not be enough resources to provide continuing treatments from age 14 to 21 for all youth in need. This is not intended nor is it necessary. However, some youth with particularly severe problems may require such continuity of treatment. Stricter standards in the programs, and careful progressions will discourage "CETA junkies." Individualized prescription of services, rather than arbitrary limits, should help to determine who needs what.

If activities occur over a continium, it is important that experiences be sequenced so far as possible so that they cumulate maximally. Sequencing needs to be both "ex ante" and "incremental." "Ex ante" sequencing means that a plan is developed for an individual mapping out a structured series of activities over a span of time. "Incremental" sequencing means that at each point the youth reenters the system, assuming periodic entry and exit, the activity prescribed at that point is based on past experience. The

notion of implementing long-term employability development plans is not realistic for younger teenagers, because they have so many options which only sort out over a period of years. However, "ex ante" sequencing becomes possible and necessary as youth mature, their career goals and options stablize, and they are ready to begin intensive remedial investments or career entry. Here, training is best linked directly to jobs with no discontinuities. It is important to clear the obstacles so that the occupation-specific investment pays off. Put another way, the sequencing should be retrospective early in the development and transition process and more prospective later.

3. Targeting Resources. There is general agreement with the principle that scarce public resources should be utilized for persons most in need, but there is disagreement about the degree of such targeting and the best mechanisms for achieving it. Youth programs use a range of approaches both in allocating resources among areas and in determining eligibility within areas. The allocation formulae are varied. YCCIP divides resources among areas according to the unemployed population. YETP uses a weighted formula of unemployment, excess unemployment and poverty. The summer program uses poverty and unemployment, along with a "hold-harmless" clause which has retained the concentration of resources in central cities that was characteristic of the War on Poverty. Entitlement sites were decided by competition. Discretionary resources under YETP and YCCIP can be utilized anywhere and have been concentrated in urban and rural poverty areas. YACC sites are required to be near areas of substantial unemployment, but essentially they mirror the distribution of Federal lands. Job Corps expansion was planned to balance slot distribution with the regional shares of unemployed poor youth.

The effects of these different area allocation approaches are substantial: Poverty factors in the allocation formulae emphasize rural areas; unemployment shares spread resources evenly, while excess unemployment factors concentrate in a few cities; population density yields a very heavy concentration in the urban centers while the population factor distributes evenly across the country. Discretionary dollars are most effective in targeting to poverty areas. Finally, tying sites to the distribution of Federal lands under YACC completely mismatches with need (Appendix 6).

There are also varying income eligibility requirements. Entitlement is most restrictive with poverty as the measure. SYEP uses 70 percent of the BLS Lower Living Standard, while Job Corps uses this standard supplemented by an out-of-school requirement and several other conditions. YETP uses 85 percent of the BLS Lower Living Standard for work experience components but has no income restriction on low cost services. YCCIP is open to all unemployed youth with first consideration to the economically disadvantaged. YACC is not targeted and is designed for a "good mix" of all youth.

The income criteria make a difference in the size of the eligible population and its characteristics:

	70%	85%	100%
# 14-21	5,802	7,318	8,911
# 14-21 Dropouts	1,344	1,696	1,986

The different allocation formulae and income eligibility criteria have yielded substantial differences in the population served by different categorical programs:

	Percent Dropouts	Percent Economically Disadvantaged	Percent Nonwhite & Hispanic
YACC	43	44	18
YCCIP	60	84	61
YETP	23	82	55
SYEP	6	100	72
YIEPP	7	100	84
Job Corps	86	100	71

There are problems in the application of both allocation formulae and the eligibility standards. There is little correlation between area adult unemployment and youth unemployment, and youth employment/population ratios would be preferable because of uncertainities about the meaning of unemployment measures for youth. However, neither youth employment nor unemployment data are available by prime sponsor as a basis for allocation. It makes no sense whatsoever from an equity or efficiency perspective to adjust youth allocation shares of prime sponsors each year based on adult unemployment changes since youth employment needs of areas do not correlate well with adult changes or levels.

The income eligibility criterion is fraught with hidden problems. Vertical inequities occur since income is a poor descriptor of individual need and employment obstacles given the wide range of potential and experience within any income or demographically defined youth cohort. Family status arrangements can make all the difference in the world. Just by declaring independence, an unemployed youth can meet the disadvantaged requirement. The use of school dropout status for eligibility creates incentives for school leaving, while the use of long-term unemployment may be reasonable for self-supporting youth out of school for several years, but is meaningless for teenagers who are in and out of the labor force. A long-term unemployment restriction would encourage some youth to remain unemployed in order to establish eligibility. Some special needs groups are already exempted from the income standards--the handicapped and offenders. However, relative to any income criterion, there are hundreds of thousands of ineligible youth who, by any individualized comparison, need help more than many who are eligible.

Borrowing from the YCCIP and YETP experience, it appears that separate standards are needed for high cost, intensive remedial services or work experience as opposed to low cost transition services. The latter should be available for all youth with prime sponsors free to decide on the emphasis. Under YETP, less than 5 percent was spent on straight transition services despite the lack of restrictions on targeting. It does not appear that prime sponsors will go too far. It is important that low unit-cost activities such as job search assistance be available without income certification requirements because they generate unnecessary paperwork which deter the use of such techniques.

YCCIP suggests that even for more expensive activities, a higher income standard, with clear guidance for targeting by individual needs, can achieve the purposes of the law and also allow for assistance to special group needs. For instance, 12 percent of YCCIP participants are offenders, double the proportion under YETP. Apparently prime sponsors have used the income flexibility to serve such special needs individuals without sacrificing income targeting since the percentage disadvantaged in YETP and YCCIP are roughly parallel.

The preceding analysis of youth labor market problems has implications for targeting. Because there is such wide variation within cohorts, and because permanent problems emerge more clearly only after cumulative experiences, it makes less sense to income target for early interventions. Labor market status variables such as being unemployed or long-term unemployed, are ineffective mechanisms for identifying youth with severe needs. Analysis suggests that the most productive variables are those related to previous, longer term patterns in the labor market and to participate in developmental activities. For instance, the fact that a youth had three periods of unemployment in the last year is more reflective of problems than the fact that he or she is currently unemployed. The most effective targeting could be done if there were an individualized multi-year record of experiences to determine patterns of success or failure. Because deficits are concentrated in certain geographic areas, and because it is not just the individuals with problems at a point in time who are affected, targeting by area makes more sense than targeting by individual characteristics. And because multiple problems accumulate to more than the sum of the parts, extra weight must be given to intensity factors in these allocation formulae.

4. Income Maintenance Elements. The wages and allowances paid in employment and training programs for low income youth have important income maintenance effects. An in-school and summer combination of work for a poor youth can provide wages equal to two-fifths of the poverty threshold for an urban family of four. The problem comes when income maintenance objectives are stressed over employment and human resource development objectives. For instance, when public work experience programs pay youth more than their productivity level and more than can be obtained in the private sector, society loses and the individual, while getting needed income, may develop unrealistic work behavior and be deterred from seeking employment in the private sector. Approximately half of the cost for classroom training goes for allowances, which are required by law to equal the minimum wage. Obviously, the more that is paid in allowances, the fewer persons who can receive training.

There are several shortcomings in present wage practices. First, the minimum wage is more than what most 14- and 15-year-olds can earn in the private sector, and more than could be earned by many older youth without work experience. In the May 1978 Current Population Survey, the following percentages of working youth reported earning less than the then current minimum of $2.65.

14-15	69%
16-17	35%
18-19	14%
20-21	8%

The government jobs clearly provide attractive options to private sector employment for some of these youth. To the extent that public work experience programs are less demanding than private sector employment, the disincentives are exacerbated.

Second, there is a classic case of "wage illusion" in public perceptions. A significant group in the population will oppose paying 14- and 15-year-olds $3.10 per hour. When the minimum goes up, so does the public opposition to activities for 14- and 15-year-olds that pay the minimum. This is particularly true when public service employment programs which may employ the parents of these youth are limited to wages only slightly above the minimum. There is pressure, then, to exclude 14- and 15-year-olds from programs they need simply because of the inflexibility relative to wages.

Third, allowances create special problems where disadvantage and nondisadvantaged youth are slotted into the same training or remedial education, with one group getting paid for the effort and the other not. This disparity is one of the major barriers to coordination noted by educators and vocational educators.

Fourth, with scarce resources, the wages and allowance floor tends to become the ceiling so that everyone is paid the minimum. This eliminates incentives for good performance, and limits the steps that are available within the public work experience sector.

Fifth, reduced allowances can help to differentiate between those who simply want income and those who are mature enough to devote themselves to career development investments. The experience with OIC programs in the 1960's indicates that the absence of allowances provided a way to screen in participants who were highly motivated, so that a program dynamic could be created. The Job Corps allowance, now $50 monthly

for new Corpsmembers, is equal to only a tenth of what would be earned monthly at full-time minimum wage employment. While full Job Corps services may be valued at more than the minimum, the $50 is what the Corpsmembers sees in his or her pocket. Youth who simply want income would tend to choose work experience positions rather than Job Corps. This natural sorting of those committed to human resource investment would be even greater if opportunities for work were equalized for disadvantaged and nondisadvantaged populations so that poor youth really had work options.

The wage issue is complex and fraught with political implications. There is general agreement that workers should get paid relative to their productivity. The minimum wage law provides for a 15 percent differential for 14- and 15-year-olds and for certain older students on the assumption that they lack the experience to be fully productive. If there were a benchmarking system assessing employability on an individualized basis, this could provide a basis for applying such differentials. An individualized approach would be far better than any comprehensive youth differential which might lead to some fully employable and productive youngsters being forced to accept wages less than their productivity warrants.

Delivery, Design and Organizational Lessons

The YEDPA implementation has been carefully studied, and there have been extensive process evaluations of discretionary projects dealing with different approaches and delivery mechanisms, building on the experience with long-standing programs such as SYEP and Job Corps. This body of evidence is suggestive of how local programs might best be organized, how they can be planned and designed, the comparative advantages of various delivery institutions, and the appropriate division of responsibility between the Federal and local levels.

1. Consolidation. The one point on which there is almost total agreement among program operators, planners and administrators is the need for consolidation. YEDPA added two new categorical programs with different eligibility requirements, activity mixes and reporting requirements to the two sets of programs already operating locally under Title II.B. youth activities and SYEP. The resultant problems are cataloged in all the case studies of the YEDPA experience. Separate administrative arrangements were needed for each program. Planning became an effort to fit together the pieces of a jigsaw puzzle. Individual needs had to be sacrificed to program restrictions. The MIS systems became fractionated; and as intercategorical transfers occurred, system accountability suffered.

Categorization was based on several assumptions. One was that separate programs could be implemented to test alternative approaches. Experience has shown, however, that comparison of approaches is better handled through structured, random assignment experiments. The artificial boundaries between approaches written in YCCIP and YETP were not always good for individual participants and the differences were obscured in practice. Prime sponsors tended to enrich YCCIP using YETP or Title II resources where they felt the work approach of YCCIP was too limited. There are also countless work experience positions in YETP which are exactly the same as in YCCIP, and the client groups do not differ substantially. Where a major categorical program such as YCCIP is overlaid on a broader base such as YETP, it does not necessarily change the level of effort for YCCIP-type activities because the prime sponsor is free to either increase or decrease the level of like projects under YETP.

The summer program is a special issue. It has been continued since its outset as a separate category. In one year, there was an attempt to roll it into Title I of CETA, but Congress voted a separate appropriation as the summer approached. Whatever the political implications, program experience strongly suggests the need to consolidate the summer program.

First, elimination of a summer program does not mean the elimination of seasonally expanded local activities. Prime sponsors are certainly as responsive to the threat of a "hot summer" as Congress and are perhaps more cognizant of local needs for expanded summer activities to meet the seasonal employment patterns of youth. In fact, prime sponsors substantially supplement the Summer Youth Employment Program by seasonally expanding Title II, YETP and YCCIP as well as public service employment. On the other hand, if prime sponsors wanted to spend relatively less for summer programs, they could simply plan to pick up YETP or YCCIP enrollees in the summer, thus keeping a level operation. Since seasonal youth unemployment rates locally are not available and the allocation criteria in the law are not well correlated with youth joblessness, particularly summer youth needs, the special summer component tends to dump more summer money into some areas than they need and too little in others. Local areas are better able to assess seasonal priorities based on their experience.

Second, the one attempt to decategorize the summer program is not convincing since it lumped a youth program into a combined adult and youth component, forcing a choice between adults and youth rather than between summer and year-round youth needs. The decategorization had not been legislatively agreed to before the fact, and clear guidance was not given to prime sponsors. Congress' enthusiasm for pumping money into the summer program late in the spring--one reason why a separate program has been retained--may now be constrained by the clear evidence of the negative impacts this has on local programs as well as by progress Congress has made towards a more orderly budget process.

Fourth, there has been a concerted and productive effort to move to year-round planning under SYEP and to better integrate summer with school-year components. This has clearly been complicated by uncertainty over summer funding levels and the separate requirements of the summer program.

Clearly, then, the separate categorization of the summer program has significant costs and few, if any, benefits either operationally or administratively.

The Entitlement program offers a special case of categorization. It was, in fact, a legislated experiment rather than a general program, and in this case Congressional specification was required because an experiment of this scale and with this concentration of resources in a few sites could not have been mounted without legislative backing. The question, now, is what to do with the program and the approach. There are really two elements to Entitlement: The concentration of resources to the point where a guarantee is possible for those with greatest need in a specific geographic area; and the requirement that youth must be in school or return to school to utilize this guarantee. The evidence is not available yet to judge whether the school linkage is fruitful, although the signs appear positive, but there are unequivocably positive findings relative to the targeting. YIEPP has by far the most disadvantaged clientele of all local CETA programs. The characteristics and backgrounds of participants clearly document their need for continuing and extensive interventions. The experience suggests that it is both feasible and reasonable to utilize supplemental funding to reach participants in poor neighborhoods in urban and rural areas. The supplement could provide a level of resources so that a matrix of activities could be guaranteed to resident youth - perhaps less than the 4 years of full employment potentially available under Entitlement, but substantial enough to compensate for shortfalls in the

economy, to assure an equal chance at employability development and to compensate for multiple and compounding obstacles to employment. It would make sense to integrate such a supplement into a consolidated local system rather than adding all the controls and reports required under YIEPP to meet legislative mandates. If it is determined that the school conditioned aspect of the guarantee is important, local prime sponsors could be encouraged to adopt such an approach within their local programs. The Entitlement operational experience suggests that despite the special conditions required for experimentation, operational integration can be and has been achieved for a more intensive effort in specified locations.

2. Stability and Continuity. A second lesson about the organization of programs is the need for greater continuity and stability. The annual funding cycle for CETA programs, with variations from year-to-year in allocations for each prime sponsor because of changes in relative employment and unemployment rates, wrecks havoc with administration and operations. This is true for all CETA programs, but particularly those that are subcontracted, that involve small, specially developed as opposed to expanded activities within the subcontracting agencies, and that deal with the schools, which operate on a continuous planning cycle with an operating year beginning a month ahead of CETA. Youth programs, because they tend to be subcontracted, because they frequently involve special activities where staff have to be brought on board and retained, and because they deal with schools, have particular difficulties related to the instability of funding.

Traditionally, prime sponsors have adjusted to fluctuations in annual allocations by carrying over a significant portion of funds from year to year, by using the summer component as a way to burn-off extra monies or summer allocations to continue year-round projects that are running out of money. Now, this is more difficult because of restrictions in carry-over from year to year. Prime sponsors will no longer be able to "play the float." Prime sponsors can adjust to modest changes in real appropriations levels by fluctuating hours and weeks of participation. Most keep some in-house components and the remainder subcontracted and are able to retrench the most marginal performers or least politically sensitive subagents. But the problems have only been kept to a minimum because of steadily rising real aggregate appropriations for employment and training activities.

The combination of annual fluctuations and requirements for special consideration, notification and the like has led most prime sponsors to adopt annual competitive contracting among subagents. The uncertainty of prime sponsor funding, then, compounds the uncertainty of the annual competition for subagents. Each year these subagents must recompete, with their chances depending on the prime sponsor funding level. For the typical subagent, this means that the spring is consumed by competition for next year's funding. There are time-consuming processes of application and review. In August or September, there may be notification to the prime of planned funding, but it is subject to the allocation which still may not be received by the prime sponsor because Congress has to act on the budget and the shares then distributed. In recent years, the uncertainty has been compounded by failure of Congress to act on the budget in a timely fashion.

For subagents who get funded for the first time or launch a modified or expanded program, new staff and materials must be secured beginning October 1. Enrollment must be increased as quickly as possible to get up to operating levels. Training of staff and shakedown must occur at the same time. Enrollment must subsequently be surged in order to achieve contracted manyears since there will be many dropouts and since the phaseup takes some time. In other words, staff tends to be plateaued while enrollment follows a curvilinear pattern.

As the year progresses, administrative staff must begin to focus on the competition for the next year. The operating staff realize the uncertainty and wonder about their own future; some look for and take other jobs. As participant termination occurs, there is a hard choice between carrying a smaller number of enrollees with fixed overhead or bringing on new enrollees who might receive only a limited period of service. If money has not been spent or enrollment goals met, there is usually a hasty effort to bring on more youth and meet goals. If the activity is refunded, then there is either a phasedown as dropouts occur in the next year, or a phaseup if enrollment has been allowed to decline because of the desire to give an adequate duration of services to all participants. If subagents are not refunded, all remaining participants must be transitioned.

This scenario is even more complicated when schools are involved. The school employment structures are more rigid and the schools must plan before the summer who will be back the next fall. School starts in September, but the new CETA funds do not come until October. Likewise, where small subagents are mounting special components rather than just marginally expanding existing ones, the cycle exacerbates their problems because they are bringing on all new staff and then are at risk of losing all of them.

This scenario affects all aspects of operations. It leads to programs of the lowest common denominator--those with the least complexity that are extensions of existing efforts and which can be expanded or reduced with little problem. The interventions selected are short-term so that they can be surged and can have an immediate impact. Youth projects rarely consider multi-year or longer term sequences for individual participants and this can only be arranged by the prime sponsor by linking together activities. The staffing patterns of youth projects are also affected. Only certain types of persons are willing to live with the uncertainty or can be found on a moment's notice. Usually, they are uncredentialled. Likewise, they are mobile and tend to shop around and leave for other jobs, undermining stability of program delivery. The efficiency of activities is severely affected. It is usually well into the year's operation before effectiveness is achieved. The demonstration program experience is that local pre-employment assistance activities take at least 3 months to stabilize, that work projects are a 3-6 month proposition, and that alternate education arrangements may take 6-12 months. Peak enrollment may be past before operations stabilize. Also, there tends to be too much staff at the beginning and end of the grant period as enrollments are surged in the middle. Finally, there are very extensive costs involved in annual application for funding.

Multi-year funding makes sense and may be possible as Congress moves to a more orderly budget process. Certainly it would benefit program operations. A more stable allocation formula also makes sense for both equity and efficiency reasons.

3. Federal vs. Local Responsibilities. A major design and organizational issue is the division of responsibility between Federal, State and local government. Legislation must determine which programs and activities are most effectively operated from the Federal level and how national objectives can be assured under programs operated locally. The recent CETA experience provides some

insights. YEDPA and the implementing regulations increased the Federal direction of local systems. First, they strongly emphasized linkages between prime sponsors and other local institutions serving youth--the schools, vocational education and rehabilitation, drug abuse agencies, the Employment Service, and the apprenticeship system. Second, they tried to move the system to serve significant segments within the disadvantaged population, i.e., to target even among the income eligibles to those youth doubly and triply handicapped. Third, they attempted to make the CETA system more of a pass-through mechanism, for instance, requiring subcontracting with community based organizations. Fourth, they sought new mechanisms to protect against abuses such as the substitution of youth for existing workers. Fifth, they aimed to achieve process objectives such as youth involvement and private sector participation.

The evidence suggests that the linkage objective was achieved where the linkages were necessary for specific program purposes which had been dictated or decided at the local level. For instance, the additional funds for in-school activities combined with the Federal pressure for cooperation resulted in meaningful linkage, particularly where there was already a foundation. Other linkages were less fruitful. A Community Resource Inventory was mandated for each sponsor, but this did not produce much more than volumes of paper. Prime sponsors and their subagents do not strategize linkages as much as they programatically work them out when specific obstacles are faced. Linkages with drug treatment or welfare agencies occurred, but usually once the local desicionmakers decided to serve substance abusers or young parents. The State Occupational Information Coordinating Committees, work education councils and the like tended to gain leverage once tasks were defined so that collaboration could be translated into practical terms. For instance, Federal discretionary funds were provided to the SOICC's for matching with other State funds to support implementation of statewide computerized occupational information systems. This was a tangible issue to bring together the major players in the States and to move beyond generalized discussions. In other words, linkage arrangements are best achieved when related to specific activities and when there are incentives for all parties to cooperate.

The Federal objective to target resources to those most in need can be accomplished where an income standard can be utilized for eligibility and where the standard effectively identifies needs. When the groups to be served are more difficult to define and more costly or complicated to serve, Federal targeting objectives have less impact. Even under YCCIP, which was not limited to the disadvantaged,

income targeting was achieved. However, subsegments such as offenders, solo parents and handicapped youth were not reached adequately. In YCCIP and YETP, these subsegments combined represented only an eighth of total enrollments. Currently, there are no financial or systemic rewards for extra effort on behalf of these groups. Again, incentives are necessary.

In operating youth programs, unlike in the operation of public service employment, the local prime sponsor has little temptation to run the activities directly or to limit them to government agencies as opposed to managing outside contractors and subagents. Schools are frequently outside the orbit of the chief-elected officials and other local agencies are not knocking down doors to get involved. Furthermore, Proposition 13 fall-out has limited the size of State and local staffs, and PSE cut-backs reduce flexibility to acquire supervisors and administrators through that program. Most youth programs are, as a result, operated on a pass-through basis by prime sponsors. YEDPA encouraged the pass-through by trying to dictate which organizations should receive funds. There were some problems with this approach. Under YCCIP, community-based groups were the presumptive deliverers. Some prime sponsors turned back the money saying it was not worth the trouble. Others broadly defined CBO's or simply ignored the requirement. Some followed the letter of the law but then paid little attention to the quality of operations. Incentives would, again, make more sense than procedural specifications since the Federal objective is not going against the grain of local youth programming.

The YEDPA procedures to avoid the undermining of local wage standards and the elimination of adult jobs could have left the Secretary of Labor as arbiter of local wage levels, but proved to be largely a rhetorical issue since there were almost no complaints about such effects because of rapid employment growth for adults and because the youth jobs rarely competed with existing employment. The process of labor union clearance occurred but it is questionable whether this had an effect, since local organized labor was hardly able to check each of the hundreds of thousands of youth jobs created. A simple complaint mechanism would have done as well.

More problematic is when the prime sponsor's concern with serving youth runs directly against other concerns. A 100 percent wage subsidy in the private sector could cause abuse if prime sponsors were free to pursue any jobs they could to achieve placements for participants. Either the eligibility must be restricted to youth so severely in need that there are few if any employers who

would participate simply for the windfall, or there must be a mechanism to assure that the subsidized jobs provide upgrading opportunities for the workers filling them. In other words, Federal prescriptions must be stronger when the self-interest or service goals of the prime might lead to abuse.

Finally, Federal exhortations for "how" things should be accomplished have had little effect without incentives, specific outcome guidelines and without procedural specifications. Youth participation is a case in point. This occurred mostly under incentive grants specifically designed to achieve participation but rarely in regular program activities.

The common thread in these experiences is the need to tie Federal oabjectives to specific activities, to avoid generalized procedural requirements as much as possible, and certainly not to expect much from statements about desired processes as opposed to desired outcomes.

One problem with YEDPA was that the priorities were not clearly established among Federal objectives, and in many cases, were mutually exclusive, leaving prime sponsors to sort them out. For instance, primes were charged with providing meaningful career jobs for youth but not doing work that would displace existing employees, for dealing with CBO's and schools both, for giving "special consideration" but only when there was "demonstrated effectiveness." Leaving the resolution of uncertainty to prime sponsors also meant leaving them vulnerable to second-guessing by everybody with a special interest. It is important that where Federal goals are established in legislation or administratively, there should be prioritization legislatively or administratively.

While these lessons suggest how Federal objectives can be pursued in local programs, there is also some evidence about activities which are better directed from the Federal level. One area of Federal comparative advantage is in projects with potential for implementation in restricted areas, such as training programs related to Federal lands or on government-owned company-operated facilities. Another is programs involving mobility. The Federal Government is better able to concentrate resources since the pressure at the local level is to serve as many individuals as possible. Likewise, the Federal initiatives may be better at certain institutional changes which may be required locally, as well as

in replicating, implementing or regulating new approaches. In other words, the Federal presence is most important in activities representing intensive investments in individuals, requiring more organization and planning, changing institutional arrangements, and emphasizing mobility.

Job Corps is one such program. Expansion has been balanced to distribute facilities more evenly relative to the universe of need, but each center will still draw from statewide or broader areas. Advanced career training has been emphasized, shifting the focus of Job Corps even more to longer term investments. This will involve the movement of participants among centers to enroll them in specialized advanced courses which are only economical under a nationwide program. The Job Corps represents a level of investment in each participant which is rarely achieved in local programs. The Job Corps has also proved to be a major equal opportunity mechanism in many areas where centers have been located.

The feasibility of interagency Federal youth programs has been demonstrated under YEDPA. A range of multi-site discretionary projects have been mounted through interagency agreements in which Department of Labor youth resources are transferred to and administered by other agencies, supplemented by their resources and expertise. These range from volunteer activities, post-secondary and vocational education, rural housing and health to urban restoration. Such interagency projects have accounted for a fourth of discretionary YETP and YCCIP activities. Experience has demonstrated interagency agreements need to be carefully developed at the outset to identify responsibility and to establish checks and balances in order to assure that youth employment and training objectives are not downplayed relative to the goals of the administering agencies. The key is the discretionary authority to fund or not fund these activities which gives strength in negotiating the agreements. The Youth Adult Conservation Corps has also been administered under an interagency agreement, but while the program has been successful, the administrative arrangements have not been most effective. The funding levels are set by law, and the Department of Labor must pass these funds through to Agriculture and Interior or else youth must be laid off. There is really no resolution in the case of disagreements. The Department of Labor has little if any effective control. If the objective is to assure service to disadvantaged youth in YACC, it could be better accomplished by a set-aside of slots rather than a tripartite administrative arrangement. In other words, the key in interagency activities is the clear discretionary authority of the funding agent.

Other potential Federal activities are large-scale projects. These could be developed and designed at the Federal level, although operated by States, or community based groups, or nonprofit intermediaries. Several models for such projects have been developed under YETP. For instance, one project provides for the conversion of low-head dams for hydroelectric production. This requires training, specialization, equipment and multi-site activities. The sites are located all over the country.

These projects take a special developmental and organizational effort before they can be launched. Local prime sponsors lack the resources and continuity to mount such projects without help since there are economies of scale which are only realized through large-scale or coordinated multi-site efforts.

4. Comparative Advantages of Delivery Institutions. YEDPA's goals of involving schools, community-based groups, local organized labor, the private sector and other local youth serving agencies, were based on the assumption that coordination and involvement would improve programs. While this is probably accurate on the average, there are costs to coordination, and certainly no single delivery mechanism is effective in all local circumstances. However, in deciding the degree of emphasis on linkages, there must be some sense of the ayerage effectiveness of alternative deliverers.

Prime sponsors are clearly an effective mechanism for allocating and managing money. Given the volume of youth funding, it is amazing how few complaints there were about the subdivision of resources by prime sponsors. Fraud and abuse in CETA have been much publicized but there is evidence that only a miniscule portion of total allocations has ever been found to be misused or stolen. The volume of activity at the local level is staggering and there is no way the Federal Government could be as directly involved in local programs as it was in the 1960's. The direct funding of local projects and agents from Washington causes many problems of coordination, oversight, and equitable distribution in each locality.

In the local setting, prime sponsors appear to have a comparative advantage in intake, assessment and assignment of individuals as well as recordkeeping. The CETA accountability standards are now so great that there is almost no way to operate a local program without centralizing management information systems. With YEDPA, a number of prime sponsors have established separate youth divisions to handle management information as well as planning, intake and assessment activity for local youth programs. In other words, a bifurcation has already occurred in many areas between youth and adult systems. Prime sponsors vary in their emphasis on direct delivery of services. YETP and YCCIP move them away from this approach. It would appear that primes are most effective as the allocating and management agent, and are only a deliverer at last resort.

Local education agencies and their interest in employment and training programs are highly variable, making generalization difficult. Academic credit arrangements have basically occurred where classroom pre-employment assistance activities have been funded. There has not been significant adaptation by the cooperative education system, although the personnel has used in some schools, with public sector jobs for the disadvantaged funded by YETP added on top of the private sector cooperative education jobs primarily for the nondisadvantaged. Alternative schools have been funded locally under YETP where local education agencies were ready to head in this direction but lacked resources. It would appear, then, that there has not, as yet, been any major change in the structure or goals of educational institutions, but rather adaptation in order to secure additional resources. As the Charter for youth programs put it, the resources and efforts have promoted change but have not been the "cutting edge."

If it were not for the availability of outside funds tied to serving the disadvantaged, it is not at all clear that the local education agencies would have carried out these new missions. School-to-work transition services are a case in point. These services are always the first to be retrenched when local education agency budgets are tight. The outside funding source is necessary to assure that these services will be offered and concentrated on youth most in need. Schools have demonstrated a willingness to let in outside community-based groups to offer such services. They provide the natural setting in which such activities can occur. Yet, there is nothing in the YEDPA experience to suggest that the same targeting would have occurred with direct funding of schools.

Community-based groups also vary markedly within as well as between prime sponsors, and the comparative advantages in program delivery have not been measured. It appears from activity levels that such groups are better in serving out-of-school than in-school youth, and in targeting resources on the harder to reach and special needs segments. One might also reasonably assume a comparative advantage in pre-employment and transition services which require contact, rapport and support. The YCCIP experience has suggested some of the difficulties in mounting very small, short-term projects with limited staff. The quality of YCCIP projects is highly variable. Larger local CBO's are, of course, at no disadvantage in mounting such projects and are effective in integrating adult and youth activities locally where they have achieved the needed scale.

Local organized labor and the private sector have been directly involved in the operation of programs in very few locations. While projects resulting from their involvement are laudable and should be encouraged, it does not appear that this can become a major element of local programming because of the enormous administrative effort needed to energize and coordinate all the players. The extra effort makes the most sense for career training and entry efforts, where the linkages are needed directly into adult jobs, where more is being invested per individual, and where fewer participants locally are involved. The current apprenticeship system appears to be used to capacity in the sense that preapprenticeship efforts are already at a scale several times that of entry apprenticeship opportunities for disadvantaged young people. Expansion of apprenticeship opportunities must be a part of any increased priority on apprenticeship linkages under youth programs. Expansion of apprenticeship opportunities, particularly for low-income youth, would require the introduction of some type of financial incentives for employees.

The use of volunteers and parents in youth programs has not yet been explored. It is safe to say that this dimension could be expanded since there is currently so little involvement.

Finally, there is the question of the effectiveness of work/education councils, private industry councils and the like. The evidence is, again, not yet in. Hopefully, these bodies could serve to bring together local individuals serving like purposes. They could work in linkage and coordination processes. Their advantages

in program delivery are subject to question, although some tangible actions are necessary to coalesce interests.

5. Planning. The manpower planning paradigm is central to the present design and organization of local youth employment and training programs. The paradigm assumes that analysis of the local universe of need will lead to the selection of target groups and activities from which a plan of services can be derived which can be reviewed with citizen's input to assure equity. The plan then becomes an annual commitment which can be enforced from the Federal level, with modifications whenever changes occur. This conceptual approach is so deeply rooted in the law and regulations that it has become almost a "sacred cow." However, there are some serious flaws in the application to youth programs.

First, the research that has been completed to date under YETP indicates unequivocably that the employment and unemployment measures which are the basis for any universe of need analysis have questionable meaning when describing the problems of youth. Even at the national level, the true measure of youth unemployment varies in different surveys by as much as 50 percent. The count includes out-of-school, 18-year-old heads of households the same way it does in-school 16-year-olds looking for 4 hours of work every Saturday. The data are totally inadequate at the local level even if they were meaningful. Further, the point-in-time measures result in a static analysis of a problem which must be considered from a dynamic perspective.

Second, decisions at the local level are, and should be, driven much more by experience with clients and delivery agents than the planning paradigm allows or assumes. The universe of need is an abstraction without knowledge of what lies behind the numbers--i.e., who is being served and what the service descriptors really mean. Given the wide range in possible costs of serving different groups, and the wide range in the severity of problems within any demographically enumerable category, decisions by number counts are relatively specious.

Third, process evaluations of YETP and YCCIP implementation indicate that the planning process in most cases occurs separately from funding decisions. Prime sponsor staff essentially decide what needs to be done based on experience factors; the plans are developed to justify these decisions and then rubber-stamped by planning councils.

Fourth, citizens on planning councils are not well equipped to handle abstract and quantitative exercises. If they, instead, were observing operations and participants, they could better understand what lay behind the numbers and could make more informed decisions. The numerology in planning is more frequently than not an impediment to citizen input.

Fifth, plans are used as enforcement documents even when this does not make sense. Almost any set of activities can be justified by labor market body counts and a wide range of activities can be mounted whatever may be put on paper. The Department of Labor must not act as if the decisions reached at the start of a year are sacrosant. Modifications must be made when changes are proposed even though these must almost always be granted because any set of activities within bounds is justifiable. There is a paper exercise of modification and approval. Corrective actions are difficult during the course of the year because of the innate lags in data, analysis and action.

All this recommends a shift to a different approach under youth programs. Planning should be much more oriented towards consideration of program experience based on participant interviews, worksite visits and institutional considerations. The plan should not be an enforcement document. In other words, there is need and justification for substantial departures from the CETA administrative approaches which may be appropriate for adult programs but make little sense for youth preparatory efforts.

Managing Youth Employment and Training Programs

Assuming that we know the types of activities that work best, adapt the most positive underlying approaches and design the programs correctly, then the burden is upon management to make them effective. Much has been learned in the last 2 years about the management of localized programs.

1. Capacity of Prime Sponsors. On top of the most rapid job creation effort in history—the economic stimulus public service employment expansion--CETA added the largest and most rapid job creation effort for youth. The system was required to make substantive changes in administrative and organizational approaches in implementing the two new formula programs. Additionally, prime sponsors mounted hundreds of nationally directed demonstration projects, each requiring sophistication and care to meet experimental requirements. The quality of the summer program

was addressed at the same time, generating increased burdens but leading to an improved program. Yet the CETA prime sponsor network was able to meet all of these demands with surprisingly few failures. If one thing has been proven, it is the durability and yet adaptability of the CETA administrative framework.

The capacity to expand rapidly has certainly been demonstrated. YEDPA was passed in August 1977. By March 1978, there were 129,000 enrolled in brand new prime sponsor programs; and at the peak in July 1978, there were over 200,000. This same incremental expansion could be repeated. The annualized cost of the peak enrollment achieved in July 1978 under YETP, YCCIP and YIEPP would be $1.2 billion in fiscal 1981. In other words, based on demonstrated experience, the local system could quite easily absorb any likely level of expansion in any one year.

The Entitlement experience provides insights concerning the ultimate management constraints on expansion. In the seven sites where the Entitlement area included large jurisdictions, the level of youth activity was multiplied several-fold. While startup problems were experienced, all were manageable and the systems continued. Admittedly, the Entitlement sponsors were picked through competition, but they ended up representing a good mixture of prime sponsors as judged by annual Department of Labor ratings. The experimental dimensions of Entitlement required many administrative adjustments that would not be necessary under regular programs. In other words, this suggests a capacity to both change and expand dramatically. The YEDPA experience would, however, suggest the usefulness of a longer gestation period if new approaches are to be most effectively implemented. From the passage of YEDPA to full implementation, there was not time to develop new features such as models of academic credit for work experience or occupational information guidelines. As a result, prime sponsors had to make decisions without guidance and to move ahead. The 6 months from August passage to November phaseup were simply not enough time to prepare properly. Entitlement had a longer planning time and more energy was devoted to design and management, but many problems were encountered which could have been avoided with a little less haste. In fact, enrollments had to be curtailed for short periods in several sites to get breathing room for improvements. This experience suggests that if radically changed procedures are to be implemented, a longer development period would be wise.

2. Management Information Shortcomings. There are several other management areas which need and have potential for improvement based upon YEDPA experience. The most basic need is to keep better track of activities. There has always been difficulty within CETA tracking on youth participation levels and expenditures at the prime sponsor level, and this was compounded by the addition of two new categorical programs. The problem begins with the discriptors of activities. These are more meaningful for adults than youth. Work experience usually means 35-40 hours of work when it is an activity for adults; for youth it may mean 5 hours of employment weekly for students but 35 hours for out-of-school youth. Classroom training for adults usually implies full-time skill training; for youth it may be world-of-work exposure several hours a week in a school setting. Adults who are enrolled are usually receiving a specific service; in youth programs, they are much more frequently in "holding" awaiting a linkage with another activity. The separate summer program has created problems because many of the enrollees are transferred from the comprehensive program for the summer months, some are terminated and re-enrolled, but the exact numbers are unknown so there is double counting and sometimes triple counting.

Youth participation in all activities is generally of a short duration. It is common practice for youth programs to over-enroll to a level of 125-150 percent of slot levels as a means of insuring that available funds for youth wages and allowances will be expended within the contract time period in spite of high youth turnover. Many out-of-school young people, particularly those who are under 19 years of age, float from one program to another after brief spells of enrollment in any one particular program. The average program stay for CETA participants 18-24 years of age is 160 days; for those under 18 years of age, the average stay is only 109 days.

Because records are kept and reported separately for activity levels, costs, and participant characteristics, rather than on an individualized basis which would combine all this information for each participant, it is difficult to determine aggregate service levels. For instance, it is usual to talk about youth served by adding enrollments in SYEP, YCCIP, YETP and the count reported in Title II.B. It is common also to estimate expenditures under Title II.B. by multiplying the youth share of participants times the costs. Yet inter-title transfers and concurrent enrollments are common practice. For instance, youth may get work through YCCIP and enrichment

under Title II.B. They are often enrolled both in SYEP and YETP or Title II.B. A best guess is that the total of individuals receiving youth services over a year is at least a third less than the aggregate of the participant counts. Because youth have a shorter stay, and are in less expensive components, the youth share of expenditures under Title II.B. is far less than their share of participants.

With these aggregate shortcomings, it is obviously difficult to find out if youth most in need are receiving more services. For instance, it has been the practice in the past to "cream" enrollees into PSE, which is a high cost activity, and to put less employable youth in pre-employment assistance, which is a much lower cost activity. Characteristics and cost data are kept separately so this "creaming" is not easily identified. The records also do not keep track over time, although some tracking is now required by the service limits set in the CETA reauthorization. There is no way to tell in most prime sponsor areas what cumulative activities have occurred for a particular individual or a set of individuals over the years of development and transition, or whether those most in need are receiving the most intensive cumulative services.

Elimination of separate categorical programs at the local level will solve some but not all of the problems. It is necessary, somehow, to combine reports on activity levels, expenditures by activity and participant characteristics if there is to be a good knowledge of who gets what. There must be better discriptors of activities and activity clusters. Participation must be defined to ensure that it is substantive rather than in "holding." The records must be cumulative for individuals.

3. Assessing Performance. Traditionally under employment and training programs, outcome measures have been used to assess performance in the belief that programs should increase employment and earnings and that this should be observable in the post-program period. The same approach has been used in assessing performance nationwide, at the prime sponsor level, and among subagents. Unfortunately, this approach has little meaning for youth programs, particularly those offering pre-employment assistance and short-term work experience, enrolling in-school youth, and those with a developmental focus. For instance, in the summer program, 90 percent of participants return to school; only

the 10 percent who do not return to school are at risk in the sense that the termination data say they either terminate positively or nonpositively. It is completely unclear how many are returning to school who would not have done so without the program, and the nonpositive termination percentage is more than coincidently similar to the proportion of dropouts who enter the program.

Termination status alone tells little or nothing without knowledge of what would have occurred without the intervention. Pre-/post-changes do not mean much for youth because, first, there is a maturation process usually manifested in increased earnings and stability of employment, and second, those who are unemployed are likely to become employed and vice versa in the volatile youth period. Therefore, an intervention might increase employment over a period of time but this might not be measurable in the immediate post-termination period. The answer would be to find a control group of youth who are not served, but this cannot be constructed ex-post-facto to determine net impacts from

The sober truth is that it is extremely difficult to judge impacts of short-term youth programs without random assignment control groups because of the variations in young people which cannot be picked up in demographic variables. Even in these cases, the impacts can only be measured when there are large sample sizes and carefully defined interventions. Trying to determine whether a single project or a pot-pourri of approaches and client groups is effectively run is simply impossible based on outcome data, at least when the intervention is short-term, and most impacts have only a long-term developmental payoff.

Although termination data for youth programs have little real meaning, the use of this data to judge performance creates some undesirable incentives. Intervention strategies which are least risky or intensive and which have the highest likelihood of placement outcomes will be emphasized whenever heavy priority is placed on termination data to judge performance. Youth most likely to have positive outcomes will be served. Because demographic variables mask the broad diversity of youth since the potential of individuals has not yet been tested, it is relatively easy to "cream" within any enforceable demographic targeting categories, and the incentives can have a strong effect. Moreover, numbers tend to become a substitute for careful review. It is enlightening that when serious problems were found as a result of intensive monitoring of SYEP in eleven cities

in 1979, some of the worst problem cases were not with prime sponsors adjudged to have significant problems by CETA-wide reviews even though in several cases their large summer programs were extremely deficient.

The best way to judge the adequacy of youth employment and training efforts is to look at the quality of inputs rather than the outcomes. In the summer program, for instance, where the outcome data yields next to nothing, the program had serious and widespread problems in the quality of the worksite activity--slack time and attendance procedures, too little work for participants and poor supervision. These could only be assessed by onsite reviews. Once the prime sponsors and the Department of Labor intensified the monitoring for such visible input problems in the last 2 years, the quality dramatically increased. Sophisticated random assignment demonstration programs were mounted under SYEP last year to test ways to increase return-to-school rates, to make the summer experience a better transitional mechanism from school leavers, and to serve troubled youth. Because of the controlled conditions, the impacts could be measured for these structured sets of summer activities. If successful approaches are discovered, these can be implemented by developing models and assuring that they are adopted in local programs, or, again, focusing on the input side.

The experience, then, is that inputs must be assessed rather than outputs in judging performance of prime sponsors and projects. Demonstration activity and structured evaluations can, in the case of large samples, suggest the most effective inputs. Program generated outcome data may be effective in measuring performance of adult programs, but it is not for youth activities.

4. Directing Performance. It is apparent that a system which has difficulty tracking activities, participants and costs, and which is using measurements of performance which are not entirely meaningful, it not in a strong position to fine-tune the content of programs. Faced with these assessment problems, there has been a heavy reliance on process and activity level specifications. YEDPA and its implementing regulations were incredibly detailed, with a 22 percent set-aside for in-school programs, supervisor-to-youth ratios, the proscription of substitution, the requirement for enrichment of work with services under YETP and a proscription

of the same thing under YCCIP. Procedures were required for special consideration, agreements with local education agencies, labor union clearance, and the development of community resource inventories to promote linkages. There is documented evidence that most of the major goals which were the focus of these requirements and specifications were attained: There was increased cooperation with the schools. Worksite supervision apparently improved. Substitution was held in check. And community based organizations got a larger share of the pie. This does not mean, however, that the procedures and approaches were the means to these ends or the most effective ones which could have been employed.

It is widely assumed that because education/CETA linkages increased under YETP, that the 22 percent set-aside and the LEA/CETA agreement requirement were the key factors; and it is sometimes projected from this that more of the same is needed if further cooperation is to be achieved. Yet the 22 percent set-aside did not really "torque" the system since under Title I of CETA in 1977, more than half of the enrollees were under in-school programs and in fact, the aggregate mix of youth activities in local CETA-funded programs changed little after the implementation of YCCIP and YETP. LEA/CETA agreements in most cases were general boilerplate statements. Real changes occurred where the extra resources under YETP provided the wherewithal for collaboration which had already been nurtured, and where primes and the schools simply got the message that cooperation was fashionable. The same collaboration might have been achieved simply by the mandate that when in-school programs were developed, there should be an attempt to involve educators more in the process. In other words, the procedures were a signal rather than the driving force in change.

Another example is the supervisor-to-youth requirement specified in the regulations. Case studies have suggested that the attention to worksite quality has been greater under YETP and YCCIP than under previous prime sponsor youth programs. However, the worksite assessments found little correlation between supervisor ratios and quality, and also found fewer youth per supervisor under previous programs. Apparently, the work quality was improved by the clear statement that this was a priority, not by the procedural requirements.

Special consideration for community based groups was defined almost as presumptive delivery in the case of YCCIP, and more in process terms for YETP. Community and neighborhood

groups got a bigger piece of the action under YCCIP. Yet some primes had to work hard to find any capable community based deliverers; others returned the money; most funded and then forgot the YCCIP projects, failing to integrate them into the local system. Special consideration under YETP meant a paper process of notification and selection which caused a lot of unrequited expectations, particularly where a fair share was already going to community groups and the only effect was to heighten internal competition. Incentives and clear direction could probably have achieved the same objectives as procedural requirements.

One of the inconsistencies of YEDPA was the requirement that all in-school work experience be enriched with counseling, occupational information and efforts to overcome sex stereotyping, while YCCIP was, by law, a "sweat" program emphasizing hard work without enrichment. All disadvantaged students who are looking for jobs do not need the extras, while many of the out-of-school youth in YCCIP do. To get around the rules, many prime sponsors paid for the services to YCCIP youth from other programs. The simple fact is that no rule specifying a mix of services should be or can be applied across the board. Individual needs vary. There is a temptation to dictate activity combinations or sequences through law or regulation in order to shift the aggregate average mix, but this creates operational problems at the local level and does not lead to the most appropriate mix of services for individuals.

Probably the most difficult issue in the law is the requirement for maintenance of youth service levels. Youth participation under the comprehensive CETA Title II.B. (previously Title I) local program was not to be reduced because of the resources added by YETP and YCCIP, freezing prime sponsors to a youth service level that was not necessarily appropriate and which varied markedly from one area to another. Over time, any rule such as this becomes more and more unrealistic. It is also almost impossible to enforce since the participant counts can be easily manipulated and do not equate with resource outlays. Further, prime sponsors are allowed 15 percent variation from planned enrollment levels in order to give them needed flexibility, but this variation from the announced youth share is enough to offset a substantial portion of the impact of YETP and YCCIP. Clearly, the proper approach would be to consolidate all activities for which Congress wants to specify through formula the local service levels.

If these various procedural specifications do not make a great deal of sense, they do require a great deal of paperwork. Limited Federal and prime sponsor staffs spend almost all their time processing papers to document processes and to meet specific requirements. The Federal Representatives are not out in the field looking at programs but rather seeking to determine whether notification letters are in the files, whether modification requests are consistent with youth service levels, and whether Community Resource Inventories have been completed. None of this has anything to do with the quality of the activities being funded.

Perhaps most critically, the cards are stacked against enforcement of reasonable standards. Prime sponsors violate regulations simply because there are so many procedures to meet which do not make sense in local circumstances. The only real penalty for ignoring or bending the regulations is recovery of funds, but the issues for which this has ever been done are limited. The prime sponsors are provided funds by formula. To recover these funds, the burden of proof is on the Federal enforcers and the case must be quite compelling, particularly since enforcement is ex-post-facto and means reducing services to participants. It would be preferable to have an incentive system where certain funds are only available if the prime proves that it comes up to standards and meets conditions, so that the burden of proof would be shifted. It is also difficult to judge both quality and procedural dimensions at the same time. Bureauracies are much better with the latter than the former. They are unlikely to exercise normative judgements even in cases where the conclusions are obvious. For instance, in some summer program sites in the past, it was well known that most enrollees were not being provided useful work experience. This was documented by independent onsite monitoring of inputs, but it was only changed after extensive outside pressure and as a result of an ad hoc effort that brought national office personnel and others without any vested interest in particular sites to handle the monitoring. Management studies have revealed that almost all the time of regular Federal Representatives with front-line responsibilities are spent in the office processing papers rather than in the field. In part, this is testimony to the complexities of our society. But in part, it is also because procedural specifications and quantitative reviews have been overemphasized.

5. Capacity Building. YEDPA thrust the CETA system into some unfamiliar areas such as the awarding of academic credit for work experience, alternative education, occupational information systems, and efforts to overcome sex-stereotyping. The reach of youth employment programs is so broad in terms

of the participant groups to be served, the problems that have to be overcome, and the service options, that enormous expertise is required. Specialized knowledge is required to deal with handicapped youth, substance abusers, runaways, solo parents and offenders. Likewise, knowledge is required of career education, vocational education, cooperative education, alternative and post-secondary education options, governance systems and institutional capacities.

Surprisingly little priority has been given to building the capacity of the CETA system. In contrast to education and vocational education where there is an enormous investment in the certification of personnel and in continuing training, there has been little attention to this under CETA. Prime sponsors have been given the regulations and then left to work out the answers. The continuing expansion and re-orientation of CETA each year has focused most attention on delivery and adaptation to ever-changing rules. Procedures have to be continually relearned at the expense of the substance of programming. Because of expansion, CETA has been able to attract extremely bright and energetic persons at the local level, but there is high turnover rate within the system, generating a need for continual retraining.

It is clear that a much expanded effort is needed to build delivery and management capacity. One key is State participation. Prime sponsors are localized but many of the activities with which they must deal in youth programs are State systems--education, corrections, welfare, vocational education and the like. States must play a central role in coordination. Currently, there are substantial funds for these purposes set aside on a formula basis, but these have not been carefully coordinated at the Federal level or in most States. Federal incentives, for instance, in the replication of computerized occupational information systems, have been used with some effect under discretionary YETP activities, but much better networking is possible and needed.

Community based organizations and prime sponsors have grappled with the concept of "demonstrated effectiveness" and the "chicken and egg" implications this has for youth serving agencies and neighborhood groups at the local level which have not had previous contact with CETA to demonstrate their ability. Support for community based groups other than CAA's mostly has to come from the administrative portion of operating grants; this is not a very dependable way of building viable organizations at the local level. There is also no mechanism for developing community based capacity

where none now exists, so there continues to be an uneven distribution. The answer is not just to set-aside program operating dollars; without the capacity, set-asides debase the quality of services and may or may not result in building institutional strength over time. If the community and neighborhood based orientation is to continue, there must be greater concern and priority for direct institutional support.

The Department of Labor has networked some organizations such as Opportunities Industrialization Centers (OIC), SER-Jobs for Progress, and the National Urban League as well as 70001, yet there are no general incentives to prime sponsors to undertake developmental work, no support of other networks of community groups, and too limited technical assistance support even for groups which have been helped.

Prime sponsor staff receive all too little assistance from the Federal level because of limited funds. While administrative resources can be used for staff development, each prime sponsor has to work out its own arrangements and there is no incentive for such activities. Not surprisingly, they are often pushed to the "back burner" by critical events. Under the summer program, national conferences and extensive technical assistance materials prepared at the national level apparently had a positive impact on operations, suggesting that investments at the Federal level can have a payoff. Substantive activity areas need to be addressed so that prime sponsors can effectively cope with their responsibilities in education, social change and the like. There also must be expanded networking to educate youth serving agencies into the mysteries of employment and training programs.

Finally, there is a need to vigorously market the results of experimental and demonstration programs. As has been suggested, the most effective way to find out what works best is random assignment, control group experiments; the way to improve performance is to find out the most effective models and then to replicate them in local settings. All reviews of research and demonstration activity in the 1960's suggest that the weak link was in the dissemination and application of findings. A vast array of experimental activities has been undertaken under YEDPA. As the findings are generated in the next several years, it is absolutely critical that they be disseminated aggressively. The massive investment in knowledge development will not realize its payoff unless there is an equal effort in knowledge dissemination and application.

RESTRUCTURING AND REORIENTING THE YOUTH EMPLOYMENT AND TRAINING SYSTEM

New Directions

The analysis of youth employment problems and the lessons from program experience suggest the need to reorient youth employment and employability development efforts along the following lines:

1. The performance requirements for youth participants and the performance standards for youth employment and training activities must be increased. Publicly-funded work experience must require and deliver "a day's work for a day's pay." Remedial training and education demand attendance and conscientious effort. There must be rewards for good individual performance, safety nets for those who are unable to perform, but termination for those who are unwilling. The same must apply for service deliverers.

2. The system must provide for a multi-year sequencing of activities which will build competencies including, first, the coping skills needed to look for and hold a beginning job and to set career courses, second, the ability to work dependably at an entry job, third, basic reading and writing skills, and fourth, a career job skill. Each individual may develop at his or her own pace in attaining these competencies; some will need little or no help while others will require a structured series of activities over several years. The system must be able to track development of individuals, and to provide assistance based on previous experiences in the program. It must be an individualized approach.

3. The attainment of these competencies over time must be benchmarked. The recognition of accomplishment will provide individual incentives. The benchmark can be used in prescribing services on an individualized basis. Most critically, it can provide a proof to employers of the abilities and commitment of young people who might otherwise be considered too "risky" to hire. Youth programs must give increasing emphasis to sorting among disadvantaged individuals so that those with ability and motivation can use the experience as a stepping stone.

4. Policies, programs and prescriptions for specific participants must take greater cognizance of the individual developmental process. On the average, although certainly not for every youth, intensive remedial education and career training will not be fruitful until the late teens or early twenties. The same holds for career entry efforts. Fourteen- and fifteen-year-olds should generally receive broadly-focused services which are less costly. For in-school and out-of-school teenagers whose problem is the lack of temporary jobs, disciplined work is needed which increases in demand, duration and reward with age.

To reorient youth employment and employability development efforts in these ways, the following restructuring is proposed:

1. All youth employment and employability development activities which aim to prepare or sustain youth up to the point of career entry or career training would be consolidated at the local level. The consolidation would include SYEP, YCCIP, YETP, YIEPP, and youth work experience and pre-employment assistance components of CETA Title II.B. There would be increased flexibility for local decisionmaking in this system. There would still be a summer component in local programs, but with year-round planning and levels determined by local labor market conditions rather than dictated by a categorical allocation formula.

2. Federal priorities for these local efforts would be pursued through incentives rather than complex and unmanageable regulations. Prime sponsors would have to have satisfactory ratings to be eligible for incentives, creating a reward for performance.

3. The local consolidated career preparation system would provide individualized, sequenced services needed to prepare youth for career training or entry. A Career Development Record would track the experiences of participants over the 14 to 21 development period.

4. There would be a set of Career Development Benchmarks established in each local area. Individual participant progress would be tracked against these benchmarks which would measure world-of-work awareness, demonstrated work maturity and dependability, basic educational skills, and vocational competencies. These Benchmarks would be used to document the achievements of youth participants.

5. Federally-directed activities would focus on career training and career access, i.e., those more expensive and targeted activities which will help young adults who would not otherwise transition successfully into the primary labor market.

6. There would be new procedures for accessing private sector jobs for young persons with no previous private sector work experience and for more mature young adults entering career ladders from which they would otherwise be excluded. In both cases, there would be a limited "try-out" period

during which the youth would be publicly payrolled. This would be in the nature of vocational exploration with an individual determination that the young person had not achieved minimum competencies to be productive. It would not change current procedures but rather utilize them fully in tandem with the individualized assessment system. In addition, there would be support for expansion and replication of private sector intermediaries.

7. There would be increased flexibility income maintenance and wage provisions. The FLSA learners and student differentials would be utilized for youth lacking employment experience, while wages above the minimum would be authorized and encouraged where youth demonstrated increased productivity or skills in work experience. Allowances for training and education would be optional with emphasis on providing incentives for performance.

The vehicle for this restructuring of youth employment and training efforts would be an amendment to the Comprehensive Employment and Training Act similar to the Youth Employment and Demonstration Projects Act. It would rewrite the present youth titles as well as the administrative provisions for local systems. It would be mounted in conjunction with parallel legislation on the education side to improve basic skills preparation.

This approach has been accepted as the policy of the Carter Administration after broad consultation with experts and interest groups as well as careful assessment of the problems and programs by the Vice President's Task Force on Youth Employment. The specifics were articulated in Title I of the Youth Act of 1980 introduced in March 1980 (Appendix 2).

The basic employment and training concepts of Title I of the Youth Act of 1980 are quite simple. Under Part A of the program, local grants for YETP, YCCIP and SYEP would be consolidated (although there would continue to be a separate allocation for SYEP). A special element in the allocation formula would provide "equal chance supplements" which would permit more concentrated programming in neighborhoods with most severe needs. There would be uniform eligibility criteria and one set of regulations for the various activities under the basic program. All youth age 16-21 in families with income no greater than 85 percent of the BLS lower living standard would be eligible. Up to 10 percent of funds could be used by prime sponsors for youth not meeting these income requirements, and youth with severe problems such as mental and physical handicaps could be served regardless of income. Youth age 14-15 would be eligible for developmental services and summer employment. Under this basic program, each prime sponsor would, through a consultative process, develop and maintain

benchmark standards accepted in the community to serve as indicators of youth achievement needed to obtain and retain employment. These benchmarks would include a pre-employment level indicating a basic awareness of the world of work; work maturity demonstrated through regular attendance and diligent effort in work experience; basic educational skills; and occupational competencies.

Under this basic system, each youth would be individually assessed and would participate in the formulation of an employability development plan. This plan would specify services and activities to be received but also the performance requirements for youth and the expected outcomes. An individualized record would be maintained and periodically updated tracking the achievement and performance of youth. This would be utilized in adjusting the employability plan as experience accumulated. The management information systems of prime sponsors would have to be adopted to support this individualized approach (Appendix 3).

Incentive grants would be made available to prime sponsors willing to commit matching funds from their basic grants for activities and special projects meeting needs and utilizing approaches designated by the Secretary of Labor. There would be separate Education Incentive Cooperation Grants for specially designed in-school programs meeting national guidelines and backed by local matching and local cooperation between CETA and the schools.

The Secretary would also have a separate fund for large scale federal projects and interagency efforts. These projects and activities would focus on intensive training linked directly to jobs, or on transitional employment with the same outcome. They would concentrate on mature young adults certified and referred by the local CETA programs. Finally, there would be expanded training and technical assistance activities to help prime sponsors build the capacity to better serve youth.

All of these programmatic features in the Youth Act of 1980 are based on approaches tested under the Youth Employment and Demonstration Projects Act. The design is not finalized, but the basic mechanics of these elements have already been developed (Appendix 4).

While the textures of the Act may be changed in the legislative process, the Administration's proposal addresses all the theoretical and practical considerations raised in the review of youth employment problems and programs. Most interests are considered, although, of course, there are unavoidable tradeoffs between different objectives (Appendix 5).

Budget and Policy Options

These recommendations for restructuring the employment and training system for youth are neutral with respect to aggregate funding and the priority for allocating resources among target groups and service approaches as well as between federally and locally directed efforts. If there were no additional resources, the proposal would merely consolidate the four local youth programs (SYEP, YCCIP, YETP and Title IIB youth developmental components) offering pre-employment services and basic work experience. The Job Corps would continue, and the present interagency and large-scale projects funded with discretionary YETP and YCCIP resources could be supported with federal discretionary resources. At the local level, the sequencing of activities for individuals would occur by better assignment based on the record of each person's past experience, but there would be no increase in the likelihood of service for disadvantaged youth.

Within existing resources, and the proposed program design, there could be shifts in emphasis among target groups and service approaches if this were desired:

o If the aim were to increase intensive career training and career entry experiences for mature out-of-school youth, this could be accomplished by expanding the career entry programs under the Secretary's discretionary section relative to the local career preparation programs, as well as through the design of the incentive grants to focus on mature, career entry ready youth.

o If the aim were to exert greater Federal influence, Federal incentives for local programs could be increased as a share of formula allocations or discretionary resources could be raised.

o If the aim were to serve more out-of-school youth with entry work experience, this could be accomplished by the relative emphasis and design of the Federal incentive categories. They could emphasize or deemphasize this targeting feature.

o If the aim were greater geographic targeting, this could be achieved by expansion of the Equal Chance Supplement and by priorities placed on the location of job and training opportunities funded with discretionary resources.

o If the aim were more intensive service for fewer individuals, this could be accomplished by narrowing the eligibility requirements for the basic local preparatory programs, increasing the incentives for special needs groups programs, increasing the relative size of the Equal Chance Supplement or relatively expanding the more costly career training and career entry employment components funded under the Secretary's discretionary section.

In other words, the proposed system allows specific decisions and priorities to be translated straightforwardly into allocations for different programmatic components. The system can be adjusted to almost any set of priorities.

Nine budget and policy options are presented in Tables 6-11, detailing expenditures and opportunities created by opportunity category and age group. The options represent three annual funding levels--a zero, $1 billion, and $2 billion increment from 1980 operating levels under existing programs. The analysis is based on 1980 costs. If the changes are implemented to begin full operations in 1982, the aggregate and detailed outlays would have to be adjusted for inflation in order to achieve the opportunity levels indicated. The $1 billion and $2 billion budgets are premised on the assumption that the CETA Title II B, D and VI allocations would not be reduced, although youth pre-employment service and work experience currently financed under these titles would be picked up by the new initiatives. The $1 or $2 billion increment to current levels of SYEP, YCCIP, YETP, and YIEPP would be offset by reduced expenditures for youth work experience and pre-employment services under these other titles. More adults would be served as a result of the reduced youth expenditures, but also more young adults ready for career entry or career training and remediation to the extent of their share of the universe of need for the types transitional and remedial activities which will become the sole focus of these other titles. The net impact on youth opportunities--the $1 billion, minus reduced expenditures for youth work* experience or pre-employment services under Titles II and VI, plus the added expenditures on young adults under these titles--is estimated to be $635 million in expenditures for youth. For $2 billion, the net impact is $1,635 million.

*/ It is to be noted that the II and VI budget figures for 1982 are based on the 1988 levels in the original budget submitted by the Administration.

Under this schema, the employment and training impacts of the additional $365 million for adult services must be considered along with the youth impacts. Alternatively, the budget options might be viewed as $635 million and $1,635 million options if there were an effective way to reduce other Titles of CETA by the estimated present expenditures for youth work experience and pre-employment services. Some such reduction would be necessary under the Zero Budget Increment option. However, the Department strongly recommends the maintenance approach for other Titles of CETA if there are adequate additional youth funds, i.e. at least $1 billion. The reasons are as follows:

First, prime sponsors vary dramatically in expenditures for youth under the non-youth portions of CETA, presumably in response to varying local conditions and relative needs. Those with an above average share of youth could either intertitle transfer to the basic Youth Act program for work experience and pre-employment assistance, or could serve more adults or young adults. However, those primes with below average youth shares would not receive adequate resources under these other Titles to maintain adult service levels if their allocations were reduced by the nationwide average proportionate expenditure on youth.

Second, any maintenance of service level approach which would require prime sponsors to supplement Youth Act allocations by the amount spent in the previous year for work experience and pre-employment assistance under other Titles would find the same difficulties as the maintenance of service effort under YEDPA.

Third, a dramatic expansion in teenage service levels would probablyleave most prime sponsors with the need to service more adults to achieve a reasonable balance. The margin provided under the recommended approach would make it possible to meet these requirements.

Fourth, any budget dislocations would affect necessary coordination between adult and preparatory programs at the local level. It is desirable that prime sponsors have more money to provide career entry and career remediation for young adults. If resources are constrained, it will be difficult to achieve continuity between the local preparatory and career entry components.

For each of the three budget increment options, there are three alternative resource allocations by age of participant and activity category. Each reflects a different priority. One continues the current proportionate mix of pre-employment services, work experience in-school, summer and out-of-school, career entry remediation and training and career entry

Table 6

EXPENDITURES BY CATEGORY

ZERO BUDGET INCREMENT

Current Mix Maintained

	Pre-Employment Assistance	Preparatory Work Experience In-School	Summer Only	Out-of-School	Intensive Remediation	Career Entry Employment	TOTAL
14-15	5	11	264	4	-	-	284
16-17	93	97	374	108	95	-	767
18-19	5	74	209	553	464	324	1629
20-21	2	22	84	490	371	445	1414
14-21	105	204	931	1155	930	769	4094
				Career Preparation Emphasis			
14-15	45	41	264	4	-	-	354
16-17	113	147	424	108	95	-	887
18-19	5	124	259	603	371	281	1643
20-21	2	22	84	490	278	334	1210
14-21	165	334	1031	1205	744	615	4094
				Career Entry Emphasis			
14-15	5	11	264	4	-	-	284
16-17	93	97	374	108	95	-	767
18-19	5	74	209	353	564	424	1629
20-21	2	22	84	290	471	545	1414
14-21	105	204	931	755	1130	969	4094

Table 7

EXPENDITURES BY CATEGORY

$1 BILLION BUDGET INCREMENT

Current Mix Maintained

	Preparatory Work Experience						
	Pre-Employment Assistance	In-School	Summer Only	Out-of-School	Career Entry Training and Remediation	Career Entry Employment	TOTAL
14-15	6	13	304	12	-	-	335
16-17	107	112	431	125	95	-	870
18-19	6	85	241	638	550	374	1894
20-21	2	25	97	565	428	513	1630
14-21	121	235	1073	1340	1073	887	4729
	Career Preparation Emphasis						
14-15	56	43	304	12	-	-	415
16-17	157	162	481	125	95	-	1020
18-19	[illegible]	150	296	638	442	326	1858
20-21	2	67	97	565	321	384	1436
14-21	221	422	1178	1340	858	710	4729
	Career Entry Emphasis						
14-15	6	13	304	12	-	-	335
16-17	107	112	431	125	95	-	870
18-19	6	55	191	538	570	432	1792
20-21	2	20	97	465	528	620	1732
14-21	121	200	1023	1140	1193	1052	4729

Table 8
EXPENDITURES BY CATEGORY
$2 BILLION BUDGET INCREMENT
Current Mix Maintained

	Pre-Employment Assistance	In-School	Summer Only	Out-of-School	Career Entry Training and Remediation	Career Entry Employment	TOTAL
Preparatory Work Experience							
14-15	7	15	370	6	-	-	398
16-17	130	136	524	146	95	-	1031
18-19	7	103	293	779	615	450	2247
20-21	3	31	117	686	523	693	2053
14-21	147	285	1304	1617	1233	1143	5729
Career Preparation Emphasis							
14-15	187	28	370	8	-	-	593
16-17	180	186	573	153	95	-	1187
18-19	7	133	322	823	538	394	2217
20-21	3	52	117	686	408	466	1732
14-21	377	399	1382	1670	1041	860	5729
Career Entry Emphasis							
14-15	187	15	370	6	-	-	578
16-17	150	136	524	146	95	-	1051
18-19	7	80	262	680	616	450	2095
20-21	3	31	117	625	523	706	2005
14-21	347	262	1273	1457	1234	1156	5729

Table 9

OPPORTUNITIES BY CATEGORY

ZERO BUDGET INCREMENT

Current Mix Maintained

	Preparatory Work Experience					
	Pre-Employment Assistance	In-School	Summer Only	Out-of-School	Career Entry Training and Remediation	Career Entry Employment
14-15	27,800	18,000	361,000	1,000		
16-17	92,800	77,900	381,800	17,200	18,000	
18-19	2,300	29,400	153,200	69,100	88,400	36,000
20-21	1,000	8,300	57,000	49,000	70,700	49,400
14-21	123,900	133,600	953,000	136,300	177,100	85,400
	Career Preparation Emphasis					
14-15	250,200	67,100	361,000	1,000		
16-17	112,800	118,100	432,800	17,200	18,000	
18-19	2,300	49,300	190,000	78,600	70,700	31,200
20-21	100	8,300	57,000	49,000	53,000	37,100
14-21	365,400	241,800	1,040,800	145,800	141,700	68,300
	Career Entry Emphasis					
14-15	27,800	18,000	361,000	1,000		
16-17	92,800	77,900	381,800	17,200	18,000	
18-19	2,300	29,400	153,200	44,100	107,500	47,100
20-21	1,000	8,300	57,000	29,000	89,800	60,500
14-21	123,900	133,600	953,000	91,300	215,300	107,600

Table 10
OPPORTUNITIES BY CATEGORY
$1 BILLION BUDGET INCREMENT

Current Mix Maintained

	Preparatory Work Experience					
	Pre-Employment Assistance	In-School	Summer Only	Out-of-School	Career Entry Training and Remediation	Career Entry Employment
14-15	32,100	20,800	416,600	1,200		
16-17	107,100	89,900	440,600	19,800	20,800	
18-19	2,700	33,900	176,800	79,700	102,000	41,500
20-21	1,200	9,600	65,800	56,500	81,600	57,000
14-21	143,100	154,200	1,099,800	157,200	204,400	98,500
	Career Preparation Emphasis					
14-15	311,400	70,400	415,700	3,000	-	-
16-17	156,700	130,100	491,000	20,700	18,000	
18-19	2,800	59,600	217,000	79,700	84,200	35,800
20-21	1,000	25,300	65,800	56,500	61,200	42,600
14-21	471,900	285,400	1,189,500	159,900	163,400	78,400
	Career Entry Emphasis					
14-15	33,400	21,300	415,700	3,000	-	-
16-17	106,800	89,900	440,000	19,900	18,000	-
18-19	2,800	21,900	140,000	67,200	108,600	48,000
20-21	100	7,500	65,800	46,500	100,600	68,800
14-21	143,100	140,600	1,061,500	136,600	227,200	116,800

Table 11
OPPORTUNITIES BY CATEGORY
$2 BILLION BUDGET INCREMENT

Current Mix Maintained

Preparatory Work Experience

	Pre-Employment Assistance	In-School	Summer Only	Out-of-School	Career Entry Training and Remediation	Career Entry Employment
14-15	38,900	25,200	504,700	400	-	-
16-17	129,700	108,900	533,800	24,000	25,200	-
18-19	3,200	41,100	214,200	96,600	123,600	50,300
20-21	1,400	11,600	79,700	68,500	98,800	69,100
14-21	173,200	186,800	1,332,400	190,500	247,600	119,400

Career Preparation Emphasis

14-15	1,068,500	45,800	505,900	7,000	-	-
16-17	179,600	149,400	585)00	24,400	18,000	
18-19	3.200	52,800	236,000	102,800	102,500	43,800
20-21	2,500	13,100	79,400	68,600	77,800	51,700
14-21	1,252,800	261,100	1,406,300	197,800	198,300	95,500

Career Entry Emphasis

14-15	1,068,500	24,500	505,900	1,300	-	-
16-17	161,200	109,200	534,900	23,300	18,000	-
18-19	3,200	31,800	192,000	85,000	117,400	50,000
20-21	1,500	11,700	79,400	62,500	75,500	78,400
14-21	1,234,400	177,200	1,312,200	172,100	210,900	128,400

employment. A second alternative is a career preparation emphasis putting priority on teenage work experience and pre-employment services. The third places priority on career entry employment activities and intensive remediation for young adults. The specific allocations to the different categories in the second and third priorities are judgemental, considering the relative opportunity deficits as well as program experience. It is important to note that at the $2 billion increment, career entry deficits as estimated previously can be fully met so that additional resources are distributed to the pre-employment assistance category.

The nine budget and policy options are analyzed from several perspectives: the incremental changes in outlays for the different types of activities and the resulting impact on opportunities, the incremental impacts on different age groups, their effects in reducing the opportunity deficits estimated earlier, the projected incremental impact on full-year equivalent youth employment, the overall distribution of resources by activity and by age, and the estimated outlay shares for in-school youth (Table 12). It must, again, be stressed that the options necessarily rest on a broad array of assumptions. However, they suggest that there are some significant choices which can and must be made in the appropriate process and which have a number of implications. The career preparation emphasis options have much greater impact on the younger, in-school population and have more "bang-for-the-buck" in terms of employment opportunities created and persons affected. The career entry emphasis options have directly the opposite effects, although they are structured to reduce out-of-school work experience for older youth first on the assumption that these are the ones better served by training and career entry efforts if they can be managed. The $2 billion increment provides resources to saturate the universe of need (as conservatively estimated) for career entry employment and career training and remediation; the extra resources are utilized for pre-employment services for teenagers on the assumption that this is consistent with the basic Youth Act concept of making better use of existing employment opportunities through individualized planning, sequencing and the like.

Implementation of Alternatives

These budget and policy options can be achieved through variation in the funding levels of the Title I Youth Act

Table 12
ANALYSIS OF BUDGET AND POLICY OPTIONS

	ZERO BUDGET INCREMENT			$1 BILLION BUDGET INCREMENT			$2 BILLION BUDGET INCREMENT		
	Current Mix Maintained	Career Prep. Emphasis	Career Entry Emphasis	Current Mix Maintained	Career Prep. Emphasis	Career Entry Emphasis	Current Mix Maintained	Career Prep. Emphasis	Career Entry Employment
Outlay Increment ($Millions)	-	-	-	$ 633	$ 635	$ 635	$ 1635	$ 1635	$ 1635
Pre-Employment Assistance	-	50	-	16	116	16	42	272	242
Preparatory Work Experience	-	280	-400	358	650	73	916	1161	702
In-School	-	(130)	-	(31)	(218)	(-4)	(81)	(195)	(58)
Summer	-	(100)	-	(142)	(247)	(92)	(373)	(451)	(342)
Out-of-School	-	(50)	(-400)	(185)	(185)	(-45)	(462)	(515)	(302)
Career Entry Training and Remediation	-	-186	+200	141	-72	263	303	111	304
Career Entry Employment	-	-154	+200	118	-59	283	374	91	387
Opportunity Increases by Category (000's)									
Pre-Employment Assistance	-	241.5	-	19.2	348.0	19.2	49.3	1,128.9	1,110.5
Preparatory Work Experience									
In-School	-	108.2	-	20.6	151.8	7.0	53.2	127.5	43.6
Summer	-	87.8	-	146.8	236.5	108.5	379.4	453.3	359.2
Out-of-School	-	9.5	-45.0	20.9	23.6	.3	54.2	61.5	35.8
Career Entry Training and Remediation	-	-35.4	38.2	27.3	-13.7	50.1	70.5	21.2	33.8
Career Entry Employment	-	-17.1	22.2	13.1	- 7.0	31.4	34.0	10.1	43.0
Outlay Increment by Age Group ($Millions)									
14-15	-	$ 70	-	$ 51	$ 131	$ 51	$ 114	$ 309	$ 294
16-17	-	120	-	103	253	103	264	420	284
18-19	-	14	-	265	229	163	618	588	466
20-21	-	-204	-	260	22	318	639	318	591
Percentage Reduction in Opportunity Deficit by Category									
Total (In Aggregate $)	-	-	-	9%	9%	9%	23%	23%	23%
Pre-Employment Assistance	-	-	-	1	7	1	3	17	15
Preparatory Work Experience	-	6	-8	7	13	1	19	24	14
In-School	-	10	-	2	16	-	6	14	4
Summer	-	7	-	9	16	6	24	29	22
Out-of-School	-	2	-20	9	9	-1	23	25	15
Career Entry Training and Remediation	-	-61	66	47	-24	87	100	37	100
Career Entry Employment	-	-40	52	30	-15	73	97	24	100

Increase in Full-Year Youth Employment (000's)		96,9	-22,8	77,3	183,6	57,8	200,1	237.7	179.2
Percentage Distribution of Aggregate Outlays by Category									
Pre-Employment Assistance	3%	46%	3%	3%	5%	3%	3%	7%	6%
Preparatory Work Experience	56	63	46	56	62	50	56	60	52
In-School	(5)	(8)	(5)	(5)	(9)	(4)	(5)	(7)	(5)
Summer	(23)	(25)	(23)	(23)	(25)	(22)	(23)	(24)	22
Out-of-School	(28)	(29)	(18)	(28)	(28)	(29)	(28)	(29)	(25)
Career Entry Training and Remediation	23	18	28	23	18	25	23	18	22
Career Entry Employment	19	15	24	19	15	22	19	15	20
Percentage Distribution of Aggregate Outlays by Age									
14-15	7%	9%	7%	7%	9%	7%	7%	10%	10%
16-17	19	22	19	19	22	18	19	21	18
18-19	40	40	40	40	39	38	40	39	37
20-21	35	30	35	35	30	37	35	30	35
Estimated Outlay Share For In-School Youth	26%	32%	26%	26%	33%	24%	26%	33%	28%

subparts, as well as through the design of activities under these subparts. The allocation between activities and their design must also consider the lessons from program experience. Implicit are considerations of targeting, the proper level of Federal incentives, and the relative balance between federally directed and local programs

Recommendations

Youth employment and employability development must be high on the list of our Nation's priorities. The evidence is compelling that the deficit of work and developmental opportunities has serious immediate as well as cumulative consequences. Their seriousness is compounded by the pervasive inequality of opportunity which affects low-income, handicapped, and minority youth at each stage of development and transition.

The youth employment initiatives of the last three years have had a significant impact. The new work and training opportunities created under the Youth Employment and Demonstration Projects Act of 1977 and the doubling of Job Corps have benefitted over a million youth, have provided an increase of nearly a quarter million annual average youth jobs and employability development opportunities, and have almost singlehandedly accounted for the employment growth for minority teenagers. These initiatives--representing the largest incremental effort on behalf of youth in history--have demonstrated our Nation's capacity to address and redress the youth employment problem in an effective manner. YEDPA was an experimental program. It has been carefully structured and studied to learn what works. Besides its immediate and substantial impacts on the quality of youth programs, it has provided massive information which provides a foundation for even more effective youth programs and policies for the 1980s. It is now time to move forward boldly to apply these lessons on a large scale in order to alleviate and eventually eliminate the deficit of employment and employability development opportunities for our Nation's youth.

Whatever the exact shape of legislation, analysis of youth labor market problems and program experience under YEDPA as well as the longstanding summer program and Job Corps leads to the following recommendations:

First, the delivery system for youth programs needs to be restructured and reoriented to provide a multi-year sequencing of activities for disadvantaged youth which will build the competencies required to compete successfully for career employment upon reaching maturity. Performance requirements for participants and programs need to be strengthened further. The activities must recognize and benchmark participant accomplishments. They must address each youth from a multi-year perspective with cognizance of the developmental process.

To achieve these ends, it is necessary to consolidate all local CETA programs involved in preparatory work experience and pre-employment assistance. The local consolidated career preparatory system would provide individualized, sequenced services needed to prepare youth for subsequent career training or entry. Federal priorities in this local system would be achieved through incentives rather than prescriptions. With the consolidation of youth work experience and pre-employment assistance, other local CETA efforts could focus on activities expected to produce immediate employment and training gains; these would serve young adults ready for career entry as well as adults. Federally directed youth activities would focus on career and training and career access--those more expensive and targeted activities which will help young adults who would not otherwise transition successfully into the primary labor market. New procedures would be introduced for accessing private sector jobs for disadvantaged young persons with no previous private sector work experience and for more mature and job ready young adults facing difficulties in competing for career entry. Any new legislation amending the Comprehensive Employment and Training Act must also be structured to better sort our priorities at the Federal level, to clarify roles and responsibilities, and to pursue goals of YEDPA such as school linkage and community-based group involvement in more straightforward ways. These changes are achieved in the Youth Act of 1980. While the details must still be resolved, the Youth Act constitutes a major restructuring and reorientation of youth employment and employability development activities.

Second, the Administration has recommended a $1 billion additional commitment to youth employment and training efforts. This would result in an estimated $.635 billion additional expenditure for youth, assuming that prime sponsors adjusted their other CETA activities by transferring to the basic grants the preparatory work experience and pre-employment assistance under other titles, but providing young adults a fair share of career entry training and career access with the resources freed up by this transfer.

Third, the Department recommends a greater priority on career entry remediation and career entry employment efforts. The $1 billion increment, career entry emphasis option would go far to fill the needs (as conservatively defined) for career entry employment and career training and remediation. Resources would be available for expanded pre-employment assistance consistent with the sequencing and tracking notions of the local preparatory program. This option would have a substantial impact in filling pre-employment assistance needs.

Fourth, the changes and expansion should be implemented through an orderly, multi-year process. The schedule of the Youth Act makes sense, i.e., in fiscal 1981, current programs would be continued. Discretionary YETP and YCCIP resources would be utilized in fiscal 1981 to support the groundwork at the local level for the implementation of the new Youth Act approaches, and at the Federal level to develop large-scale and interagency projects which would move to nationwide implementation during fiscal 1982.

These expanded and redirected efforts are feasible and needed. They offer the promise of improving youth employment and training programs for the 1980s, as well as beginning a process which could substantially eliminate the most serious dimensions of the youth employment problem by the end of the decade.

APPENDIX I
A Graphic Analysis of
Youth Employment Problems:
Context And The Parameters

Youth employment problems must be considered in context. The teen years are a period of dramatic change, revolving around the transition from school to work. There is not one youth employment problem, but a vector of problems affecting youth at different ages in this process. The problems vary for every individual, but bear a statistical relationship to basic factors such as race, sex, family income and education.

Chart 1. The Transition From School to Work:

At the ages of 14 and 15, almost all youth are enrolled in school and only a fifth in the labor force. By age 20 and 21, less than a third are enrolled while four-fifths are in the labor force.

Chart 2. Occupational Distribution of Full-Time and Part-Time Youth Workers:

There are major changes between the teens and early twenties in the types of jobs youth can find and hold. Teen jobs are primarily part-time, as farmworkers, laborers, private household workers and other service workers. By the early twenties, employed youth are mostly full-time workers with the occupational patterns of the adult labor force.

Chart 3. Increasing Earnings:

With the shift towards a more "adult-like" occupational distribution, hourly and annual earnings increase. Employed 14- and 15-year-olds tend to earn below the minimum wage in uncovered occupations, while 20- to 21-year-olds earn wages substantially higher than the minimum.

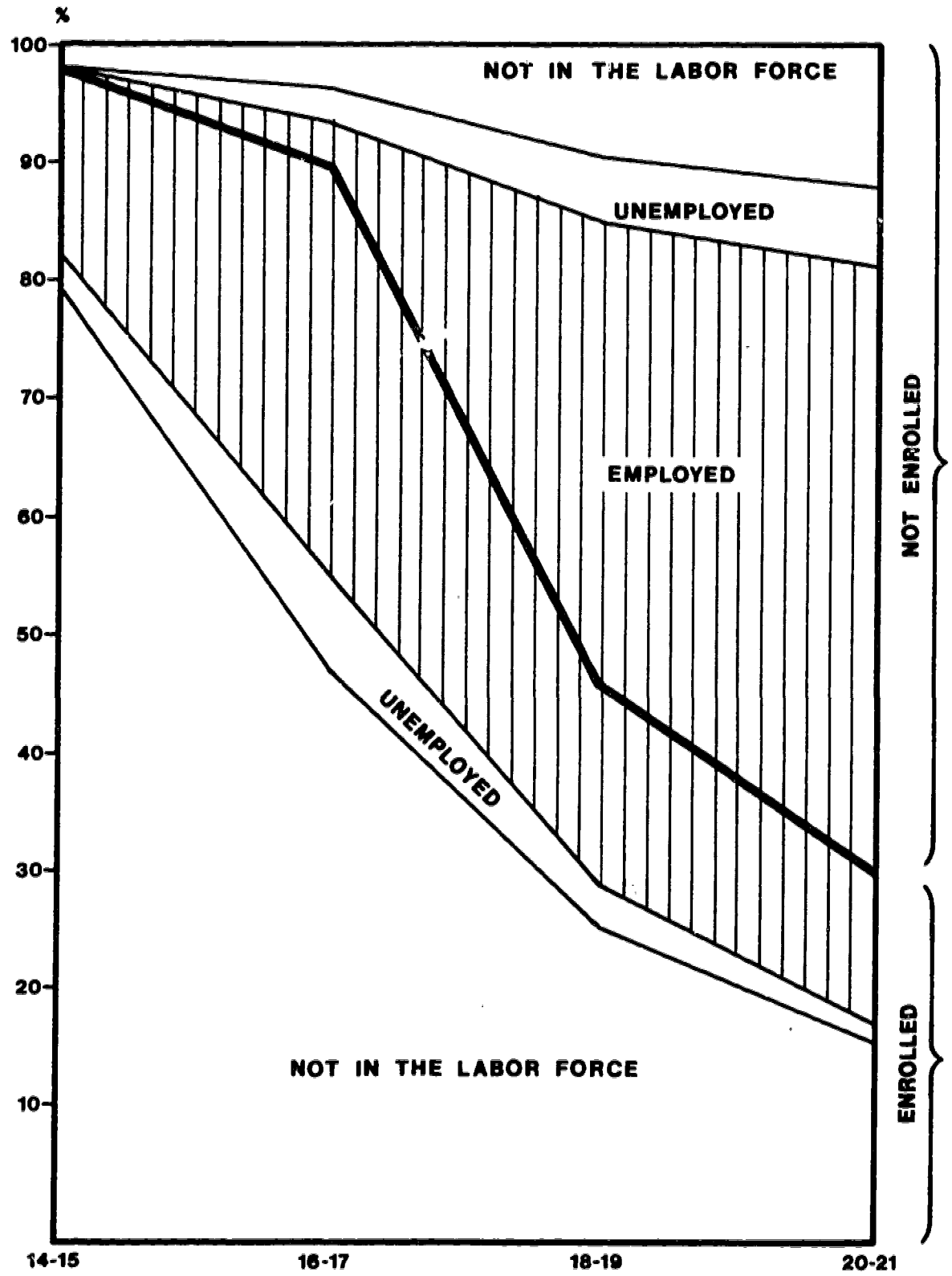
Chart 4. Employment Problems and Race:

Black and Hispanic youth are burdened by higher unemployment rates and lower employment/population ratios. These racial differentials decrease with age, but hourly earnings differentials widen between the teens and twenties.

Chart 5. Employment Problems and Sex:

Young males have greater probability of employment, lesser chances of unemployment and higher earnings than females. The earnings gap between males and females widens between the

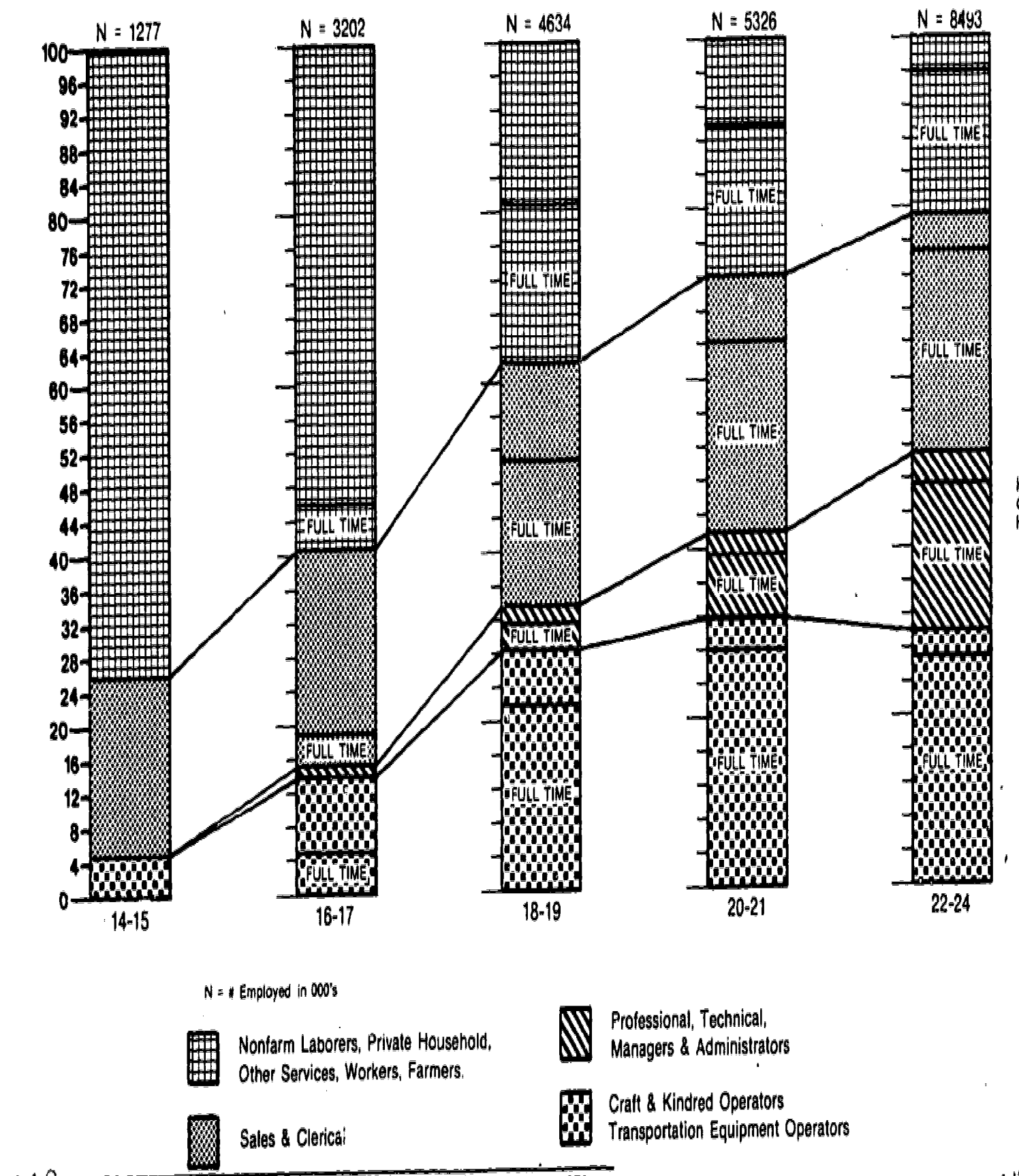
Chart #1 THE TRANSITION FROM SCHOOL TO WORK



SOURCE: Bureau of Labor Statistics. *Survey of School Age Youth*, Oct. 1978

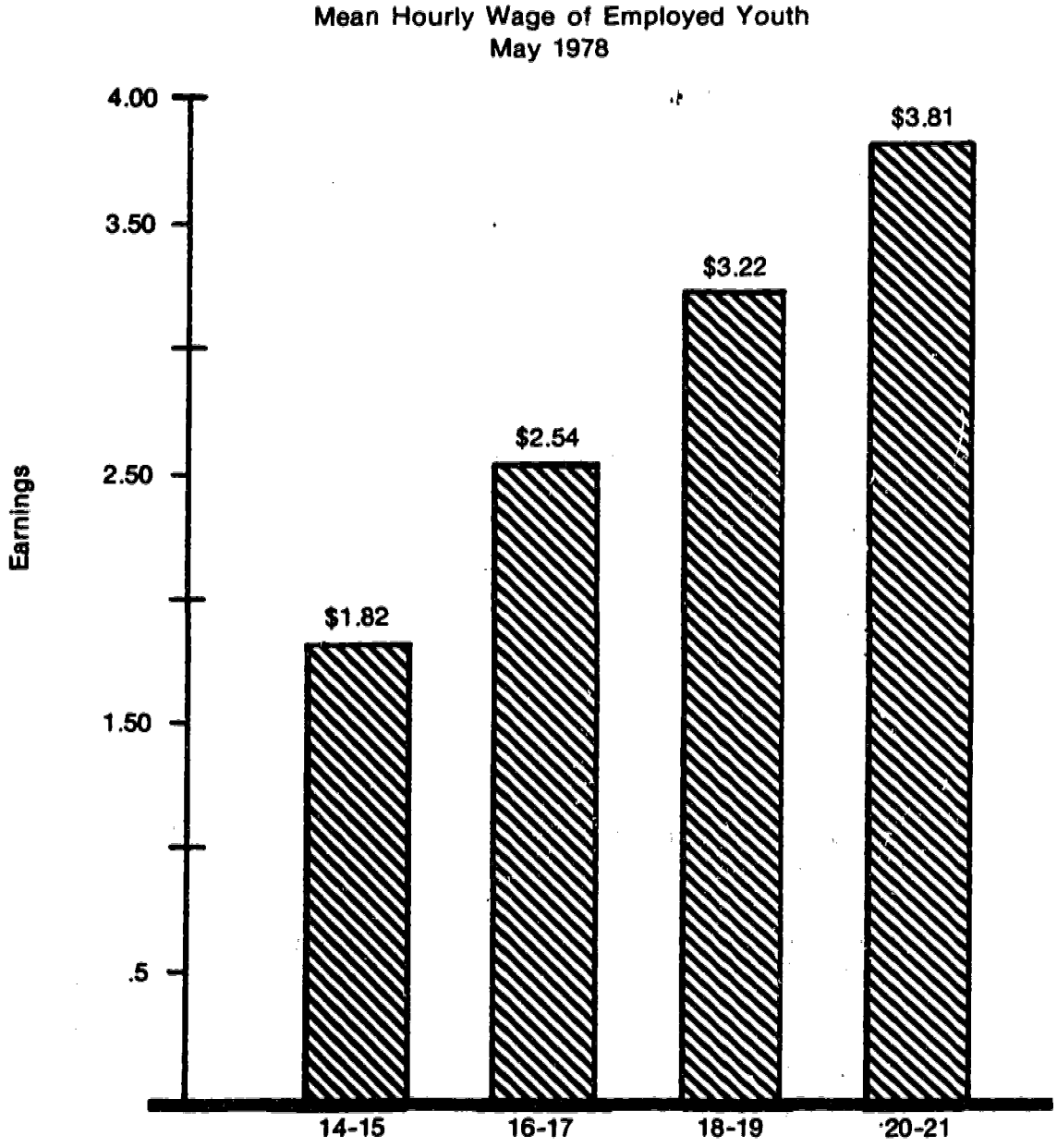
Chart #2 OCCUPATIONAL DISTRIBUTION OF FULL-TIME AND PART-TIME YOUTH WORKERS

October 1978



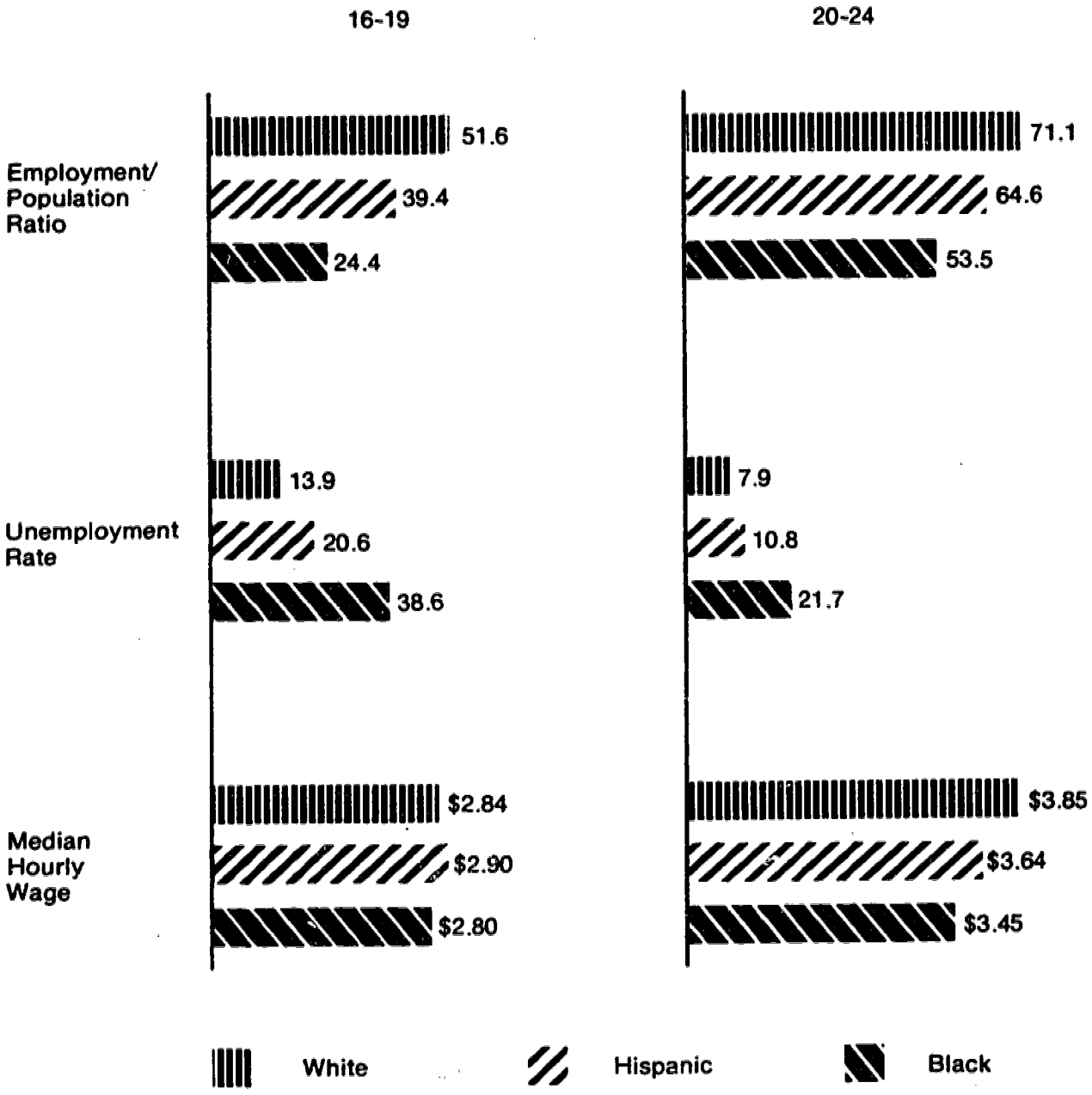
SOURCE: Bureau of Labor Statistics. *Survey of School Age Youth*, Oct. 1978

Chart #3 INCREASING EARNINGS



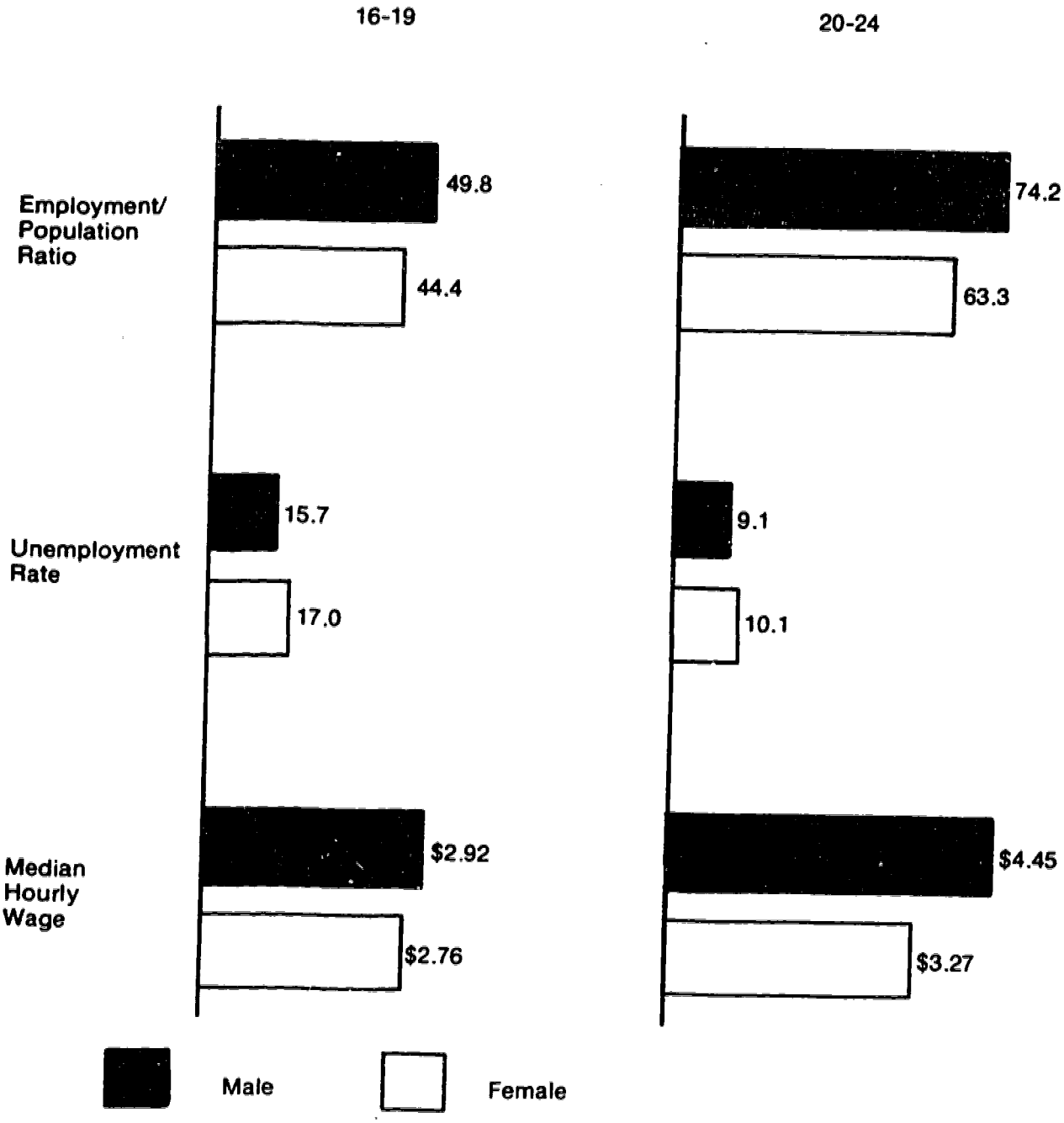
SOURCE: Bureau of Labor Statistics.

Chart #4 EMPLOYMENT PROBLEMS AND RACE



SOURCE: Bureau of Labor Statistics.

Chart #5 EMPLOYMENT PROBLEMS AND SEX



SOURCE: Bureau of Labor Statistics.

teens and twenties as young adult females move into lower paying employment patterns which may last a lifetime.

Chart 6. Youth Employment Problems and Poverty:

Unemployment among youth from poor families is more than twice as high as unemployment among all youth. The relative position for those of low socioeconomic background does not improve with age.

Chart 7. Location and Youth Employment Problems:

Unemployment among all youth is highest in our Nation's urban centers. Nonwhite youth are most affected. The chances of employment for nonwhite central city youth are only three-fifths those of white suburban youth.

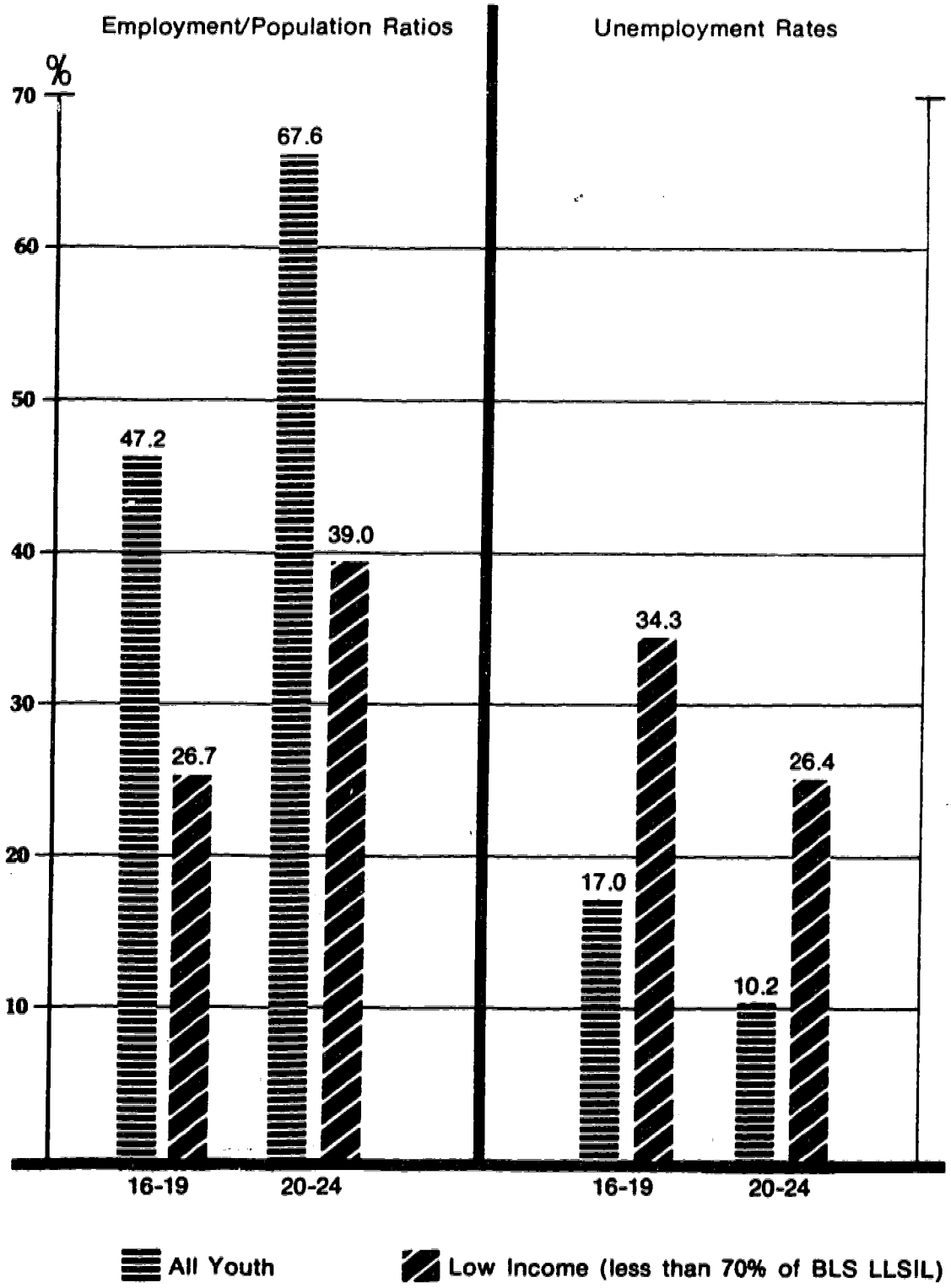
Chart 8. Employment/Population Ratios - The Multiple Factors:

Age, sex, race, school attendance, and school completion status all affect the chances of employment. The probability of working for any individual is determined by all these variables.

Chart 9. Unemployment Rates - The Multiple Factors:

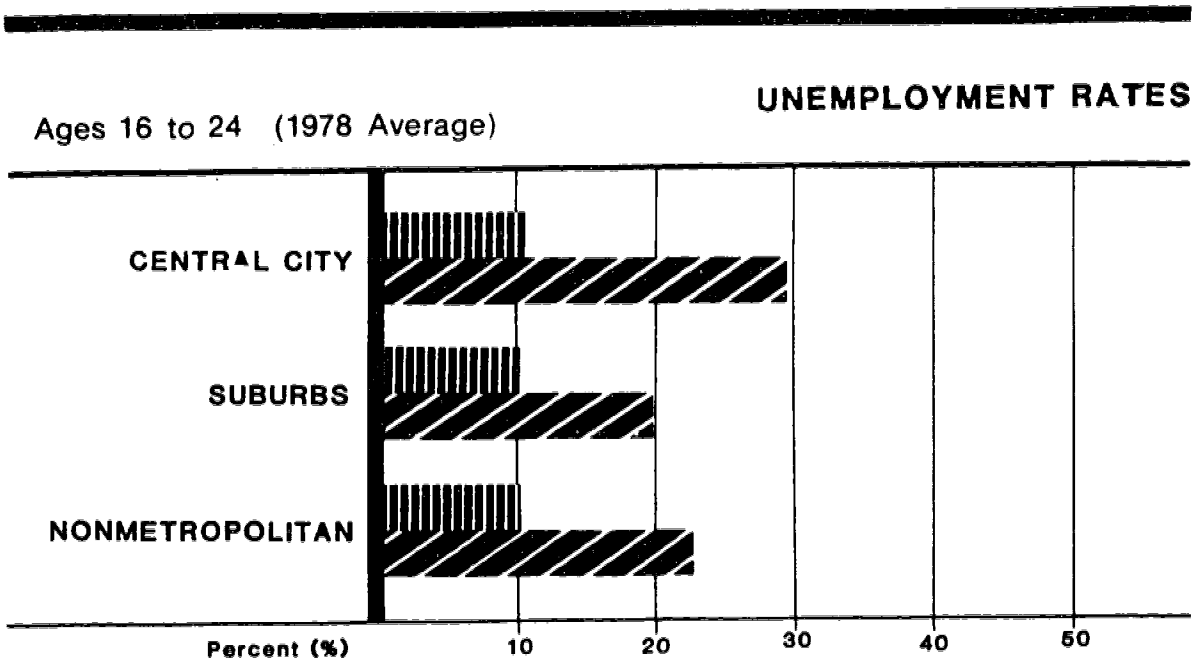
Nonwhites not enrolled in school have the highest unemployment rates. The chances of unemployment among dropouts are double those of graduates.

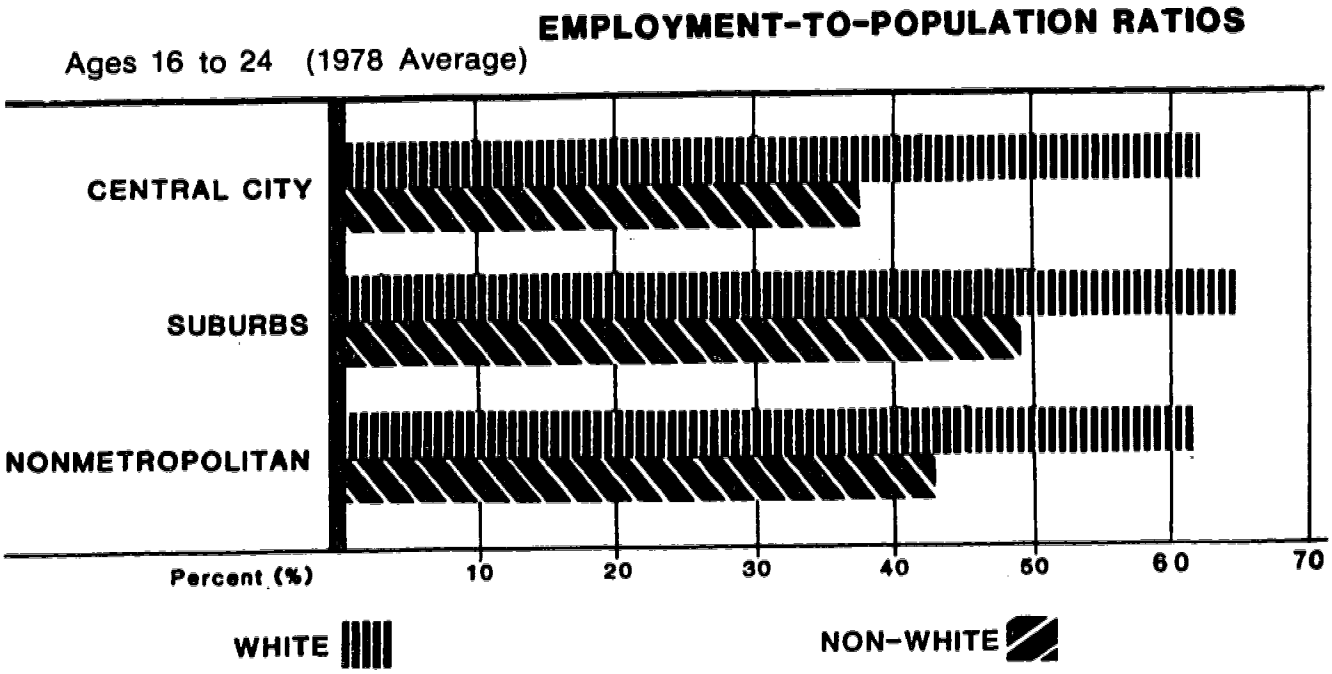
Chart #6 YOUTH EMPLOYMENT PROBLEMS AND POVERTY



SOURCE: Bureau of Labor Statistics, *Current Population Survey*, March 1978

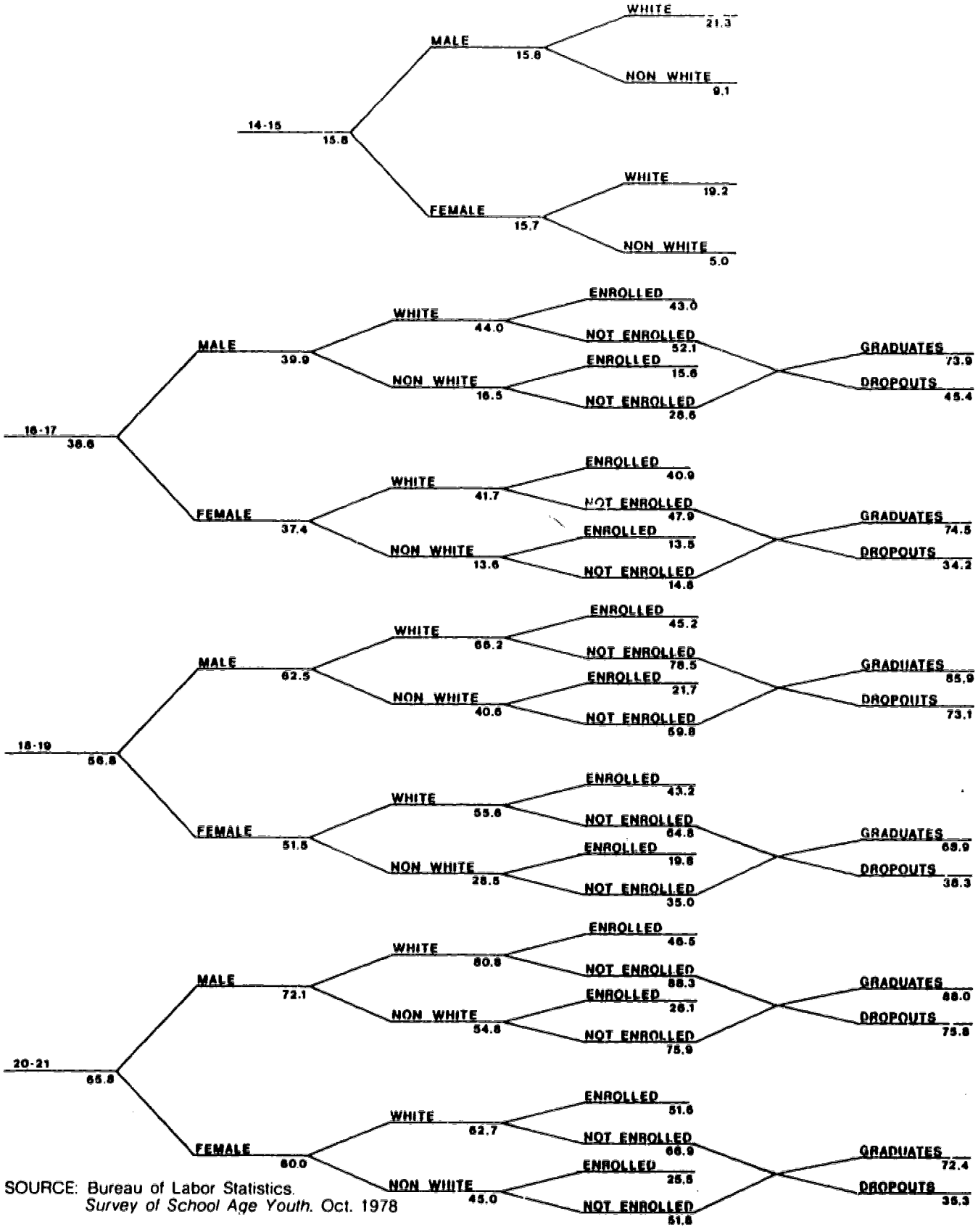
Chart #7 LOCATION AND YOUTH EMPLOYMENT PROBLEMS





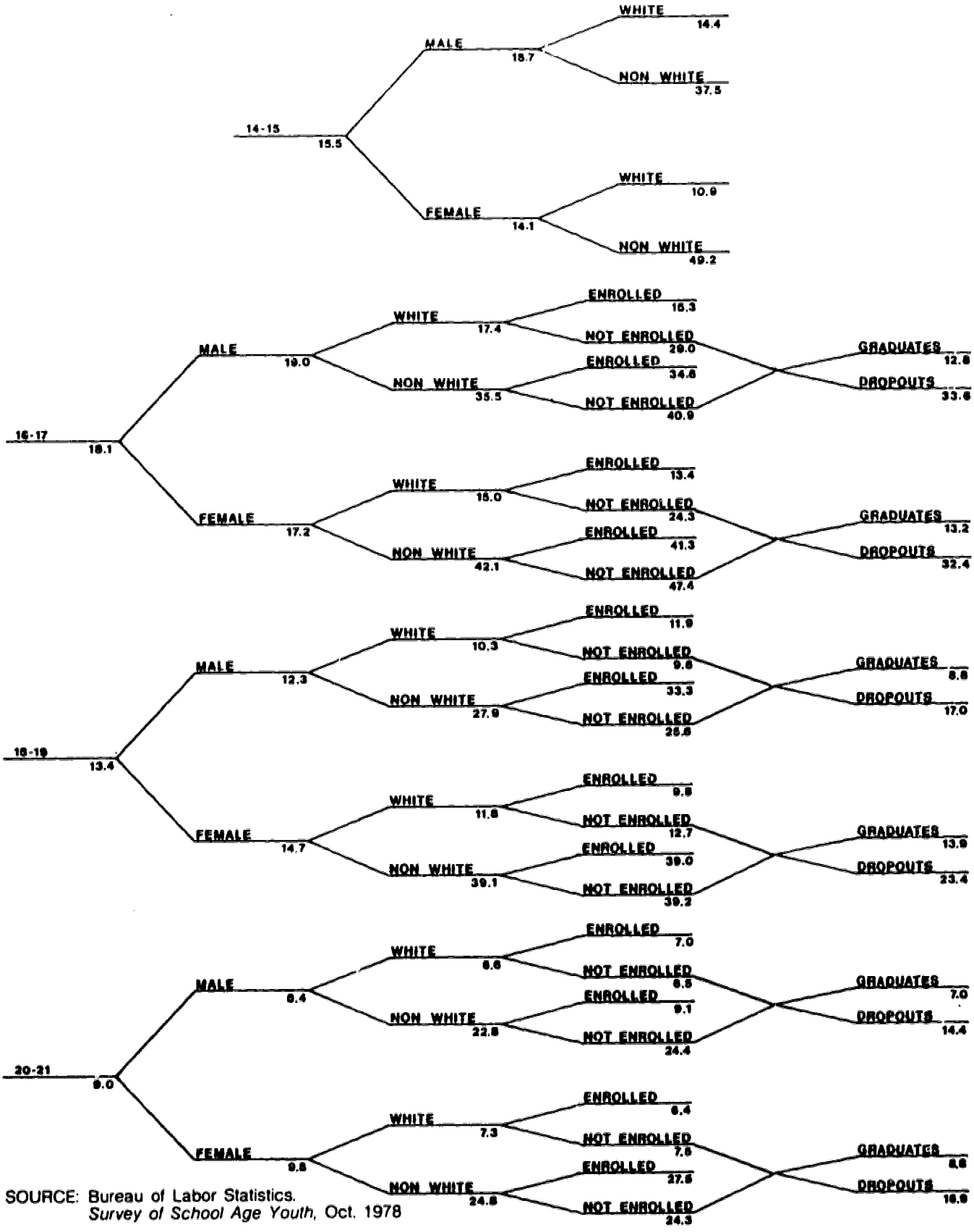
SOURCE: Bureau of Labor Statistics.

Chart #8 EMPLOYMENT/POPULATION RATIOS
The Multiple Factors



SOURCE: Bureau of Labor Statistics.
Survey of School Age Youth. Oct. 1978

Chart #9 UNEMPLOYMENT RATES
The Multiple Factors



SOURCE: Bureau of Labor Statistics.
Survey of School Age Youth, Oct. 1978

II. YOUTH EMPLOYMENT PROBLEMS:

THE UNDERLYING TRENDS

Youth employment problems have intensified in both absolute and relative terms over the last decade. Demographic trends have been and will continue to be a major factor. Racial differentials have increased. Educational gains have been substantial but are now leveling off.

Chart 10. Youth Population as a Percent of the Total Working Age Population:

The proportion of youth in the total working age population has reached a peak and will decline during the 1980's.

Chart 11. Projections of Labor Force Composition:

The number of youth in the civilian labor force will soon peak and decline thereafter. This factor should ease the job competition among youth.

Chart 12. Growth of the Youth Population by Race:

Though the growth of the youth cohort has peaked, the nonwhite youth population has and will continue to grow faster than white youth. Since the problems of nonwhites have grown worse even in periods when the problems of whites have eased, it is likely that the racial dimensions of youth employment problems will be exacerbated.

Chart 13. Civilian Labor Force Participation Rates of Teenagers:

Through the late 1950's and early 1960's, the nonwhite participation rate mirrored the rate of whites. Since then the rate for whites has steadily increased while the rate for nonwhites has fallen.

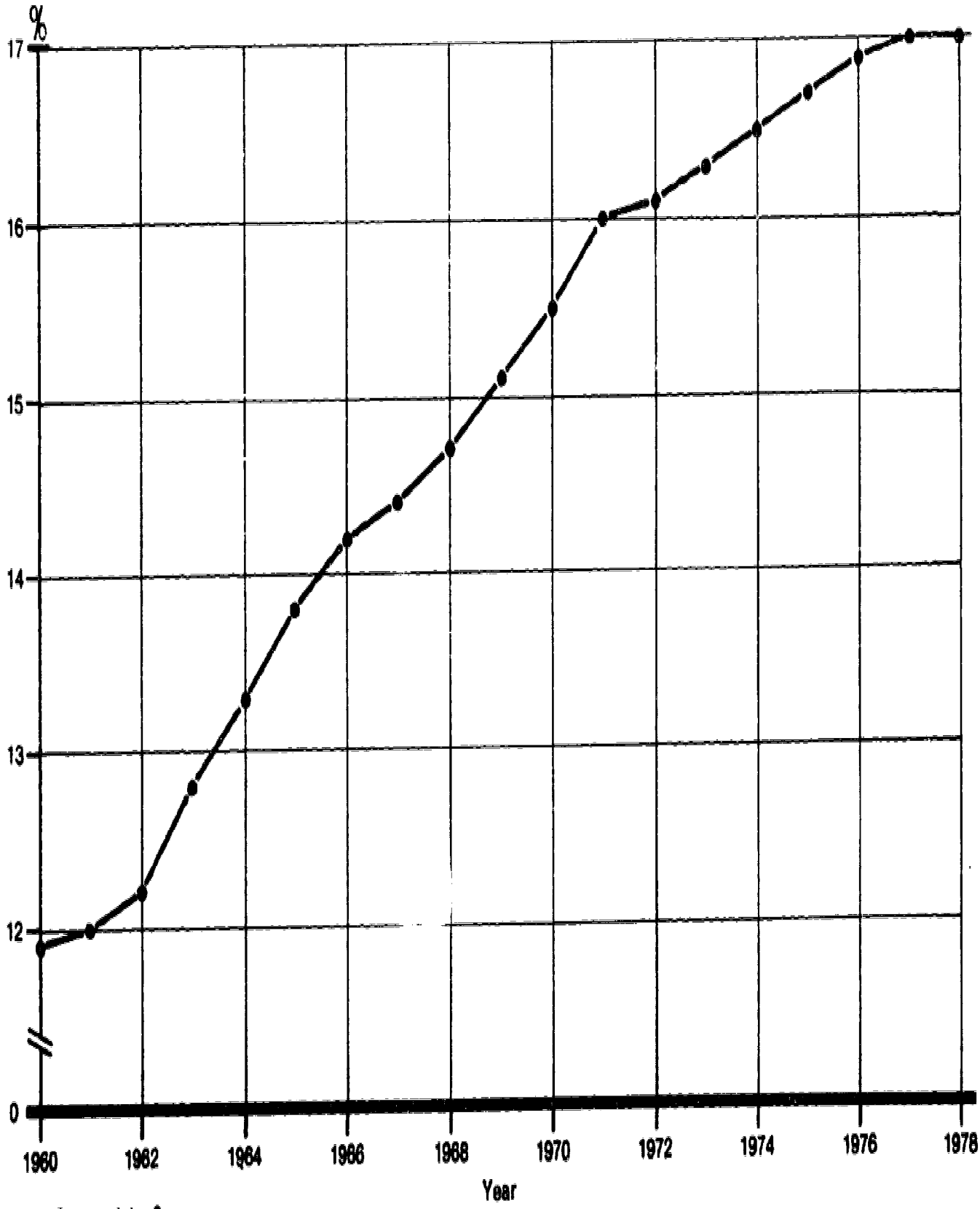
Chart 14. Trends in Unemployment byAge and Sex:

The unemployment gap between white and nonwhite teenagers has widened dramatically since the late 1950's. The nonwhite rate is highly volatile, reflecting the tenuous hold these youth have on their jobs during economic downturns.

Chart 15. Changes in Employment Probabilities:

The employment/population ratio for young nonwhite males has decreased dramatically over the past 20 years. This trend has been accompanied by a tremendous increase in the employment population ratio of young females, especially for whites.

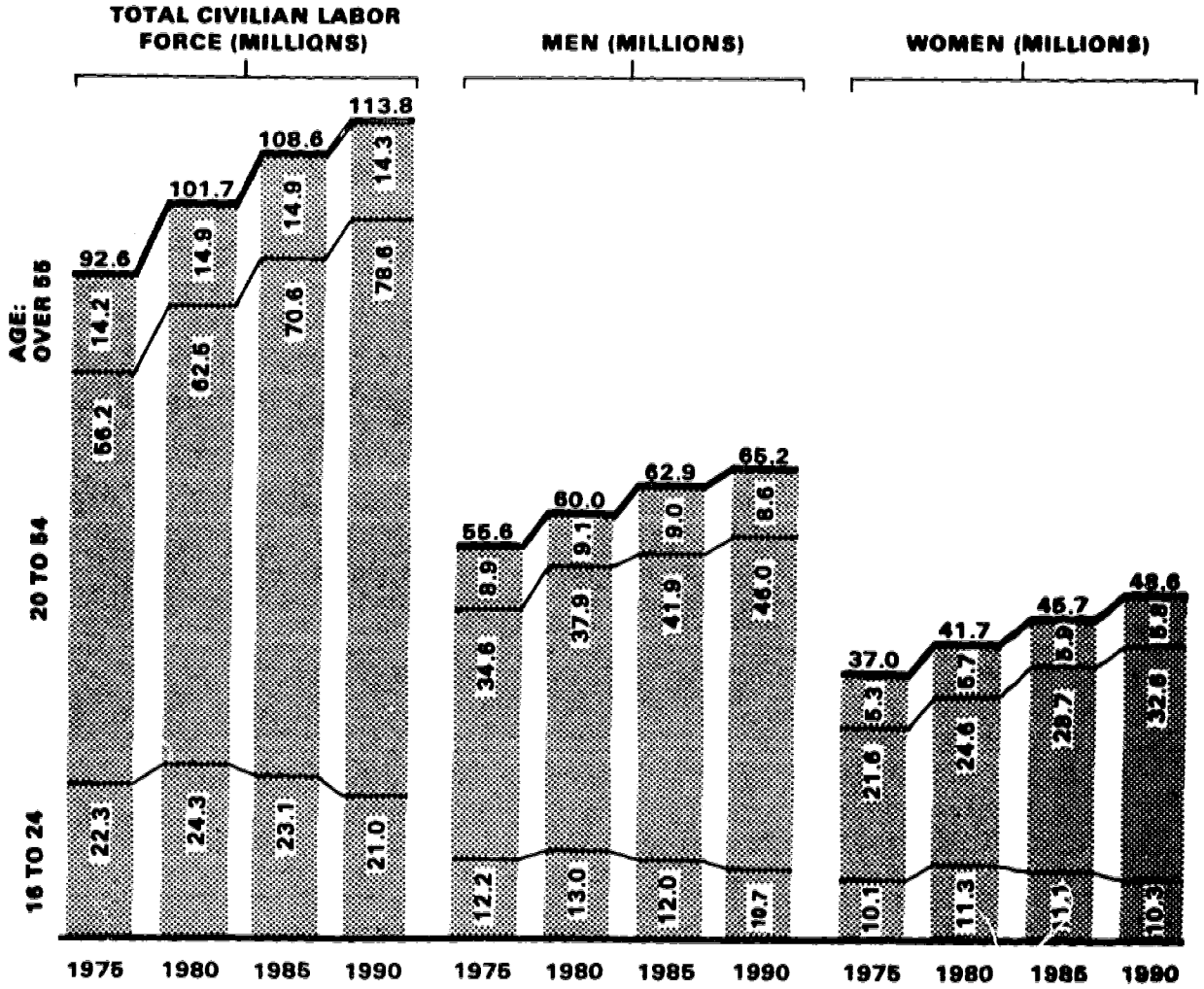
Chart #10 YOUTH POPULATION (16-24) AS A PERCENT OF TOTAL WORKING AGE POPULATION, 1960 TO 1978



SOURCE: Bureau of the Census

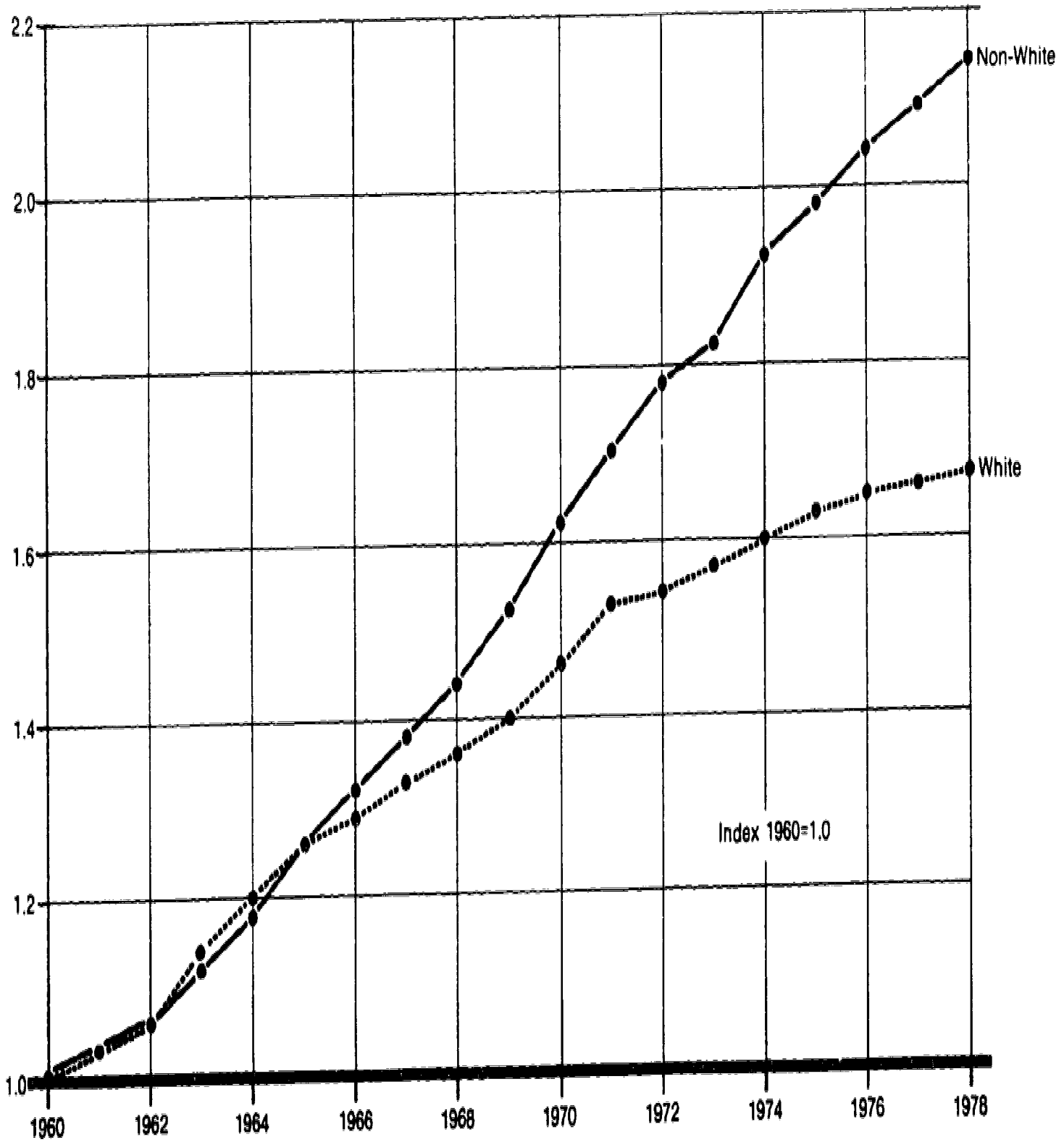
Chart #11 Projections of Labor Force Composition

1975-1990



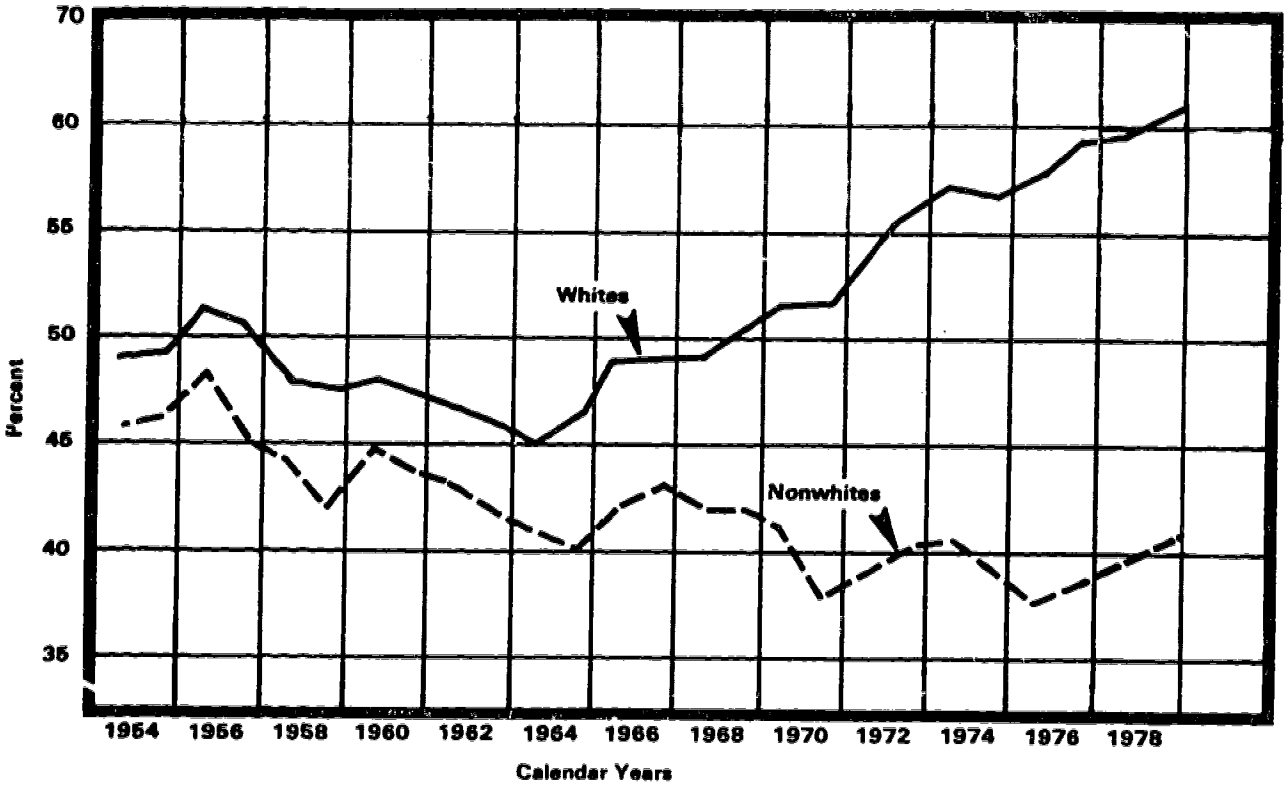
SOURCE: *"The Job Problem", by Eli Ginzberg, Scientific American,* Nov. 1977, Volume 237, Number 5, P. 50.

Chart #12 GROWTH OF YOUTH POPULATION BY RACE AGE 16-24, 1960 TO 1978



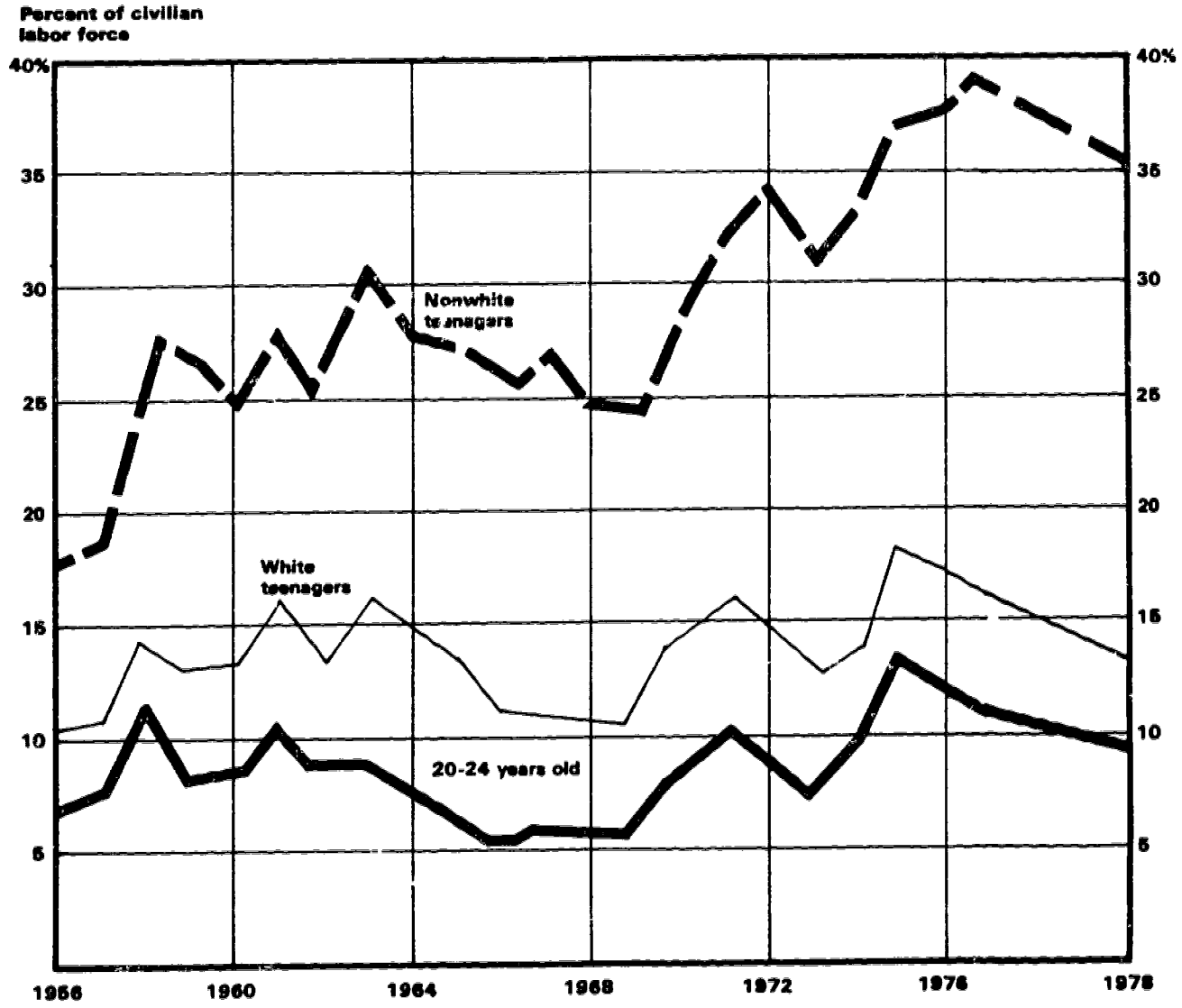
SOURCE: Bureau of the Census

Chart #13 CIVILIAN LABOR-FORCE PARTICIPATION RATES OF TEENAGERS
Age 16-19, by Race, 1954 to 1978



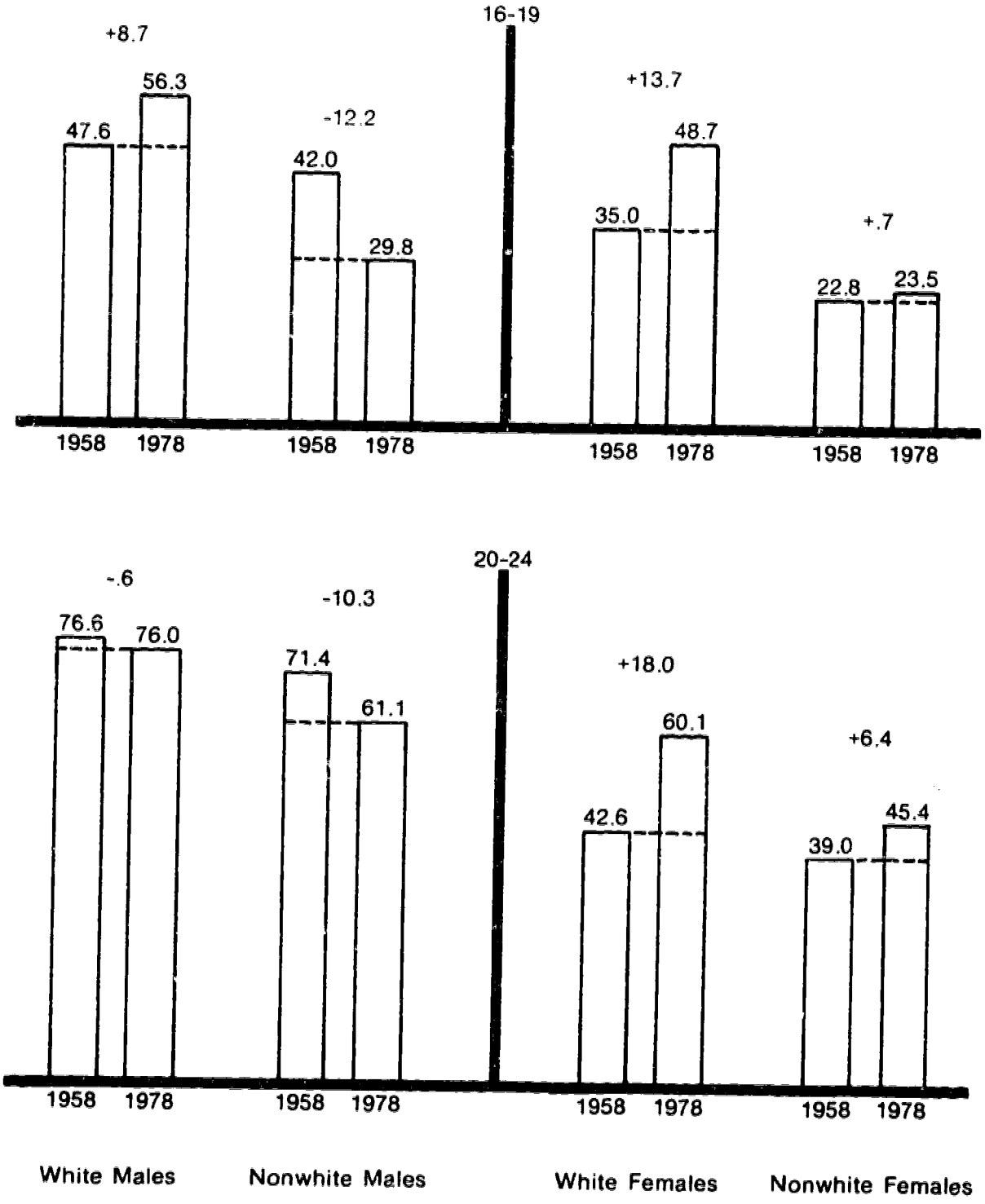
SOURCE: Bureau of Labor Statistics

Chart #14 TRENDS IN UNEMPLOYMENT BY AGE & SEX, 1956-1978



SOURCE: Department of Labor, *Employment and Training Report of the President* 1979).

Chart #15 CHANGES IN EMPLOYMENT PROBABILITIES



SOURCE: Bureau of Labor Statistics.

Chart 16. The Widening Disparity in Employment/Population Ratios:

The differentials in employment probability between white, Hispanic and nonwhite youth are disturbing, but even more critical are the widening of the differentials in the last decade.

Chart 17. Trends in High School Dropout Rates:

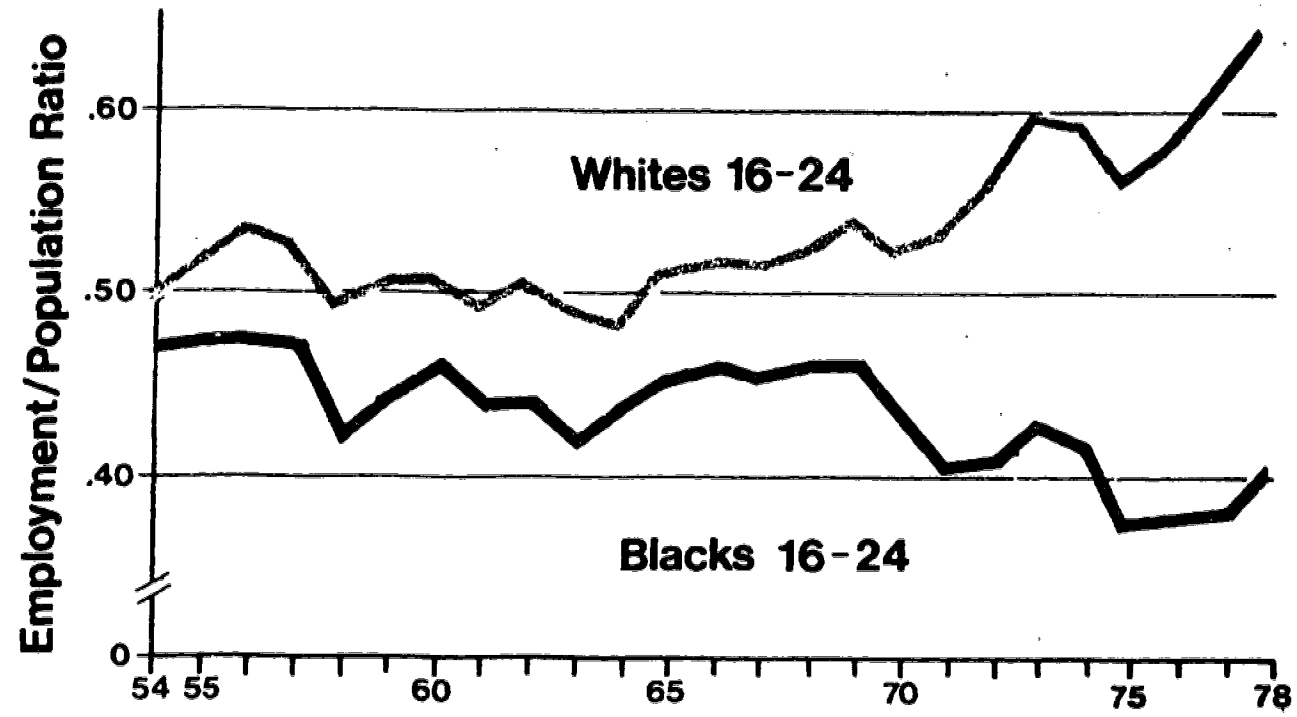
More than one out of every three Hispanic youth is a high school dropout. This has serious implications since educational attainment is related to future employment and earnings. The dropout trends are not very encouraging although there has been a modest decline for black youth.

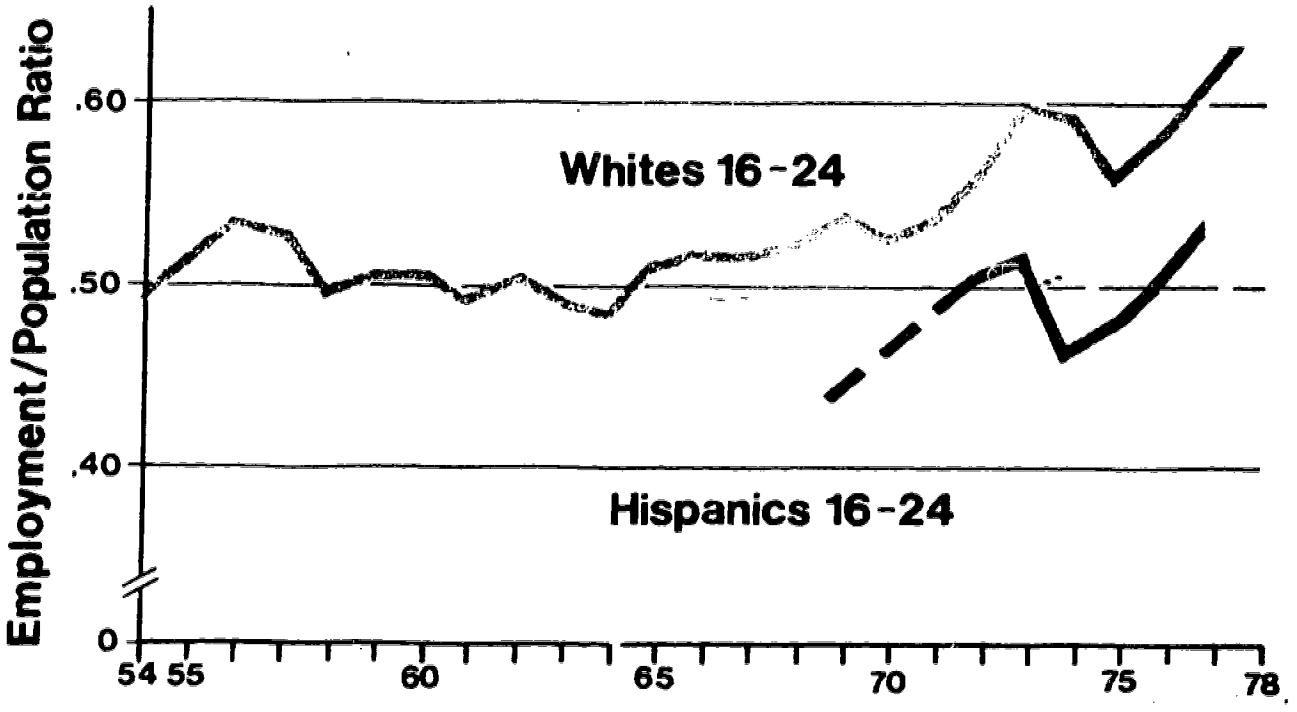
Chart 18. Trends in the Relative Educational Attainment of Blacks:

Blacks are underrepresented in higher education and overrepresented in the ranks of high school noncompleters. However, gains have been made since the 1950's, especially in higher education.

Chart #16 THE WIDENING DISPARITY IN EMPLOYMENT/ POPULATION RATIOS

1954-1978

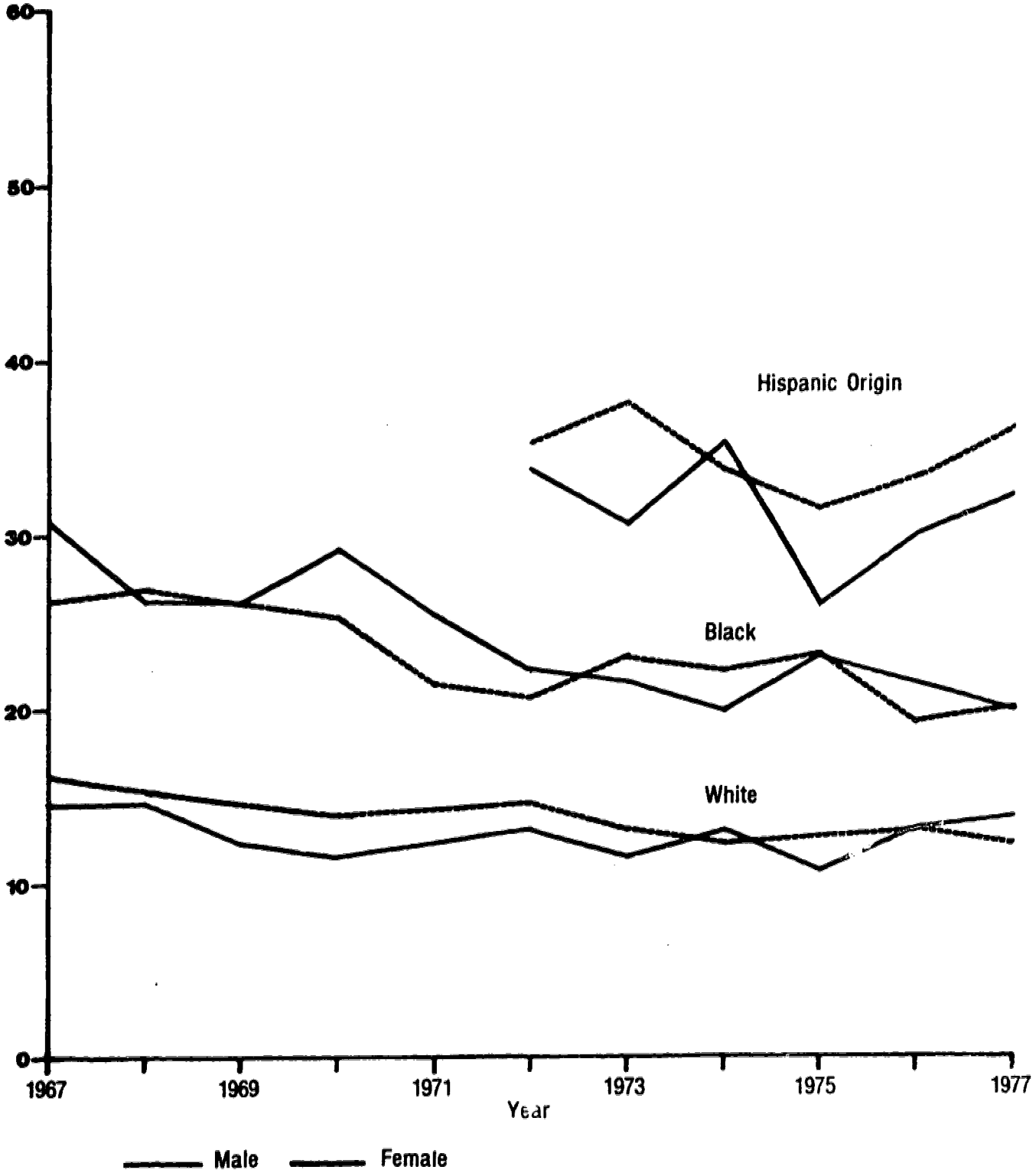




SOURCE: Bureau of Labor Statistics.

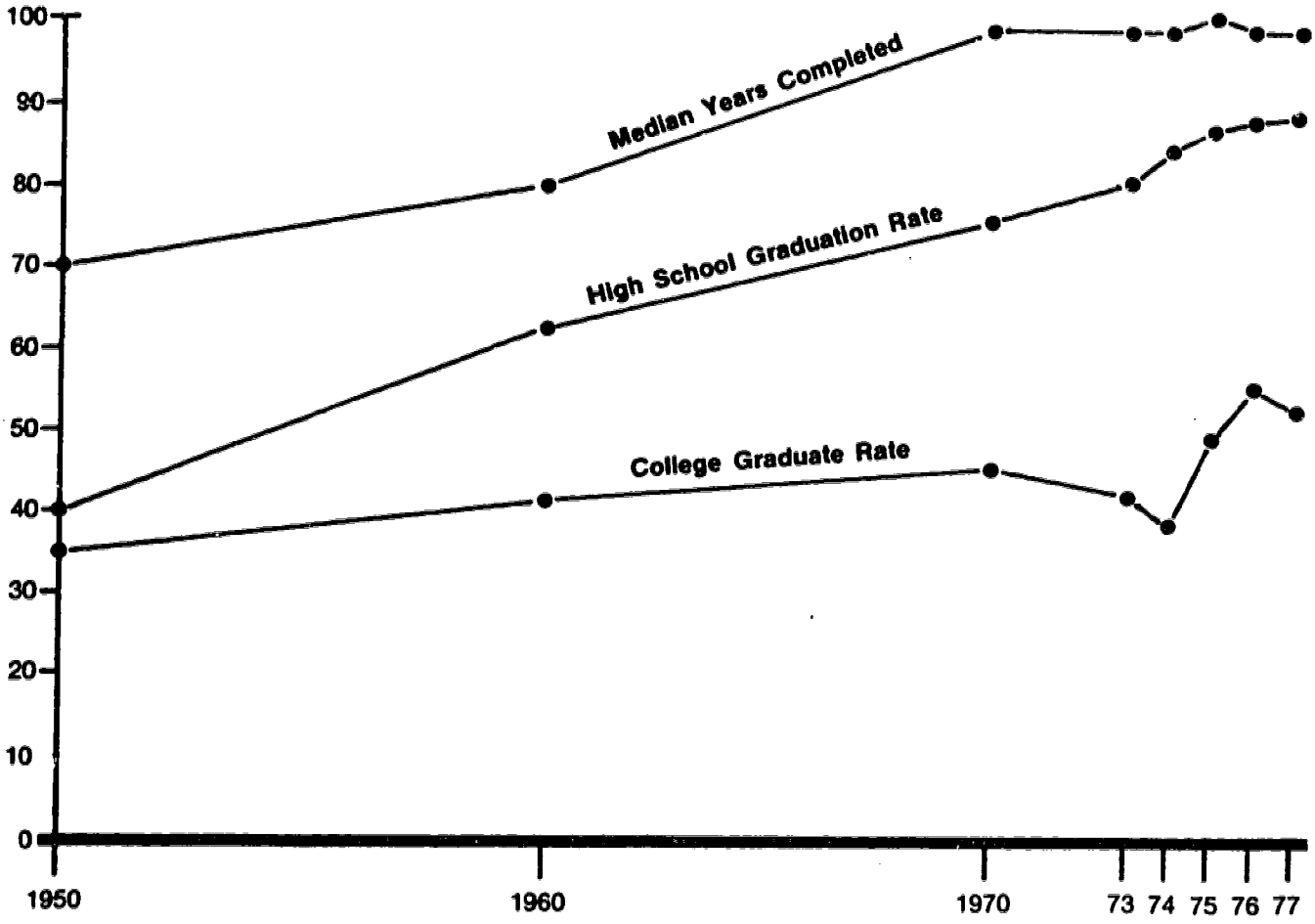
Chart #17 TRENDS IN HIGH SCHOOL DROPOUT RATES

Percent of 16- to 24-year-olds not enrolled in school and not high school graduates.



SOURCE: NATIONAL CENTER FOR EDUCATION STATISTICS, *THE CONDITION OF EDUCATION* 1979. EDITION.

Chart #18 TRENDS IN THE RELATIVE EDUCATIONAL ATTAINMENT OF BLACKS



SOURCE: M-L Group for Policy Studies in Education, *Minority Education* 1960-1978: *Grounds, Gains, and Gaps*, Volume I

III. THE CONSEQUENCES OF YOUTH EMPLOYMENT AND EDUCATION PROBLEMS

Youth employment and education problems have long-term implications for labor market success as well as immediate impacts on the well-being of youth and society.

Chart 19. More Education Reduces the Chances of Unemployment:

The diploma remains an important credential in the job market. Youth with high educational attainment levels are less likely to be unemployed than those with less education.

Chart 20. More Education Means More Income:

More educational attainment yields greater earnings for youth. For both males and females, college graduates command a salary which is about twice that of employed youth with eight grades or less of schooling.

Chart 21. Those Who Work as Youth have Greater Employment in the Future:

Recent studies have shown the positive effect that youth work experience has on future employment chances. All else being equal, both in-school and out-of-school teenagers who work suffer less unemployment subsequently and have greater labor force participation rates than their peers who do not work.

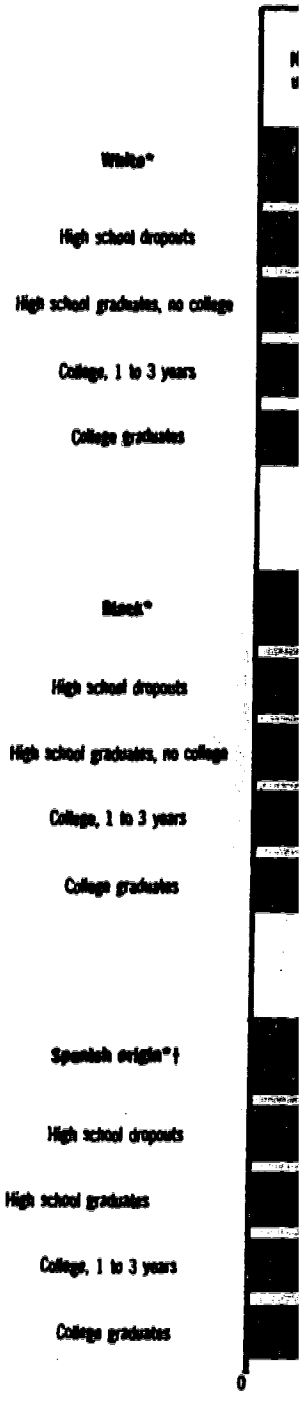
Chart 22. Youth Work Experience Increases Future Earnings:

For all groups except black males enrolled in school, employment during the teen years has a clearly positive effect on future earnings. In-school and out-of-school black females show remarkable gains from early work experience.

Chart 23. The Relationship Between Youth Crime and Joblessness:

The youth unemployment problem is more complex and far-reaching than unemployment statistics can portray. There are numerous social costs which can be associated with unemployment. The best available evidence suggests a statistically significant correlation between relative youth unemployment and youth arrests for a variety of crimes.

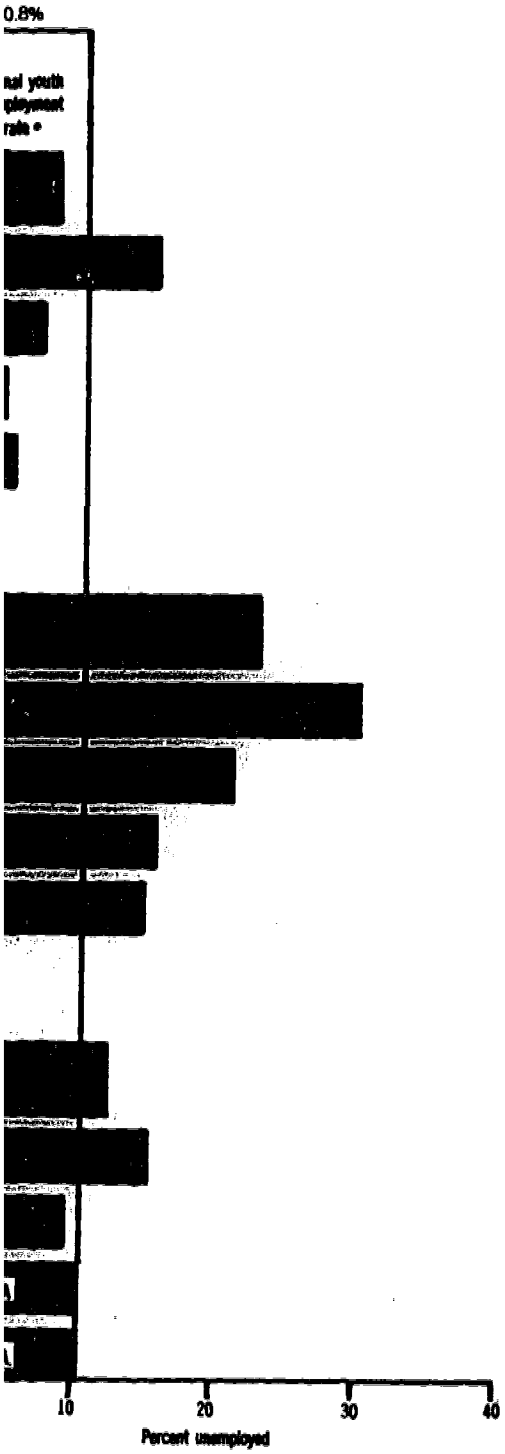
Chart #19 MORE EDUCA
OF UN



*16-to 2
†Regardl
NA Not a

SOURCE: National Center for Education

ION REDUCES THE CHANCES
EMPLOYMENT — 1978

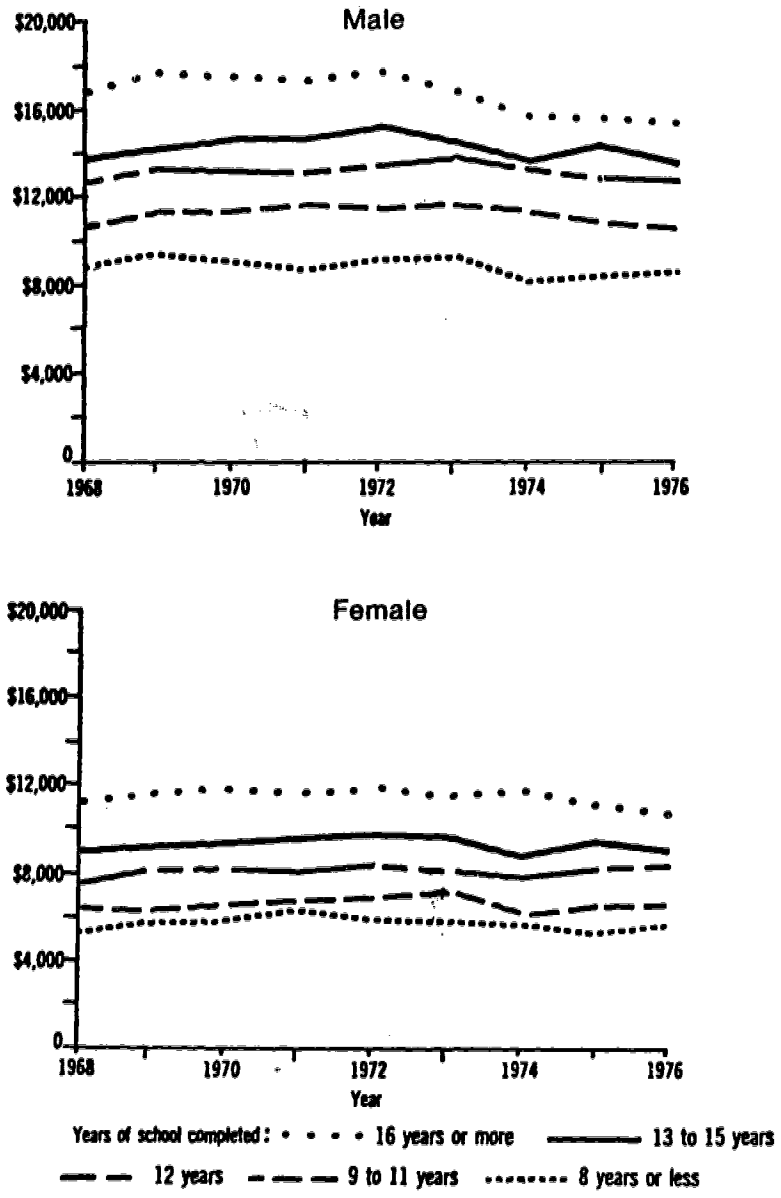


ar-olds, not enrolled in school
of race
able

atistics, *The Condition of Education*, 1978

Chart #20 MORE EDUCATION MEANS MORE INCOME

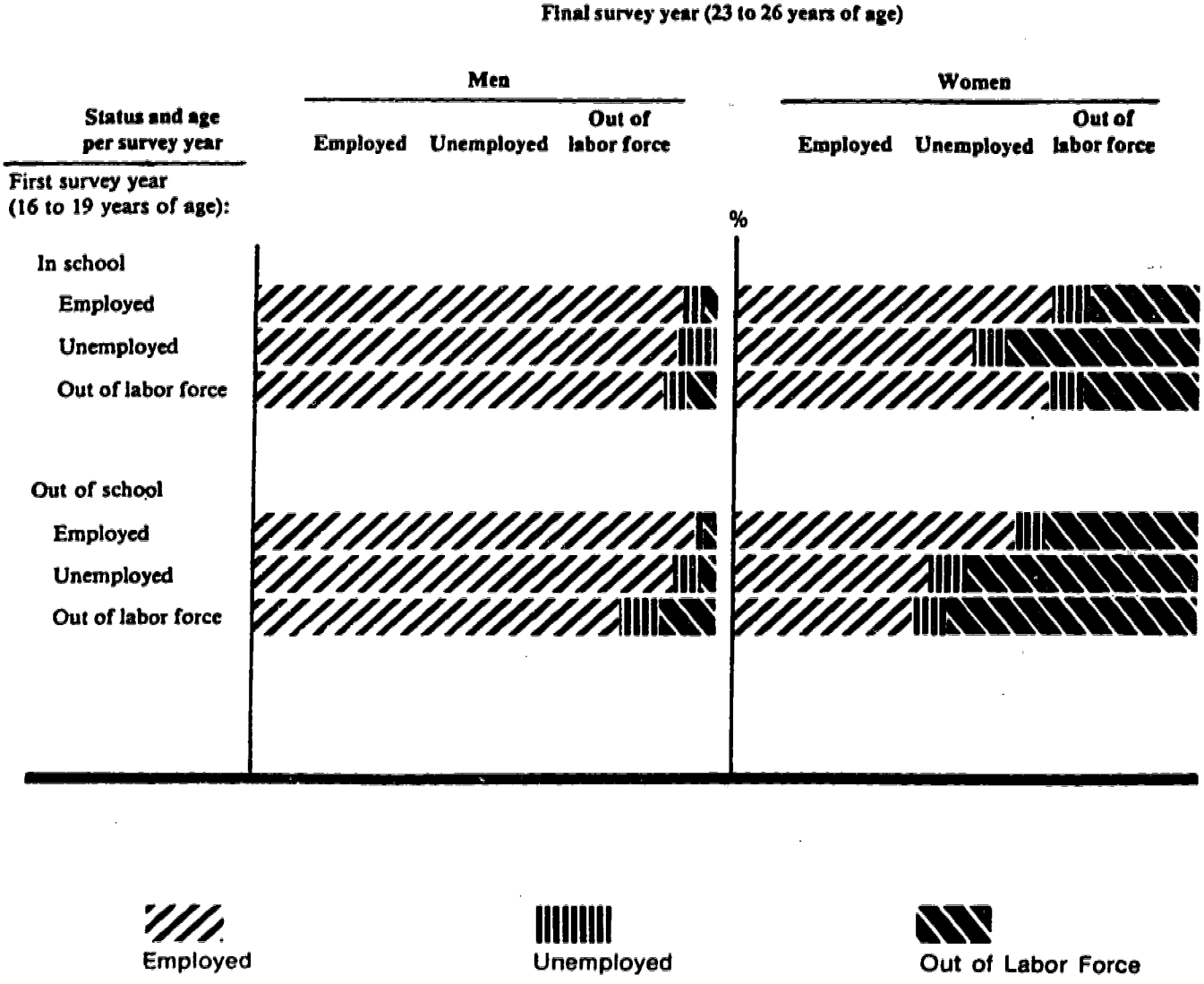
MEDIAN ANNUAL INCOME IN CONSTANT (1976-1977) DOLLARS



SOURCE: National Center for Education Statistics, The Condition of Education, 1978

Chart #21 THOSE WHO WORK AS YOUTH HAVE GREATER EMPLOYMENT IN THE FUTURE

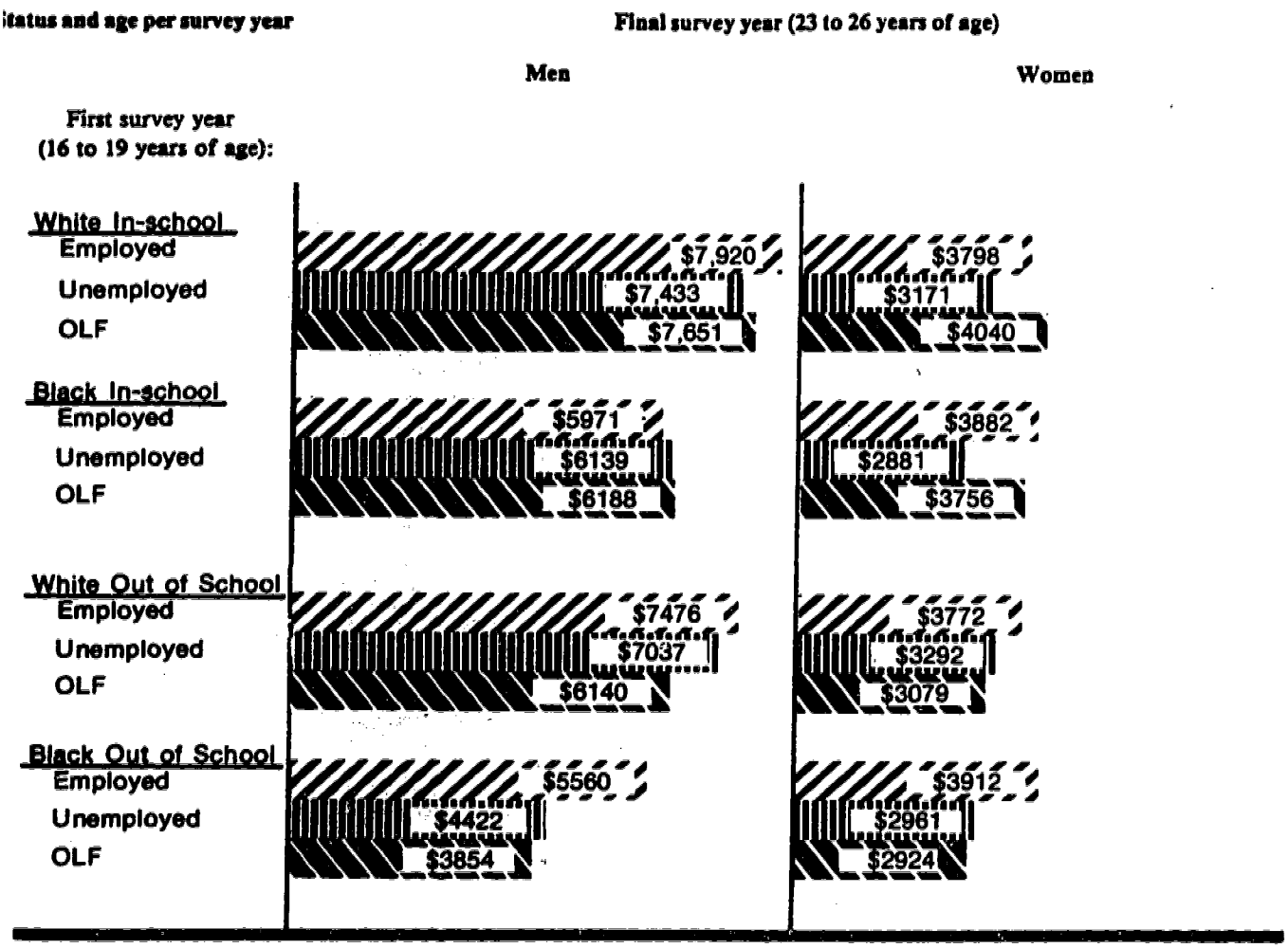
Labor Force Status in Final Survey Year by Earlier School Enrollment and Labor Force Status (percent distribution).



SOURCE: Wayne Stevenson, *"The Relationship Between Early Work Experience and Future Employability" in Adams & Mangum, The Lingering Crisis of Youth Unemployment*, 1978.

Chart #22 YOUTH WORK EXPERIENCE INCREASES FUTURE EARNINGS

Adjusted* Mean Earnings by Prior Labor Force and School Enrollment Status for Aging Cohorts of Young Men and Young Women Who Were Out of School in Final Survey Year

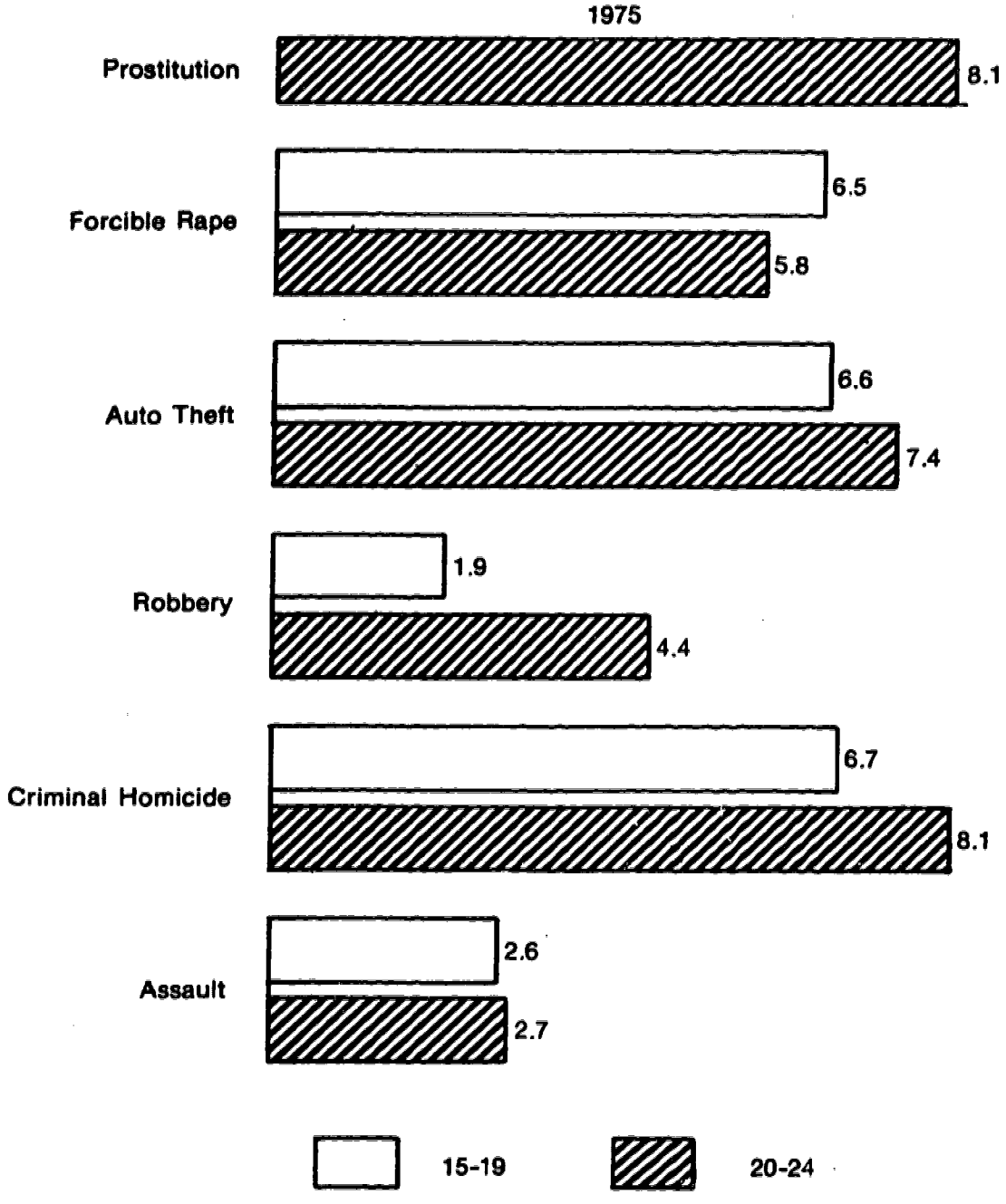


SOURCE: Wayne Stevenson, *"The Relationship Between Early Work Experience and Future Employability" in Adams & Mangum, The Lingering Crisis of Youth Unemployment*, 1978.

*Adjusted to account for differences in age, education, training, socio economic status, labor market knowledge, marital status, and (for males) living in SMSA.

Chart #23 THE RELATIONSHIP BETWEEN YOUTH CRIME AND JOBLESSNESS

Percent Rise in Arrests for one percent Rise in Youth Unemployment Rate, Assuming Total Unemployment Rate Does Not Change.



SOURCE: M. Harvey Brenner, *"Estimating the Social Costs of Youth Employment Problems", Prepared for the Vice President's Task Force on Youth Employment.*

IV. UNIVERSE OF NEED

The youth employment problem is serious in its dimensions, consequences and trends. In order to design policies and target resources, it is necessary to define and identify the numbers affected. The "universe of need" may be defined in a variety of ways; the more restrictive the definition, the more serious the problems of those who are counted.

Chart 24. Jobs Needed to Achieve Employment/Population Ratio Parity:

The differentials in employment chances can be translated into jobs needed to equalize employment/population ratios. Over 1 million jobs would have to be created for black youth just to bring them up to par with whites of the same age.

Chart 25. The Job Gap for Poor Youth:

Over one million jobs are needed for youth in poverty areas to bring them up to par with white youth in nonpoverty areas. Black and Hispanic youth need three-fourths of these jobs.

Chart 26. The High School Diploma Gap:

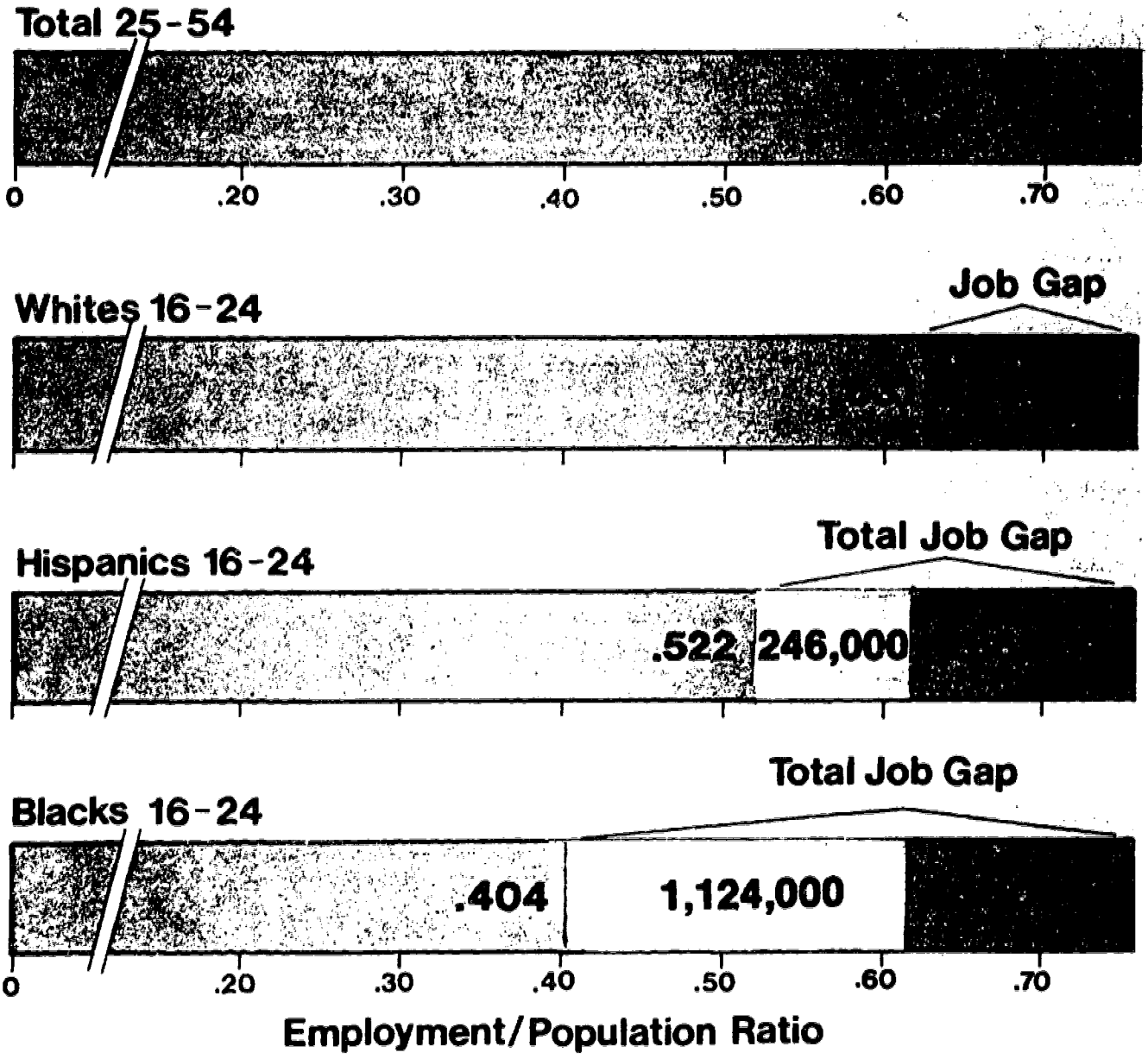
Over 2 million youth, 18-to-19-year-olds, lack high school diplomas. The problem is particularly severe for Hispanic youth.

Chart 27. Alternative Universe Estimates:

A universe of need can be defined in terms of age, educational status, socioeconomic status, race, length of unemployment and/or combinations of two or more such characteristics. The narrowest needs category would be long-term unemployed, dropout youth from poor families who are also members of minority groups.

Chart #24 JOBS NEEDED TO ACHIEVE EMPLOYMENT/ POPULATION RATIO PARITY

1978

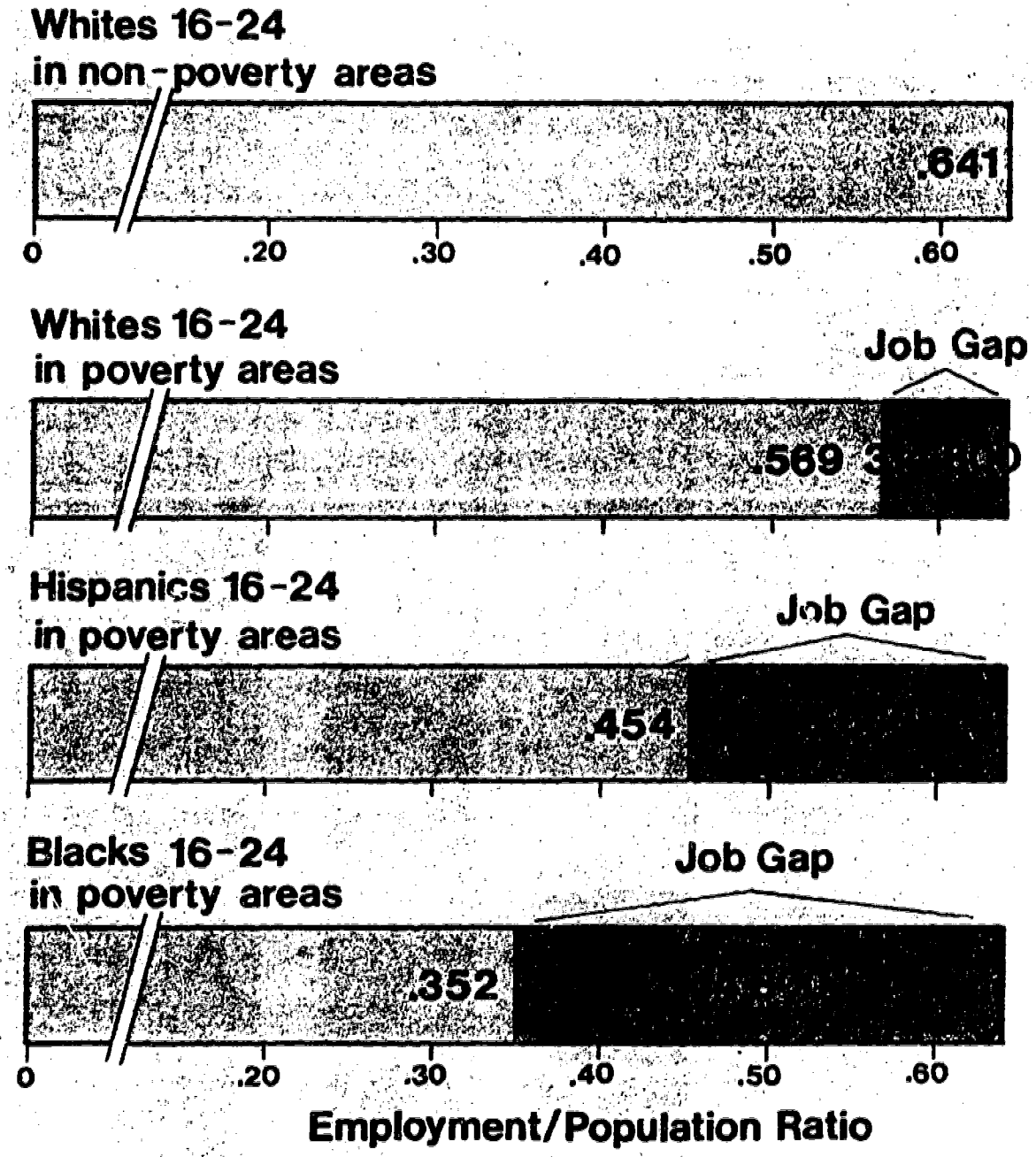


- Employment/Population Ratios
- Jobs necessary for parity with white youth
- Jobs necessary for parity with total 25-54

Source: Unpublished estimates from the Bureau of the Census, consistent with independent controls for current population surveys "Employment and Unemployment During 1978," Bureau of Labor Statistics

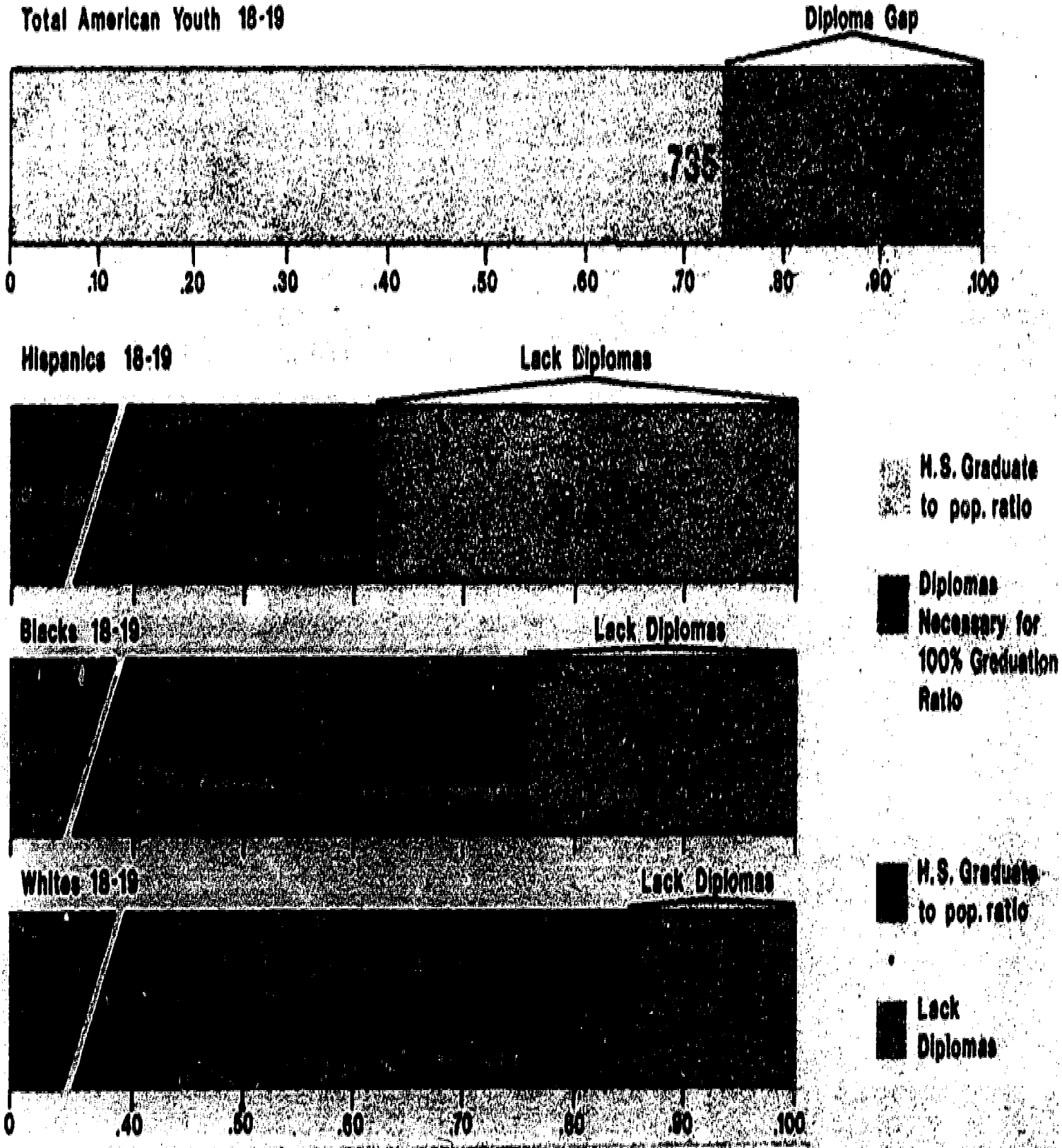
Chart #25 JOB GAPS FOR POOR YOUTH

1978



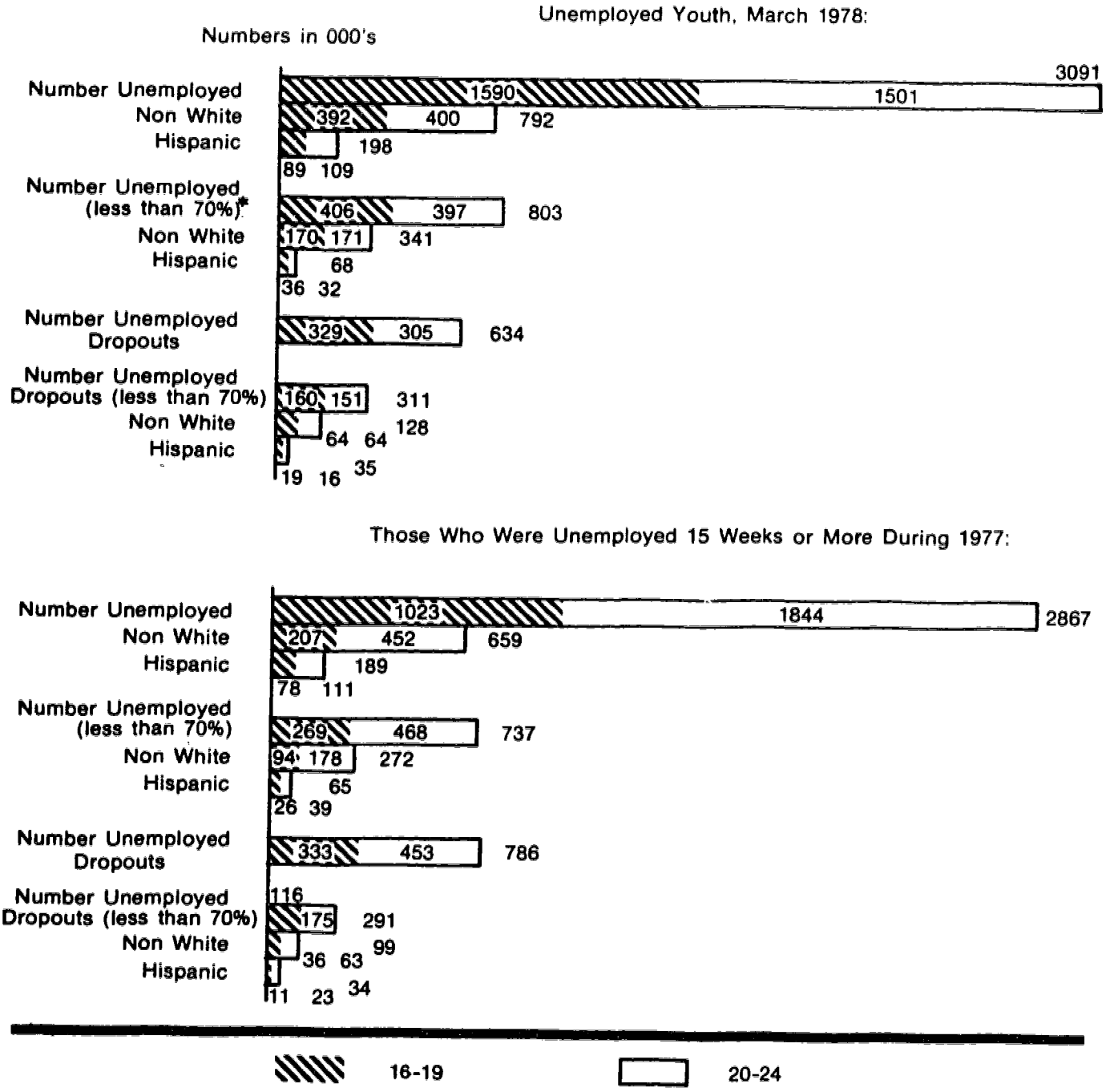
Source: Bureau of Labor Statistics, 1978 Annual Averages

Chart #26 THE HIGH SCHOOL DIPLOMA GAP



Source: Based on 1977 dropout rates for 18-19 year olds, and 18-19 year old enrollment data from 1978.
"School Enrollment—Social and Economic Characteristics of Students." Bureau of Census.

Chart #27 ALTERNATIVE UNIVERSE ESTIMATES



SOURCE: Bureau of Labor Statistics. *Current Population Survey*, March 1978.

*Those Who Earn Less Than 70% of the BLS LLSIL

Appendix 2
YOUTH ACT OF 1980
(Employment and Training Sections)

96TH CONGRESS
2D SESSION

S. 2385

To extend the authorization of youth training and employment programs and improve such programs, to extend the authorization of the private sector initiative program, to authorize intensive and remedial education programs for youths, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 5 (legislative day, JANUARY 3), 1980

Mr. WILLIAMS (for himself, Mr. PELL, and Mr. RANDOLPH) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

---

A BILL

To extend the authorization of youth training and employment programs and improve such programs, to extend the authorization of the private sector initiative program, to authorize intensive and remedial education programs for youths, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That this Act may be cited as the "Youth Act of 1980".

TITLE I—YOUTH TRAINING AND EMPLOYMENT PROGRAMS

SHORT TITLE

SEC. 101. This title may be cited as the "Youth Training and Employment Act of 1980".

STATEMENT OF PURPOSE

SEC. 102. It is the purpose of this title, in coordination with the Youth Education and Training Act set forth in title II of this Act, to increase the future employability of youths most in need by increasing their basic educational competency and workplace skills through a carefully structured combination of education, training, work experience, and related services. This title is designed to help achieve these objectives through providing the optimum mix of services focused upon disadvantaged youths. Additional purposes of this title include improving local accountability for program performance, simplifying reporting, increasing local decision-making on the mix and design of programs, providing extra resources for distressed areas, providing incentives for promoting special purposes of national concern, improving access by youths to private sector employment, assisting in improving staff and program capacity for those who provide the services, and providing trustworthy job references for participants.

APPROPRIATIONS AUTHORIZATIONS

SEC. 103. (a) Section 112(a)(4)(C) of the Comprehensive Employment and Training Act is amended to read as follows:

"(C) There are authorized to be appropriated such sums as may be necessary for the fiscal year 1981 and for each of the three succeeding fiscal years to carry out title IV.".

(b) Section 112(a)(7) of the Comprehensive Employment and Training Act is amended by adding at the end thereof the following new subparagraph:

"(C) There are authorized to be appropriated such sums as may be necessary for the fiscal years 1981 and 1982 to carry out title VII.".

REVISION OF TITLE IV-A

SEC. 104. (a) Section 1 of the Comprehensive Employment and Training Act is amended by deleting from the table of contents sections 401, 402, and sections 411-441 of part A of title IV, and substituting in lieu thereof the following:

(b) Section 1 of the Comprehensive Employment and Training Act is further amended by deleting from the table of contents sections 444–447 of part A of title IV and substituting in lieu thereof the following:

(c) Sections 401, 402, and 411–439 of part A of title IV of the Comprehensive Employment and Training Act are amended to read as follows:

"STATEMENT OF PURPOSE

"SEC. 401. It is the purpose of this title to provide training and employment programs for eligible youths to assist them in obtaining job opportunities and to improve their opportunities for future employment and increased earnings.

"PARTICIPANT ELIGIBILITY FOR TITLE IV PROGRAMS

SEC. 402. (a)(1) To be eligible for programs under part A, a youth must be 16 to 21 years of age (inclusive), and have a family income at or below 85 percent of the lower living standard income level, except that (A) 10 percent of each recipient's funds may be used for youths age 16 to 21 (inclusive) who do not meet such income requirement but who otherwise demonstrate the need for such services, and (B) youths shall be eligible who are age 16 to 21 (inclusive) and (i) who are economically disadvantaged as defined in section 3(8) of this Act, or (ii) in accordance with standards prescribed by the Secretary, who are handicapped individuals, youths under the supervision or jurisdiction of the juvenile or criminal justice system, pregnant teenagers or teenage mothers, or youths attending target schools under the basic skills program under the Youth Education and Training Act.

"(2) Youths otherwise eligible under paragraph (1) of this subsection but who are age 14 and 15 (inclusive) may receive counseling, occupational information, and other transition services either on an individual or group basis.

"(b) The Secretary shall issue regulations which, as a condition of participation in programs under part A, shall require (1) a specific period of joblessness, during which a youth must not have been employed prior to application for the program, or (2) a specific initial period which shall be

unstipended, during which a participating youth may receive only counseling, occupational information, career assessment, job referrals, and other transitional services.

"(c) The Secretary shall, by regulation, assure that programs under part A will give priority to youths who are experiencing the most severe handicaps in obtaining employment, such as to those who lack a high school diploma or other credentials, those who require substantial basic and remedial skill development, those out-of-school youths who have been jobless for a long period of time, those who lack equal opportunity due to sex, ethnic group, or handicap, those who are veterans of military service who are facing problems of readjustment to the civilian labor market, those who are under the supervision or jurisdiction of the juvenile or criminal justice system, those who are handicapped individuals, those who have dependents, or those who have otherwise demonstrated special need, as determined by the Secretary.

"(d) To be eligible for summer youth employment programs under part C, a youth must meet the eligibility requirements in paragraph (1) of subsection (a) of this section, except that otherwise eligible youths who are age 14 and 15 (inclusive) may participate if the program includes an educational component.

"PART A—YOUTH TRAINING AND EMPLOYMENT PROGRAMS

"CONGRESSIONAL FINDINGS AND STATEMENT OF PURPOSE

"SEC. 405. (a) Congress finds and declares that:

"(1) Youth unemployment accounts for a major share of aggregate unemployment and is a problem of increasing concern.

"(2) Youth unemployment problems are all the more critical because they are inequitably distributed among ethnic groups and economic levels.

"(3) The hardship related to youth joblessness is significant.

"(4) Joblessness among youths has significant social costs and consequences.

"(5) Intensive remedial employment, training, employment-related services, and supportive services, designed to lead to career entry, provide social benefits by enabling youths thereafter to apply their skills throughout their careers.

"(6) Occupational stereotypes based on ethnic group or sex can best be counteracted before career-limiting patterns are set.

"(7) Efforts to effectively prepare disadvantaged youths for unsubsidized employment in the private sector must be correlated with the needs and require-

ments of private employers, who must be recognized as partners in the planning and implementation of youth training and employment programs.

"(b) Congress further finds and declares that the problem of youth joblessness should be addressed not only with a view toward addressing the immediate employment problems, but more particularly in a developmental framework with a view toward moving jobless youths step-by-step into long-term productive careers in the public and private sectors of the economy. Accordingly, training and employment programs for youths should be designed in a manner which parallels the natural development of youths as they progress toward the adult world of work.

"(c) It is therefore the purpose of this part to provide support for youth training and employment programs, along with ancillary employment-related services and supportive services, which—

"(1) will develop the skills and competencies of youths to enable them to obtain unsubsidized employment through a sequence of activities that (A) provide intensive remedial education and basic skills training needed for entry into the world of work; (B) develop the skills and ability to perform competently in entry level work; (C) provide an awareness of, and introduction to, the world of work; and (D) provide the ad-

vanced skills, training, and job search assistance needed by older youths seeking career employment;

"(2) provide for assessment of each youth to determine his or her need for employability development; for employment and other services to be afforded to such youths in accordance with such assessed needs; and for employment-related competencies gained by such youths to be documented and recognized in accordance with standards developed in the community;

"(3) provide for performance standards for prime sponsors and service deliverers, and benchmarks for youth participants;

"(4) provide for extensive coordination and cooperation in the planning and operation of the programs with local educational agencies, especially with respect to activities on behalf of in-school youths, and for the involvement of the business community, labor organizations, and community-based organizations; and

"(5) assure to youths freedom from the limitations of occupational stereotypes based on sex, ethnic group, or handicap.

"FUNDS AVAILABLE FOR EACH SUBPART

"SEC. 406. (a) From the sums available for this part, the Secretary shall make available—

"(1) not less than 68 percent thereof for purposes of subpart 1 of this part; and

"(2) not less than 22 percent thereof for incentive grants under subpart 2 of this part.

"(b) Not more than the lower of 10 percent of the funds available for this part, or $150,000,000, shall be available for Secretary's discretionary programs under subpart 3.

"Subpart 1—Basic Programs

"ALLOCATION OF FUNDS

"SEC. 411. (a) From the amounts made available pursuant to section 406(a)(1) for each fiscal year—

"(1) not less than 5 percent of the sums available for this part shall be made available to Governors for special statewide youth services, to be allocated among the States in accordance with the factors set forth in subsection (c) of this section;

"(2) not less than 2 percent of the sums available for this part shall be made available for youth training and employment programs operated by Native American sponsors qualified under section 302(c)(1), in accordance with regulations which the Secretary shall prescribe; and

"(3) not less than 2 percent of the sums available for this part shall be made available for training and employment programs operated by sponsors qualified

under section 303 for youths in migrant and seasonal farmworker families, in accordance with regulations which the Secretary shall prescribe.

"(b) The remaining amounts available pursuant to section 406(a)(1) for each fiscal year, which shall be not less than 59 percent of the sums available for this part, shall be made available to prime sponsors for youth training and employment programs under this subpart, as follows:

"(1) one-half of 1 percent of the sums available for this part shall be allocated in the aggregate for Guam, the Virgin Islands, American Samoa, the Northern Marianas, and the Trust Territory of the Pacific Islands, in accordance with regulations which the Secretary shall prescribe;

"(2) the remaining amounts shall be allocated among States so that (A) three-fourths of such remaining amounts shall be allocated as determined in accordance with subsection (c) of this section, and (B) one-fourth thereof shall be allocated as determined in accordance with subsection (d) of this section.

"(c)(1) Amounts to be allocated in accordance with this subsection shall be allocated among States in such manner that—

"(A) 37.5 percent thereof shall be allocated in accordance with the relative number of unemployed per-

sons within each State as compared to the total number of unemployed persons in all States;

"(B) 37.5 percent thereof shall be allocated in accordance with the relative number of unemployed persons residing in areas of substantial unemployment (as defined in section 3(2)) within each State as compared to the total number of unemployed persons residing in all such areas in all States; and

"(C) 25 percent thereof shall be allocated in accordance with the relative number of persons in families with an annual income below the low-income level (as defined in section 3(16)) within each State as compared to the total number of such persons in all States.

"(2) Such amounts as are required pursuant to subsection (b) of this section to be allocated among States in accordance with paragraph (1) of this subsection shall be further allocated by the Secretary among prime sponsor areas within each State based upon the factors set forth in paragraph (1).

"(d) Amounts required by subsection (b)(2)(B) of this section to be allocated under this subsection shall be allocated as follows:

"(1) Puerto Rico, and each prime sponsor area within Puerto Rico, shall receive such share of such amounts as is equivalent to the comparable share of allocations under subsection (c).

"(2) The remaining amounts shall be allocated among other States, and among prime sponsor areas within each such State, in the following manner:

"(A) 50 percent thereof shall be allocated among States, and prime sponsor areas within each State, on the basis of the relative excess number of unemployed individuals in each prime sponsor area as compared to the total excess number of unemployed individuals in all such prime sponsor areas. For purposes of this subparagraph, the term 'excess number of unemployed individuals' means the number of unemployed individuals in excess of the ratio which the total number of unemployed individuals in all States bears to the total number of individuals in the civilian labor force of all States. For purposes of this subparagraph, the number of unemployed individuals for States may be determined on the basis of the number of unemployed youths when satisfactory data are available on a three-year basis.

"(B) 50 percent thereof shall be allocated among States, and among prime sponsor areas within each State, on the basis of the relative excess number of low-income youths in each

prime sponsor area as compared to the total excess number of low-income youths in all such prime sponsor areas. For purposes of this subparagraph, the term 'low-income youths' means youths with family incomes at or below 70 percent of the lower living standard income level (as determined by the Secretary); and the term 'excess number of low-income youths' means the number of low-income youths in excess of the ratio which the total number of low-income youths in all States bears to the total number of youths in the population of all States. For purposes of this subparagraph, the number of low-income youths may be determined on the basis of the number of individuals in low-income families, except that the number of low-income youths may be used where satisfactory data are available.

"(3) For purposes of this subsection, the term 'youths' means individuals who are age 16 to 24 (inclusive), and the term 'States' means the fifty States and the District of Columbia.

"PRIME SPONSOR BASIC PROGRAMS

"SEC. 412. (a) Prime sponsors shall provide employment opportunities, appropriate training, and employment

related and supportive services for eligible youths, including but not limited to the following:

"(1) Preemployment assistance shall be provided for youths who lack world-of-work skills needed to find or successfully hold a job or to make career decisions. Such assistance may include occupational testing and counseling, occupational exploration, job search and job referral assistance, and instruction in the demands of the workplace. Such assistance shall be designed to better prepare youths for entry into the labor market, and for the transition from school to work, in order to reduce the period of and increase the success of initial job search, to improve performance in entry jobs, and to improve career awareness and choice.

"(2) Productive basic work experience shall be provided for youths with limited job experience and options. Such opportunities shall be provided through in-school and summer work experience for students, and full-time work experience for dropouts. Work experience shall be closely linked to education, and shall be designed to develop basic experience in holding, and performing on, a job. Such opportunities shall emphasize close supervision and productive output in order to contribute measurably to society through community service and improvement.

"(3) Remedial education and training opportunities shall be provided and shall be designed principally for older out-of-school youths who lack occupational skills or educational competencies to compete in the adult labor market, and who demonstrate the maturity and understanding to successfully complete such activities. Such opportunities may be provided through residential and nonresidential vocational training and basic education activities. Remedial services may include such activities as literacy training and bilingual training to overcome language barriers to employment, shall be of sufficient duration to assure substantive occupational skill or educational competency acquisition, and shall be linked directly to the labor market to assure subsequent application of acquired skills and educational competencies. Remedial services shall be designed to prepare such youths to enter the first step of career ladders from which they might otherwise be excluded.

"(4) Career ladder work opportunities shall be provided to older youths leading to adult career opportunities. Such work shall be provided primarily in on-the-job training in the private sector, and shall be in jobs which foster transferable skills and emphasize movement into permanent employment. Such work

shall be structured to maximize job-related training, and shall be designed to provide youths, who have completed basic work experience and remedial activities, with specific occupational competencies and access to productive adult job opportunities.

"(b) Work experience opportunities as described in this section may include but are not limited to the following:

"(1) youth conservation projects, such as park establishment and upgrading; environmental quality control, including integrated pest management activities; preservation of historic sites; maintenance of visitor facilities; and conservation, maintenance, and restoration of natural resources on publicly held lands;

"(2) youth community improvement projects, such as neighborhood revitalization; neighborhood transportation services; rehabilitation or improvement of public facilities; weatherization and basic repairs to homes occupied by low-income families; energy conservation activities, including application of solar energy techniques (especially those using materials available without cost to the program); and removal of architectural barriers to access to public facilities by handicapped persons;

"(3) community betterment activities, such as work in education, health care, and crime prevention and control; and

"(4) innovative cooperative education programs for youths in secondary and postsecondary schools designed to coordinate education programs with work in the private sector.

"(c) Training activities may include, but are not limited to, the following:

"(1) classroom training and remedial education;

"(2) institutional skills training;

"(3) on-the-job training; and

"(4) assistance in attaining certificates of high school equivalency.

"(d) Supportive services and employment-related services as described in this section may include, but are not limited to, the following:

"(1) outreach, assessment, and orientation;

"(2) counseling, including occupational information and career counseling free of occupational sex stereotyping based on sex, ethnic group, or handicap, and including information on nontraditional jobs;

"(3) career guidance activities promoting transition from education and training to work;

"(4) provision of information concerning the labor market, and occupational, educational, and training information;

"(5) services to help youths obtain and retain employment;

"(6) supportive services (as defined in paragraph 26 of section 3 of this Act), such as child care and transportation assistance;

"(7) job sampling, including occupational exploration in the public and private sectors;

"(8) job restructuring, including assistance to employers in developing job ladders or new job opportunities for youths;

"(9) community-based central intake and information services for youths;

"(10) job development, job referral and placement assistance to secure unsubsidized employment opportunities for youths, and referral to employability development programs; and

"(11) programs and services to overcome stereotyping based on sex, ethnic group, or handicap, with respect to job development, referral, and placement.

"(d) Funds available for purposes of this subpart may be used subject to the following conditions:

"(1) such funds shall be used for training and employment activities, but may not be used for standard courses of instruction in the secondary schools of any

local educational agency which would otherwise be provided;

"(2) such funds may support programs operated through service deliveries other than local educational agencies, such as through community-based organizations and other nonprofit organizations, and through alternative arrangements, which may include classroom training leading toward a high school equivalency certificate;

"(3) such funds may be used for adult basic education programs or programs carried out through postsecondary institutions, but no such program shall lead toward a postsecondary degree except where the Secretary may otherwise provide;

"(4) the prime sponsor shall provide assurances that there will be an adequate number of supervisory personnel on each work project and that supervisory personnel are adequately trained in skills needed to carry out the project and can instruct participating eligible youths in skills needed to carry out the project;

"(5) the prime sponsor may make reasonable payment for the acquisition or rental of such space, supplies, materials, and equipment as determined to be necessary in accordance with regulations of the Secretary.

"(e) Prime sponsors serving areas which include target schools funded under the Youth Education and Training Act shall make adequate part-time work experience opportunities available for youths in such schools in conjunction with programs under that Act, pursuant to an agreement with the local educational agency and in accordance with regulations issued by the Secretary of Labor in consultation with the Secretary of Education.

"EQUAL CHANCE SUPPLEMENTS

"SEC. 413. Prime sponsors receiving equal chance supplemental allocations in accordance with section 411(b)(2)(B) shall primarily use such funds to serve youths residing in communities and neighborhoods which have particularly severe economic and social problems which generate multiple obstacles to the employment and employability development of such youths, so as to help provide such youths an equal chance in developing the same long-term employment potential as less disadvantaged youths. Such communities and neighborhoods shall be designated by prime sponsors on the basis of such factors as poverty, school dropout rates, lack of employment opportunities, and other relevant factors.

"PRIME SPONSOR YOUTH PLANS

"SEC. 414. The Secretary shall provide financial assistance under this part only to a prime sponsor submitting a youth plan, as part of its comprehensive plan under section

103, which sets forth satisfactory provisions meeting the following conditions:

"(1) The skills and competencies of youths designed to enable them to obtain unsubsidized employment shall be developed through a sequence of activities that (A) provide intensive remedial education and basic skills training needed for entry into the world of work; (B) develop the skills and ability to perform dependably in entry level work: (C) provide an awareness of and introduction to the world of work; and (D) provide advanced skills training and job search assistance needed by older youths seeking employment.

"(2) Each youth shall be individually assessed in planning his or her employability development. Training and employment and other services shall be afforded to such youths in accordance with such assessed needs. An employability development plan shall be developed for each participating youth cooperatively between the youth and the program personnel, and, to the maximum extent feasible, in coordination with school personnel. The employability development plan shall set forth for each participating youth a program of assistance over specific periods of time throughout the period of the youth's participation, such as remedial education, work experience, employment-related and

supportive services, and career development, in accordance with the youth's particular needs, and shall specify performance requirements for the youth and the expected outcomes.

"(3) An individual achievement record shall be established and maintained for each participating youth as a continuing record to document the needs and competencies, including skills, education, employment, and training obtained by each youth. Such record shall be maintained and periodically updated during the entire period of the youth's participation in the program, and shall, to the maximum extent feasible, be coordinated with any school attended by the youth. Such record shall be confidential and information therein shall be available only to persons who require it as part of their responsibilities in operating, administering, or evaluating programs under this part, except that such information may be shared with employers, educators, and others upon the specific authorization of the participant.

"(4) Basic programs assisted under this subpart shall emphasize efforts for out-of-school youth, and programs for such youths shall include basic education and basic skills developed cooperatively with the local educational agency.

"(5) Descriptions shall be provided of the eligible youth population by sex and ethnic group, and of the proposed level of activities for participants from these significant segments of the eligible population.

"(6) Programs assisted under this part shall, to the maximum extent feasible, coordinate services with other youth programs and similar services offered by local educational agencies, postsecondary institutions, the State employment service, private industry councils, agencies assisting youths who are under the supervision or jurisdiction of the juvenile or criminal justice system, the apprenticeship system, community-based organizations, businesses and labor organizations, and other agencies, and with activities conducted under the Youth Education and Training Act, Career Education Incentive Act, Vocational Education Act, the Elementary and Secondary Education Act, and the Juvenile Justice and Delinquency Prevention Act.

"(7) The youth plan, including the youth components of the long-term master plan and the annual plans, shall be developed with the assistance of, and reviewed by, the youth opportunity council, and shall be reviewed by the prime sponsor's planning council.

"(8) Such youth plan shall be developed in consultation with, and reviewed by, the private industry

council to assure that training and employment programs are designed to lead to regular employment.

"(9) Appropriate steps shall be undertaken to develop new job classifications, new occupations, and restructured jobs for youths.

"(10) Adequate provisions shall be set forth to assure that, in order to participate in a youth training and employment program, school-age youths shall be required to participate in a suitable educational or basic skills program or component, including where appropriate an educational program leading to a high school equivalency degree.

"(11) Efforts shall be undertaken to overcome sex stereotyping and to develop careers in nontraditional occupations.

"REVIEW OF YOUTH PLANS BY SECRETARY

"SEC. 415. The provisions of sections 102, 104, and 107 shall apply to all youth plans under this subpart.

"BENCHMARKS AND PERFORMANCE STANDARDS

"SEC. 416. (a) Each prime sponsor shall obtain recommendations from the youth opportunity council, prime sponsor's planning council, private industry council, educational agencies, business, labor organizations, community-based organizations, and other community organizations in the development of benchmark standards to serve as indicators, ac-

cepted in the community, of youth achievements needed to obtain and retain jobs. Pursuant to basic criteria established by the Secretary, prime sponsors shall develop and use, as appropriate to individual needs, benchmarks which shall include:

"(A) a preemployment level indicating a basic awareness of the world-of-work and occupational options and the development of job-seeking skills;

"(B) a demonstration of maturity through regular attendance and diligent effort in work experience, education, training, and other program activities;

"(C) basic educational skills such as reading, writing, computation, and speaking; and

"(D) occupational competencies such as a particular job skill acquired through institutional or on-the-job training.

"(b) Each sponsor may provide both monetary and nonmonetary incentives for good performance (including monetary incentives authorized by section 441) and appropriate assistance for youths unable to perform satisfactorily.

"(c) The Secretary shall establish prime sponsor performance standards, and, in accordance with the Secretary's regulations, each prime sponsor shall establish service deliverer performance standards suitable for the purposes of various programs carried out under this part, based on program

outcomes (for young men and young women in significant segments of the eligible population) such as return to school, job placement, job retention, job quality; program inputs such as quality of worksite, quality of supervision, and the appropriateness of the placement; as well as program management criteria. Such performance standards shall be revised annually based on prime sponsor and service deliverer performance, emerging knowledge about youth labor market problems, and the impact of training and employment programs on the employment and earnings of participants. These standards shall be used in assessing prime sponsor and service deliverer program performance as well as in reviewing youth plans and service deliverer applications under this subpart, and in reviewing applications for incentive grants under subpart 2.

"YOUTH OPPORTUNITY COUNCILS

"SEC. 417. (a) Each prime sponsor shall establish a youth opportunity council, which shall make recommendations to the prime sponsor, planning council, and the private industry council with respect to the youth plan and program operation, and shall review and make recommendations with respect to the establishment and implementation of performance standards established under section 416.

"(b)(1) Each youth opportunity council established in accordance with this section shall be constituted so that (A)

one-third of the members shall be representative of employment and training programs (including young men and women who are eligible youths under this part), (B) one-third of the members shall be representative of private sector programs (including business and labor), and (C) one-third of the members shall be representative of education programs (including secondary and postsecondary institutions).

"(2) In order to facilitate unified planning and review by the youth opportunity council of youth programs under this Act and under the Youth Education and Training Act, the prime sponsor may enter into an agreement with a local educational agency, or the State educational agency where the prime sponsor area includes areas served by more than one local educational agency, providing that under subsection (b)(1) the members described in clause (A) shall be named by the prime sponsor, the members described in clause (B) shall be named by the private industry council. and the members described in clause (C) shall be named by the local educational agency or by the State educational agency from names submitted by more than one local educational agency.

"GOVERNOR'S SPECIAL STATEWIDE YOUTH SERVICES

"SEC. 418. The amount available to the Governor of each State under section 411(a)(1) shall be used in accordance with a special statewide youth services plan, approved by the Secretary, for such purposes as—

"(1) providing financial assistance for training and employment opportunities for youths who are under the supervision of the State or other public authorities, or who are under the supervision or jurisdiction of the juvenile or criminal justice system, or for whom State services are otherwise appropriate;

"(2) providing labor market and occupational information to prime sponsors and local educational agencies;

"(3) providing for the establishment of cooperative efforts between State and local institutions, including (A) occupational, career guidance, counseling, and placement services for in-school and out-of-school youths; and (B) coordination of statewide activities carried out under the Career Education Incentive Act;

"(4) providing financial assistance for expanded and experimental programs in apprenticeship trades or development of new apprenticeship arrangements, in concert with appropriate businesses and labor unions or State apprenticeship councils;

"(5) carrying out special model training and employment programs, with particular emphasis on on-the-job training in the private sector, through arrangements between appropriate State agencies and prime sponsors in the State, combinations of such prime

sponsors, or service deliverers selected by such prime sponsors; and

"(6) providing assistance to prime sponsors in developing programs to overcome stereotyping by sex, ethnic group, or handicap in career counseling, job development, job referral, and placement.

"Subpart 2—Incentive Grants

"DIVISION OF FUNDS

"SEC. 421. Of the funds available for incentive grants under this subpart, the Secretary shall make available not less than 38 percent thereof to be used for education cooperation incentive grants under section 423. The remainder may be used for special purpose incentive grants under section 422.

"SPECIAL PURPOSE INCENTIVE GRANTS

"SEC. 422. (a) Out of the funds available for this section, the Secretary shall set aside funds for various special purposes designed to assist in meeting objectives of national concern, including those set forth in subsection (e).

"(b) The Secretary may make special purpose incentive grants available in accordance with this section to prime sponsors, Governor's special statewide youth services under section 418, Native American programs qualified under section 302(c)(1), and migrant and seasonal farmworker programs qualified under section 303, but only if a matching

amount of funds, as specifically established by the Secretary, is committed from their allocations under subpart 1 or other provisions of this Act or from other funds. The Secretary may require varying matching percentages for different special purpose categories, but shall not require matching funds greater than the funds provided under this section.

"(c) Preliminary apportionments for each such special purpose shall be announced to prime sponsors and published in the Federal Register on a timely basis along with a solicitation for grant applications. The Secretary shall make available not less than 25 percent of the total funds under this section in such manner that there will be apportioned to each prime sponsor, as its share of such percentage of such funds, not less than its equivalent share, if any, of allocations under section 411(b)(2)(B). Final apportionments shall be made at the time financial assistance is awarded to applicants, but neither the making of a final apportionment, the awarding of financial assistance, nor the obligation of such funds, shall preclude the Secretary from reapportioning or redistributing the funds at the end of the grant period, or during the grant period, if the Secretary determines that the program is being operated improperly or ineffectively, or that the purposes of this Act would be better served by apportioning or distributing such funds for other special purposes.

"(d) Special purpose incentive grants shall be awarded only to applicants which—

"(1) have submitted proposed programs which are adequately designed to meet the special purposes for which financial assistance is made available under this section;

"(2) have demonstrated performance of satisfactory quality in the past in carrying out programs under this Act; and

"(3) have equitably provided services under this Act to youths who are eligible under this part and to young adults age 22 through 24 who are seeking to enter working careers.

"(e) Special purpose incentive grants may be made available to assist in carrying out exemplary or innovative programs through a variety of approaches, including but not limited to—

"(1) programs for youths needing special services, such as youths with language barriers, youths who are handicapped individuals, youths who are pregnant teenagers or teenage mothers, youths who are alcohol or drug abusers, youths who are under the supervision of the State or other public authorities, and youths who are under the supervision or jurisdiction of the juvenile or criminal justice system;

"(2) programs to meet the differing needs of various geographical areas, including (A) activities in rural areas such as those coordinated with federally assisted efforts for improving transportation to provide easier access to better jobs, training youths for expanded employment opportunities in economic development projects and small businesses, and utilizing existing facilities as multipurpose training and employment centers; and (B) activities in urban areas such as those providing skills training to enable youths to obtain jobs paying adequate wages to meet the higher cost of living in densely populated areas, and training programs to enable disadvantaged youths to participate in employment initiatives in such areas as urban transportation and community development projects;

"(3) specific types of work projects, such as youth conservation projects, and youth community improvement projects, including the weatherization of homes occupied by low-income families;

"(4) special arrangements with various types of service deliverers, such as community-based organizations, community development corporations, private sector organizations and intermediaries, and labor related organizations;

"(5) a variety of mechanisms and arrangements to facilitate the employment of youths through private sector organizations and intermediaries; and

"(6) arrangements with labor organizations to enable youths to enter into apprenticeship training as part of the employment assistance provided under this section.

"EDUCATION COOPERATION INCENTIVE GRANTS

"SEC. 423. (a) The Secretary shall make education cooperation incentive grants available to prime sponsors to carry out programs developed on a cooperative basis with local educational agencies in accordance with this section.

"(b) Funds available under this section shall be used to cover part of the total costs of programs to be carried out pursuant to agreements with local educational agencies. Such funds may be used to supplement resources made available by the prime sponsor from funds under subpart 1 or other provisions of this Act or from other sources, which resources shall be coordinated with commensurate resources provided by the local educational agency, for the purpose of ensuring integrated programs of work experience and educational activities.

"(c) Education cooperation incentive grants may be used for activities carried out under this section or to aug-

ment activities under subpart 1, including but not limited to—

"(1) training and employment activities, but such funds shall not be used for standard courses of instruction in the secondary schools of any local educational agency which would otherwise be provided;

"(2) programs carried out through service deliverers other than local educational agencies, such as through community-based organizations and other nonprofit organizations, and through alternative arrangements, which may include classroom training leading toward a high school equivalency certificate;

"(3) adult basic education programs or programs carried out through postsecondary institutions, but no such program shall lead toward a postsecondary degree except where the Secretary may otherwise provide; and

"(4) occupational and career counseling, outreach, occupational exploration, and on-the-job training.

"(d)(1) In order to assist prime sponsors in planning programs under this section, the Secretary shall make preliminary apportionments of the funds available for this section among prime sponsors in the same manner as provided in section 411(b). Such preliminary apportionments shall be an-

nounced to prime sponsors and published in the Federal Register on a timely basis.

"(2) Final apportionments shall be made upon approval of programs under this section at the time financial assistance is awarded to prime sponsors. The Secretary may reapportion funds which are subsequently determined not to be needed during such fiscal year or if the Secretary determines that the program is being operated improperly or ineffectively.

"(e)(1) In using funds made available under this section, prime sponsors shall give priority to programs designed to encourage youths to remain in or resume attendance in secondary school or an educational program leading toward a high school equivalency certificate, including but not limited to the provision of part-time work during the school year and full-time work during the summer months for such youths.

"(2) In using such portion of its apportionment under this section as was apportioned in the same manner as provided for under section 411(b)(2)(B), a prime sponsor shall give priority to providing financial support, together with other funds which may be made available by the prime sponsor under this part, for work experience and other training and employment assistance to be provided for students attending target schools designated under the Youth Education

and Training Act, consistent with the agreements with local educational agencies required by subsection (f).

"(f) Programs under this section shall be carried out pursuant to an agreement, which shall be reviewed by the youth opportunity council, between the prime sponsor and local educational agency or agencies serving areas within the prime sponsor area. Each such agreement shall—

"(1) provide that special efforts will be made to provide work needed by eligible youths in order to remain in or return to school or complete their education;

"(2) assure that participating youths will be provided training or meaningful work experience, designed to improve their abilities to make career decisions and to provide them with basic work skills and educational competencies needed for regular employment;

"(3) provide that job information, occupational counseling, career guidance, and job referral and placement services will be made available to participating youths; and

"(4) assure that work and training will be relevant to the educational and career goals of participating youths and will be designed to lead to regular employment.

"Subpart 3—Secretary's Discretionary Programs

"DEVELOPMENTAL AND DEMONSTRATION PROGRAMS

"SEC. 431. (a) The Secretary is authorized, either directly or by way of grant or other agreements, to make arrangements with prime sponsors, public agencies, private organizations, and Federal departments and agencies, to carry out innovative, experimental, developmental, and demonstration programs including new and more effective approaches for dealing with the employment problems of youths, and to enable young men and women who are eligible to participate in programs under this part to prepare for, enhance their prospects for, or secure employment in occupations through which they may reasonably be expected to advance to productive working lives.

"(b) Such programs may include cooperative arrangements with educational agencies, community-based organizations, community development corporations, private sector organizations and intermediaries, labor-related organizations, and nonprofit organizations to provide special programs and services, including large-scale projects, for eligible youths, such as work experience (described in section 412(a)(2)), occupational counseling, and career guidance. Such programs may also include making available occupational, educational, and training information through career information systems.

"CONSULTATION BY THE SECRETARY

"SEC. 432. In carrying out or supporting programs under this subpart, the Secretary shall consult, as appropriate, with the Secretary of Education, the Secretary of Commerce, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, the Secretary of Agriculture, the Secretary of Energy, the Attorney General, the Director of the Community Services Administration, and the Director of the ACTION Agency.

"TRAINING, TECHNICAL ASSISTANCE, AND KNOWLEDGE DEVELOPMENT AND DISSEMINATION

"SEC. 433. The Secretary may use funds under this subpart for activities involving staff training (including training and retraining of counselors and other youth program personnel), technical assistance, and knowledge development and dissemination. Such activities shall be planned and carried out in coordination with similar activities under title III."

SPECIAL LIMITATIONS AND PROVISIONS

SEC. 105. (a) Section 441 of the Comprehensive Employment and Training Act is amended to read as follows:

"ALLOWANCES

"SEC. 441. No basic hourly allowance shall be paid to participating youths under the age of 18 for time spent in a classroom or institutional training activity, except in special

circumstances as provided in regulations of the Secretary. Such allowances may be provided to participating youths age 18 and older pursuant to regulations of the Secretary. Allowances may be paid to cover documented costs of program participation such as transportation for eligible youths. Such youths may, at the discretion of the prime sponsor, receive monetary performance incentives as provided in regulations of the Secretary.".

(b) Paragraph (3)(D) of section 442 of such Act is amended by deleting the words "subparts 2 and 3" and substituting in lieu thereof the words "this part.".

(c) Section 444 of such Act is amended by—

(1) amending the heading to read "SPECIAL PROVISIONS";

(2) amending subsection (a) to read as follows:

"SEC. 444. (a) The provisions of section 121(i), relating to time limitations with respect to work experience, shall not be applicable, in whole or in part, to programs meeting such requirements as the Secretary shall prescribe in regulations. The Secretary, may provide, in such regulations, for appropriate time limitations based on such factors as the genuine need to provide certain eligible youths, or particular categories of such youths, work experience to enable them to become equipped for the world of work.".

(3) deleting subsection (b); and

(4) redesignating subsection (c) as subsection (b), and in such subsection deleting the words "subparts 2 and 3" and substituting in lieu thereof "this part".

(d) Section 445 of such Act is amended to read as follows:

"ACADEMIC CREDIT

"SEC. 445. In carrying out this part, appropriate efforts shall be made to encourage the granting by educational institutions or agencies of academic credit to eligible youths who are in classroom or institutional training activities. The Secretary shall cooperate with the Secretary of Education to make suitable arrangements with appropriate State and local educational officials whereby academic credit may also be awarded, consistent with applicable State law, for competencies derived from work experience and other appropriate activities under this part.".

(e) Section 446 of such Act is deleted, and the existing section 447 is redesignated as section 446.

(f) Section 483(a) of such Act is amended to read as follows:

"SEC. 483. (a) In order to receive financial assistance under this part, each prime sponsor shall include the summer youth program component as part of the youth plan submitted to the Secretary in accordance with section 414 of this Act."

COMMITTEE ON YOUTH

SEC. 106. Section 503 of the Comprehensive Employment and Training Act is amended by deleting the word "and" at the end of paragraph (9); by deleting the period at the end of paragraph (10) and substituting in lieu thereof a semicolon followed by the word "and"; and by adding a new paragraph (11) to read as follows:

"(11) establish a committee on youth to consider the problems caused by youth unemployment, make recommendations to enhance interagency coordination of youth programs, and evaluate the effectiveness and quality of training and employment policies and programs affecting youths, for the purpose of reporting thereon to the Commission on Employment Policy, which shall provide its advice thereon to the Secretary of Labor, the President, and the Congress."

REPORT

SEC. 107. (a) Section 127(j) of the Comprehensive Employment and Training Act is amended to read as follows:

"(j) In the annual report required under subsection (a), the Secretary shall report on the programs, activities, and actions taken under title IV of this Act."

(b) Section 3(15)(B) of the Comprehensive Employment and Training Act is amended by deleting the words "of subpart 3".

TECHNICAL AND CLARIFYING AMENDMENTS

SEC. 108. The Comprehensive Employment and Training Act is further amended as follows:

(a) The first sentence of section 302(c)(1)(A) is amended by deleting all that appears after the word "body" through the comma.

(b) Section 124(a) is amended by inserting the following new paragraph after paragraph (4)—

"(5) Participants may be provided allowances for transportation and other expenses incurred in training or employment."

(c) The second sentence of section 106(b) is amended to read as follows—

"The Secretary shall conduct such investigation and make a determination regarding the truth of the allegation not later than 120 days after receiving the complaint."

(d) Section 106(d)(2) is amended by deleting the words "public service employment"; by deleting the words "section 121 (c)(2), (c)(3), (g)(1), section 122 (c), (e), or section 123(g)" and substituting in lieu thereof "this Act"; and by deleting the words "such sections" both times they appear and substituting in lieu thereof "this Act".

(e) Section 107(a) is amended by deleting the word "person" each of the three times it appears and substituting in lieu thereof "party".

TECHNICAL CORRECTION

SEC. 109. Section 508(b)(3) of the Department of Education Organization Act, Public Law 96-88, is amended by deleting the words "section 302(c)" and substituting in lieu thereof "section 303(c)".

REFERENCES TO DEPARTMENT OF EDUCATION

SEC. 110. (a) Wherever the terms "Secretary of Health, Education, and Welfare" or "Department of Health, Education, and Welfare" appear in sections 311(b), 457(c) and 462(b) of the Comprehensive Employment and Training Act, they are amended to read "Secretary of Education" or "Department of Education", respectively.

(b) Section 305 of the Comprehensive Employment and Training Act is amended by deleting the words "and the Secretary of Health, Education, and Welfare" and the words "Labor and Health, Education, and Welfare" where they occur, and substituting in lieu thereof, respectively, the words "the Secretary of Health and Human Services and the Secretary of Education" and "Labor, Health and Human Services, and Education".

(c) Section 505(b) of the Older Americans Act is amended by deleting the words "Secretary of Health, Education, and Welfare" and substituting in lieu thereof the words "Secretary of Health and Human Services and the Secretary of Education".

TRANSITIONAL PROVISIONS

Section 111. (a) To the extent necessary to provide for the orderly transition of youth training and employment programs in fiscal year 1981, the Secretary of Labor is authorized to provide financial assistance in the same manner and under the same conditions as provided under subparts 2 and 3 of part A and under part C of title IV of the Comprehensive Employment and Training Act, as in effect prior to the enactment of the Youth Training and Employment Act of 1980, from funds appropriated to carry out title IV of the Comprehensive Employment and Training Act as amended by the Youth Training and Employment Act of 1980.

(b) The authority contained in this section shall not be construed to postpone or impede, upon the enactment of this Act, planning for and implementation of the amendments made by this Act.

(c) The amendments made by this Act shall be effective on October 1, 1980, except that sections 108 through 110 of this Act shall be effective upon enactment of this Act.

APPENDIX 3

A MANAGEMENT INFORMATION SYSTEM

The basic goal of the employment and training portions of the Youth Act of 1980 is to assure that all young persons age 14-21 will have available the basic and cumulative employment, career exploration, training and remedial education opportunities which, combined with individual initiative, will provide the foundation for productive work lives. The key tenets of YCOA are that young people have different needs which must be addressed individually, that those with greatest needs should receive the most assistance, that activities must be sequenced over the development and transition years, and that the acquisition and demonstration of career competence must be benchmarked for each individual. An underlying assumption is that a Management Information System can be created at the local level which will provide the foundation for such an approach.

For the local preparatory system to operate effectively, the MIS must have the following features: (1) It must begin with clear descriptors of activity clusters or service units which are well defined and indicative of the actual services being received by participants at a point or period of time, with costs included to measure the intensity of services. (2) Activities and outcomes must be recorded for each individual in a cumulative record. (3) The system must be able to track individual status changes over time, entering them into the individual records and cumulating them for all participants to monitor and plan enrollments and flows. (4) Federal reporting requirements must provide meaningful input information about the intensity of services for different groups of youth in need.

The MIS currently in place under CETA youth programs in most prime sponsor areas meets none of these aims. A program such as proposed by the Youth Act therefore, anticipates substantial changes and it must be demonstrated that such changes are feasible and would improve upon the current system.

If the present CETA MIS were effectively fulfilling the basic missions of providing information for better participant service, for prime sponsor management, and for Federal needs, then it would take strong arguments to justify major changes. The analyses of labor market and program experience,

which are the basis for the reorientations implemented under the Youth Act, provide such arguments; the current CETA MIS was designed for a program system which does not effectively serve youth. Beyond this, however, the current CETA MIS is grossly deficient in meeting basic requirements even for the youth delivery system now in place.

There have always been special problems in dealing with youth participants and services under CETA MIS, and these were compounded by the addition of two new local categorical programs under YEDPA. The problem begins with the descriptors of activities; these are more meaningful for adult than youth activities. "Work experience" usually means 35-40 hours of work when it is an activity for adults; for youth it may mean 5 hours of employment weekly for students but 35 hours for out-of-school youth. Classroom training for adults usually implies full-time skill training; for youth, it may be world-of-work exposure several hours a week in a school setting. Adults who are enrolled are usually receiving a specific service; in youth programs, they are much more frequently in "holding" awaiting a linkage with another activity.

Because records are kept and reported separately for each program as well as separately for activity levels, costs, and participant characteristics, rather than on an individualized basis which would combine all this information for each participant, it is difficult to determine aggregate service levels and expenditures for youth. For instance, it is usual to talk about youth served under CETA by adding enrollments in SYEP, YCCIP, YETP and the count reported in Titles II.B., II.D., and VI. For instance, youth may get work through YCCIP and enrichment under Title II.B. The separate summer program has created problems because many of the enrollees are transferred from the comprehensive program during the summer months, some are terminated and reenrolled, but the exact numbers are unknown so there is double counting and sometimes triple counting. A best guess is that the total of individuals receiving youth services over a year is at least a third less than the aggregate of the participant counts. Likewise, the ratio of average on-board strength to annual participation is far lower for youth than adults. It is common to estimate expenditures under Title II.B., II.D., and VI by multiplying the youth share of participants times expenditures. Yet because youth have a shorter stay, and are in less expensive components, the youth share of expenditures

under Title II.B. or II.D. and VI is far less than their share of aggregate participants. However, it is impossible to determine at the Federal level and in most prime sponsor areas the actual youth service levels and investments.

With these aggregate shortcomings, it is obviously difficult to find out if youth most in need are receiving more services. For instance, it has been the practice in the past to "cream" enrollees into public service employment, which is a high cost activity, and to put less employable youth in employability skills development which is a much lower cost activity. Characteristics and cost data are kept separately so this "creaming" is not easily identified. The records also do not keep track of individuals over time; although some tracking is now required by the service limits set in the CETA reauthorization, costs are not included. There is no way to tell in most prime sponsor areas what cumulative activities have occurred for a particular individual or a set of individuals over the years of development and transition, or whether those most in need are receiving the most intensive cumulative services.

Lacking any longitudinal information on individuals--either their previous labor market or program experiences--programs must rely on entry status variables to determine needs. Past patterns are the best indicators of real needs, but each intake into a program tends to be a separate event so that past history is not utilized. Certainly it is not available for prescribing services. In fact, assessment tends to be repeated at each entry point without any use of the information over time.

The MIS was designed as a way to measure program and prime sponsor performance based on outcome or termination status for participants. The information is dutifully gathered and reported for youth programs. Unfortunately, the data are almost meaningless.

In the summer program, for instance, 90 percent of participants return to school; only the 10 percent who do not return to school are "at risk" in the sense that the termination data say they either terminate positively or nonpositively. It is completely unclear how many are returning to school who would not have done so without the program; the nonpositive termination percentage is more than coincidently similar to the proportion of dropouts who enter the program.

Termination status alone tells little or nothing without knowledge of what would have occurred without the intervention. Pre-/post-changes do not mean much for youth because, first, there is a maturation process usually manifested in increased earnings and stability of employment which occurs over any period of time, and second,

those who are unemployed are likely to become employed and vice versa in the volatile youth period. Entry and exit status comparisons for participants reflect the aging process while if participant changes are compared to those for nonparticipants, the former tend to experience transitional problems in leaving programs just when the latter are beginning to find jobs on their own. There is no way to determine what the program's impact may be over the short-term or longer-term without a clear sense of what would have happened without the intervention. Yet the sober truth is that it is extremely difficult to judge impacts of short-term youth programs without random assignment control groups because of the variations in young people which cannot be picked up in demographic variables. Even in these cases, the impact can only be measured when there are large sample sizes and carefully defined interventions. Trying to determine from termination status data whether a single project or a pot-pourri of approaches and client groups is effectively run is simply impossible based on outcome data, at least when the intervention is short-term, and most impacts have only a longer-term developmental payoff.

Although termination data for youth programs have little real meaning, the use of this data to judge performance creates some undesirable incentives besides a lot of needless paperwork. Intervention strategies which are least risky or intensive and which have the highest likelihood of placement outcomes will be emphasized whenever heavy priority is placed on termination data to judge performance. Youth most likely to have positive outcomes will be served.

The MIS was also designed to measure performance relative to plan. Plans have little meaning relative to youth actvities because the labor market information for planning is entirely inadequate and because participant goals are meaningless since participation can mean so many things. Prime sponsors are allowed to deviate from plans by 15 percent and are relatively unchecked in seeking modification. Further, there is a lag of three months in reporting data and another three months in analyzing and taking corrective action. Youth participation levels are seasonal, so the meaning of any quarter's data are questionable. In other words, the planning, modification, and enforcement of plan procedures for which the MIS is designed have little utility.

Added to these shortcomings, the CETA reporting and Management Information Systems are extremely cumbersome and complex and grow more so each year. In Fiscal Year 1975, the CETA Forms Preparation Handbook, which contained all of CETA's

grant application, recordkeeping, and reporting requirements, was 176 pages long. The Fiscal Year 1980 Handbook contained 444 pages. The number of required reports has risen. Further, the categorical programs for which the prime sponsor must report have become more numerous. Currently, a prime sponsor must submit the following reports for each of its categorical programs:

1. The Quarterly CETA Financial Status Report
2. The Quarterly CETA Program Status Summary
3. The Quarterly Summary of Participant Characteristics
4. The Annual CETA Program Activity Summary
5. The Annual Report of Detailed Characteristics

Thus, for each of its categorical programs, the prime sponsor must submit 14 reports. The prime sponsor has four major youth serving programs (Title II.B., YETP, YCCIP, and SYEP), and, therefore, 56 separate reports each year on its youth activities, in addition to four plans and numerous modification

A Redesigned MIS

The MIS which is proposed for the Youth Act's basic local employment and training program would radically change and simplify the system currently in operation in order to overcome its shortcomings and to meet the special needs of an individualized, sequential approach.

There are several very basic differences. First and most critical, the current system reports participant characteristics, expenditures and activities separately for separate programs. The Youth Act would consolidate the programs and would consolidate the youth MIS. Second, the current MIS defines expenditure and activity categories differently, so that it is not possible to determine how much is expended for each activity, whereas the new system would utilize one simplified set of descriptors. Third, both expenditure and activity categories are reported separately from participant characteristics under the current system; under the new system these are all included in the same record. Fourth, activities are now defined so that a single individual may be in more than one activity at a point in time and "double counted" whereas in the new system, the categories are mutually exclusive. Fifth, participant status under the current system does not mean an individual is receiving services; many participants are in "holding" of one sort or another whereas in the new system "transition" is a separate category and it can be clearly

identified who is active. Sixth, the current system reports on post-termination status for each categorical program; the new system does not require reporting of termination status Completion or noncompletion of units of service is noted in the individual records, but these are for use in assessing individual progress only. In other words, the proposed MIS redefines activity descriptors. It individualizes records of activity. It rationalizes the flow of individuals through the system over time. It eliminates reporting of information which has no meaning.

1. Activity Descriptors

The Management Information System would rest on a set of activity descriptors which would be inclusive of all the possible clusters of services an individual youth participant might receive concurrently under CETA even if received from more than one delivery agent.

Activities are defined as both free standing activities--as work experience, on-the-job training or skill training--and combinations of interrelated activities--for instance, work experience in combination with skill training, education or employability skills development. These single or combined activities, labelled "units of service," are the basic building blocks of the proposed MIS.

The units of service would be as follows:

(1) Work experience;

(2) On-the-job training;

(3) Skill training;

(4) Education;

(5) Employability Skills Development (including vocational exploration, intensive job search assistance, motivational training and the like);

(6) Supportive services only;

(7) Work experience and skill training;

(8) Work experience and education;

(9) Work experience and employability skills development,

(10) On-the-job training and skill training;

(11) On-the-job training and education;

(12) On-the-job training and employability skills development;

(13) Skill training and education;

(14) Skill training and employability skills development; and

(15) Education and employability skills development.

These categories are inclusive of almost all service or activity combinations available under youth programs. There are two assumptions: First, supportive services, if provided in conjunction with another unit of service, would simply be counted as an expenditure under this unit of service rather than being recorded as a separate unit of service expenditure. Limited services such as placement and counseling, if offered in conjunction with more substantive activities, would be counted with them. Individuals receiving limited services not in conjunction with substantive activities would simply be counted as a recipient without a great deal of detail about the type of service or its duration, since, by definition, both would be limited to a narrow range and it would not be worthwhile to record all the details for such a limited activity.

A youth's participation in a unit of service will vary in duration and intensity depending on individual need. For one youth, his or her involvement in a unit of service might be remedial education and employability skills development activity during the summer. For another out-of-school youth, the work experience unit of service may involve 6 months of full-time activity. Investment Agreements with each individual for each unit of service will specify what activities are to be provided, their expected duration, the hours per week of activity and estimated cost, broken down by participant support and program or activity expenditures. Cost multipliers will be derived for each contract with service deliverers based on annual service levels. At the end of each year, in preparing the annual report on activities, the current year's real costs will be substituted for the estimates. The Investment Agreement will also specify what outcomes are expected as a result of the youth's participation in the program.

2. Individualized Records

Over the development and transition period, a youth may have a number of interactions with YCOA, and in each case where significant activities are prescribed and received an individualized Investment Agreement would be developed. These Investment Agreements would be entered into the individual's Career Development Record (CDR). The record would keep track of active participants as well as completion and termination from the units of service. At each point of contact with local preparatory system, and at regular intervals while receiving services, a registrant's status would also be assessed and recorded, including a retrospective of experience since the last contact

where there has been a hiatus. For instance, a summer job applicant who had last received services during the previous summer might be asked questions concerning accomplishments in and out of school during the fall and winter. Psychometric and other tests might be given periodically to determine progress. The periodic followups of registrants should also be used as a means to determine their views concerning services received or not received, both within and outside CETA. Finally, the competencies and credentials gained by registrants would be recorded in the CDR. Information on the CDR could then serve as the basis for a resume or to provide proof to employers of individual accomplishment.

3. Status Categories for Individuals

Once a CDR is created for an individual, it must be continuously updated at each point of entry or exit from units of service and at each competency attainment point. The status categories for individuals under the new system would be as follows:

Registrants would include all persons under age 22 who had applied for services and for whom a CDR had been developed. The initial registrants would be assessed for eligibility and needs, and all registrants would be periodically reassessed; they would be classified based on these assessments and reassessments in one of two categories:

> Limited Services Registrants would be those with family income above the Bureau of Labor Statistics Lower Living Standard Income Level. They would be eligible to receive individualized limited services. Individualized limited services are low cost, short duration, referral-type services available to youth, regardless of economic status. An example would be a several week nonstipended job search assistance class after school.
>
> Comprehensive Services Registrants are all those from families with incomes below the BLS Lower Living Standard. They are eligible for all preparatory services based on assessments of need and previous experiences.

The registrant who is counted in the limited or comprehensive services eligible category at a point in time is one who is eligible for services but is not scheduled or receiving them. If scheduled for or receiving services, then he or she enters one of six other status categories:

> Transition. Transition is the registrant category for Comprehensive Services Registrants whose Investment Agreement calls for participation in a unit of service within 30 days as well as those youth who have completed or terminated from a unit of service in the last 30

days. During the transition period, CDR and Investment Agreements should be updated and revised as necessary, and limited services such as orientation, placement and counseling should be offered.

Limited Services Recipients. This category includes youth who are actively participating in low cost service such as limited duration job search assistance.

Basic Activity Participant. This category is for income eligible youth who are active in a unit of service. The general progress of a participant is subject to a status check at least once every 30 days.

Related Activity Participant. This category covers youth who are referred to and participate in a career preparatory activity not funded by the Youth Act but utilizing Investment Agreements and integrated into the CDR system. This might include, for instance, vocational education where an agreement has been reached between the prime sponsor and the schools to coordinate activities fully.

Inactive. This is the registrant category for youth who have moved from the prime sponsor area, entered the military, declared they are not interested in YCOA services or cannot be located after a reasonable period of time. No followup is required on these youth.

Career Entry Employment and Training. This category is for youth who, after demonstrating the maturity for career entry or for intensive remedial training leading to a career, are enrolled in a CETA II.B., D, or VI career entry employment or training opportunity or the Job Corps. In other words, he or she has left the local preparatory system and has moved into a career entry activity. If he or she fails in this activity, there might be additional services under the basic local Youth Act program, the system would be ready to provide further assistance for those not yet ready to compete successfully in the career labor market.

4. The Flow of Individuals Through the System

The possible changes in status which registrants may have can be shown by means of a diagram. The eight different statuses are represented in the diagram by circled numbers according to the following key:

(1) Limited Services Registrant

(2) Comprehensive Services Registrant

(3) Limited Services Recipient

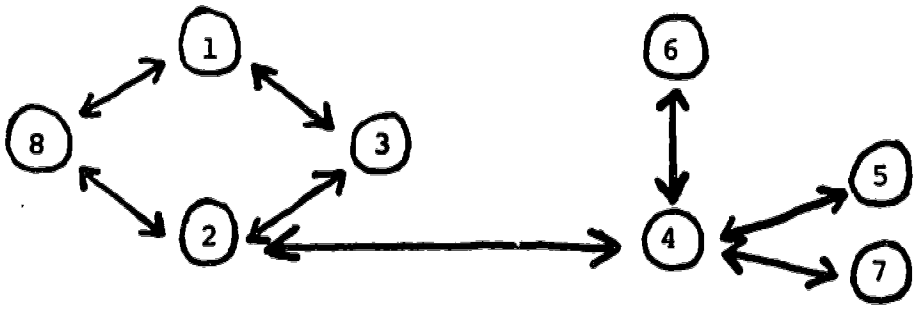
(4) Transition

(5) Basic Activity Participant

(6) Related Activity Participant

(7) Career Entry Employment and Training

(8) Inactive



As an example of possible status changes, a young male age 14 applies to the prime sponsor. As part of a career needs assessment, income eligibility is checked and the family income is found to be above the BLS Lower Living Standard Income Level. The youth then becomes a "Limited Services Registrant." He may be enrolled in a 2-week summer job search assistance class and then counseled about vocational offerings in the high school. During time of the job search assistance activity, he is counted as a "Limited Service Recipient" Under ideal conditions, the information in the CDR assessment will be shared with the school and he will be enrolled in a vocational course of his choice, perhaps even with an Investment Agreement written by the school where cooperative arrangements have been made for compatability of career development records. In this case, the youth would be a "Related Activity Participant." Followup by the prime sponsor 6 months later reveals family disruption, the absence of one breadwinner, and a reduction in family income to below the LLSIL. At this point, the youth becomes a "Comprehensive Services

Registrant." A subsequent check reveals he is still in school and is doing fine in his vocational education classes. In the spring, however, he comes to the prime sponsor looking for summer work. An Investment Agreement is then prepared which calls for a summbr job related to vocational training with the hours, weeks, pay rates and estimated program costs all recorded for the unit of service. Thirty days prior to the beginning of the summer program the youth becomes a "Transition" registrant. He receives orientation about the summer job and its requirements during this period. In June, he begins working and becomes a "Basic Activity Participant." At the end of the summer, he returns to school and during the 30 day "transition" period, a reassessment as part of transition services suggests that no work experience would be appropriate because he must concentrate on his studies. He reenters the "Comprehensive Services Registrant" category and contact is maintained on a regular basis.

At age 18, he decides to enlist and is accepted by the Armed Forces. He becomes "Inactive" at this point. Unfortunately, he is terminated from the Armed Forces and returns home without a job. His CDR is reactivated and adjusted to meet his current needs. He again becomes a "Comprehensive ServicesRegistrant." An Investment Agreement is drawn referring him to the Job Corps; he enters the "Career Entry Employment and Training" category as he enrolls in Job Corps.

All this occurs over 5 years. At each point of entrance or exit from a category, a "status change notice" is filed and entered in the CDR. The CDR is also adjusted at each point to reflect new needs and changes in individual circumstances. Units of service completed under the basic local Youth Act program are recorded, as well as those achievements in vocational education, the military and the Job Corps.

This system would, then, provide information on the status of all registrants at all times, and over time, the types of activities and services and the costs. The record would be useful for prescribing services and for documenting achievements. Cumulation of CDR's would permit assessment of what types of individuals were receiving which types of services, and whether expenditures were being concentrated on those in greatest need. A ~~YCOA~~ participant count would be a true measure of individuals being served and service activities since an individual could be in only one service unit at a point in time.

A Comparative Assessment

The effectiveness of an MIS must be judged in terms of its usefulness in assisting services to individuals, its effectiveness for prime sponsor management, its ability to provide information necessary for Federal oversight and its cost and paperwork burden. By all these standards, the proposed MIS would be a significant improvement over the current system.

First, there would be a major reduction in paperwork for Federal reporting. Instead of 56 separate reports, there would be a single consolidated annual report matrixing units of service by program characteristics and costs, plus a very simple monthly statement on spending and enrollments. The detailed information gathered annually for all prime sponsors would be gathered monthly for a rotating stratified sample of primes (approximately 15 percent) to yield the full information about national patterns and trends. This type of stratified assessment would be much simpler and yet more informative than the current Continuous Longitudinal Manpower Survey because local records would be structured on an individualized basis presenting easy access, whereas currently the information must be reconstructed at the local level under the CLMS in order to get a full picture of what is occurring in terms of activities for individuals, and costs are not even assessed. The reports have been redesigned to include only the information crucially required at the Federal level. The formats for the single annual report and the monthly statements are attached along with the quarterly and annual report formats now required for <u>each</u> separate categorical program.

Program consolidation under the Youth Act reduces the number of reports. Another major factor is the abandonment of the plan/modification approach. The new Youth Act would not use plans as enforcement documents. Prime sponsors may change them as necessary. They are simply answerable at the end of the grant for having delivered consistent with the aims of the law.

Second, the new MIS requires fewer status change entries into the system at the local level than the present system. Currently an individual may be enrolled in two activities at once and it is necessary to report entry and termination for bot . The individual would only be in one unit of service under the proposed MIS. There would also be fewer entries to the extent that services would not be arbitrarily

truncated because of shifts between program categories. There are fewer activity descriptors in the proposed system than under the present activity and expenditure classifications. In other words, the new system does not add to the data entries; it substantially reduces them. It only changes the manner in which they are recorded.

Third, the annual report, as designed in the attachment, would provide to the Federal Government as well as the local council the information which it now lacks--which individuals are getting which services and how much money is being spent for such services.

Fourth, at the local level under proposed system there would be records over time for specific individuals. By cumulation, it would be possible to determine whether target groups of youth most in need were receiving the continuity and intensity of service over time that they require. This would be useful for local youth policymaking as well as for national assessment.

Fifth, the proposed system has much greater potential for evaluation purposes. It provides an internal longitudinal record of individuals and their status changes over time. It would be possible to identify like individuals who had received different structured arrays of services to determine the incremental impact of the service combinations. The recording of Benchmarks achieved, the use of periodic aptitude tests and participant interviews, would further enrich the potential for impact analysis which is simply not possible from current MIS.

Sixth, the approval proposed under the Youth Act makes MIS into a tool for service prescription. Where under the current system it is impossible to tell in most cases what an individual has previously received and the experience (this must usually be determined from the responses of the participant which are not very accurate as to type of program or outcome), the CDR would provide the crucial background information needed for individualized services and better sequencing of activities.

Seventh, the modified MIS permits targeting on those with greatest need. Current procedures sometimes question applicants about the past, but usually focus only on labor market status on entry because there are no data on past experiences. Analysis of the predictive power of various factors reveals that for youth, the most important variables are those describing previous experience patterns. The continuing individualized record permits identification of those youth with severe and continuing difficulties so that more intensive services can be targeted on them.

Eighth, the Career Development Record can be used to document the achievements of an individual and to provide proof to employers as to the abilities of disadvantaged youth. Individualization also lets each youth move at his or her own pace and to move forward step by step with recognition of each achievement.

Finally, the proposed MIS has much greater synergy with computerization. The complexity of current data requirements are forcing even small prime sponsors to adapt computer data processing. But in most cases, the systems adopted to meet Federal requirements realize only a small portion of the potential of computers to provide immediate feedback of records (the current MIS is not on an individualized basis), to rearrange data elements into different configurations for analysis purposes (the expenditures and activity data are usually not recorded for individuals so that it is not possible to analyze the data except in certain predetermined ways), to deliver on-line standardized testing and assessment (the current system requires individualized assessment but does not link this to service prescription) and to deliver basic educational and vocational instruction (individualized services are usually restricted by categorical program requirements).

The proposed MIS system can fully exploit the multiple potential of computers. Under the Consolidated Youth Employment Program demonstration funded under YETP, which is testing many of the components needed for the new approach, comprehensive computerized systems are being developed to maximize the use of computers. For instance, in the Central Texas Manpower Consortium, spanning a sizeable portion of Texas, terminals are being put in place throughout the area, including the high schools, which will offer programmed computer assisted instruction packages with courses ranging from the most basic to college level instruction. The same terminals can give a wide array of diagnostic tests. Scanners with "bubble sheet" entry are being used to transmit participant information, test scores, cost data, benchmark accomplishment and much more. All these are linked to a central computer unit to which memory for storage can be added as needed. It is a simple system--easy to operate and with staff savings in instruction and testing. The entire hardware and software package for this mid-sized (population) prime sponsor is $250,000 and computerization was necessary at any rate because of the new CETA requirements. The same system could have been employed under existing programs, but the elements of the employment and training portions of the Youth Act, which are also in CYEP, permit much greater adaptation. The individualized instrumentation and testing possibilities will make the

Benchmark process more feasible, particularly for pre-employment assistance and basic education skills. The computer allows quick access to records which makes individual prescription of services possible. It is possible to handle eligibility determinations and to assure that the services individuals have previously received and the outcomes are fully considered.

In all these ways the proposed system is a significant improvement over current MIS. For almost every use, it has greater potential. Although transition to any new system will be difficult, it is necessary under any circumstances to substantially modify the current system simply because it is inadequate. The design of the consolidated basic program provides the opportunity to go much further. The proposed MIS while a significant simplification of what now exists, would yield much more usable information for service deliverers, prime sponsor managers, Federal monitors and evaluators.

U.S. DEPARTMENT OF LABOR • Employment and Training Administration

PROPOSED ANNUAL PROGRAM SUMMARY
PARTICIPANTS AND UNITS OF SERVICE

2. REPORTING PERIOD (Mo., Day, Year)

3. Annual Plan No.

	TOTAL	SEX		AGE GROUP				ETHNIC GROUP		FAMILY INCOME			Handicapped	Offender	Single Parent	DROP OUT
		Male	Female	14 - 15	16 - 17	18 - 19	20 - 21	Black (Not Hispanic)	Hispanic	< 70% LLSIL	70 to 85%	85 to 100%				
	a	1.	2.	b	c	d	e	f	g	h	i	j	k	l	m	n
A. Individualized Ltd. Services																
B. Units of Service																
1. Work Experience																
2. OJT																
3. Skill Training																
4. Education																
5. Employ. Skills Develop.																
6. Supportive Services Only																
7. Work Experience & Skill Training																
8. Work Experience & Education																
9. Work Experience & Pre-Employ. Exper.																
10. OJT and Skill Training																
11. OJT and Education																
12. OJT and Pre-Employ/ Experience																
13. Skill Training and Education																
14. Skill Trng./Pre-Employ. Experience																
15. Education and Pre-Employ. Exper.																
16. TOTAL																

U.S. DEPARTMENT OF LABOR • Employment and Training Administration

PROPOSED ANNUAL PROGRAM SUMMARY
EXPENDITURES AND UNITS OF SERVICE

2. REPORTING PERIOD (Mo., Day, Year)

3. ANNUAL PLAN NO

		TOTAL	SEX		AGE GROUP				ETHNIC GROUP		FAMILY INCOME			Handicapped	Offender	Single Parent	DROP OUT
			Male	Female	14 - 15	16 - 17	18 - 19	20 - 21	Black (Not Hispanic)	Hispanic	70% LLSIL	70 to 85%	85 to 100%				
		a	1.	2.	b	c	d	e	f	g	h	i	j	k	l	m	n
A. Individualized Ind. Services	program exp																
	part. supp.																
B. Units of Service																	
1. Work Experience	program exp																
	part. supp.																
2. OJT	program exp																
	part. supp.																
3. Skill Training	program exp																
	part. supp.																
4. Education	program exp																
	part. supp.																
5. Employ. Skills Develop.	program exp																
	part. supp.																
6. Supportive Services Only	program exp																
	part. supp.																
7. Work Experience & Skill Training	program exp																
	part. supp.																
8. Work Experience & Education	program exp																
	part. supp.																
9. Work Experience & Pre-Employ. Exper.	program exp																
	part. supp.																
10. OJT and Skill Training	program exp																
	part. supp.																
11. OJT and Education	program exp																
	part. supp.																
12. OJT and Pre-Employ. Experience	program exp																
	part. supp.																
13 Skill Training and Education	program exp																
	part. supp.																
14. Skill Trng./Pre-Employ. Experience	program exp																
	part. supp.																
15. Education and Pre-Employ. Exper.	program exp																
	part. supp.																
16. TOTAL	program exp																
	part. supp.																

U.S. DEPARTMENT OF LABOR • Employment and Training Administration

PROPOSED MONTHLY PROGRAM STATUS SUMMARY

1. ANNUAL PLAN NUMBER

2. REPORTING PERIOD (Mo., Day, Year)

3. PRIME SPONSOR'S NAME AND ADDRESS (No., Street, City, State, ZIP Code)

	CURRENT (a)	YEAR-TO-DATE (b)
Total Registrants		
A. Limited Services Registrants		
B. Comprehensive Services Registrants		
C. Transition		
D. Limited Services Recipients		
E. Basic Activity		
F. Related Activity Participants		
G. Career Entry Employment and Training		
H. Inactive		

Accrued Expenditures	This Month	This Year

OMB Approval No. 44-R1655

U.S. DEPARTMENT OF LABOR
Employment and Training Administration

ANNUAL CETA PROGRAM ACTIVITY SUMMARY

a. PRIME SPONSOR'S NAME AND ADDRESS

b. GRANT NUMBER

c. REPORTING PERIOD (Mo., Day, Year)
From To

FOR REGIONAL OFFICE USE ONLY

CONTRACT KEY

Prog. Code	Pos.	St.	F.Y.	Project Number	Subj. Proj. No.	Comp. Code		REP. PER. MM	REP. PER. YY
							A		
4 5	6 7	8 9	10 11	12 13 14 15	16 17 18	19 20	21	22 23	24 25

d. TYPE OF PROGRAM ("X" appropriate box(es))

☐ II - B,C ☐ II - D ☐ VI ☐ VII
☐ III (Specify) .....
☐ IV (Specify) .....
☐ Other (Specify) .....

		CLASSROOM TRAINING		ON-THE-JOB TRAINING	PUBLIC SERVICE EMPLOYMENT	WORK EXPERIENCE		CAREER EMPLOYMENT EXPERIENCE	TRANSITION SERVICES	SERVICES ONLY
		Occupational Skills	Other			In-School	Other			
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1. Entered Private Sector Employment	a. S	1 2 3 26 R A	31	36	41	46	51	56	61	66
	b. M	R B								
2. Entered Public Sector Employment	a. S	R C								
	b. M	R D								
3. Entered Armed Forces	a. S	R E								
	b. M	R F								
4. Additional Positive Terminations	a. S	R G								
	b. M	R H								
a. Return to/ Continue Full-Time School	a. S	R I								
	b. M	R J								
5. Transfers to Other Subparts	a. S	R K								
	b. M	R L								
6. Other Terminations	a. S	R M								
	b. M	R N								

NAME AND TITLE OF APPROVING OFFICIAL | SIGNATURE | DATE SIGNED (Mo., Day, Yr.)

CERTIFICATION

ETA 8477 (Apr. 1979)

- 194 -

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OMB Approval No. 44-R1655

U.S. DEPARTMENT OF LABOR
Employment and Training Administration

QUARTERLY SUMMARY OF PARTICIPANT CHARACTERISTICS

1. PRIME SPONSOR'S NAME AND ADDRESS

2. TYPE PROGRAM
- ☐ II - B, C
- ☐ II - D
- ☐ III .....
- ☐ IV .....
- ☐ VI
- ☐ VII
- ☐ Other .....

3. PERIOD COVERED (Mo., Day, Yr.) From ____ To ____

4. GRANT NO.

FOR REGIONAL OFFICE USE ONLY

CONTRACT KEY							REP. PER.	
Prog. Code	Reg.	St.	F.Y.	Project No.	Subl. Proj. No.	Comp. Code	Q or F	M M Y Y
4 5	6	7	8	9	10 11	12 13 14 15	16 17	18 19 20	21	22 23 24 25

Instructions: Items (*) must add to Line 1 in that column. Item with (**) must be equal to or less than Line 1 in Column D.

Line No.	A. CHARACTERISTICS	COLS. 1	2	3		B. TOTAL PARTICIPANTS	TERMINATIONS C. Total	D. Entered Employment
1	TOTAL	W		A	26			
2	SEX* Male				41			
3	SEX* Female				56			
4	AGE* 14 - 15	W		B	26			
5	AGE* 16 - 19				41			
6	AGE* 20 - 21				56			
7	AGE* 22 - 44	W		C	26			
8	AGE* 45 - 54				41			
9	AGE* 55 and Over				56			
10	EDUCATION STATUS* School Dropout	W		D	26			
11	EDUCATION STATUS* Student *(High School or Less)*				41			
12	EDUCATION STATUS* High School Graduate or Equiv., No Post H. S.				56			
13	EDUCATION STATUS* Post High School Attendee	W		E	26			
14	PUBLIC ASST. STATUS Receiving AFDC *(SSA Title IV)*				41			
15	PUBLIC ASST. STATUS Receiving SSI *(SSA Title XVI)*				56			
16	PUBLIC ASST. STATUS Total Receiving Public Assistance	W		F	26			
17	ECONOMIC STATUS* OMB, Pov. Level or 70% or less LLSIL				41			
18	ECONOMIC STATUS* 71% thru 85% of LLSIL				56			
19	ECONOMIC STATUS* 86% thru 100% of LLSIL	W		G	26			
20	ECONOMIC STATUS* Above 100% of LLSIL				41			
21	ECONOMICALLY DISADVANTAGED				56			
22	FAMILY STATUS* Single Parent	W		H	26			
23	FAMILY STATUS* Parent in Two-Parent Family				41			
24	FAMILY STATUS* Other Family Member				56			
25	FAMILY STATUS* Non-Dependent Individual	W		I	26			
26	RACE/ ETHNIC GROUP* White *(Not Hispanic)*				41			
27	RACE/ ETHNIC GROUP* Black *(Not Hispanic)*				56			
28	RACE/ ETHNIC GROUP* Hispanic	W		J	26			
29	RACE/ ETHNIC GROUP* American Indian or Alaskan Native				41			
30	RACE/ ETHNIC GROUP* Asian or Pacific Islander				56			
31	LIMITED ENGLISH SPEAKING ABILITY	W		K	26			
32	MIGRANT OR SEASONAL FARM FAMILY MEMBER				41			
33	VET. GROUP* Veteran				56			
34	VET. GROUP* Vietnam-Era *(Age 34 or Under)*	W		L	26			
35	VET. GROUP* Special Disabled				41			
36	HANDICAPPED				56			
37	OFFENDER	W		M	26			
38	DISPLACED HOMEMAKER				41			
39	LABOR FORCE STATUS* In-School				56			
40	LABOR FORCE STATUS* Underemployed	W		N	26			
41	LABOR FORCE STATUS* Unemployed				41			
42	LABOR FORCE STATUS* Other				56			
43	UNEMPLOYMENT COMPENSATION CLAIMANT	W		O	26			
44	TJTC				41			

E. WAGES OF TERMINEES ENTERING EMPLOYMENT						F. BEFORE PARTICIPATION	G. UPON ENTERING EMPLOYMENT
45	HOURLY WAGE** No Previous Wage	W		S	26		
46	HOURLY WAGE** Less than $3.11				36		
47	HOURLY WAGE** $3.11 to $3.49				46		
48	HOURLY WAGE** $3.50 to $3.99				56		
49	HOURLY WAGE** $4.00 to $4.99	W		T	26		
50	HOURLY WAGE** $5.00 to $5.99				36		
51	HOURLY WAGE** $6.00 or More				46		

5. SIGNATURE AND TITLE | 6. DATE SIGNED | 7. TELEPHONE NO.

ETA 5136 (Apr 1973)

OMB Approval No. 44-R1655

U.S. DEPARTMENT OF LABOR
Employment and Training Administration

CETA PROGRAM STATUS SUMMARY

a. PRIME SPONSOR'S NAME AND ADDRESS

b. GRANT NUMBER

c. REPORTING PERIOD — From | To

FOR REGIONAL OFFICE USE ONLY

CONTRACT KEY

	Prog. Code	Reg.	St.	F.Y.	Proj. No.	Subj. Proj. No.	Comp Code	C or E	REP. PERIOD MM	REP. PERIOD YY
Col	1 2 3	4 5	6 7	8 9	10 11	12 13 14 15	16 17 18	19 20	21	22 23	24 25

d. TYPE OF PROGRAM ("X" one)

- ☐ II-B/C ☐ II-D ☐ VI
- ☐ III (Specify) .....
- ☐ IV (Specify) .....
- ☐ VII
- ☐ Other (Specify) .....

I. PARTICIPATION AND TERMINATION SUMMARY	1 2 3 / F 1	ACTUAL	PLAN	% of PLAN
A. TOTAL PARTICIPANTS		26		
1. New Participants		31		
2. Transfers from other Subparts		36		
3. Participants Carried Over		41		
B. TOTAL TERMINATIONS		46		
1. Entered Unsub. Employment		51		
a. Direct Placements		56		
b. Indirect Placements: (1) Thru Sponsor		61		
(2) Other Indirect		66		
2. Transfers to other Subparts		71		
3. Additional Positive Terminations		76		
a. Return to/Continue Full-Time School	F 2	26		
4. Other Terminations		31		
C. TOTAL CURRENT PARTICIPANTS (End-of-Quarter)		36		
1. Active Non-PSE Participants (II-D or VI)		41		
II. SPECIAL CATEGORIES				
A. UNSUBSIDIZED PRIVATE SECTOR PLACEMENTS		46		
B. TITLE II-C: (1) Upgrading		51		
(2) Retraining		56		
C. TITLE IV: (1) GED Certificate		61		
(2) Academic Credit		66		
(3) Special Mixture Component (YETP)		71		
(4) Limited Services (YETP)		76		
D. SYEP: (1) Vocation Exploration Program	F 3	26		
(2) Summer Entitlement Program		31		
(3) Concurrent Participation in: (a) Title II B/C		36		
(b) YETP		41		
(c) YCCIP		46		

III. PARTICIPATION IN PROGRAM ACTIVITIES		a. YEAR-TO-DATE Actual (F 4)	Plan	% of Plan	b. END-OF-QUARTER Actual (F 5)	Plan	% of Plan
A. Classroom Training (Occupational Skills)	26						
B. Classroom Training (Other)	31						
C. On-the-Job Training	36						
D. Work Experience (In School)	41						
E. Work Experience (Other)	46						
F. Public Service Employment (II-D or VI)	51						
1. PSE Participants in Trng./Services	56						
G. Career Employ. Experience (YETP)	61						
H. Transition Services (YETP)	66						

IV. OTHER ACTIVITIES

Indicate other activities or special programs on attachments. Describe their objectives and list milestones toward their achievement in a quantitative or narrative presentation.

V. CERTIFICATION

a. NAME AND TITLE OF AUTHORIZED OFFICIAL	b. SIGNATURE	c. DATE (Mo., Day, Yr.)

ETA 5134 (Apr. 1979)

OMB Approval No. 44-R1655

U.S. DEPARTMENT OF LABOR
Employment and Training Administration

CETA
FINANCIAL STATUS REPORT

1. GRANTEE'S NAME AND ADDRESS	2. FED. AGENCY	3. FEDERAL GRANT NO.
	4. PROJECT PERIOD (From - To)	
5. REPORT PERIOD (From - To)	6. TYPE OF PROGRAM ("X" one) ☐ II-B,C ☐ III ☐ II-D ☐ IV ☐ VII ☐ VI ☐ Other	

FOR REGIONAL OFFICE USE ONLY

CONTRACT KEY								REPORT PER		
Prog. Code	Req.	St.	F. Y.	Project Number	Subj. Proj. No.	Comp. Code	Q of F	M M	Y Y
4 5	6	7	8	9 10 11	12 13 14 15	16 17 18	19 20	21	22 23	24 25

7. STATUS OF FUNDS	Total Federal Share of Program Outlays	Federal Share of Unliquidated Obligations	Total Federal Share of Outlays and Unliquidated Obligations	Total Federal Funds Authorized	% of Plan Accomplished
	A	B	C	D	E
1. Classroom Training	Col K L 26				
2. On-the-Job Training	37				
3. PSE: Non-Projects a. Wages/Fringes	48				
b. Projects Wages/Fringes	59				
c. Training/Services for 3a and 3b	70				
4. Work Experience	K L 26				
5. Services to Participants	37				
6. Other Activities	48				
7. Career Employment Experience	59				
8. Transition Services	70				
9. Vocational Exploration Program	K L 26				
10. Entitlement	37				
11. Total CETA Funds	48				
12. Non-Federal Share of Program Outlays	59				
13. Upgrading	70				
14. Retraining	K L 26				

COMMENTS

8. INDIRECT EXPENSE

a. Type of Rate ("X" one)	b. Rate	c. Base
☐ Provisional	d. Total Amount $	
☐ Fixed	e. Federal Share	
☐ Predetermined		
☐ Final		

9. AVERAGE ANNUALIZED WAGE RATE (PSE) $ F 9 56

10. SUMMARY OF ACTIVITY

	Financial a. Total	Financial b. YETP In-School	c. Total Participants Served
A. Total Carry-In	K L 26	K L 26	
B. Accrued Expenditures (Yr. to Date)	37	37	
1. Administration	48	48	
2. Allowances	59	59	K L 26
3. Wages	70	70	31
4. Fringe Benefits	K L 26	K L 26	36
5. Worksite Supervision	37	37	41
6. Training	48	48	46
7. Services	59	59	51

11. CERTIFICATION

I CERTIFY that to the best of my knowledge and belief that this report is correct and complete and that all outlays and unpaid obligations are for the purposes set forth in the grant agreement.

NAME

TITLE | PHONE NO.

SIGNATURE | DATE SUBMITTED

CETA 2219 (Apr. 1979)

APPENDIX 4

DESIGN OF PROGRAM ELEMENTS

The employment and training title of the Youth Act of 1980 introduces some new components and significantly modifies many existing approaches under CETA youth programs. It is impossible and unnecessary at this point in time, to fully design and analyze all these components and approaches, but it is worthwhile to flesh out some of the details to get a better sense of what is intended and the feasibility. The proposed MIS was described separately because of its underlying importance in achieveing the goals of the Act. The following sections briefly describe the competency benchmarking system, the incentive grants and equal chance supplements, large-scale Federal projects, interagency activities and new allowance approaches.

Benchmarking

The notion of benchmarking competency acquisition makes obvious sense in order to use CETA programs as a proving ground for disadvantaged youth, to document their abilities, and attainments, and to provide reference points for the prescription and sequencing of services for individuals. Four sets of competency benchmarks are stipulated in the legislation: (1) benchmarks of basic employability skills or world-of-work awareness; (2) benchmarks of work maturity documenting the ability to show up for work on time and maintain continuity of employment; (3) benchmarks of the educational competencies needed to learn on the job; and (4) benchmarks of vocational competencies. The benchmark standards would be determined after extensive interaction with the community to determine performance expectations and requirements. The standards would be established and maintained external to program components in the sense that competencies would be objectively measured. Completion of a unit of service might be one way to document competency attainment, but only with monitoring to assure that standards were being maintained for completion. Youth who had not previously participated could also be assessed relative to these benchmarks. In other words, they would be measurements of the ability to handle certain tasks, act in certain ways, and perform certain functions rather than simply documentation of participation. For instance, three youth enrolled in auto mechanics training might all "complete" a 9-month training course. One might learn to change oil and tires and to check batteries; another might learn engine tune-up and maintenance; the third might go so far as to understand hydraulic systems and transmissions. They would have three different levels of competence even though all had "completed"

a 9-month training program. One of these youth might have learned the basic skills at home so that these could be benchmarked before participation and training could begin at a more advanced level with the "investment agreement" which would designate services to be received and requirements of participation calling for the completion of a concentrated course in transmission repair; in other words, competencies gained elsewhere could be benchmarked and benchmarks would be used as a means for the individualization of services.

While this makes a great deal of sense, there are questions how benchmark standards could be established, whether they could be maintained, and about the ramifications of such standards.

1. Benchmark Standards

The basic employability skills benchmarks might include a combination of experiences, tested knowledge, and perhaps simulated activity. First, there are several tests of world-of-work awareness and coping skills that have been developed and applied extensively in the last decade. These have been utilized under the YEDPA knowledge development activities and the results will provide validation and the basis for further refinement. The experience desired might be an active job-search effort or participation in a job-search assistance and labor market information activity for a period of time. Finally, the simulated activity might include mock interviews using employers.

The work maturity benchmark could be documented by a period of continuous employment with reasonable attendance and effort in either the private or public sector. There might be separate standards for in-school and out-of-school youth. The trick would be to assure that the work experience indeed required and maintained strict standards of performance. A recommendation or demonstration from the employer or supervisor would be secured. In some cases, this would involve retrospective interviews. For instance, the "maturity" standard for an out-of-school youth might be 6-months of work, with 90 percent attendance, 5 percent tardiness, and adequate work effort as documented by the supervisor. If the youth held a private sector job, the information could be secured by follow up on the job and interviews with the supervisor. In a public program, it would require monitoring to assure that strict standards were being enforced.

There is an extensive body of literature and experience with vocational competency benchmarks. Competency - based vocational education programs are used in numerous States. Oregon, Washington, Ohio, Florida, Delaware and Minnesota are among those which have successful programs at the State level, in their universities, and in the vocational and general education systems. Job Corps has 15 years of experience and refinement in the use of Training Achievement Records (TAR's) for its training areas which include most of those likely to localize programs as well. A model TAR is attached. These measure individual accomplishment and could easily be converted into standards which could be adopted locally. The vocational education community at the Federal, State and local levels could make an enormous contribution to the competency measures and skill definitions, while the employers would be actively involved in setting the standards, i.e., what levels of competencies were needed for which jobs.

Perhaps the most controversial area of benchmarking relates to educational competency testing and documentation. Over 40 States have adopted procedures for testing abilities and standards for graduation from secondary school. The GED is, in a sense, a developed and tested set of standards concerning the competencies a person with a high school diploma should have. The diploma itself is a credential documenting some competencies, depending on the standards maintained in the schools. Educational benchmarks should include both credentials and competencies--i.e., they should document and encourage attainment of either the GED or the diploma, but they should also document attainment and demonstration of certain reading and computation skills. There might be several levels. For instance, Job Corps has an individualized, self-paced educational program with a multitude of steps and levels. It has 15 years of experience with assessment of disadvantaged youth relative to these levels, and their meaning in terms of functional competence. These could be adopted by prime sponsors, if desired, to assess abilities below the high school level. Likewise, the competence tests used in the schools have scalar outcomes and several standards might be set indicating different levels of accomplishment. If prime sponsors preferred not to deal with these issues, they could simply rely on the GED or the diploma. Where local conditions permitted a more positive approach, there are mechanisms which could be utilized.

Name _____ SSN _____ Date Entered Training _____ Center _____

Vocational Trade Plumber DOT Code 862.381-030 Instructor _____

Training Objectives	Performance			Knowledge		
	1	2	3	a	b	c
A. Safety:						
1. Practice safety on the job						
2. Know & use safe practices in handling tools, machinery & equipment						
B. General:						
3. Know & understand plumbing terminology						
4. Use & maintain common hand tools						
5. Identify materials, fittings, grades & types of pipes						
6. Selects cast iron, galvanized pipe, etc. for roughing/finish work						
7. Load truck w/required materials tools & equipment						
C. Apply Drawing:						
8. Know & use of common drawing instruments						
9. Use common measuring instruments and tools						
10. Draw plumbing symbols						
11. Make diagrams, sketches, croquils using symbols						
D. Galvanized Piping:						
12. Measure, cut, ream & thread different sizes of pipe by hand						
13. Measure, cut, ream, thread & install pipe at specific measure						
14. Make different installations						
15. Make bridle splices						
16. Make installations using universal joints						
17. Install drainage using threaded pieces						
18. Make a tucker connection						
19. Connect different types of valves						
E. Copper Pipe:						
20. Measure, mark & cut copper pipe						
21. Make connections using soldering kit						
22. Make connections using fittings & couplings						
23. Install a water meter						
24. Make an installation for hot and cold water using copper pipe						
F. Cast Iron Pipe:						
25. Select and use proper tools for yarning oakum & caulking lead joints						
26. Measure and cut cast iron pipe						
27. Make vertical & horizontal joints						
28. Use galvanized, cast iron joints						

Continued

U.S. Department of Labor
Employment & Training Administration

TRAINING ACHIEVEMENT RECORD

ETA 6-147 (Jan. 1978)

Name _____ Vocational Trade Plumber DOT Code 862.381-030

Training Objectives	Performance			Knowledge		
	1	2	3	a	b	c
29. Make building drainage						
30. Melt pig lead						
31. Using safety measures in handling hot oakum & pig lead, pour a joint						
G. P.V.C. Pipe:						
32. Measure & cut P.V.C. pipe						
33. Make connections of P.V.C. pipe using contact cement						
34. Prepare installation & install washroom lavatory						
35. Prepare installation & install kitchen sink						
36. Prepare installation & install a drain						
37. Prepare installation & install urinal						
38. Prepare installation & install water cooler						
39. Prepare installation & install a water fountain						
40. Prepare installation & install a bidet						
41. Prepare installation & install a bathtub						
42. Prepare installation for different battery equipment						
43. Install a shower						
I. Concrete & Terracota Pipe:						
44. Dig trench for laying pipe						
45. Cut to size, terracota & concrete pipe						
46. Make connections						
47. Make installation to the sewer line						
J. Maintenance:						
48. Repair wear & broken pipe						
49. Repair parts of a bathtub						
50. Repair bidet parts						
51. Repair water heater parts						
52. Repair water closet parts						
53. Repair different types of valve parts						
54. Repair copper pipe, wear & broken						
55. Repair urinal parts						
56. Repair kitchen sink parts						
K. Job Related Technical Knowledge:						
57. Use instructions furnished in written, oral, or sketched form						
58. Use arithmetic/math as required for a plumber						
59. Prepare reports using proper grammer and trade language						

U.S. Department of Labor — TRAINING ACHIEVEMENT RECORD — ETA 6-147 (Jan. 19'8)

nent & Training Administration

Name _____ Vocational Trade Plumber DOT Code 862.381-030

Training Objectives	Performance			Knowledge		
	1	2	3	a	b	c
L. Attitudes and Professional Ethics:						
60. Maintains appropriate personal hygiene and appearance						
61. Arrives at the job on time and is there each day as expected						
62. Works cooperatively with fellow workers and treats others respectfully						
63. Accepts constructive criticism and follows instructions willingly						
64. Respects value of company and personal property and cares for it properly						
M. Additional Related Training Objectives Peculiar to This Center:						

Evaluation Code Key

Factors	Scale Values	Definition
Performance	1 =	Can do simple parts of the task---Needs extremely close supervision
	2 =	Can do most parts of the task---Needs close supervision
	3 =	Can do all parts of a task---Needs job entry supervision
Knowledge	a =	Can identify parts, tools, and understand simple facts about the task
	b =	Can name most steps in doing a task---Can explain simple facts and principles
	c =	Can explain how and when a task must be done---Can analyze facts and principles

U. S. Department of Labor
Employment & Training Administration

TRAINING ACHIEVEMENT RECORD

ETA 6-147 (Jan. 1978)

2. Maintenance of Benchmarks

Grade inflation was one reason competency testing was put into secondary schools. There is the danger that any benchmarks would be eroded in practice by the effort to help young people get ahead even when they are not ready, or to prove effectiveness of an activity by inflating the number of participants attaining competencies. The key to maintaining standards is to have a set of measurements that can be applied outside of activities, and to establish an independent unit responsible for setting and maintaining standards. Competency acquisition should probably be documented and monitored by the prime sponsor. Since the prime will be subcontracting most operations, it will have an incentive for maintaining these standards. Likewise, the local council which set the standards would also have an interest in their maintenance. As part of the review of activities, spot-checking could be done to verify any results reported by subcontractors. Follow-up with employers could be used to determine whether the skills were, in fact, as documented and whether the standards were reasonable. In other words, as long as there is an independent check on standards, they can probably be protected against erosion.

3. Ramifications

The benchmarks have implications for the delivery of service as well as the documentation of competencies to employers. The positive side is that they permit individualized prescription of services, and provide realistic goals for participants. Less resources will be wasted delivering services to persons who already have competencies, and it should be possible to better concentrate resources on those who fall short. The potential problem is that service deliverers will use the individualized record in a negative way. It is alleged, for instance, that teachers who are told youth are bright will treat them that way and vice versa, creating a self-fulfilling prophecy. There are several reasons to believe this impact will be marginal under CETA. First, nothing could be worse than the current system where there are no measures of competence and where deliverers are tested not on the gains of individuals but simply on placement outcomes. There is every incentive to "cream" in those who can most easily be served. Better documentation of deficits, and reduced pressure on termination but increased emphasis on individual gain rates, would encourage more rather than less targeting. It has been the experience in Job Corps that those youth with the greatest deficits can, in fact, gain the fastest, so that benchmarking systems with multiple levels would encourage services to such youth. Prescription of services will also usually be separated from delivery, so that it is not always necessary nor expedient for service deliverers to know everything about past histories except as these effect services

being delivered. Further, CETA is a system whose mission is to help those with greatest needs whereas the schools have a mission to educate all youth. If anything, service deliverers tend to want to do more rather than less for each youth than they serve. Better identification of those with serious needs should lead to better services for them.

It is clear that disadvantaged youth who attain competencies will be better off for being able to document them to the extent they are now denied opportunities because they are ascribed the average characteristics of disadvantaged youth. Youth who have more difficulty will be better off if they get more services because their needs are better identified, and are therefore able to attain competence. However, those who do not make it even with help may bear the onus of "bad paper." It is important to note that benchmark certifications and any other information from individual Career Development Records will only be provided to the records will only be provided to the employer based upon the concurrence of the youth. The youth without a resume should be no worse off than currently where all those without resumes are lumped together and ascribed the lowest common demonstration. It is these youth who do not make it by the end of the teens who will be given concentrated remediation. In other words, some disadvantaged youth will not be helped by the benchmarking system but they probably will not be hurt. On the average, there should be improvement for the cohort. Even if employers have varying receptivity to specific certifications, the process of developing and selling such benchmarks to the public should increasingly alter perceptions of CETA and its participants. There is no question that benchmarks can be useful in improving the payoff of youth preparatory activities.

Incentive Grants, Summer Components and Equal Chance Supplements-- The Procedural Approaches

The local preparatory system, with all its subparts, may appear complex, but, in fact, all the components will operate with the same eligibility criteria, the same MIS, the same requirements for benchmarks, continuing individual records and service or investment agreements, and the same management structure. Each of the subparts includes the minimal extra requirements needed to assure that its purposes are met. Most of the differentiation and "categorical" considerations are "front-ended" as part of the application and planning process.

Formula Grants

The basic formula grant--one part for year-round and the other for summer activities, will distribute to each prime sponsor a basic grant. The summer component will be fully integrated. The participation levels during the summer months must be no less than the amount provided by these funds. In other words, this will set a floor for summer activity. The redesigned MIS for local preparatory efforts already anticipates a very simplified consolidated monthly report on participants, so that this flow could be easily enforced. Most prime sponsors beef up their summer-only activities already from other categorical programs; there would be little risk service levels in June, July and August would be below the level justified by the summer allocation. Essentially, then, no extra reporting is required and the summer component would simply provide a different weighting in the allocation formula and protection against any unreasonable shifts in prime sponsor programs.

Equal Chance Supplements

Those prime sponsors adjudged to have adequate overall programs by the Department of Labor's review of procedures and the Youth Opportunity Councils reviews of quality would be eligible for Equal Chance Supplements. The Secretary would specify quantifiable criterion of need such as youth employment/population ratios in the neighborhood, poverty rates, school dropout rates, crime rates, illegitimacy rates and other measures of pathology. Each eligible prime sponsor would be given a maximum percentage increment in funding for which they could apply. Assume, for instance, that the Equal Chance Supplement national equalled 20 percent of formula grants and that prime sponsors receiving a fifth of these grants were ruled ineligible for Equal Chance Supplements because of poor quality of their basic programs. This would mean that the aggregate increment for eligible prime sponsors would be 25 percent. Each eligible prime sponsor would define a target area(s), would provide data available on the pathologies of this area, would estimate the fair share proportion of resources going to resident youth, and would provide an Equal Chance budget proposal for the target area which would substantially increase these resources but not exceed, say 50 percent of the basic grant. The Secretary would rank the target areas according to the need indices, and would fund down the level of need with consideration of the quality and innovativenss of proposed service offerings and review to assure that a fair share of formula resources was also committed to the target areas. This would provide prime sponsors an incentive to focus on those areas with the greatest problems and to intensify the level of resources in these areas in order to qualify for funding. If resources for the Equal Chance Supplement were more limited, the eligible applicants could be restricted

to those areas above some defined poverty and/or unemployment cut-off point, with the same procedures applying. Essentially this entire process would be similar to that used in selecting Entitlement sites, except that the application requirements would be enormously simplified.

Once an Equal Chance Supplement is received, the prime sponsor would merely have to document annually for target area residents the same information provided for the full prime sponsor area in order to assure that targeting was, indeed, achieved as proposed, i.e., there would simply be an identifier for residents of these areas and they would be given preference at intake. Failure to meet resource commitment levels would lead to disqualification for Equal Chance Supplement. The MIS would facilitate this extra report without a great deal of difficulty.

Incentive Grants

Those prime sponsors adjudged to have adequate overall programs by the Department of Labor's review of procedures and the local Youth Opportunity Council's review of quality would be eligible for incentive grants. The eligible prime sponsors would be offered a menu of incentive choices, the "categories" and the "ingredients" specified by regulations, and the "prices" or matching formulae established by the Secretary. The process would work as follows:

1. The Secretary would assess the relative success of the prime sponsors in achieving the goals of each of the categories. The Secretary would divide the aggregate incentive funding among these categories and would set target matching ratios for each category. For instance, the Secretary might determine that private sector involvement is a greater need than Employment Service linkages, and that the former is more difficult to achieve. Presuming $200 million among five categories, the Secretary might set a preliminary allocation and estimated matching formulae as follows:

	Incentive Dollars	Regional Match
Community based group involvement	50	2:1
Special needs group projects	50	1.5:1
Private sector efforts	50	1:1
Employment service linkages	25	2:1
Young adult local training incentives	25	1:1

2. The Secretary would detail the requirements to be eligible for incentive funds in each category. Certain model programs found to be effective in experimental and demonstration activities would be set forth as acceptable options in each category, along with the standards for any other proposals. For instance, the private sector category specifications might read as follows:

- All projects in this category must have as a central element the involvement of employers, employer organizations or organized labor in the planning and delivery of services.
- All projects must represent an expansion or enrichment in the prime sponsor area of the types of activities proposed.
- All projects must be conducted with approval of the Private Industry Council.
- All projects must have a plan by which the activities, if successful, would be integrated into regular program operations at the completion of the 2-year period.
- All projects must meet the requirements for local basic programs.
- All projects must serve out-of-school youth or concentrate on high-risk youth in school.

Model projects would be described. For instance, the enriched YCCIP-type project which has been modeled and tested under YCCIP and involves direct organized labor participation, would be described in its major elements, with specification of the necessary agreements and arrangements. Another labor union

or business sector involvement model would be Vocational Exploration (various vocational exploration approaches are now being tested under experimentally controlled conditions). A third might involve businessmen and union members in screening youth and ensuring that benchmarks were realistic and enforced. A fourth might be for the 70001 or Jobs for Youth approach, if new or expanded in the particular area. The models would all specify the agreements and arrangements as well as required design elements. In other words, the prime sponsors would be funded if they implemented one of the models or if they had a proposal meeting conditions like those specified above. Each category would set similar conditions.

3. The "demand" among eligible prime sponsors for each of these incentives at the "prices" or matching ratios and conditions established by the Secretary, must be determined. This will be difficult in the first year when there is no experience. The attractiveness of a category would be determined according to the difficulty and desirability of implementing an allowable activity, the matching formula and the strictness of the conditions in the regulations. For instance, in the community based group involvement category, there would be more of a burden of proof that the activity was net new and that it would be integrated into regular operations at the end of the grant period; in other words, the same activities probably would not be funded over two grant periods. Services to special needs groups, where extraordinary costs are involved, might be less strict in this regard.

To determine demand, there would be an initial planning round in which each prime sponsor would be given a planning estimate of total allowable incentive funds. If incentives equalled 20 percent of formula grants, and prime sponsors receiving one-fifth of formula grants were found to have inadequate basic programs and to be ineligible for incentives, then each eligible prime could apply for one or more incentives totally to one-fourth of the basic formula grant. The prime sponsor and the local councils would review the models and regulations and the matching formulae relative to their own capacities and needs, and would decide where to put emphasis. If, for instance, their programs were already operated by community based groups, and expansion of the share was not a high priority, they might instead emphasize private sector activity. The tendency would be to take the path of least resistance and to ask for incentives for activities already achieved, but the applications and regulations would require evidence of expansion or enrichment. At any rate, in the initial planning round, the prime sponsor would merely indicate the intent to apply in different categories. For instance, a prime might be eligible for $1 million in incentive funds to go with $4 million in basic

grants. Assessing the program, the decision might be made that education linkages and advanced training for young adults are the weakest areas, and the prime would apply for $500,000 in education category funds, pledging a match of $1 million from the formula basic plus $500,000 for young adult $500,000 for young adult local training incentives, with a $500,000 match from CETA Title II.B. Other prime sponsors would presumably make different choices, some choosing to apply in all the categories, others with emphasis on only one area.

The preliminary commitments of intent would come into the Department of Labor. The dollars in each category would be totalled. While the aggregate would be no more than the available incentive dollars because of the application limit for each prime, the Department's initial "guesses" about the demand for different categories of activity and its preliminary matching ratios would not necessarily yield adequate distribution among the categories. For instance, the totals might be as follows:

	Secretary's Target Incentive Dollars	Total of Prime Sponsors' Intent to Apply
Community based group involvement	50	100
Special needs group	50	50
Private sector	50	65
Employment Service linkages	25	25
Young adult local training incentives	25	35

Based on these data, the Secretary would make a final decision about matching formulae. For instance, the match for special needs group projects and education linked activities might be reduced from 1:1 and 2:1 respectively to .5:1 and 1.5:1, while the private sector and young adult category matches might be increased. If one category was particularly oversubscribed, the Secretary could also set a percentage application limit for any prime sponsor unless justified by unusual circumstances.

The final ratios would then be published and prime sponsors would submit applications. The changes in the matching formulae would not guarantee coming in exactly on target in the first year, but it would mitigate maldistributions noted in the preliminary application round.

4. The application for incentive funding would be a relatively simple procedure describing the activities to be funded relative to the requirements of the regulations. Presuming the proposals meet both the content and process requirements, they would be approved. For each category, there would be specification for a short annual report by the prime sponsor reviewing incentive activities. For each, there would be a few key indicators to assure compliance. In the special needs category, the expenditures for special needs groups would be the indicator. For the other categories, it would be evidence of contracts and expenditures for the proposed activities. The Department of Labor would review annually these incentive activities to assure they were meeting technical requirements,. Special studies might be commissioned to determine nationwide efforts in each category. In general, however, the activities would be integrated into the management and contracting system of the prime sponsor. After receipt, the prime sponsor would have responsibility for meeting any special conditions in order to be eligible for continuation of the incentive grants.

5. In the next grant cycle, Federal priorities might change. Progress in one category might suggest the need for less emphasis. New models might be developed in another which need replication. Experience might show the need to redraft requirements to get more leverage. The Committee on Youth would make recommendations to the Secretary for such changes. In the next round, the matching formulae and target allocations among categories might be changed. The aim would be to insure some continuing innovation in the system. For instance, in most cases, activities that proved effective in the previous round of incentive grants in a prime sponsor area should be integrated into formula activities and would not be eligible for refunding. Some would prove to be ineffective and would merely be dropped. Adaptation would occur in other cases to meet more refined guidelines.

While these incentive grant procedures are different than those now used, it is not an enormous complication. For instance, prime sponsors have responded to application procedures for Entitlement grants, for solar energy projects, for exemplary in-school incentive grants and the like. This would simply consolidate these activities and limit them to once every two years. All categories of local

basic funding would be merged into a single operational grant that the prime sponsor could count on. There would be one operating system and no further competitions during the period which would detract from operations. In other words, the negotiation and development of incentive applications would all be "front-ended" and there would be a stable base of operations until the next incentive round. It would be possible to run the incentive grants on two year cycles if greater stability were required.

Flexible Allowance Approach

The allowance payment system established for CETA consists of the basic allowance with a variety of adjustments for dependents, special welfare status, extraordinary participation costs, and adjustments for receipt of other compensation such as unemployment insurance. The basic allowance rate is equal to either the Federal, State, or local minimum hourly rate, whichever is higher. The allowance formula is the hourly wage rate multiplied by the number of hours of participation. The basic allowance payment system's emphasis is the use of the minimum wage rate and the number of hours of participation. With this emphasis, the allowance is a surrogate for a wage system rather than an incentive provided to induce learning and development. As a wage/hour system, it is adjusted around these factors rather than proficiency. The allowance payment is not geared to the level of participant proficiency as assessed by the sponsor nor does it relate to the concept of an inducement graduated for learning gains. The basic allowance in a wage X hours system rewards number of hours of attendance, with no incentive geared to quality within this attendance.

Therefore, under the employment and training section of the Youth Act, a learning grant in lieu of the basic or incentive allowance would be used to compensate participants in preparatory programs where this was considered appropriate. Each prime sponsor would establish equitable ground rules for its learning grants. These ground rules would consider the level of skill proficiency of the participant and the income and wage levels of the prime sponsor. Since it is not geared to the wage rate or number of hours of participation, sponsors will develop a scale with incremental steps indicating the grant sum for each level of proficiency attained by participants.

Benchmark standards to be established by eash of the prime sponsors will be used to measure youth progress within the preparatory program both in attainment of increasingly higher skill levels within one competency field and development of a range of abilities that together constitute a level of proficiency that can be certified as a competency.

But they can also be used internally to structure a compensation system which rewards people for their achievement both on-the-job and within related training and educational components. This approach provides an incentive to individuals to move ahead and it reflects the payment structure within the world of work. Both skill level and seniority could be taken into account in developing such a program.

The level of proficiency will be determined by the sponsor's assessment procedures and reflected in the Investment Agreements developed for the participants. Participants certified at or below the pre-employment status will receive the lowest learning grant. As the proficiency level is raised for each participant, the grant sum should be increased. Although the level of proficiency will weigh the heaviest in setting the grant level for each participant, sponsors will vary in the levels because of their geographic differences. Sponsors in low cost areas will have grants lower than sponsors in higher cost areas. No adjustment scale will be used to gauge these differences related to geographic differences, rather each sponsor will make its own determination on the learning grant level based on its geographic jurisdiction. For youth above the age of 18, regular allowances might be paid. On the other hand, new entrants into local programs will be unstipended for a period designated by the Secretary. During this period they will participate in job search assistance and other activities designed to help them identify their own jobs where these exist.

LARGE-SCALE PROJECTS

The Need for the Large-Scale Project Approach

The large-scale Federal project approach has not been utilized in employment and training programs for youth since the New Deal. There are several reasons why it might make sense:

- Jobs and training must be more carefully structured over a continuum if they are to meaningfully impact on the future careers of economically disadvantaged youth. There must be a single track from early work experience to more intensive training to career ladder employment. It is clear that training is best linked to specific jobs, which in turn requires greater coordination between training and job creation or development. Where there are disjunctures, youth tend to "fall between the cracks," not making the training connection or the subsequent career connection. A self-contained system with all the linkages built in can minimize dislocations.

- Mobility is a major factor for youth in finding jobs and careers. Except for Job Corps, most programs are locally-oriented and, therefore, linked to supply and demand situations in the immediate labor market area. In fact, most youth need to and do move, but this is infrequently part of a planned process. It is especially important for economically disadvantaged youth residing in poverty areas. National programs which would design for mobility could drastically increase employment options for disadvantaged youth.

- There are costs in terms of waste and misdirection in hastily conceived and implemented job creation projects. Productive employment of youth, particularly those with limited work experience, requires realistic, detailed and methodical planning and implementation.

- Local employment projects, because of their stop-and-go funding, their focus on entry level work and skills, their lack of job security, and their frequently unrealistic pay scales, are unable to attract and hold highly skilled and competent staff. Organized labor can rarely participate because journeyman wages cannot usually be paid for supervisors and the projects are of too short a duration to negotiate a workable involvement. In order to avoid problems with organized labor, local programs usually shy away from intensive training or high technology work which might attract concerns from unions. As a result, the productivity of youth employment and training efforts is hampered.

- Because projects are not carefully organized, and available resources tapped for equipment and materials, inefficient approaches are sometimes adopted which do not make for a quality work or training experience. Each little project usually has to hustle to make arrangements for funding and linkages, creating a very significant drain on productive energies.

- Because projects are small and scattered, there is difficulty building career ladders which link experiences in a cumulative fashion. With limited long-run opportunities, youth tend to remain for only the short term.

- Small scale and uncertain funding severely constrains the types of activities which can be undertaken. There is an advantage to "thinking big" in some cases and scale provides the opportunity for utilizing creative and technical energies. It is difficult to take risks or to concentrate resources at the local level, where there is every pressure to spread funds among constituencies to continue business as usual.

- The large-scale of projects justifies the effort that it takes to coordinate interagency efforts.

Project Characteristics

These arguments all suggest the need for a large - scale project approach. The discretionary fund of the Secretary would fund projects that would employ 100 young people or more in a single site or with mobility arrangements for operations at several sites over the life of the project. The projects would operate for no less than 2 years. They would offer a progression of skill levels and work opportunities to provide career ladders for young people. Vocational training and education needed to prepare participants for more skilled jobs in the projects would be designed as an integral part of plans. The projects would utilize sophisticated production and organization techniques, skilled supervision and would have adequate provisions for materials and supplies. They would produce a tangible and lasting product and would have a "multiple social utility" in the sense of addressing critical national needs in areas such as the environment, energy, weatherization and transportation while maximizing the career impacts on youth. They would seek to tap existing resources within Federal agencies and to be administered utilizing existing staff insofar as possible. Finally, the administrative and organizational arrangements would be fully detailed before any project would be implemented.

Low-head hydroelectric dam restoration - About 50,000 low-head dams exist in the United States, many of which are used to produce or have potential for producing electricity. Rising energy costs may now make improvement of such dams for energy production economically feasible. They ae often located in the heart of older cities where their rehabilitation could help conserve older neighborhoods or augment historical preservation efforts as well as developing recreation potential. In rural areas, deterioration of dams, with imminent danger of collapse in some cases, has frequently created hazardous conditions. While some of the work needed for restoration and conversion is basic and could be done by unkilled youth, heavy equipment work would be needed for some of the construction as well as skilled work in the installation of hydroelectric equipment. Training for career jobs would be possible in both cases. There is Department of Energy money available for hydroelectric work and Corps of Engineer funds for safety concern These could be pooled with the youth employment and training resources to be provided under this Act. A schedule of dams could be addressed with a mechanized corps of youth workers and supervisors moving from site to site, pulling in other youth locally for entry level work who could be integrated into the higher skilled jobs as any turnover occurred. A coordinated set of projects could employ several thousand young people.

Weatherization - Available funds for materials drastically exceed funds for labor. The work which is done in thousands of local projects around the country is at the most rudimentary skill level, is rarely mechanized nor achieves economies of scale. Youth and other workers infrequently receive training which provides them career opportunities and union involvement which can provide linkages into the labor market is usually not present. It might be possible to mount statewide programs with better organization, training and mechanization. Not only would insulation techniques be upgraded, but heating and cooling plants and approaches could be addressed. It might also be possible to warehouse materials, do large-scale purchasing, and to utilize factory construction techniques to some extent. Instead of just handling the homes of low-income families, public properties might be upgraded such as military installations, Job Corps centers, institutional facilities or schools, where public funds could be saved from reduced energy bills and where planning could lead to efficient large-scale efforts. A number of projects, each employing hundreds of youth, might be arranged through this approach. One key would be to remove the institutional impediments to the consolidation of funding. An approach worth testing might be a statewide nonprofit corporation to broker and coordinate the projects by local CAA's. The membership on the board of this nonprofit could be representative of these CAA's.

- Removing Impediments to the Handicapped - There has been a great deal of talk but all too little action in improving accessibility of public facilities of all types. Because each project tends to be discrete, and the standards are so uncertain, economical approaches are not always replicated and the costs of adaptation are sometimes inflated. By organizing on a larger scale, and training specifically for the types of jobs which would be accomplished, it should be possible to employ thousands of young persons in productive tasks. Again, public properties with multiple facilities such as Job Corps centers or schools might be addressed first to provide a basis for such organization.

- Conservation - The Young Adult Conservation Corps has residential camps in some parks which are up to 150 enrollees, but this is the exception rather than the rule. What would be addressed under discretionary projects would be massive restoration of a single park or wilderness area where there would be a multiyear strategy involving heavy equipment and skilled jobs as well as those at the entry level. Likewise, it might be possible to undertake a large-scale urban park approach such as the Washington, D.C., mall project.

- New Energy Sources - The government is subsidizing development of a broad range of new energy sources. Several of the project areas which offer potential for employment of young adults are biomass conversion or gasohol production and distribution on a large scale, solar energy applications in public buildings and properties, and restoration of lands where shale oil or coal gasification will create known environmental impacts. In each of these developmental efforts, youth employment projects might be built in from the outset. For instance, the Job Corps satellite program in land reclamation in Kentucky has demonstrated how training in career fields can be linked productively to socially useful work experience.

- Public Housing Restoration - Some of the most severe and intractable social problems faced by our Nation are concentrated in large-scale public housing projects. Millions of Federal dollars are allocated each year for modernization and improvement. However, residents and particularly resident youth are rarely involved in the work, and there is not enough planning and continuity in many cases to insure that the gains made are not quickly eroded. There are some projects so large in scale that a 5-year plan for improvement and modernization is required as well as new mechanisms for seeing that the work is done effectively while creating jobs where possible for residents. One route might be nonprofit restoration corporations sited in large projects with a front-end set-aside of HUD modernization money and job creation funds. The nonprofits might be funded through HUD and could either be made up of craft union representatives or else neighborhood- and community-based groups. This would be a way to get more from existing outlays.

- Railroad operation - It is likely that portions of the bankrupt Rock Island railroad will continue in public operation. One possibility would be for a consortium of railroad unions to form a nonprofit corporation and operate the portions under public contract. The operations would be designed as a training ground for new personnel. Disadvantaged young adults would work and participate in skills training under this project, and then would be placed by the unions in jobs in other railroads.

Interagency Career Entry Programs

The Interagency Career Entry programs authorized at the Secretary discretion are a formalization of the extensive linkage activity which ahs occurred under YETP and YCCIP discretionary authority. Almost a fourth of these resources are involved in interagency projects which usually involve the transfer of resources to the other agency for administration consistent with the regulations of YETP and YCCIP.

Under the proposed Youth Act, the Department of Labor, through interagency agreement, would transfer funds to other Federal agencies for the employment and training of young adults where their jobs or training would be intergrated into activities funded or operated by these agencies or generated in the private sector by their actions. The funding would be restricted for hiring or training economically disadvnataged out-of-school youth in career transition positions with high potential of future employment and for which they would otherwise have limited access. The young adults would have to be referred by prime sponsors through the localized systems based on experiences noted in the individual record and as prescribed in Investment Agreements; in other words, local basic programs would prepare the youth and then place him or her into the advanced opportunities provided by these interagency career entry programs.

In all these interagency efforts, the aim would be to multiply the public social utility of actions or efforts which would otherwise be undertaken by increasing the access and training impacts for economically disadvantaged young adults. The 2-year agreements would focus on targets of opportunity for effective cooperation. The legislation would specify broad emphasis areas, such as energy, conservation and transportation.

A number of promising interagency concepts have been developed under YEDPA or in the process of the President's Policy Review Memorandum process:

- Internships in the Federal Government - There are a scattering of Federal internship programs which tend to be operated in different ways by different agencies. Working with the Office of Personnel Management, it should be possible to develop a comprehensive approach which would draw mature, carefully selected youth from local preparatory programs to work in a range of Federal agencies with DOL funding. The agencies would have responsibility for placement efforts. All of the participants would be economically disadvantaged young adults who had achieved the requisite benchmarks of career preparation.

- Rural health - Linked with efforts to expand rural health centers, young adults would receive intensive training and then would receive career apprenticeship assignments in newly created health centers.

- Weatherization - Expanded weatherization efforts by the Community Services Administration will provide opportunities for trained supervisors and technicians. The discretionary funds will be used for such supervisory and skilled positions which would lead to permanent jobs.

- Urban and Economic Development - There are possibilities for linking training and career entry employment arrangements to Urban Development Action Grants and economic development grants at the Federal level to move beyond what can be accomplished by local coordination.

- Mass Transportation Repair - Expanded railroad and mass transit programs will generate needs for skilled personnel. A training center would be established for this purpose linked directly to jobs created by Federal grants.

- Civilian defense employment - The Department of the Army has indicated a willingness to explore career entry employment arrangements relative to civilian employment at several bases.

- Tourism - Arrangements have been discussed with the Department of Commerce to implement intensive training courses for disadvantaged young adults followed by periods of work experience in the hospitality industry.

- Census-taking - The National Commission on Employment and Unemployment Statistics has recommended an expansion of the Current Population Survey. This will create regular jobs for interviewers. This could be linked to a training and industry work experience program for disadvantaged young adults.

- Regulatory Agency Compliance - Funds might be provided for the employment and training of young adults in career positions in the private sector necessitated by compliance with Federal regulations. There would be an effort to soften the blow of government regulation while providing young adults the opportunity of moving into newly opened career tracks.

These are only some of the examples of what might be achieved through cooperative efforts of Federal agencies. The Youth Act would institutionalize and provide the resources for such cooperation.

APPENDIX 5

INTEREST GROUP PERSPECTIVES AND THE EMPLOYMENT AND TRAINING COMPONENTS OF THE YOUTH ACT

The Youth Act is designed to capitalize on the comparative advantages of each of the institutions with a major role in the employment and training system. It seeks to balance interests and mitigate institutional concerns. All this is accomplished consistent with the reorientation and restructuring dictated by the analysis of youth labor market problems and program experience. Because of the inherent complexity of this comprehensive youth legislation, it is worthwhile to specify how the institutional "players" would be affected and their interests balanced.

Prime Sponsors

The Youth Act provides major benefits to CETA prime sponsors by simplifying management, clarifying responsibilities and concentrating authority:

1. Consolidation of SYEP, YCCIP and YETP, and "buying out" Title II.B. work experience and employability skills development into a single grant with a single set of reports as well as a single set of regulations and procedures is an enormously attractive feature for the prime sponsor community because it eliminates red tape, the necessity of distorting individual services and area objectives to meet categorical requirements, and the inappropriate levels of some activities relative to local needs.

2. Multi-year funding would provide stability which is now sorely lacking in local programs and would reduce the paperwork and effort in writing annual subcontracts.

3. The shift from regulatory prescriptions to incentives will have significant impacts locally. It reduces documentation of procedures. It "attaches strings" where they will provide useful results rather than forcing nominal compliance with requirements for agreements even when they have no meaning. It permits adaptation to local needs and a clear choice of local priorities.

4. The MIS for the new system is noticeably simplified and yet much more useable for prime sponsor needs. Implementation will be an ordeal, but since substantial modifications are already planned to meet new CETA requirements, it is a good juncture to upgrade computer equipment and utilize the potentials for computer managed instruction. The Federal reports requirements are reduced markedly.

5. The departure from longstanding CETA plan and modification procedures will eliminate paper exercises which serve almost no purpose for youth programs.

6. The bifurcation into an adult and a youth system with different MIS, rules and regulations will create some problems, but most prime sponsors already have youth and adult divisions, deal with different delivery agents in each case, use different forms and follow different regulations under the separate categorical programs. The inclusion of youth participant outcomes in the data base for programs being judged according to employment and earnings gains of participants undermines the meaningfulness of the information and the capacity to use it to judge performance. Bifurcation as envisioned under the Youth Act will "cleanse" the adult system, increasing potential performance accountability.

7. The expanded technical assistance directly authorized under the Secretary's discretionary resources would, if adequately funded, have a major impact on prime sponsor capacity. This is a critical need.

8. The new Act clarifies the priorities of Congress and the Administration; these will be translated into allocations for incentive categories and reflected in the adopted matching formulae. This contrasts with the present system where primes are asked to achieve a number of goals with no clear Federal priorities, and then are subject to question when their decisions do not meet expectations of some interest groups.

9. The Act would consolidate local funding through prime sponsors. There would be no direct funding of grantees from Washington except for capacity building or limited experimental programs. All the linkage incentives, including those for support of community and neighborhood groups, would operate under a single local financial system.

10. All career entry employment and training programs operated by the Federal government would draw youth from the prime sponsor system utilizing the individual service record system developed by prime sponsors. This would eliminate multiple and competing intake points for programs.

11. The maintenance of effort provision under Title II-B would be eliminated. Under the strategy recommended by the Department of Labor, prime sponsors would have increased resources for adults and young adults as youth work experience and employability skills development activities are consolidated. Young adults ready for career training and career entry employment would have to be served equitably in the "adult" system, but this would be determined by traditional significant segment prioritization procedures.

12. The linkage activities with other agencies, particularly the schools, would be targeted, would receive incentive support and would be paralleled by incentives on the education side. In other words, Local Education Agencies would not get their basic skills funds unless they, too, linked with prime sponsors. The burden would no longer rest solely on the shoulders of the prime.

These features make the Act a very attractive package for prime sponsors. There are, however, some dimensions which will be subject to discussion. The incentive approach is an attractive alternative to prescriptive regulations, but prime sponsors with inadequate programs will not be eligible for these incentives. In other words, it will be very visible when a system is not adequately functioning, and there will be a good deal of pressure on ineffective prime sponsors. The less capable ones will be leary of a system which will visibly identify their problems and take action on them.

The Act also envisions that prime sponsors will become the "delivery agent of last resort" for most preparatory activities. They would, to a major extent, become the managing agent and allocator, rather than provider. Most prime sponsors subcontract for delivery of services for youth. Only a few have large delivery staffs, and these are usually for intake and assessment which might continue to be centralized. The movement to greater decentralization will be relatively easy if added resources are provided.

Community- and Neighborhood-Based Organizations And Voluntary Youth Serving Agencies

The Act strengthens the role of community- and neighborhood-based organizations and voluntary youth serving agencies in four ways: First, it increases the incentives for local choice of community- and neighborhood-based deliverers; second, it provides direct assistance to such groups to assist them in developing the capacity to compete for local funding; third, it emphasizes the role of prime sponsors as purchasers of service rather than delivery agents; and fourth, it also provides incentives for serving high risk, handicapped, and other youth with special problems which are traditionally best served at the local level by community and neighborhood-based groups.

Under the Youth Employment and Demonstration Projects Act, "special consideration" was to be given to community and neighborhood-based organizations of "demonstrated effectiveness." In YCCIP, such organizations were made, by regulations, the presumptive deliverers of services. There were procedures for notification and for clearance of plans with community-based groups; the purpose was to assure them a chance to compete. Participation by neighborhood- and community-based groups was more substantial under YETP and particularly YCCIP as a result of these strictures. There were, however, substantial problems:

- o The across-the-board rules were not well suited to varying conditions. Where community and neighborhood-based organizations were not strong, it was sometimes necessary to work with inadequate performers under YCCIP.

- o The "demonstrated effectiveness" provision essentially locked out many smaller community-based groups which had not previously participated with CETA. There was no mechanism to build up capacity to meet CETA performance and application procedures.

- o Federal discretionary experimental and demonstration projects contracted directly with community- and neighborhood-based groups significantly increased their share of resources but complicated administrative and organizational arrangements at the local level.

- o After the initial impacts, there was some slippage in the application of the "special consideration" language. Certainly, there were no incentives for further increasing the share going to community- and neighborhood-based groups.

o The clearance and notification procedures created a great deal of red tape for local program operations as well as for community-based deliverers.

o YETP and YCCIP did not extensively reach the hard-to-serve among the disadvantaged--young mothers, troubled youth and the handicapped. These are the types traditionally dealt with by smaller community- and neighborhood-based groups. More emphasis on this clientele would probably have resulted in more delivery through community- and neighborhood-groups.

o The emphasis on placement and positive termination rates affected all projects working with harder core youth and seeking longer term developmental objectives, but particularly community- and neighborhood-groups which predominately emphasize "wholistic" assistance to youth.

The new approach eliminates the special consideration language from local programs funded by formula, but provides incentive funding on a matching basis for expanded local efforts to involve community- and neighborhood-based groups as well as voluntary youth serving agencies.

The set-aside and matching formula approach for incentive funding of this special emphasis category has been outlined previously; the priority to be placed on this objective could be addressed directly in congressional and administrative budget decisions. If Congress and the Administration decided on $50 million for incentives for community-based groups involved, and if there were a dollar for dollar match, this would provide for $100 million in local activities delivered by community- and neighborhood-based groups and voluntary youth serving agencies. These groups would also compete for the remainder of localized programming. Since the incentive money would be for new or expanded activities, the base established under YEDPA would be expanded under the Youth Act.

Institution-building support would help to improve the capacities of community- and neighborhood-based organizations. This might be delivered in several ways. First, national organizations or networks might be

used. The Community Services Administration provides support to Community Action Agencies and Community Development Corporations. This could be supplemented to focus on their participation in youth services locally. HUD could aid public housing associations; LEAA could assist its network of agents providing service to delinquent youth; ACTION could assist voluntary agencies. Insofar as possible, the assistance would provide specific products to specified community- and neighborhood-based groups, and would involve certification of their capacity to perform. There would be an effort to develop some minimum national standards of demonstrated effectiveness.

Congress and the Administration could make clear-cut decisions about the priority to be placed on delivery through neighborhood- and community-based groups and voluntary youth serving agencies by the appropriations levels for the institutional support/technical assistance and for the CBO emphasis category in the incentive grants. Likewise, these groups could press their case relative to these specific categories.

The community- and neighborhood-based groups would be funded through the prime sponsor so that there would be one track of accountability for performance and a consolidated operation. All else being equal, this is, certainly preferable to direct Federal funding of local CBO's or even umbrella funding of nationally-networked CBO's.

Variability among areas would be recognized. Those with high levels of CBO participation could choose other incentive areas, such as LEA linkage programs. Areas with no CBO's or with ineffective ones could also ignore this category, but the decision would be visible and also CBO's would have the ability to build up demonstrated effectiveness through the institution-building title so that inadequacies of local CBO's could no longer be used as an excuse. These efforts would be targeted in areas of low CBO participation where the prime sponsors were not involved in this incentive emphasis area. The aim would be to develop a range of competent delivery agents in each area so that choices could be made on the basis of comparative advantage, and to assure that community- and neighborhood-based groups were utilized where effective.

Voluntary youth serving agencies such as YMCA's and YWCA's, Boy Scouts and Girl Scouts, would be explicitly included in the incentive and institutional support titles, as well as juvenile delinguency treatment, runaway and handicapped youth groups. There would be an active effort to acquaint these groups with CETA requirements and to provide them needed assistance.

In other words, the envisioned approach would have many benefits for community- and neighborhood-based groups and voluntary youth serving agencies. It would provide them an opportunity for expanded and improved participation while maintaining accountably at the local level.

Business and Labor

The driving force behind the reorientation and restructuring of youth programs under the Youth Act is to increase the probability that disadvantaged youth will ultimately enter career employment in the private sector or in unsubsidized employment in the public sector. To achieve this end, the new Act seeks to provide youth with increased employability skills development assistance so that they can successfully find their own jobs, to modify preparatory work experience programs so that they have the same standards as jobs available to teenagers in the private sector, to structure activities in a way to insure that youth referred from CETA to the private sector are capable of meeting expectations and requirements, to document competency acquisition so that participants can better compete for private sector career jobs, and to streamline mechanisms for access to private sector employment opportunities for disadvantaged youth.

Private employers want two things from teenagers--the maturity to show up on the job dependably and the basic skills to function at the entry levels. In selecting young adults for careers, they want the demonstrated maturity and educational and vocational foundation to learn on the job. The new legislation is designed to meet these requirements. The employability skills benchmark awarded after a set of experiences which provide basic world-of-work skills, would identify those youth able to function

in a regular job setting. By enforcing strict standards of performance for individuals in preparatory public sector work experience, so that those who do not perform are "fired," the new system will identify those youth who are likely to show up dependably, can function, and are used to a "day's work for a day's pay." The employment maturity benchmark will document this for the youth. The educational and vocational skills benchmarks would identify youth as being ready for career entry. The identification would reduce risk to employers of hiring teenagers and young adults.

Other design changes are important. The multi-year approach of the basic local program and the tracking of individuals over time can be used to assure that at some point every participant will have a period of private sector work experience. The individualized tracking allows placement and access efforts to concentrate on those who have not been able to make a private sector job connection. Further, the employability skills development activity anticipated as part of each registrants' career preparation will include active job search assistance to promote private sector employment. More realistic job standards in the public sector, and wage commensurate with what is available in the private sector, will reduce the incentive of youth to choose public sector over private sector employment.

In addition to these changes in approach, the Act has a range of specific features to improve private sector participation and job placements:

The incentive categories would allow for private sector involvement in the local preparatory programs would target funds directly for vocational exploration, employer participation in education programs and other activities directly involving the private sector. These would be new initiatives and would certainly increase the level of activity currently involving the private sector. Under YETP and YCCIP there are no incentives for such efforts.

Some of the interagency projects could have major private sector involvement. Government actions generate jobs and training needs in the private sector. For instance, mass transportation decisions lead to a number

of skilled jobs being created in a labor market and integration with youth employment and training activities from the outset can provide new careers for young adults. Energy decisions may create additional government-owned-company-operated facilities; specialized training programs in GOCO's have already proved highly successful for youth.

Under the technical assistance title, there is provision for direct support of business-oriented intermediaries such as 70001 and Jobs for Youth, as well as non-profit corporations and PIC's, which will work directly with employers and will serve to screen and follow up on job placements in the private sector.

There is nothing in the Act that should create problems for the private sector. The PIC's would still be used, and would play a central role in development of benchmark standards. Coordination with PIC's would be required under all private sector initiatives. In other words, the Act should increase private sector involvement over time.

There are several dimensions which would clearly increase labor union involvement in a direct and measurable way, The incentive category for private sector and labor initiatives at the local level will increase activities such as vocational exploration, apprenticeship in-school, building trades operated community improvement projects and like programs now run by organized labor on a national demonstration basis. The models will be packaged and promoted from the national level with cost-sharing if they are implemented locally. Under the capacity building segment, there will be direct support for outreach and linkage activities at the local level by organized labor. For instance, local building trades councils desiring to operate youth projects would be able to receive technical assistance and support. Finally, the large-scale Federal projects proposed under the Secretary's discretionary subpart would be specifically designed to allow labor union involvement on a major scale. Small community implemented projects at the local level are too limited in size and duration to permit such activity. Under multi-year projects employing over 100 young adults, this will be possible. For instance, a building trades intermediary is now being established under YETP to perate large-scale Job Corps renovation efforts which will have integrated training and employment at multiple skill levels for young adults. A statewide comprehensive weatherization project has been planned in one state under YETP discretionary funding which would be operated by the building trades as another model.

On a more general plane, the division of local CETA operations, with one system concentrating on employability skills development and short-term work experiences for teenagers and a second system concentrating on intensive training and career entry employment for young adults, will permit organized labor to focus its attention on the latter initiatives. There has been very little concern over entry level work experience activities for teenagers who are at the end of the labor queue and have limited productivity. Displacement and wage impacts become much more of an issue at the point of entrance into the primary or adult labor market. Union protection can be more carefully enforced in these activities; union involvement and review will thus be an integral part of all career entry and training activities as they have become in Job Corps.

Education and Vocational Education

The Youth Employment and Demonstration Projects Act (YEDPA) required prime sponsors to arrange academic credit for work experience, to spend at least 22 percent of YETP funds in school under an agreement between prime sponsors and local education agencies, to "enrich" all in-school work experience and to experiment with jobs as incentives to stay in and return to school. These requirements had a major positive impact on the relations between the education and employment and training systems. The Youth Act seeks to build on this progress through somewhat different mechanisms, taking cognizance of the initiatives which are proposed on the education side.

The new Act design permits varying levels of priority on activities for in-school youth and for joint activities with the education and vocational education systems. The Department's budget recommendations envision that a reduced share of any increased employment and training resources provided through CETA will be used for in-school youth, with increased emphasis on career training and career entry employment for mature young adults as well as more work experience and other options for dropout teenagers. This decision rests on the assumption that Department of Education initiatives focused on in-school youth will balance the out-of-school focus of the Department of Labor.

The proposed Department of Education initiatives include basic academic and employability skills training for low-income youth, predominantely juniors and seniors, funded through the Elementary and Secondary Education Act and targeted vocational education efforts to provide [illegible]-tional vocational skills training in higher unemployment and poverty areas where other facilities are not available.

The education incentive grants under the employment and training program would require linkages with local education agencies and joint agreements. General incentives would include those for career entry training for out-of-school youth which would frequently be mounted in cooperation with post-secondary vocational training institutions. For prime sponsors whose jurisdiction includes target schools receiving funds on the education side for basic skills training, there would be a requirement that adequate CETA resources be provided to provide work experience and other employability services. The education and employment/training components of the Youth Act are designed so that there is joint input into planning decisions at the local level. In other words, though the Youth Act would increase the funding on the education side for in-school activities and on the employment and training side for out-of-school activities, there would be structured mechanisms for continued linkages.

Appendix 6

Analysis of Youth Programs Resource Allocations

Resource allocation is one of the most basic issues of public policy and must be addressed in formulating youth policies for the 1980's. The goals of allocation procedures are straightforward--to distribute resources according to need, to provide funding continuity insofar as possible, and to utilize procedures which are understandable, reliable and politically acceptable. Realization of these goals is not straightforward because of the variety of ways in which needs can be defined and prioritized, the limitations in the data for measuring needs, and the almost infinite variety of mechanisms which can be adopted for allocation.

Youth programs currently use a range of approaches. Youth Community Conservation and Improvement Projects (YCCIP) divides resources among States according to the unemployed population, and within States according to relative shares of State unemployment. Youth Employment and Training Programs (YETP) uses a weighted formula of unemployment, excess unemployment and poverty. The summer program uses poverty and unemployment in its formula, but a "hold-harmless" clause locks most of the resources into the distribution pattern of the 1960's. Youth Incentive Entitlement Pilot Projects (YIEPP) sites were decided by competition; Entitlement is targeted to specific neighborhoods in some jurisdictions. Discretionary resources under YETP and YCCIP can be utilized anywhere and have been concentrated in urban and rural poverty areas. Young Adult Conservation Corps sites are required to be near areas of substantial unemployment, but essentially they mirror the distribution of Federal lands. Job Corps expansion was planned to balance slot distribution according to the regional shares of unemployed poor youth. Essentially, then, there are formula approaches and discretionary approaches where the Federal decisionmakers can select, under various parameters, the location of activities. Most funds are distributed by formula.

There are problems in the design and application of allocation formulae. There is little correlation between area adult unemployment and youth unemployment. Youth employment/population ratios would probably be the most reasonable need indicator according to experts. However, neither youth employment nor unemployment data are available by prime sponsor as

a basis for allocation. A better statistical base upon which to develop a more responsive allocation formula is not now available nor is it likely in the foreseeable future. Thus, in attempting to target more resources to areas in greatest need, the currently available data for prime sponsors must be utilized despite the recognized inadequacies. Available data are: prior year funding; adult unemployment and labor force, number of persons in low income families, and population.

These data elements can be formulated and combined in a number of ways. Each reflects a different dimension of need and its emphasis results in a different pattern of distribution to prime sponsors. The major "building blocks" are the following:

1. Summer Hold-Harmless. In the 1960's, summer Neighborhood Youth Corps funds were concentrated in central cities and poverty areas. This was not based on careful needs analysis but on political exigencies, crises and operational capacity. The distribution achieved under discretionary decisions has been carried forward by a hold-harmless provision under the Summer Youth Employment Program (SYEP). While the distribution is not based on current needs data, the formula is politically accepted and achieves a greater degree of concentration on central cities than has been achieved under needs-based formulae adopted elsewhere under CETA.

2. Number of Unemployed. This factor distributes funds according to each prime sponsor's share of the national total of unemployed age 16 and over.

3. Low Income Population. This factor distributes funds according to each prime sponsor's share of family heads with income below $12,000. The number must be estimated for each prime sponsor and is obviously only a crude approximation on need because it is not adjusted for cost-of-living variations or relative family size.

4. Population. This factor distributes funds according to each prime sponsor's share of the total population.

5. Excess Unemployment. This factor distributes funds according to the excess unemployed in each prime sponsor area as a proportion of the excess unemployed in the Nation. The "excess unemployment" level can be defined in a number of ways; the higher the unemployment rate chosen as a baseline, the fewer the prime sponsors who are eligible. For illustrative purposes, the factor is calculated using three

alternative baselines: 6, 7 and 8 percent. The share of funds for each prime sponsor is determined by the proportion of the national unemployed above these baselines which are accounted for by the local unemployment above these baselines.

6. Excess Poverty. This factor distributes funds according to the excess low income population in each prime sponsor area as a proportion of the excess low income population. Again, the incidence level used for the "excess" cutoff can be defined in a number of ways. The higher the low income incidence baseline, the fewer the prime sponsors who are eligible. For illustrative purposes, the factor is calculated using three alternative baselines for defining excess poverty: an incidence rate exceeded by one-fourth of prime sponsors; an incidence rate exceeded by one-third; and an incidence rate exceeded by one-half. The share of funds for each prime sponsor is determined by the proportion of the national low income population in excess of these incidences which are accounted for by the local low income population in excess of the baseline incidence rates.

7. Excess Population Density. This factor distributes funds according to the population density (population/square mile) in each prime sponsor area. While not a traditional allocation factor, evidence has suggested that concentration can generate problems in and of itself. As in other cases, the choice of population density cutoffs is arbitrary. The higher the population density baseline, the fewer the prime sponsors which are eligible. For illustrative purposes, three alternative baselines of population density are used: one which is exceeded by one-fourth of prime sponsors; another by one-third and still another by one-half. The share of funds going to each prime sponsor above these density levels is determined by the population in the area in excess of the density baselines as a proportion of sum of all prime sponsors' populations in excess of the density baselines.

All of the "excess" factors concentrate resources on prime sponsors whose unemployment rates, low income incidence rates or population densities are above the designated baselines. It is possible to combine factors into a gradient approach so that all prime sponsors get some funding but higher incidences of problems get more. For instance, a formula distributing one-fourth of funds by unemployment share, one-fourth by excess over 6 percent, one-fourth by excess over 7 percent and one-fourth by excess over 8 percent, represents an incidence gradient approach which recognizes the intensity of unemployment but gives some resources to all prime sponsors. Similar gradients can be derived for poverty and population. Different weights could be used within each gradient to give

more or less emphasis to intensity of need. However, for illustrative purposes, gradients for unemployment, population density and poverty use the one-fourth weights on the basic four data elements described above for each factor.

The sets of factors can also be weighted in varying proportions. For instance, a concentration formula can be derived by giving one-third weight to excess unemployment, one-third to excess population density, and one-third to excess poverty. This concentration formula would restrict resources to those prime sponsors with the most serious composite problems. For illustrative purposes, three concentration formulations are derived using, respectively, the most restrictive, intermediate, and least restrictive baselines for unemployment, poverty and population density. In other words, the three formulations concentrate resources on different proportions of prime sponsors and recognize the intensity of need to varying degrees.

There are an infinite variety of permutations and combinations of these elements. For instance, the Youth Act calls for a consolidated local program funded by formula. Each prime sponsor would also have a summer component integrated programmatically but appropriated separately. It is possible to allocate by the current summer formula or by the same procedures adopted for the remainder of the consolidated grant. In addition, there would be an Equal Chance Supplement for neighborhoods with particularly severe needs. The proportion of primes who would be eligible for these supplements is undecided, and the share the Equal Chance Supplements would represent of the consolidated grants could be altered. In such an arrangement, the resources for any area would be determined not only by the formula of each component, but by the relative size of these components. For instance, a large Equal Chance Supplement emphasizing concentration in its distribution formula combined with a core grant formula that does not concentrate is an alternative to a smaller or less concentrated Equal Chance Supplement combined with a more concentrated core grant formula.

For illustrative purposes, the funding distribution recommended by the Department of Labor as part of the Policy Review Memorandum process is utilized to determine the relative size of the base grant (plus incentives), the Equal Chance Supplement and the summer component. One set of options utilizes the current summer formula in distributing summer funds; the other distributes the summer money by the same formula as the base grant. The three alternative levels of concentration are utilized for Equal Chance Supplements

The allocations based on these various factors and combination factors are expressed as percentages of whatever funds are available. The percentages can be compared to determine the relative effects of these factors and combinations. For convenience, however, the share can also be compared to the current share when YETP, SYEP and YCCIP are combined. The percentage change, either postive or negative, relative to this base suggests how different prime sponsors are affected by the factors and combinations.

Data are available for each prime sponsor to calculate the impacts of these various factors and combinations. For ease of analysis, however, the shares are cumulated for certain clusters of prime sponsors with similar characteristics:

1. Prime Sponsor Type. The prime sponsors are divided into cities, counties, Balance-of-State, statewide sponsors, rural CEP's, and consortia. The allocation shares for Balance-of-State and rural CEP's are suggestive of the impacts of different factors on rural areas; counties' allocations are suggestive of suburban inputs; cities' are, of course, representative of urban areas. Every prime sponsor in these categories is not rural, suburban or heavily urban but in general the conditions hold.

2. Cities. Because of the analysis which indicates a concentration of youth labor market problems in the largest cities, the allocation options are calculated for the 10, 20 and 50 largest cities. Where the prime sponsors representing these cities are consortia, the entire consortia allocation is included.

3. High Unemployment Areas. The clusters include prime sponsors with unemployment rates above 6, 7 and 8 percent respectively.

4. Highly Populated Areas. One cluster includes the fourth of prime sponsors with the highest population density; a second includes the top third; the final includes the top half.

5. Poverty Areas. One cluster includes the fourth of prime sponsors with the highest incidence of low income families; a second includes the poorest third; the final includes the poorest half.

6. Sample Prime Sponsors. For illustrative purposes, the allocations under the alternatives are calculated for six prime sponsors representative of urban, suburban and rural areas respectively: Atlanta and Los Angeles city; Balance of Fulton County and Los Angeles County; Balance-of-State Georgia and California.

The tables are largely self-explanatory concerning the impacts of alternative allocation factors and combinations of factors on the shares going to these various clusters of prime sponsors. Cities benefit most from formulae which utilize population density and excess unemployment as well as those applying the summer hold-harmless. Rural areas benefit from formula emphasizing poverty and excess unemployment. Counties and metropolitan areas benefit from formulae which adopt the least targeted factors. Areas of excess unemployment benefit from all the concentration formulae; i.e., they tend to have higher population density and poverty incidences. The dense population area shares are little affected by poverty concentration factors and excess unemployment of 7 and 8 percent. The poorest areas do better under all the concentration factors. In terms of the composite allocation options combining the summer, base grant and Equal Chance Supplement, the importance of the summer allocation formula for large cities is clear, as is the impact of the concentration factors in the Equal Chance Supplement.

ALLOCATION BY DIFFERENT FACTORS AND WEIGHTS [illegible]

		VOTP	VOTP VFLIP SVEP	SVEP	Population	Population Density [illegible]	Population Density [illegible]	Population Density [illegible]	Poverty	Poverty weighted [illegible]	Poverty weighted [illegible]	Poverty weighted [illegible]	Unemployment	Excess Unemployment 4½%	Excess Unemployment 5%	Excess Unemployment 6%	Population Density Gradient 1/	Poverty [illegible] 2/	[illegible] 3/
1.	Area Sponsor Type																		
	Cities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Counties	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Consortia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	0	[illegible]	[illegible]	[illegible]
	Bos	[illegible]	[illegible]	[illegible]	[illegible]	0	.4112	0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Rural CEP's	[illegible]	[illegible]	[illegible]	[illegible]	0	0	0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	.913	[illegible]	[illegible]	[illegible]	[illegible]
2.	Largest Cities																		
	50 Largest	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	20 Largest	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	10 Largest	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3.	Areas Unemployed																		
	[illegible] %	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible] %	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible] %	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4.	Population Density																		
	Top ½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Top ⅓	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Top ¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5.	Poverty																		
	Percent ½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Percent ⅓	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Percent ¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6.	Sample Primes																		
	Atlanta	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Bos, [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	0	[illegible]	0	0	0	[illegible]	0	0	0	[illegible]	[illegible]	[illegible]
	Bos [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	0	0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	0	0	[illegible]	[illegible]	[illegible]
	Los Angeles Co.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	0	[illegible]	[illegible]	[illegible]	0	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	[illegible]	0	[illegible]	[illegible]	[illegible]	[illegible]	0	0	[illegible]	[illegible]	[illegible]
	Bos [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	0	0	[illegible]	[illegible]	[illegible]	0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

1/ Population Density Gradient = ¼ (Column 4) + ¼ (Column 5) + ¼ (Column 6) + ¼ (Column 7)

2/ Poverty Density Gradient = ¼ (Column [illegible]) + ¼ (Column 9) + ¼ (Column 10) + ¼ (Column 11)

3/ Excess Unemployment Gradient = ¼ (Column 12) + ¼ (Column [illegible]) + ¼ (Column 14) + ¼ (Column 15)

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ALLOCATIONS BY DIFFERENT METHODS AND VARIANTS

RELATIVE CHANGE IN FUNDING RELATIVE TO UNADJUSTED WTP/WTA ESTIMATES

1																		
2																		
3																		
4																		
5																		

PERCENTAGE CHANGE IN FUNDING RELATIVE TO COMBINED WIP/VECIP/[illegible] ALLOCATION

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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