

## DOCUMENT RESUME

ED 315 583

CE 054 054

TITLE Training Hispanics: Implications for the JTPA System.  
Special Report Number 27.

INSTITUTION National Commission for Employment Policy (DOL),  
Washington, D.C.

PUB DATE Jan 90

NOTE 93p.

PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC04 Plus Postage.

DESCRIPTORS Adult Basic Education; Community Programs; Compliance  
(Legal); \*Disadvantaged; \*Eligibility; \*Employment  
Programs; Federal Legislation; \*Federal Programs;  
\*Hispanic Americans; \*Job Training; Minority Groups;  
Postsecondary Education; Program Implementation;  
Program Improvement; Standards; State Programs

IDENTIFIERS \*Job Training Partnership Act 1982

## ABSTRACT

This report (1) focuses on issues that have caused Hispanics to be underserved by training programs funded under the Job Training Partnership Act (JTPA); (2) discusses the implications of these issues for the success of the JTPA system in meeting its goal of training economically disadvantaged people; and (3) presents specific recommendations for improving the system's ability to meet this goal. Based on six national hearings, the report describes how the system operates from the perspectives of those who run it at the state and local levels. Following an introduction to the problem, the report begins by discussing how the amount of JTPA funds and the formula for distributing them across the nation have affected Hispanics' opportunities for participating in training. The next section explains how the law's criteria for determining eligibility unintentionally make many economically disadvantaged Hispanics ineligible for Title IIA programs. This section also discusses the documentation required to verify eligibility and how these requirements affect Hispanics' interest in participating. The next two sections turn to decisions made at the state and local level. These sections make two points. First, the presence of Hispanics (or others willing to act as their advocates) in policymaking positions can be critical to the direction the programs take. Second, the ways states and localities implement several of the functions assigned to them by JTPA strongly affect the likelihood that economically disadvantaged Hispanics will enroll. The final section provides conclusions and recommendations. Appendices contain: (1) a list of the six hearings with names of the witnesses who appeared at the hearings; (2) a discussion of data problems as a possible explanation for Hispanics' underrepresentation; and (3) a description of "The Hispanic Factor" in the performance standards adjustment models of the U.S. Department of Labor. (KC)

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# Training Hispanics: Implications for the JTPA System

**REPORT NUMBER 27**

**JANUARY 1990**

**National Commission for Employment Policy  
1522 K Street, N.W., Suite 300, Washington, D.C. 20005**

**NATIONAL COMMISSION FOR EMPLOYMENT POLICY**  
1522 K Street, NW, Suite 300  
Washington, D.C. 20005

**Chairman**

January 1990

**To the President and the Congress of the United States:**

On behalf of the National Commission for Employment Policy, I am pleased to submit this report of findings and recommendations on ways to improve training opportunities for Hispanics in programs funded under Title II of the Job Training Partnership Act (JTPA).

The Commission's examination of Hispanics' participation in JTPA programs comes at an important time in our nation's history. To remain competitive in international markets, American businesses need a more productive workforce, but the number of workers and potential workers who are skilled is not keeping pace with this need. People who are becoming larger shares of the nation's pool of workers include minorities, immigrants, and refugees -- people who are hard working but often lack the basic skills that employers require.

Hispanics epitomize these changes in the nation's workforce. They are a sizable and growing share of the population, over 7% currently and they are projected to be over 11% of the population in twenty years. Moreover, Hispanics have a strong work ethic, a characteristic that has made this country excel. For many Hispanics to make even greater contributions to the nation, they need increased education and training, and a greater proficiency in English.

The Commission's concern is that Hispanics' dropout rate is about 50% and among economically disadvantaged Hispanics, over one third are estimated to lack proficiency in English. By addressing these two issues, as well as by providing job training, JTPA programs can enable Hispanics to improve their economic well-being.

As this report -- and others the Commission has issued -- points out, the basic elements needed to make JTPA programs successful are in place. Challenges to be faced concern the diverse characteristics of the population JTPA is intended to train, the system's growing emphasis on serving the "hard to serve," and some restrictions in the system that unintentionally limit the diversity of people who are trained.

In order to meet these challenges, flexibility is key; provisions that permit direct allocations to states for innovative education-JTPA initiatives and programs that are not subject to JTPA's performance standards should be maintained. Such provisions are likely to be of particular importance as the system seeks to find the best ways of reaching and serving a population that is both hard to serve and increasingly diverse.

This report (1) focuses on issues which have caused Hispanics to be under-served by training programs funded under JTPA, (2) discusses the implications these issues have for the success for the JTPA system in meeting its goal of training economically disadvantaged people, and (3) presents specific recommendations for improving the system's ability to meet this goal.

The emphasis in the report is on practical recommendations for ways the system can move so that Hispanics and other hard to serve populations acquire the education and training necessary to improve the quality of both the nation's workforce and their own lives. JTPA's allocation formula, its eligibility and documentation requirements, its performance standards system, and JTPA-related state and local policies are among the topics covered.

Many people throughout the nation made this report possible. Over the course of the Commission's six nationwide hearings on Hispanics in JTPA, people on the "front lines" of the training programs provided valuable testimony on what needs to be accomplished and how it can be done. As is shown in Appendix A of the report, witnesses at these hearings represented a broad cross-section of the nation's job training leaders. The hearings enabled the Commission to gain the knowledge and views of those who have devoted their careers to meeting the nation's job training needs. The Commission's recommendations are the product of insights gained from these people, whose decisions and actions determine the success of JTPA's training programs. These professionals are a valuable national resource. To them, the Commission expresses its deep appreciation.

John C. Gartland  
CHAIRMAN

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**I**t is the purpose of this Act to establish programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment.

....Statement of Purpose  
The Job Training Partnership Act

# **Training Hispanics: Implications for the JTPA System**

## **FINDINGS AND RECOMMENDATIONS**

### **I. Introduction**

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Title IIA of the Job Training Partnership Act (JTPA) was developed to assist economically disadvantaged people in need of training. While Hispanics are among the "most in need" of this training, they are not participating in JTPA programs in the proportion expected based on their share of the eligible population.

The Commission presents below its findings and recommendations on ways to improve the representation of Hispanics in programs funded under Title IIA of JTPA. They are the product of testimony presented by a broad cross-section of the nation's job training leaders at the Commission's six nation-wide hearings on Hispanics in JTPA and also of the Commission's observations during site visits associated with its hearings.

Witnesses who presented testimony before the Commission included officials of the U.S. Departments of Labor and Education; Congressional aides; Chairs of State Job Training Coordinating Councils (SJTCCs); local elected officials; Chairs of Private Industry Councils (PICs); directors of SJTCCs, PICs, and Service Delivery Areas (SDAs); heads of national Hispanic organizations; program operators; repre-

sentatives of public interest groups, and researchers renowned in the field of employment and training. (Appendix A lists the witnesses.)

The hearings were held in Washington D.C., New York City, Miami, Chicago, Dallas, and Los Angeles. They occurred over the summer of 1989 when several proposals to amend JTPA were before the U.S. Congress and interest in possible changes was keen.

This study comes at an opportune time in the nation's history for two reasons. First, the nation's employment and training community is currently seeking ways to improve JTPA's services to the "hardest to serve," as evidenced by the proposals before the U.S. Congress. Changes in JTPA that improve Hispanics' participation will increase the numbers of the hardest to serve, because Hispanics are part of this population. Their school dropout rate is close to 50% and over a quarter are not fully proficient in English.

Second, the nation's population is becoming increasingly diverse -- the shares of immigrants, refugees and minorities are growing. Programs such as JTPA, which are intended to educate and train youth and adults, must become increasingly cognizant of differences in people's heritages, cultural traits, and linguistic backgrounds.



Hispanics exemplify this diversity: they have different countries of origin; many are legal immigrants or refugees; and their cultural and linguistic background differs from that of the U.S. population as a whole. Changes in JTPA that improve Hispanics' participation will improve JTPA's ability to serve the nation's increasingly diverse population.

The first several issues the Commission addresses in its findings and recommendations are the unique result of this study on Hispanics in JTPA. They have not been raised in the current public debate over changes in JTPA even though they have a direct bearing on the direction JTPA programs take for Hispanics and others. The remaining issues have been raised by Congress and the employment and training community. The contribution of the Commission's findings and recommendations on these issues is to indicate how various proposals are likely to affect Hispanics' participation in JTPA.

## **II. Eligibility Requirements**

JTPA's income-based eligibility requirements make it difficult for many economically disadvantaged Hispanics to enroll in the training programs. One of the reasons for these difficulties lies in the requirement that people must either be receiving Food Stamps or be earning no more than a specified level of income.

Persons receiving Food Stamps are eligible for JTPA by virtue of their participation in this program. People who meet the eligibility requirements for the Food Stamp program but are not receiving Food Stamps, must meet JTPA's income cut-off if they are to enroll in JTPA. Due to differences between the two programs in

both the level of the income cut-offs and the way the cut-offs are determined, in low cost-of-living areas JTPA's income cut-off is below that for Food Stamps. Thus in these areas, people with family incomes between the higher Food Stamp income requirement and the lower JTPA income requirement can enroll in JTPA only if they first apply for, and receive, Food Stamps.

The issue for Hispanics is that, especially in the Mexican-American community, many who are eligible for Food Stamps do not participate in the Food Stamp program, according to witnesses at the Commission's hearings. In part, this is due to their lack of experience with the program. But also, it is due to a cultural preference for not relying on the government. Self-sufficiency and pride are key parts of the Hispanic culture. For individual families, these traits translate into powerful motivations to help each other and to live with financial difficulties rather than admit their existence to persons outside the family. For the Hispanic community as a whole, these traits translate into a natural inclination among Hispanics to help other Hispanics.

Many economically disadvantaged Hispanic families are clustered around JTPA's income cut-off point, which is a family income over a 6-month period that is 100% of the poverty line (or 70% of the Lower Living Standard if it is higher). Individuals in families whose income is below the cut-off point are eligible for JTPA on the basis of their family income. Individuals in families whose income is even slightly above the income cut-off point (for example, by \$20.00) must be enrolled in the Food Stamp program if they are to be eligible for JTPA.

A major reason why many economically disadvantaged Hispanics are slightly above JTPA's income cut-off point (the poverty line) is that they tend to be willing to work at any wage rather than be without work, according to testimony before the Commission's hearings. As witnesses stated, Hispanics have a strong work ethic and "they work too much." Specifically, even though they have minimum wage jobs, they are not unemployed or out of the labor force for the length of time necessary to be below JTPA's income cut-off point.

National data confirm people's testimony. On average, Hispanic men earn less per hour than white or black men and Hispanic women earn less per hour than white or black women. Also, when Hispanics are unemployed, they tend to be without work for shorter periods of time than either whites or blacks.

The Commission recognizes that its Recommendation 1 effectively raises the income cut-off point for JTPA eligibility and thereby increases the size of the JTPA eligible population. People eligible for the Food Stamp program, whether or not they are using it, will be eligible for JTPA. As a result, a smaller proportion of the JTPA eligible population will be trained if there is no increase in funding. The Commission considered this outcome, but believes it is more important to assure that economically disadvantaged people in need of training are eligible for it, regardless of their cultural backgrounds or familiarity with other government programs. Moreover, raising the income cut-off is important given the recent increase in the national minimum wage.

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### **RECOMMENDATION 1:**

***"Receipt of Food Stamps" as an eligibility requirement should be removed from the law and replaced with "eligible for Food Stamps."***

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Recommendations for possible changes in eligibility requirements over the longer term are given in Section IV.

## **III. Documentation Of Eligibility**

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A process for documenting people's program eligibility that upholds the system's fiscal integrity during audits is of critical importance, according to witnesses at the Commission's hearings. At the same time, in some parts of the country the process of documenting individuals' eligibility for JTPA has become an unduly burdensome process for JTPA staff and potential participants. The documentation process is not always in keeping with the intent of the law -- to enable economically disadvantaged people to receive training.

For some potential enrollees, the required proof is difficult, if not impossible, to obtain. As reported to the Commission, the documentation requirements are especially difficult for Hispanics to meet because of either their backgrounds or cultural experiences. For example, some need to obtain official birth certificates from countries they fled, such as Cuba and Nicaragua, due to the system's requirement for proof of name and age. Also, Hispanics and others who do not meet the income-related

eligibility requirements -- but would qualify under the 10% window -- still must have the necessary documents. For example, in some Service Delivery Areas (SDAs) school dropouts must prove they have failed to complete high school or obtain a General Equivalency Diploma (GED).

Proof of income can be similarly difficult to obtain. For example, an applicant under 18 years of age must ask his/her father to prove how much he and other family members earn. This can be very awkward for children from cultures in which the father is a strong authority figure in the family. Also, an individual living in an extended family must have proof of each family member's income. Since extended families are not uncommon within the Hispanic culture, Hispanics are more likely than the general population to have to ask their relatives for their pay stubs. As a final example, a day laborer paid in cash must obtain written proof of his earnings.

Documentation requirements have implications for whom SDAs can serve and which potential applicants are willing and able to obtain the necessary pieces of paper. In the current "audit driven" atmosphere of JTPA, the Commission finds that increasing the number of eligibility requirements may not be the best approach to achieving the goal of increased targeting on the hardest to serve. While the goal is an important one, the implications of increasing eligibility requirements for documentation requirements are troubling.

The intent of Recommendation 2 is to alleviate, in the short run, some of the problems caused by documentation requirements. The intent of Recommendation

tions 3 and 4 in Section IV is to reduce more of these problems over the longer run.

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## **RECOMMENDATION 2:**

*The U.S. Department of Labor is strongly urged to communicate to the JTPA system a concern over documentation requirements and to recommend to the states that they seek ways to reduce documentation requirements while simultaneously assuring that the system remains accountable for its use of JTPA funds.*

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## **IV. Alternatives To Current Eligibility And Documentation Requirements**

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In addition to describing problems associated with current eligibility and documentation requirements, witnesses offered alternatives to JTPA's income-based eligibility requirements which could have the potential for reducing documentation requirements. Of the alternatives heard, the following were the most discussed:

- membership in a family eligible for free or reduced price lunches through the U.S. Department of Agriculture (also currently under consideration in the U.S. Congress);

- eligibility for, but not necessarily receipt of, either Food Stamps or public assistance (see also Recommendation 1);
- residency in economically depressed neighborhoods which meet the criteria formerly used by the U.S. Department of Housing and Urban Development in their designation of "Neighborhood Strategy Areas"; and
- residency in local education areas which receive funds from the U.S. Department of Education through Chapter 1 of the Education Consolidation and Improvement Act of 1981.

An additional alternative was the option of abolishing all income-related eligibility criteria. This was the most innovative proposal. The argument was that few middle- or upper-income people are either in need of JTPA training or interested in receiving it. While some non-economically disadvantaged persons might become enrolled if income-based eligibility criteria were removed, it was believed that the percentage of such people among enrollees would be very small. Even this small number would benefit from the training they were seeking; otherwise they would not attempt to enroll. Moreover, the amount of funds expended on training these people in JTPA would be substantially less than the amount presently expended on administering the eligibility documentation process.

The Commission weighed and expanded on these alternatives. One interesting possibility would be the use of a single set of criteria for establishing eligibility for more

than one program for economically disadvantaged people. Also, the idea of replacing income-based eligibility criteria with criteria more directly relevant to JTPA's training mission is intriguing. However, before introducing major changes in eligibility requirements into the JTPA system, the benefits and costs of such changes need to be carefully examined.

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### **RECOMMENDATION 3:**

*A study should be conducted to determine the feasibility of coordinating/consolidating the income-based eligibility requirements of federal programs to assist the disadvantaged, including JTPA. Given the Commission's unique position as an independent reviewer of federal programs, and its legal authority to seek assistance from other federal agencies, the Commission will undertake such a study.*

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### **RECOMMENDATION 4:**

*A further study should be undertaken to examine the feasibility of replacing income-based eligibility criteria with criteria more directly relevant to JTPA's training mission.*

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## **V. Representation Of Hispanics In JTPA Policy-making Forums**

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One key to success in serving the Hispanic population in JTPA programs is a strong Hispanic presence throughout the JTPA system. This "Hispanic presence" includes individuals as well as community-based organizations; in this context, the JTPA "system" includes members of State Job Training Coordination Councils, (SJTCCs) – and of special importance -- Private Industry Councils (PICs).

Representation of Hispanics and Hispanic interests, including people willing to act as advocates for Hispanics, is uneven across the JTPA system at both the state and local levels. Some areas have a strong Hispanic presence; others have nominal or no representation.

The Commission heard testimony suggesting that SJTCCs and PICs should be mandated to include individuals who both reflect the demographic, socio-economic, and cultural diversity of groups eligible for JTPA and are knowledgeable about the labor market problems of the groups. However, the Commission found that the current broad guidelines for the composition of SJTCCs and PICs afford states and localities the opportunity to assure that SJTCC and PIC membership reflects the situations of, and diversity in, each state and locality. Moreover, mandating membership does not assure that the individuals selected will have sufficient free time to carry out all their responsibilities.

In addition, mandating membership presumes that the primary reason for Hispanics' uneven representation in policy-making forums is elected officials' failure to take their presence into account. While this may be an important reason, the Commission also believes that Hispanics and other groups have the responsibility of making their presence and needs known to elected officials. The power of the ballot and of the Census of Population are important in this regard, as are advocacy organizations that present objective and compelling evidence of a group's underrepresentation. A key function of advocacy organizations is to bring to the attention of elected officials, policy-makers and the public in general matters of importance to the groups which might otherwise be inadvertently overlooked.

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### **RECOMMENDATION 5:**

***Governors should make every effort to assure that the membership of State Job Training Coordinating Councils includes individuals who reflect the diversity of the JTPA-eligible groups, who are knowledgeable about the labor market problems of those groups, and who are willing to play active roles in the work of the Councils.***

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**RECOMMENDATION 6:**

***Local elected officials should make every effort to assure that the membership of Private Industry Councils includes individuals who reflect the diversity of the JTPA-eligible groups, who are knowledgeable about the local labor market problems of those groups, and who are willing to play active roles in the work of the Councils.***

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## **VI. Representation Of Hispanics On JTPA Staff**

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To encourage people with various backgrounds and from various cultures to enroll in training, several practical steps need to be undertaken. As witnesses testified, intake offices and training sites need to be located in places that are accessible to them. People and institutions whose reputations are respected need to vouch for the integrity and usefulness of the programs. Witnesses were unanimous in their statements that for Hispanics, a key step is having Hispanic (bilingual) staff at intake. They can be especially sensitive to Hispanics' difficulties with documentation requirements, including writing letters in Spanish requesting information if the need arises. During site visits in conjunction with the hearings, the Commission witnessed the importance of Hispanic and/or bilingual personnel at intake centers. These staff put potential participants at-

ease in what otherwise could be an intimidating documentation process. More generally, Hispanics' presence signals to economically disadvantaged Hispanics that the program is intended for them as well as others.

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**RECOMMENDATION 7:**

***Service Delivery Areas should review their staffing decisions and outreach activities to assure they reflect the needs and characteristics of the people whom they are to serve.***

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**RECOMMENDATION 8:**

***More specifically, Service Delivery Areas with high concentrations of economically disadvantaged Hispanics and other groups should employ intake counselors and use outreach methods which are likely to interest those groups in enrolling.***

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## VII. Contracting With Hispanic Community-based Organizations

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Use of Hispanic community-based organizations (CBOs) and other CBOs with Hispanic staff is a critical way to reach JTPA-eligible Hispanics, especially those who are hard to serve. It is the mission of CBOs to serve the communities they represent.

Although there are many Hispanic CBOs around the country, relatively few are involved in JTPA programs. Witnesses indicated that while most of those in the JTPA system are successful in winning contracts, some have problems due to an inability to develop track records of proven effectiveness or a lack of resources necessary to apply for contracts.

One of the difficulties Hispanic and other CBOs confront if they wish to enter the JTPA system is that Sec. 107(a) of JTPA states that ... "The primary consideration in selecting agencies or organizations to deliver services ... shall be the effectiveness of the agency or organization in delivering comparable or related services based upon demonstrated performance..." Unless a Service Delivery Area (SDA) accepts the delivery of, for example, health services as "comparable" to the delivery of training services, these organizations may be prevented from expanding their services through JTPA contracts.

For the most part, the U.S. Department of Labor has relied on the states, SDAs, and organizations the Department funds to provide special assistance to the system (its "national partners") to give the assistance

necessary to expand the number of CBOs in the JTPA system.

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### RECOMMENDATION 9:

***The U.S. Department of Labor through its national partners, as well as states and SDAs, should encourage Hispanic and other CBOs which provide social services to Hispanic and other communities, to enter the JTPA system. Technical assistance should be provided when necessary and should be emphasized in localities that presently do not have Hispanic and other CBOs involved in JTPA.***

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The type of contracting procedure SDAs use with CBOs in the system is critical to their survival. One method, fixed-unit price, performance-based contracting, is of special importance and is controversial. The performance-based aspect of the contracts enables them to develop track records so they can compete with larger institutions, according to witnesses. However, cash-flow problems arise when programs must be started and staff must be hired before benchmarks for payments are reached. They arise too when SDAs are late in making their payments. Other problems for CBOs arise when they are expected to enter into contracts to train people and meet benchmarks at fixed prices even though they have little or no information about the characteristics of the people they will be training.

The fixed-unit price aspect of this contracting procedure enables some CBOs to earn a surplus over costs. This surplus can be used to overcome cash-flow problems and to upgrade the quality of their training facilities.

The Commission is aware that there have been some abuses in the use of fixed-unit price, performance-based contracts. For example, payments have been made without appropriate benchmarks being achieved and "surplus funds" have been used for non-JTPA related purposes. The Commission believes the Employment and Training Administration of the U.S. Department of Labor has taken the appropriate steps to remedy these problems. The Commission is also aware that SDAs do not systematically make their payments to training providers on schedule.

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#### **RECOMMENDATION 10:**

***The position of the Employment and Training Administration of the U.S. Department of Labor with respect to performance-based, fixed-unit-price contracts as stated in the Federal Register on March 13, 1989, should be supported. SDAs should permit CBOs whose costs are below their contract allowances to retain and use this difference in ways that promote the goals of JTPA.***

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### **VIII. Use Of The U.S. Department Of Labor's Models For Adjusting Performance Standards**

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The Commission's investigation of the effects of performance standards on service to Hispanics is part of its mandate under Section 106(f) of JTPA. The recommendations in this section should be viewed as part of a continuing effort on the part of the Commission to fulfill its performance standards mandate.

States' adoption of U.S. Department of Labor models for adjusting the performance standards developed for JTPA Title IIA programs has inadvertently biased the system against serving Hispanics, particularly those who are among the hardest to serve.

The models use data that represent two types of factors – local area characteristics and characteristics of "hard-to-serve" groups. The data on the characteristics of the hard to serve come from JTPA program trainees. Due to data limitations, most of the factors used to define the hard to serve reflect people's demographic characteristics and their sources of income (such as race/ethnicity and receipt of unemployment insurance). Information on other characteristics, which are more relevant to describing people as hard to serve (such as their proficiency in English and status as school dropout/graduate), has been, and continues to be limited. In recognition of the need to have more information on the hard to serve, the U.S. Department of Labor has begun to collect data on participants' reading skills.



The problem for Hispanics is that the characteristics of program terminees do not reflect the characteristics of the disadvantaged Hispanic population as a whole. Most Hispanics in JTPA have basic skills and are proficient in English. However, most economically disadvantaged Hispanics lack basic skills and proficiency in English.

Use of data on people in JTPA has led the models to indicate that economically disadvantaged Hispanics, in general, are not among the hard to serve. Thus the models permit few adjustments to performance standards for serving Hispanics even though the models' intent is to permit adjustments for serving people who are hard to serve.

The general issue for Hispanics and others is that the models do not adjust fully for the difficulties associated with training and placing people lacking basic skills and proficiency in English. As a result, they are unlikely to be permitting SDAs to adjust their performance standards by as much as would be necessary to serve and place these people.

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#### **RECOMMENDATION 11:**

***Further research is necessary to improve the performance standards adjustment models of the U.S. Department of Labor.***

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As part of this study on Hispanics and based on past work of the Commission, the Commission finds that the use of cost standards in the awarding of incentive funds serves little purpose since "costs"

refer only to federal funds, rather than funds from the full array of funding sources. In addition, the Commission believes that allowing states to award incentive funds based on "meeting" standards rather than "exceeding" them will significantly increase services to hard-to-serve groups, such as Hispanics.

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#### **RECOMMENDATION 12:**

***The performance standards system should be modified by removing the cost standards from the awarding of incentive funds under Sec. 202(b)(3)(B). Also, states should be permitted to award incentive funds based on "meeting" standards rather than on the "degree that standards are exceeded," as is currently required.***

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### **IX. The Allocation Formula**

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The current formula for allocating JTPA funds across the nation places greater emphasis on the relative size of areas' unemployed than its economically disadvantaged populations. As many reports have shown, the distribution of funds is biased away from large urban areas. Because Hispanics are concentrated in large cities, the funding formula adversely affects them. Indeed, the fact that large urban Service Delivery Areas (SDAs) receive fewer funds than would be expected on the basis of their shares of the nation's JTPA-eligible population is one important reason why Hispanics are

under-represented in JTPA. Moreover, Hispanics in areas of high unemployment are less likely to receive training, because minorities and dropouts in general are less likely to be served in these areas. SDAs in this situation do less outreach into minority communities and rely more on "walk-ins."

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### **RECOMMENDATION 13:**

*The JTPA allocation formula should be revised by placing greater emphasis on economic disadvantage than exists under the current formula. The new formula should be made effective after 1990 Census data are available, and phased in so that states and SDAs can prepare for any significant changes in funding.*

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The Commission recognizes there are problems with the data sources used to allocate funds to states and SDAs. Figures on economic disadvantage come from the 1980 Census of Population, which is now nine years old. Figures on unemployment, while updated annually, are not perfectly reliable at the local level due to the method used to calculate the figures and the small sample sizes. Inadequate data may be leading to inequities across states and SDAs in the allocation of JTPA funds. The Commission is sufficiently concerned about this issue that it is willing to work with the U.S. Department of Commerce, Bureau of the Census and other relevant departments and agencies in order to implement Recommendation 14,

given below. Depending upon the interest expressed by other federal departments and agencies whose programs are affected by local area data on economic disadvantage, implementation of Recommendation 14 could encompass relevant aspects of Recommendations 3 and 4.

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### **RECOMMENDATION 14:**

*A feasibility study (including cost) should be undertaken of collecting local area data on economic disadvantage between Censuses of Population.*

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## **X. States' Use Of The 8 Percent Set-aside For Education Coordination**

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The relationship between an individual's basic skills and his/her labor market success is undisputed. What is implied, but rarely stated, is that basic skills in this country are comprised of the abilities to read, write, compute, and solve problems in English.

At present, there are few English-as-a-Second-Language (ESL) programs funded through JTPA or other sources. There is a need for qualified instructors, high-quality computer courseware, and funds. JTPA service providers seem to be reluctant to provide such training through Title IIA funds because placement of non-fluent English speakers is difficult.

Evidence from the Commission's hearings indicated that the 8% set-aside for education coordination is important in this regard. Some states are using these funds in ways that are innovative and important to Hispanics: ESL programs, dropout prevention, and basic skills remediation. The funds are used for these programs partly because they are exempt from the performance standards system. It is a way to provide programs to people who, because they lack basic skills and/or proficiency in English, require lengthy training and are not easily placed.

In recent public-policy debates, questions are being raised about possible misuses of the 8% set-aside. One concern is that the funds are sometimes used to substitute for state and local education and training funds rather than as a complement to them; another concern is that they have not always been used for the JTPA-eligible population. There is little guidance to states on how Congress and the U.S. Department of Labor intended the funds to be used and expected them to be meshed with other federal, state, and local employment and training related programs.

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#### **RECOMMENDATION 15:**

***The 8% set-aside should be supported and the U.S. Department of Labor should undertake additional research into the uses of the 8% set-aside and share its findings with Congress and the states.***

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## **XI. Support Services**

The availability of support services is clearly of importance to most people eligible for JTPA programs. Among Hispanics, the two types of services most needed are day care and financial assistance during training.

Hispanics' need for day care is particularly acute. They are a younger population than the U.S. population as a whole and the proportion of Hispanic children under age 6 is greater than that of the general population. The Commission finds that service providers which offer dependent care to program participants are deserving of recognition.

In addition, because many Hispanics are among the "working poor," they cannot afford to participate in training programs without working or having some type of needs-based payments. The fact that many Hispanics need lengthy training makes the issue of needs-based payments during training that much more important.

The Commission recognizes that if its Recommendation 16 is implemented, proportionately fewer funds may be available for training. However, if people with child-care or other needs -- and if people who require lengthy training programs -- are to be assisted, this trade-off may need to be made.

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### **RECOMMENDATION 16:**

***Current proposals to increase the proportion of funds that may be expended on support services from "no more than 15%" to "no more than 20%" should be supported.***

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## **II. Concluding Recommendations**

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Testimony from the Commission's hearings conveyed several strong messages to the Commission that have broad implications for JTPA and other government-sponsored education, employment, and training programs.

First, Hispanics are a diverse group of people; in this, they mirror the nation's population. While most are native-born Americans, others are naturalized citizens, immigrants or refugees. Hispanics and others in the U.S. differ in the countries which they or their families left. For Hispanics, these countries are Mexico, Spain, the many countries of Central and

South America, and in the Caribbean, Cuba and the Commonwealth of Puerto Rico. These differences imply that the nation's populace, including Hispanics, differs in their backgrounds and needs. Successful programs are ones that are sufficiently flexible to be able to take these differences into account.

Second, while each of these Hispanic subgroups has its own unique characteristics, the Hispanic culture as a whole emphasizes values which the nation should cultivate and utilize to meet its economic needs. Hispanics and other Americans are hard working, with strong desires to achieve the goal of economic independence and prosperity. This implies that successful program design for Hispanics and others builds on people's aspirations for themselves and their families.

Finally, because Hispanics and other minority groups are sizable and growing shares of the nation's labor force, the well-being of the national economy is enhanced by allowing them to increase their economic contributions through improved education and training.

# Training Hispanics: Implications for the JTPA System

**STAFF REPORT**

# PREFACE

The National Commission for Employment Policy is responsible for evaluating the extent to which federally-funded employment and training programs fulfill their purposes. In 1988, the Commission issued a report on who is served by JTPA. One of the findings reported in that paper was that Hispanics were under-represented in programs funded under Title IIA of JTPA. In September of 1988, in response to congressional interest in possible reasons for the under-representation, Commission staff reviewed current data on Hispanics in JTPA and developed a number of possible, not mutually exclusive, reasons for the situation.

Comments on the possible reasons for Hispanics' under-representation were solicited from a number of persons across the nation who are involved in the JTPA system -- state and local JTPA officials, employment and training researchers, and providers of Title IIA training.

The comments were used to develop a draft report on the reasons for Hispanic under-representation in JTPA programs. The draft raised sufficient concern among the members of the Commission that it decided to conduct a series of nationwide hearings on the subject, using the draft report as the basis for testimony.

From early May through early August of 1989, the Commission held six hearings. Individuals representing a variety of organizations and interests within the JTPA community testified -- U.S. Congressional staff, officials of the U.S. Departments of Labor and Education, state and local elected and appointed officials, heads of major Hispanic organizations involved in JTPA, researchers, representatives of public interest groups, and JTPA service providers. The names of the witnesses are in Appendix A.

Upon completion of the hearings, staff synthesized the findings of the draft paper with the testimony. The resulting paper follows.

The lead staff member in this project, and the author of the staff report, is Dr. Carol Jusenius Romero. Ms. Sara B. Toye assisted Dr. Romero in the preparation of this study and prepared a portion of this Commission report.

On behalf of the Commission and its staff, I would like to take this opportunity to thank the many dedicated people in the employment and training community who so generously shared their knowledge with us, and gave of their time, during the development of this report.

BARBARA C. MCQUOWN  
DIRECTOR



## I. INTRODUCTION

Hispanics' employment and training needs have been a topic of longstanding concern to the National Commission for Employment Policy.<sup>1</sup> As a group, Hispanics epitomize those "facing serious barriers to employment, who are in special need of .... training." They are generally on the lowest rung of the nation's economic ladder. Hispanic men earn less than black or white men, and Hispanic women earn less than any other group of workers. Hispanics' low levels of formal education and lack of proficiency in English are two of the major impediments to their success in the job market. About half of those over age 25 are school dropouts and between 25% and 45% lack proficiency in English. It will

be primarily through education and training programs that they improve their position.<sup>2</sup>

The fact that Hispanics are under-represented in programs intended to assist people who need training was the stimulus for this report. The issue is that fewer Hispanics are enrolled in training programs funded under Title IIA of the Job Training Partnership Act (JTPA) than would be expected on the basis of their share of the eligible population. While Hispanics are 13 to 14% of those eligible for JTPA programs, they are between 10 and 11% of the programs' participants. (See Table 1.) According to published research, the under-representation is

**Table 1**

*Proportion of Persons Eligible for and Participating in JTPA Title IIA Programs who are Hispanic by Program Year (JULY 1 - JUNE 30)*

Percent of Eligibles who are Hispanic	Percent of Participants who are Hispanic			
	PY84	PY85	PY86	PY87
13-14% (a)	11	10	10	10

(a) Due to data problems, it is possible for research to show that Hispanics are under-represented in JTPA when in reality they are proportionately served. Data problems may exist in the sources used to obtain the number of JTPA participants and the number of people eligible for the program. Investigation of the possibility of data problems indicates that this is unlikely to be a major reason for the finding that Hispanics are under-represented, although it may explain a small part of the finding. Appendix B discusses this issue.

Sources: Steven Sandell and Kalman Rupp, "Who is Served in JTPA Programs. Patterns of Participation and Intergroup Equity," Research Report 88-03, National Commission for Employment Policy, Washington, D.C., February 1988; Office of Strategic Planning and Policy Development, U.S. Department of Labor, "JTPA Title IIA and III Enrollments and Terminations During the First Half of PY1988," Washington, D.C., June 1989.

especially pronounced among unemployed Hispanic males. Unpublished data indicate that youth are under-represented as well.<sup>3</sup>

This report explains the factors that hinder eligible Hispanics from participating in JTPA programs and those that facilitate their participation. The findings are largely the product of input from people experienced with JTPA operations, including many who are experienced with Hispanics in JTPA. About 45 people across the country were contacted over the course of this study, including program operators, heads of national Hispanic organizations, Directors and staff of Private Industry Councils (PICs) and Service Delivery Areas (SDAs), and staff in state agencies responsible for JTPA. In addition, more than 50 persons testified before the Commission in hearings on the topic. (See Appendix A for information on the hearings and the list of witnesses.) Other findings are based on examinations of national data, examinations which were prompted by people's comments on how JTPA operates in their areas.

The results of this study have implications that extend beyond Hispanics' participation in JTPA. First, their experiences offer lessons on how JTPA's structure affects "who is served" and why it may not have been serving the "most in need" of training. This is important because the system is currently seeking ways to serve larger proportions of the "most in need."

Second, over the coming years the system will need to adjust to changes projected to occur in the population it is intended to train. Lessons on "what is

likely to work in the future" can be learned from "what works" for Hispanics at present. Not only is the Hispanic population growing, and thus likely to become a more sizable share of the JTPA eligible population, but also at least one of its characteristics exemplifies ways in which the population is projected to change. Specifically, it is projected that immigrants and refugees will become larger shares of the U.S. labor force over the coming years; almost 30% of the current Hispanic population are immigrants or refugees.<sup>4</sup>

## Outline of Report

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This report examines factors affecting Hispanics' participation in JTPA Title IIA programs in a practical way. It describes how the system operates from the perspectives of those who run it at the state and local levels.

The report begins by discussing how the amount of JTPA funds and the formula for distributing them across the nation have affected Hispanics' opportunities for participating in training (Section II).

Section III explains how the law's criteria for determining eligibility unintentionally make many economically disadvantaged Hispanics ineligible for Title IIA programs. It also discusses the documentation required to verify eligibility and how these requirements affect Hispanics' interest in participating.

The next two sections turn to decisions made at the state and local levels (Sections IV and V). These sections make two points. First, the presence of Hispanics (or others willing to act as



their advocates) in policy-making positions can be critical to the direction the programs take. Second, the ways states and localities implement several of the functions assigned to them by JTPA

strongly affect the likelihood that economically disadvantaged Hispanics will enroll.

The conclusions are given in Section VI.

## ENDNOTES

1. For an example see National Commission for Employment Policy, Hispanics and Jobs: Barriers to Progress, Special Report No. 14, Washington, D.C., September 1982.

2. Discrimination is the third major impediment to their success in the job market. National Commission for Employment Policy, Hispanics and Jobs; and Fred E. Romero and Judith Gonzales, Falling Through the Cracks: Hispanic Underrepresentation in the Job Training Partnership Act, National Council of La Raza, Washington, D.C., February 1989.

3. Steven Sandell and Kalman Rupp, "Who is Served in JTPA Programs: Patterns of Participation and Intergroup Equity," Research Report 88-03, National Commission for Employment Policy, Washington, D.C. February 1988; and unpublished data from the study.

4. In 1988 Hispanics were 7.4% of the total population (over 18 million people). They are projected to be 9.4% of the population by the year 2000 and 11% by the year 2010. Middle Series Projections in U.S. Department of Commerce, Bureau of the Census, Gregory Spencer, Current Population Reports, Series P-25, No. 995, Projections of the Hispanic Population: 1983 to 2080, U.S. Government Printing Office, Washington, D.C. 1986; U.S. Department of Commerce, Bureau of the Census, Gregory Spencer, Current Population Reports, Series P-25, No. 952, Projections of the Population of the United States, by Age, Sex, and Race: 1983 to 2080, U.S. Government Printing Office, Washington, D.C., 1984; and U.S. Department of Commerce, Bureau of the Census, Gregory Spencer, Current Population Reports, Series P-25, No. 1018, Projections of the Population of the United States by Age, Sex and Race: 1987 to 2080, U.S. Government Printing Office, Washington, D.C., 1989.

## II. JTPA FUNDING AND THE ALLOCATION FORMULA

The level of funds for JTPA and the formula for allocating funds throughout the nation determine how much individual localities receive, which in turn determines how many people a locality can train. The formula for allocating JTPA funds is of particular importance to Hispanics since they are geographically concentrated in a few states and within urban areas compared to the population as a whole.

### JTPA's Funding Level

The level of funding for JTPA has remained at about \$1.8 billion since 1982.

As shown in Table 2, although the funding level remained constant, the number of program terminees increased through PY87. Only in the first half of PY88 has the number of terminees been smaller than in the same period for PY87.<sup>1</sup>

There are several ways to train more people with the same amount of federal dollars: (a) enroll proportionately more people who need relatively little training, (b) maintain the characteristics of enrollees, but decrease the length of time they are in training, and/or (c) find other sources of funds to supplement federal dollars. Data in Table 2 indicate that the

**TABLE 2**

*Number and Selected Characteristics of JTPA Program Terminees,  
and Median Length of Stay in Program by Program Year  
(JULY 1 - JUNE 30)*

Characteristics of Terminees/Program	PY84	PY85	PY86	PY87
Number (in 1000s)	579.3	657.4	701.1	763.9
% School Dropout	27%	27%	26%	27%
% Receiving Public Assistance	42%	41%	40%	42%
Median Length of Stay (in days)	96.8	98.9	102.8	102.1

Source: U.S. Department of Labor, Office of Strategic Planning and Policy Development, June 1989 in Table 1.

system has not chosen either of the first two options. Neither the characteristics of the people in JTPA programs nor the amount of time they are enrolled has changed significantly over the years.

This suggests that the primary tactic has been to find other sources of funding. Evidence indicates that program operators have become adept at obtaining funds from non-JTPA sources.<sup>2</sup>

## **The Allocation Formula**

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JTPA distributes funds to the states. Then, each state distributes 78% of its funds directly to Service Delivery Areas (SDAs). Twenty two percent remains with the state and is allocated for the following purposes ("set-asides"):

- 5% -- administration of the JTPA programs;
- 6% -- incentive awards and technical assistance;
- 8% -- coordination with education programs; and
- 3% -- older worker programs.

The same formula used to distribute funds to states is used within states to distribute the 78% share locally, to SDAs. The formula has three factors, each of which has equal weight. Two are based on the relative number of unemployed people in states (SDAs) and one is based on the relative number of economically disadvantaged people in states (SDAs).

Because this formula gives more weight to unemployment than to economic disadvantage, areas which have greater concentrations of economically disadvantaged people than unemployed people receive proportionately fewer

funds than areas in the reverse situation. Having concentrations of economically disadvantaged rather than unemployed people is one of the major characteristics of large urban areas (defined as having central cities with 200,000 or more people). As a consequence, SDAs in these urban areas receive (a) a smaller proportion of funds than would be expected based on their shares of the nation's JTPA eligible population and (b) a smaller proportion of funds than medium-sized urban SDAs. For example, in PY85, SDAs in large urban areas received 29% of the Title IIA funds and accounted for 33% of the national JTPA-eligible population. In comparison, SDAs in smaller urban areas received 39% of the funds and accounted for 36.5% of the eligible population.<sup>3</sup>

The allocation formula strongly affects Hispanics' participation in JTPA in two ways. First, it distributes relatively fewer funds to large urban SDAs, as just described, and Hispanics are concentrated in these types of SDAs, as described below. Second, it distributes relatively more funds to areas where, although Hispanics may be part of the eligible population, they are less likely to be trained. This issue is also described below.

### ***Hispanics' Geographic Concentration***

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Hispanics' geographic concentration can be illustrated simply:

- Six states contain 90% of the Hispanic population; these same states contain 42% of the total U.S. population and 38% of the black population.<sup>4</sup>

- Fourteen major metropolitan areas within these six states account for 54% of the Hispanic population; these same areas account for 19% of the total U.S. population and 23% of the black population.<sup>5</sup>
- Ten central cities in these six states have one third of the nation's Hispanic population; they contain 9% of the nation's population and 17% of the black population.<sup>6</sup>

Because Hispanics are highly concentrated in large urban areas, the funding formula adversely affects their participation in JTPA. The fact that large urban SDAs receive fewer funds than would be expected on the basis of their shares of the nation's eligible population is one reason why Hispanics are under-represented in JTPA.

An example illustrates how differential levels of funding can lead to under-representation. Suppose there are two groups of SDAs and each has 2,000 people in their eligible populations. In one group of SDAs, Hispanics are 5% of the eligible population (100 eligible Hispanics). These SDAs have sufficient funds to train 100 people, 5% of whom are Hispanic (5 Hispanic enrollees). In the second group of SDAs, Hispanics are 75% of the population (1,500 eligible Hispanics). These SDAs have funds to train 40 people, 75% of whom are Hispanics (30 Hispanic enrollees).

When combining figures for the two groups of SDAs, 140 people are trained, 35 of whom are Hispanic. Hispanics are 25% of the total program's enrollees. However, Hispanics are 40% of the total eligible population. (There are 1,600

Hispanics in the total eligible population of 4,000.)

This illustration of how funding levels for SDAs with large Hispanic populations can affect nation-wide under-representation helps explain a contradiction between SDAs' reports on Hispanic participation and reports based on national data. Many SDAs indicate that, based on their estimates of the size of their eligible populations, they train Hispanics according to their share of the local eligible populations.<sup>7</sup> As just indicated, depending upon relative funding levels of different SDAs, it is possible to have both appropriate shares of Hispanics within individual SDAs and still have under-representation nationally.

### *Serving the "Hard to Serve" in High Unemployment Areas*

As noted earlier, JTPA's formula allocates proportionately more funds to areas with high unemployment rates. Updated data on unemployment are used to recalculate states' and SDAs' allotments annually. This means that as the unemployment rates of states and SDAs change, their allotments also change, although their funding levels cannot fall below 90% of their previous year's levels. The intent is to assure that, as local economic conditions change across the nation, relatively more funds continue to go to areas experiencing more, rather than less, unemployment.

The difficulty for Hispanics is that they are less likely to be in JTPA programs in areas with high, rather than low, unemployment rates. SDAs with relatively high unemployment serve proportionately fewer dropouts and minorities. Re-

search indicates that these SDAs are "more likely to serve those who were recently unemployed, who had previous work histories, and who sought out JTPA services on their own."<sup>8</sup> By contrast, SDAs with low unemployment rates are more likely to make explicit efforts to

reach and train people with several barriers to employment. Because many economically disadvantaged Hispanics lack both basic skills and proficiency in English, they are part of this particular JTPA eligible population.



## ENDNOTES

1. In the first half of PY88 there were about 280,000 program terminees compared with 318,000 in the first half of PY87. Office of Strategic Planning and Policy Development, "JTPA Title IIA and III Enrollments and Terminations During First Half of PY1988," U.S. Department of Labor, June 1989.

2. SRI and Berkeley Planning Associates, JTPA Performance Standards: Effects on Clients, Services and Costs, National Commission for Employment Policy, Research Report No. 88-16, September 1988. Also, program operators report soliciting and receiving monetary and in-kind contributions (such as computers for learning centers and offices, other office equipment, and childcare center equipment) from both foundations and private sector corporations.

3. Abt Associates, Inc., An Assessment of Funding Allocations Under the Job Training Partnership Act, Abt Associates Inc., Cambridge, Massachusetts, August 1986; and Arturo Vazquez, Testimony before the Sub-Committee on Employment and Productivity, U.S. Senate, Washington, D.C., June 8, 1988.

4. California, Texas, New York, Florida, New Jersey, New Mexico, Arizona, and Colorado as cited in U.S. Department of Labor, Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, Bulletin 2279, U.S. Government Printing Office, Washington, D.C., May 1987.

5. Chicago PMSA, Dallas/Fort Worth CMSA, Denver/Boulder CMSA, Houston PMSA, Los Angeles/Long Beach PMSA, Miami/Hialeah PMSA, New York PMSA, Oakland PMSA, Phoenix MSA, Riverside/San Bernadino PMSA, San Antonio MSA, San Diego MSA, San Francisco PMSA, and San Jose PMSA as cited in U.S. Department of Labor, Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, Bulletin 2279. Some of these areas have more than one SDA.

6. Chicago, Dallas, Houston, Los Angeles, New York City, Phoenix, San Antonio, San Diego, San Francisco, and Miami/Hialeah (or Dade County) as cited in U.S. Department of Labor, Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, Bulletin 2279.

7. S.M. Miller et al, Too Late to Patch: Reconsidering Second-Chance Opportunities for Hispanic and Other Dropouts, Hispanic Policy Development Project, Washington, D.C. 1988. The reader should note that states, SDAs, and DOL differ in the way each calculates eligible populations. Thus, it is possible for Hispanics to be served in proportion to their share of state or local eligible populations, as defined locally, but not as defined by

DOL. However, under a uniform definition of the eligible population, differential funding can lead to the outcome discussed here.

8. SRI and Berkeley Planning Associates, JTPA Performance Standards, p. 54; and Fred E. Romero, Hispanics in JTPA: The Best and Worst of Times, (draft) National Council of La Raza, Washington, D.C., June 1989.



## III. ENROLLING HISPANICS

The primary target group of JTPA Title II A programs is the unskilled, economically disadvantaged population -- people who need and want training but are not financially able to undertake it on their own. For people to take advantage of the training opportunities, they must meet the specific criteria for eligibility and they must be willing to prove that they qualify. In these areas -- eligibility requirements and requirements for proof of eligibility -- the system has not fully accounted for either the cultural characteristics of much of the Hispanic population or the backgrounds of many of its members.

### Eligibility Rules

To be eligible for JTPA programs, people must meet several requirements concerning age, residency, and the Selective Service, and they must meet one of three income-related eligibility requirements. Specifically, people must

- be 16 years of age or older<sup>1</sup>;
- have the consent of a parent or legal guardian if they are 18 years or younger.
- be a citizen of the United States or a legal resident, immigrant or refugee;
- live in the SDA in which they are seeking training; and

- for men between 18 and 26, have registered with the Selective Service.

To meet the income-related eligibility requirements, people must

- be in a family receiving Food Stamps;
- be in a family receiving public assistance, such as Aid to Families with Dependent Children (AFDC); or
- have a family income in the six months prior to participation that either is at or below 70 percent of the Lower Living Standard, or is at or below the poverty level, whichever is higher. Eligibility on the basis of income takes into account both family size and cost of living in the area.<sup>2</sup>

Clearly, the intent of the eligibility requirements is to target JTPA programs on persons who would otherwise not be able to afford training. An unintended outcome of the requirements is to hinder Hispanics' participation, as discussed below.

### Income-Related Criteria: Hispanics' Use of Food Stamps

The law intended to make training available to people on Food Stamps (or receiving public assistance) so they could

become self-sufficient and no longer need the public program. However, this intent is inadvertently subverted because the income criteria to be eligible for Food Stamps differ from the income criteria to be eligible for JTPA if not on Food Stamps. This difference is important to Hispanics since a relatively low proportion use Food Stamps, even though they qualify for them.

The criteria people must meet to receive Food Stamps differ in two ways from those required to enter JTPA programs. First, the criteria for receipt of Food Stamps are more complicated: a person's assets as well as family income, are taken into account.

Second, the income cut-off for Food Stamps does not take into account the cost of living in different areas, while JTPA does. This means that in low cost of living areas, the income cut-off for Food Stamps is higher than for JTPA. Thus in low cost of living areas, people with family incomes below the higher Food Stamp income requirement -- but above the lower JTPA income requirement -- can enroll in JTPA only if they first apply for and receive Food Stamps. If people in these areas are not receiving Food Stamps -- or do not wish to receive Food Stamps -- they cannot enroll in JTPA.

The implications of this aspect of JTPA's eligibility criteria are --

- for intake officers to encourage people who want and need training to apply for Food Stamps (or public assistance) in order to qualify for JTPA; and

- for people -- who want and need training, but do not want to use other public programs -- to be discouraged from enrolling in JTPA.

This second situation appears to be a reason for Hispanics' under-representation in JTPA programs. According to testimony before the Commission, many Hispanics, especially within the Mexican-American community, prefer not to receive Food Stamps -- or use other government transfer programs -- even though their use would qualify them for JTPA. There are two reasons for Hispanics' behavior regarding government programs. First, to some extent Hispanics lack knowledge about, and experience with, the Food Stamp program.

Second, the Hispanic culture stresses individual and collective self-sufficiency: Hispanics tend not to rely on others outside their community. (This preference for self-reliance extends to Hispanics' interest in applying to JTPA and other government programs such as public housing.)

This cultural trait of self-reliance has two aspects. One is that Hispanic men in particular view themselves as totally responsible for taking care of themselves and their families. Use of public programs is difficult for them because it is an admission that they cannot meet a fundamental responsibility.

A second is that the Hispanic community tends to rely upon itself: in general Hispanics tend to have a sense of responsibility for helping other Hispanics. The Spanish term, *la familia*, and its importance to Hispanics is important to understand in this context. It rep-

resents more than "family" in the English sense of the word. It connotes a strong sense of bonding -- Hispanics' reliance on Hispanics -- which is deeply rooted in the culture.

This testimony before the Commission is consistent with findings from national

data. Table 3 shows the extent to which households that are likely to be eligible for Food Stamps use the program. In 1985, for example, 43% of Hispanic households, 51% of black households, and 29% of white households were receiving Food Stamps and for this reason, were eligible for JTPA.<sup>4</sup>

**TABLE 3**

*Proportions of Households at Different Income Levels  
Who Receive Food Stamps by Race/Ethnicity, 1985*

Households	<u>Race/Ethnicity</u>		
	White	Black	Hispanic
Number at or Below 125% of the Poverty Level (in 1000s)	12,387	3,678	1,781
Percent Receiving Food Stamps	29.4	50.5	42.7
Of Which --			
Number Between 125% of Poverty Level and the Poverty Level (in 1000s)	3,680	743	416
Percent Receiving Food Stamps	14.3	22.7	19.0
Number at or Below the Poverty Level (in 1000s)	8,707	2,935	1,365
Percent Receiving Food Stamps	35.7	57.5	50.0

(a) Households include families and unrelated individuals.

Source: U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Series p-60, No. 155, Receipt of Selected Noncash Benefits: 1985, U.S. Government Printing Office, Washington, D.C., 1987 and unpublished government data.

Also as shown in Table 4, Hispanic families who are in poverty are more likely than whites or blacks to rely solely on their own earnings for income. Almost 30% of poor Hispanic families rely solely on their own earnings for income, compared to 21% among white families and 19% among black families. Within the Hispanic population, an even higher percentage of Mexican-American families rely solely on their own earnings (almost 40%); and a relatively small proportion receive public

assistance (such as Aid to Families with Dependent Children) -- 18% compared with 20% among white families and 38% among black families.<sup>5</sup>

***Income-Related Criteria: Amount of Hispanics' Family Income***

Hispanics have difficulties meeting JTPA's income eligibility requirement for two reasons. One, concerning documentation, is discussed later in this section.

**TABLE 4**

***Proportion of Families in Poverty  
Their Sources of Income and Race/Ethnicity, 1985***

Sources of Income	<u>Race/Ethnicity</u>					
	White	Black	Total Hispanic	Mexican- American	Puerto Rican	Other
Number of Families (in 1000s)	4,983	1,983	1,074	608	241	225
Total Percent	100.0	100.0	100.0	100.0	100.0	100.0
Percent with --						
Earnings Only	21.3	18.7	28.6	38.7	(a)	23.6
Earnings and Other Income (b)	43.2	35.9	31.3	36.4	18.7	31.1
Only Income Other than Earnings	32.9	43.7	37.2	22.5	71.4	40.0
Percent Receiving Public Assistance (c)	20.2	37.8	29.9	17.9	61.0	28.9

(a) Number too small to be statistically reliable.

(b) Other Income includes: Social Security, Supplemental Security Income, and Public Assistance.

(c) The families may also have other sources of income.

Source: U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Series P-60, No. 158, Poverty in the United States: 1985, U.S. Government Printing Office, Washington, D.C., 1987.

The second is that the income cut-off is quite low. According to testimony, Hispanics prefer to work at virtually any wage rather than be without work. Even if Hispanics only earn the minimum wage, they often earn too much to qualify for JTPA on the basis of income.

National data are consistent with testimony on Hispanics' patterns of work. Hispanic men average lower hourly wages than white and black men. Hispanic women average less per hour than white and black women, as reported earlier.<sup>6</sup>

Also, compared to whites and blacks, more unemployed Hispanics are without work for short periods of time and fewer are without work for extended periods. In 1988, for example, half of unemployed Hispanics were unemployed for fewer than 6 weeks, compared to 47% of unemployed whites and 42% of unemployed blacks. At the other extreme, 9% of unemployed Hispanics spent 27 weeks or more looking for work, compared to 11% of unemployed whites and 15% of unemployed blacks.<sup>7</sup>

The issue for Hispanics is that to be eligible for JTPA on the basis of income, people typically need to be unemployed (or out of the labor force) for at least 4 of the 26 weeks prior to applying to the program. The difficulties this can create for the "working poor" can be shown through two examples.

- A single person in the Dallas/Ft. Worth area could earn no more than \$2,885 in the six months prior to enrolling in JTPA in order to have qualified in 1986. A person who worked at the minimum wage

(\$3.35 per hour) for 40 hours per week for 22 weeks of the 6 months prior to enrolling in JTPA would have earned \$2,984, \$101 more than JTPA permits. A person who worked 21 weeks would have earned \$2,814, \$71 less than the income cut-off for JTPA.

- A four-person family in Dallas/Ft. Worth could earn no more than \$6,040 in order for a family member to qualify for JTPA in 1986 on the basis of income. If the family had two wage-earners who were both working for 40 hours per week for 26 weeks at \$3.35 per hour, they would have earned too much for a family member to qualify for JTPA. Their combined income would have been \$6,968.

In short, Hispanics whose low wages, as well as strong work ethic and tendency toward self-reliance, make them prime candidates for "working poor" status may find themselves ineligible for participation in Title IIA training programs. Moreover, increases in the minimum wage may make it even more difficult to enroll Hispanics in JTPA unless these income eligibility requirements are also altered.

## Documentation Requirements

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Documenting a person's eligibility for JTPA is one way the system demonstrates its understanding of the importance of being accountable for the use of federal funds. By insisting on proper documentation, the system assures that



only those people eligible for JTPA programs receive the training.

While recognizing the need to be held accountable for the use of JTPA funds, witnesses at the Commission's hearings voiced strong concerns about the extent to which the need for documentation was driving the system -- determining "who would be served." Due to the amount and type of papers required, the documentation process is often time-consuming and thus costly for intake staff who must obtain the documents and for SDA staff who must review them. For potential participants, documentation requirements are a sensitive issue since the requirements necessitate discussing and verifying how much income the potential participant, and his/her family members, earn.

To illustrate the reasons for people's concerns about documentation requirements, Table 5 gives an example of the type of log that intake offices use to verify people's eligibility. For each eligibility criterion, the log shows the type of documentation that is preferred and what may be an acceptable alternative. For each eligibility criterion, people must show one of the appropriate pieces of paper.

While there are differences among states and SDAs in their specific requirements, the examples given here, based on the log shown in Table 5, are not unusual.

- A homeless man between 18 and 26 years of age would be required to have documents that prove U.S. citizenship or legal residency in the U.S., Selective Service registration, birth date, and either his income

level or receipt of Food Stamps or public assistance. Because of amendments to JTPA in the McKinney Act of 1986, this individual would not have to prove his residency in the SDA. He would, however, have to prove that he was homeless.

- School dropouts, who might qualify under the 10% window, must prove that they have not graduated from high school and have not received GEDs.
- Unemployed people who are not receiving unemployment compensation and who had worked as day laborers for cash must prove the amount of income they have received. If they have been living with relatives, they must show documents verifying their relatives' income.

According to testimony, Hispanics' reactions to the documentation requirements are influenced by several factors: their culture, their status as legal immigrants-/refugees, and the residency status of their network of friends and relatives. Some of these documents are especially time-consuming and insulting for Hispanics to obtain; others are even threatening to them. The reasons are discussed below.

### *The Hispanic Culture*

As noted earlier, the Hispanic culture places a strong emphasis on assisting family members and on the role of the father as "bread winner." Both of these attributes affect how Hispanics respond to JTPAs documentation requirements.

TABLE 5

TITLE IA, IB, IVC  
ELIGIBILITY DOCUMENTATION LOG

Page 1 of 3

NAME \_\_\_\_\_ SSN \_\_\_\_\_ DATE \_\_\_\_\_

(to be used in conjunction with Titles IA, IB, and IVC Eligibility Policy, Definitions and Instructions)

ELIGIBILITY CRITERIA	PREFERRED SOURCE OF DOCUMENTATION	ALTERNATE SOURCE OF DOCUMENTATION	OTHER
1. US Citizen/Eligible Non-Citizen	<input type="checkbox"/> Local governments <input type="checkbox"/> Bur. of Vital Statistics <input type="checkbox"/> INS Documentation <input type="checkbox"/> Passport <input type="checkbox"/> Hospital <input type="checkbox"/> Birth Certificate <input type="checkbox"/> Foreign Ser. Documen. <input type="checkbox"/> Social Security Number with printout <input type="checkbox"/> DHS Referral Form	<input type="checkbox"/> School records <input type="checkbox"/> Armed Forces (reflecting citizenship status) <input type="checkbox"/> Church records <input type="checkbox"/> Phone verification* _____ _____	<input type="checkbox"/> _____ _____
2. Residence	<input type="checkbox"/> DHS Referral Form <input type="checkbox"/> Utility company <input type="checkbox"/> Credit Card company <input type="checkbox"/> Landlord <input type="checkbox"/> Rent receipt <input type="checkbox"/> Lease Agreement	<input type="checkbox"/> City Telephone Directory <input type="checkbox"/> County records <input type="checkbox"/> School records <input type="checkbox"/> DPS I-D card <input type="checkbox"/> Driver's License <input type="checkbox"/> Bank Statements <input type="checkbox"/> Government letters <input type="checkbox"/> Phone Verification* _____ _____	<input type="checkbox"/> _____ _____
3. Selective Service Registration	<input type="checkbox"/> Selective Service Letter/Card <input type="checkbox"/> 1-800 phone verification <input type="checkbox"/> Selective Service Waiver Documentation	<input type="checkbox"/> Selective Service Application completion	<input type="checkbox"/> _____ _____
4. Birthdate/Age	<input type="checkbox"/> Local governments <input type="checkbox"/> Bur. of Vital Statistics <input type="checkbox"/> INS Documentation <input type="checkbox"/> Passport <input type="checkbox"/> Hospitals <input type="checkbox"/> Birth Certificate <input type="checkbox"/> Foreign Service Doc. <input type="checkbox"/> Social Security Letter with printout <input type="checkbox"/> DHS Referral Form	<input type="checkbox"/> School records <input type="checkbox"/> Armed Forces records <input type="checkbox"/> Church records <input type="checkbox"/> Driver's License <input type="checkbox"/> DPS I-D card <input type="checkbox"/> Phone verification* _____ _____	<input type="checkbox"/> _____ _____

\*Telephone verification of a Preferred Source

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TABLE 5 continued

TITLE IIA, IIB, IVC  
ELIGIBILITY DOCUMENTATION LOG

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ELIGIBILITY CRITERIA	PREFERRED SOURCE OF DOCUMENTATION	ALTERNATE SOURCE OF DOCUMENTATION	OTHER
5. Economically Disadvantaged			
A. Public Assistance	<input type="checkbox"/> DHS Referral form <input type="checkbox"/> Other TDHS documentation <input type="checkbox"/> Social Security Adm. <input type="checkbox"/> Administering Government Agency	<input type="checkbox"/> Phone verification*   	<input type="checkbox"/> _____   
B. Food Stamp Recipient	<input type="checkbox"/> DHS Referral Form <input type="checkbox"/> Other TDHS documentation	<input type="checkbox"/> Phone Verification*   	<input type="checkbox"/> _____   
C. Foster Child	<input type="checkbox"/> State or local government providing support, and court documentation identifying custody. <input type="checkbox"/> Social Security Title IV-E support; and court documentation identifying custody.	<input type="checkbox"/> Phone Verification*   	<input type="checkbox"/> _____   
D. Homeless Individual**	<input type="checkbox"/> Supervised public/private temporary shelter <input type="checkbox"/> Salvation Army <input type="checkbox"/> Institution providing temporary shelter <input type="checkbox"/> Institutions/organizations providing services to homeless individuals.	<input type="checkbox"/> Phone verification*   	<input type="checkbox"/> _____   
E. Family Income			
F. Number in family	<input type="checkbox"/> Out-of-household individual: - landlord - relative - pastor - case worker - neighbor, etc.	<input type="checkbox"/> IRS Letter 1722 <input type="checkbox"/> Income Tax Return for previous year <input type="checkbox"/> Phone verification*   	<input type="checkbox"/> _____   

\*Telephone verification of a Preferred Source

\*\* **Income Eligibility:** A "homeless individual" shall be eligible for JTPA services only if the individual complies with the income eligibility requirements otherwise applicable to the JTPA program.  
**Exception:** residency requirements for Title II include exceptions necessary to permit services to "homeless individuals" who cannot find residence within the SDA.

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**TABLE 5 continued**

**TITLE IIA, IIB, IVC  
ELIGIBILITY DOCUMENTATION LOG**

Page 3 of 5

ELIGIBILITY CRITERIA	PREFERRED SOURCE OF DOCUMENTATION	ALTERNATE SOURCE OF DOCUMENTATION	OTHER
5. (continued) ii. Handicapped	<input type="checkbox"/> Social Services Agency <input type="checkbox"/> Physician <input type="checkbox"/> Other qualified professional	<input type="checkbox"/> Documentation of visual observation <input type="checkbox"/> Phone verification* _____ _____	<input type="checkbox"/> _____ _____
iii. Income	<input type="checkbox"/> Employer (s) <input type="checkbox"/> Pay receipts	<input type="checkbox"/> Bank statements <input type="checkbox"/> TEC records <input type="checkbox"/> Phone Verification* _____ _____	<input type="checkbox"/> _____ _____
6. Title IIA - 10% Groups			
A. Limited English Speaking	<input type="checkbox"/> Assessment at intake <input type="checkbox"/> Relative or neighbor	<input type="checkbox"/> Phone Verification* _____ _____	<input type="checkbox"/> _____ _____
B. Displaced Homemaker	<input type="checkbox"/> Verify work history - TEC/other sources; and <input type="checkbox"/> Verify loss of income or public assistance - TDHS/other sources; and <input type="checkbox"/> Verify difficulty in obtaining or upgrading employment - TEC/other sources	<input type="checkbox"/> Phone Verification* _____ _____	<input type="checkbox"/> _____ _____
C. High School Dropout	<input type="checkbox"/> School records to verify no high school diploma; and <input type="checkbox"/> Verify no GED from collateral contact	<input type="checkbox"/> Collateral contact <input type="checkbox"/> Phone verification* _____ _____	<input type="checkbox"/> _____ _____
D. Teenage Parent	<input type="checkbox"/> Verification that applicant is parent of child from preferred birth record sources; and <input type="checkbox"/> Collateral contact verifying applicant has custody of child	<input type="checkbox"/> Alternate Birth record sources <input type="checkbox"/> Phone verification* _____	<input type="checkbox"/> _____ _____

\* Telephone verification of a Preferred Source

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TABLE 5 continued

TITLE IIA, IIB, IVC  
ELIGIBILITY DOCUMENTATION LOG

Page 4 of 5

ELIGIBILITY CRITERIA	PREFERRED SOURCE OF DOCUMENTATION	ALTERNATE SOURCE OF DOCUMENTATION	OTHER
E. Veteran (Title IVC)			
I. Service Connected Disabled Veteran	<input type="checkbox"/> VA Disability documents- served  <input type="checkbox"/> Separation Papers (DD214) documenting disability	<input type="checkbox"/> Separation Papers (DD214) (no disability documenta- tion)  <input type="checkbox"/> Phone verification* _____	<input type="checkbox"/> _____ _____
II. Vietnam-Era Veteran	<input type="checkbox"/> Separation Papers (DD214)	<input type="checkbox"/> Phone verification* _____ _____	<input type="checkbox"/> _____ _____
III. Recently Separated Veteran	<input type="checkbox"/> Separation Papers (DD214)	<input type="checkbox"/> Phone verification* _____ _____	<input type="checkbox"/> _____ _____
F. Offender	<input type="checkbox"/> Department of Corrections <input type="checkbox"/> Probation Officer <input type="checkbox"/> Board of Pardons and Paroles	<input type="checkbox"/> Phone verification* _____ _____	<input type="checkbox"/> _____ _____
G. Alcoholics/ Addicts	<input type="checkbox"/> Governmental Agency <input type="checkbox"/> Social Service Agency <input type="checkbox"/> Qualified Professional	<input type="checkbox"/> Phone verification* _____ _____	<input type="checkbox"/> _____ _____
7. Section 123 - 25% Widow-Educationally Disadvantaged			
A. Secondary school students, ages 16 - 21	<input type="checkbox"/> Birthdate documenta- tion (Preferred); and  <input type="checkbox"/> Accepted testing instru- ment indicating applicant functioning at below grade level in basic skills area.	<input type="checkbox"/> Phone verification* _____ _____	<input type="checkbox"/> _____ _____
B. High School dropout, ages 16 - 21	<input type="checkbox"/> Birthdate documenta- tion (Preferred); and  <input type="checkbox"/> School records to verify no high school diploma; and  <input type="checkbox"/> Verify no GED from collateral contact.	<input type="checkbox"/> Phone verification* _____ _____  <input type="checkbox"/> Collateral contact	<input type="checkbox"/> _____ _____

\* Telephone verification of a Preferred Source

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TABLE 5, continued

Title RA, IB, IVC  
Eligibility Documentation Log

Page 5 of 5

ELIGIBILITY CRITERIA	PREFERRED SOURCE OF DOCUMENTATION	ALTERNATE SOURCE OF DOCUMENTATION	OTHER
C. Adults, ages 22 and over	<input type="checkbox"/> Birthdays documentation (Preferred); <u>and</u> <input type="checkbox"/> Accepted testing instrument indicating applicant functioning at below 8th grade level.	<input type="checkbox"/> Phone verification*   	<input type="checkbox"/> _____   
D. Title III Eligible in need of educational assistance	<input type="checkbox"/> See Title III Eligibility TAG		

\*Telephone verification of a Preferred Source

Verifier's Signature \_\_\_\_\_

Date \_\_\_\_\_

Reviewer's Signature \_\_\_\_\_

Date \_\_\_\_\_

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Specifically, Hispanics tend to support family members in other parts of the country, including Puerto Rico. Documents verifying this financial support are a necessary part of establishing family size, which in turn, is one of the pieces of information needed to establish family income. Obtaining the needed documents is often difficult and can take weeks. It may require first writing letters in English to ask for the relevant information, then having the letters translated into Spanish; and upon receipt of the information in Spanish, having it translated once again into English.

Although income tax returns seem a likely source of documentation, they do not necessarily reflect family size in the 6-months prior to JTPA participation. Moreover, economically disadvantaged people often do not retain copies of these returns, if they had to file them at all.

A second way in which documentation requirements make it difficult for Hispanics to participate in JTPA concerns the need for children to obtain statements regarding their parents' income. Because of the father's position of authority within the Hispanic family, it is difficult for a child to ask how much he earns and request proof of those earnings. (Examples of this type of problem were also reported for the Asian community.) This particular aspect of the documentation requirements may help explain the underrepresentation of Hispanic youth in JTPA.

### **Hispanics' Residency Status**

For some Hispanics, difficulties with documentation requirements are exacerbated by their status as legal refugees from such countries as Nicaragua, Cuba,

and El Salvador. To enroll in JTPA in some SDAs, they must request documents (such as birth certificates and evidence regarding the amount of their schooling) from the governments from which they fled.

For these Hispanics, there is fear in associating with "the government." Also, to the extent that Hispanic-Americans have friends or neighbors who are in the U.S. illegally, they are concerned that their becoming involved with "the government" may have adverse consequences for these other people.

The need to overcome real and perceived problems regarding documentation requirements highlights the importance of having (bilingual) Hispanic intake staff who are knowledgeable about the local community. They can offer practical assistance, such as help in writing letters in Spanish. In addition, because they understand the people's fears, they can quell their anxieties.

More generally, the effects of both the amount and type of documentation requirements on enrollees and intake staff led witnesses at the Commission's hearings to suggest alternative ways of determining eligibility. The alternatives included: residence in low-income neighborhoods; children's use of free or reduced-price school lunch programs; eligibility, but not necessarily use of, either Food Stamps or public assistance; and elimination of all income-related eligibility requirements. The argument for this last option was that few middle- or upper-income people would be interested in enrolling in the types of training programs JTPA offers.

## ENDNOTES

1. SDAs may also enroll 14-15 year olds who are economically disadvantaged and in school for "pre-employment skills training programs."
2. According to the law, people who do not meet one of the income-related eligibility requirements may still be enrolled in JTPA programs if they have "encountered barriers to employment." People who qualify here include, for example, persons who lack proficiency in English, have physical handicaps, or are displaced homemakers. Up to 10% of SDAs' participants may be people in one of these types of categories if the SDAs (a) indicate in their job training plans that they intend to use this "10% window" for these particular categories of persons or (b) during the period covered by the plans, request and receive an appropriate waiver from their state to add them to their job training plans.
3. For example, to qualify for Food Stamps a four-person family could have a gross monthly income of \$1,263 and a net monthly income (adjusted for certain allowable deductions) of \$971. On a six-month basis, this amounts to a gross income of \$7,578 and a net income of \$5,826. The gross income, which would be the relevant figure for a JTPA income-eligibility test, is higher than that allowed to qualify for JTPA in those parts of the country which have relatively low cost-of-living levels. These calculations are based on information in "Food Stamps for Households in the 48 Contiguous States and the District of Columbia," Fact Sheet, U.S. Department of Agriculture, October 1988. The calculation assumes that the family also meets the other qualifying criteria for Food Stamps, such as no more than \$2,000 of countable assets.
4. Published data on Food Stamp use among Hispanic subgroups were not available. It is likely that Puerto Ricans account for a large proportion of all Hispanics who use Food Stamps given the high proportion of Puerto Rican families who are female-headed households and receiving public assistance.
5. The high percentage (61%) of Puerto Rican families who receive public assistance suggests the extent to which their difficult economic situations have led Puerto Rican men to behave in ways that are inconsistent with their cultural backgrounds.
6. National Commission for Employment Policy, Hispanics and Jobs; and Marta Escutia and Margarita Prieto, Hispanics in the Work Force, Part I, (February 1987) and Hispanics in the Work Force, Part II: Hispanic Women, National Council of La Raza, Washington, D.C., July 1983.

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7. U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, Vol. 36, No. 1, U.S. Government Printing Office, Washington, D.C., January 1989.

## IV. STATE POLICIES AND PRACTICES

In addition to the provisions of the law, state and local policies and practices strongly influence who is served in JTPA programs. At the state level, decisions regarding allowable adjustments to performance standards, the basis on which incentive awards are granted, the ways that 8% funds for education coordination can be used, and the types of fiscal controls instituted, all set the stage for the types of programs SDAs offer and the characteristics of the people they enroll.

Policies in these areas are made by agencies that administer JTPA and the State Job Training Coordinating Councils (SJTCs) that advise them. The extent to which the policies are sensitive to the needs and interests of the Hispanic community depends in part on the knowledge and experience of the people in policy-making positions.

Since SJTCC members serve in voluntary capacities, the advice of SJTCs is heeded more in states where the Councils have their own staffs. This is not surprising since the workload can be quite heavy and too time-consuming for the SJTCC volunteers to complete "on their own time."

Because SJTCs vary in the degree of their involvement, the importance to Hispanics of having representatives on the Councils varies as well. Where SJTCs are active and fully exercise their responsibilities, Hispanic representation (or people able and willing to act as the

group's spokespersons) on the SJTCs can be useful to the Hispanic community. Where the Councils are less active, Hispanic representation may be an important symbol for political or other reasons, but is unlikely to result in policies that are sensitive to the needs of the state's Hispanic community.

In a similar fashion, individual members vary in their commitments to an SJTCC's work. When Hispanic representatives are knowledgeable about their communities — and willing to be actively involved with the SJTCs — their presence can make a difference to Hispanics' participation in JTPA programs.

Having Hispanics (or people willing to act on their behalf) on the staffs of SJTCs and state JTPA agencies is critical. Staff develop options for SJTCC members to consider, bring to their attention issues needing resolution, and within agencies, implement the program.

Because states differ in the degree to which SJTCs and state agencies direct JTPA programs, the following discussion regarding the impact of state policies on Hispanics makes no distinction between the responsibilities of SJTCs and state agencies. Three particular topics are discussed here: states' review of SDAs' job training plans, the use of 8% funds, and the models they permit SDAs to use to adjust their performance standards.



Other aspects of JTPA over which states have control have been discussed elsewhere. Effects of fiscal controls and accounting procedures were discussed in the context of documentation requirements in Section III. The effects of incentive awards have been reported in other studies.<sup>1</sup> It has been found that "the state incentive policies which encourage SDAs to perform as high as possible on all the standards have unintended effects ... these policies have modest but consistent effects of reducing service to hard to serve clients and reducing the provision of expensive program services, such as basic skills remediation."<sup>2</sup>

As the discussion in this section indicates, state policies have not been fully sensitive to finding ways to train economically disadvantaged Hispanics.

## **Job Training Plans**

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SJTCCs are to review SDAs' job training plans prior to their implementation. The law specifies much of what must be contained in the plans; for example, they must have a description of planned services, procedures for selecting service providers, performance goals, and procedures for identifying and selecting participants.

Some states limit the amount of information they require regarding participants to what is given in the law; for example SDAs must indicate that they will meet the 40% expenditure requirement for youth. In these states (as in all others) SDAs are responsible for determining the mix of racial/ethnic groups to be served. The particular percentages served depend upon the amount of influence each group has over the system locally

and its relative size within an SDA's eligible population.

Other states direct SDAs to include services to various groups in approximate proportions to the groups' shares of the local eligible populations. Such directives encourage SDAs to be at least somewhat sensitive to the demographic composition of their eligible populations.<sup>3</sup>

## **8% Set-Aside Funds**

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For Hispanics, the 8% set-aside for coordination with education programs is of special importance since it can be used for the types of programs which they need -- basic skills and "English as a second language" (ESL) training. While there has been no systematic study of the full range of ways that the 8% monies are used, testimony before the Commission indicated that it is used for dropout prevention, adult education remediation, and ESL.

For example, in the area of dropout prevention, the money has been used to hire counselors to work closely with students whom local school administrators have identified as being "at risk" of becoming school dropouts. It has also been used to purchase computers for educational remediation of "at risk" students. For JTPA-eligible adults, the funds have been used for education remediation and ESL programs.

One reason why the 8% monies are used for adult remediation and ESL is that performance standards are not applied to these programs. It is a way to provide programs to people who, because they lack basic skills and proficiency

cy in English, require lengthy training and are not easily placed.<sup>4</sup>

One of the problems with the 8% set-aside is that its purpose has not been clearly distinguished from those of other education and training related programs. While at least one state uses it strictly as a way to prevent "at risk" youth from becoming JTPA eligible adults, other states appear to substitute JTPA funds for state or local monies, in some cases using the 8% funds for a pot pourri of education and training programs.

How 8% funds are used becomes an issue for Hispanics in terms of the provision of ESL programs. When the question is asked, "Who meets the need for ESL programs?", answers are not straightforward. The provision of ESL is everyone's -- and thus no one's -- responsibility.

Testimony at the Commission's hearings indicated that more ESL programs are needed throughout the country for Hispanics and others -- whether Russian immigrants in New York or Asian refugees in California. The source of funding could be through JTPA or other programs. There is also a need for more instructors qualified to teach ESL and for more, and higher quality, computer courseware in this area.

## **Adjustments to National Performance Standards**

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The purpose of performance standards is to assure that the training people receive in JTPA programs has a positive payoff. "Performance standards are the tools used to insure that the program is a

productive investment in human capital."<sup>5</sup> For example, performance standards are set for the "entered-employment rate" (the proportion of all people terminating the program, successfully or not, who are placed in unsubsidized jobs); the "cost-per-entered employment" (the cost of the program per person placed in unsubsidized jobs); and for the "average wage at placement" (the average wages of the jobs in which people are placed).

DOL establishes numerical values for performance standards for the system as a whole. As examples, for PY88 and PY89, the national standard for the entered-employment rate is 68%, meaning that for the system as a whole, 68% of JTPA program terminees are expected to be placed in unsubsidized jobs. The cost-per-entered employment standard is \$4,500.

States may adjust these standards so that they can take into account SDAs' particular circumstances. To assist in this effort, DOL has developed adjustment models using a statistical technique, called regression analysis, which states may choose to use. About 80% of the states use DOL's models; a few have developed their own.<sup>6</sup>

The focus of this discussion is on how Hispanics fare in the model for adjusting the adult entered-employment rate standard. Appendix C gives greater detail on the adjustment models, including a discussion of the model for adjusting the cost-per-entered employment. (During the Commission's hearings outside experts gave independent assessments of the analysis presented here; they concurred with this line of reasoning.)

### **Hispanics and the Adjustment Model**

By electing to use DOL's models, states inadvertently bias the system against serving Hispanics, especially those Hispanics who are among the "hardest to serve." The reason is that while the models are intended to permit downward adjustments to performance standards for serving "the hard to serve," such adjustments have not systematically been made for Hispanics.

For example, in the early years of JTPA (PY84 and PY85) when data from the Comprehensive Employment and Training Act (CETA) programs were used, the model for the entered-employment rate indicated that an upward adjustment in the standards was to be made when Hispanics were trained. This meant that SDAs training greater than average proportions of Hispanics were expected to achieve higher entered-employment rates than SDAs which served smaller than average proportions.

In PY86 and PY87 when data from JTPA were first used, the models indicated that small downward adjustments were to be made. (The permitted adjustments were smaller than those for blacks.) In these two years, SDAs training greater than average proportions of Hispanics were expected to achieve lower entered-employment rates than SDAs which served smaller than average proportions of Hispanics.

Most recently, in PY88 and PY89, the model permits no adjustments for Hispanics. (Downward adjustments for blacks are permitted.) This means that the proportion of Hispanics served is ex-

pected to have no effect on SDAs' entered-employment rates.

### **The Adjustment Model in Brief**

As noted earlier, the adjustment models employ a statistical technique, regression analysis. The technique is used to disentangle the separate effects that different factors have on the outcome under investigation. In the case of the adjustment models, the technique is used to estimate the separate effects that various local characteristics have on individual SDAs' ability to meet the national standards. DOL's goal in permitting adjustments is to establish a "level playing field" for SDAs and for "hard-to-serve" groups within SDAs.

To achieve this goal, DOL includes two types of factors in the regressions. One type consists of factors that represent local area conditions, such as SDAs' unemployment rates. They are included because DOL wants to adjust the national standards to take into account conditions over which SDAs have no control but which might adversely (or positively) affect their ability to meet the standards.<sup>7</sup> For example, in setting a national value for the "entered-employment rate," DOL does not wish to penalize SDAs whose higher-than-average unemployment rates make job placements especially difficult.

The second type consists of factors that represent characteristics of program trainees, such as the percent of program trainees who are women. They are based on data that DOL collects from the SDAs (through JTPA Annual Status Reports [JASR]). DOL includes this type of factor because it does not wish to

penalize SDAs for decisions to serve higher than average proportions of the various groups considered "hard to serve." The groups in this category were selected based on evidence gained from program experience under CETA. Due to data limitations, most of the factors used to define the hard to serve reflect people's demographic characteristics and their sources of income (such as their race/ethnicity and sex, and their status as AFDC recipient or unemployment insurance claimant). Information on other characteristics, more relevant to describing people as hard to serve, (such as their proficiency in English and status as school dropout/graduate) has been, and continues to be, limited. In recognition of the need to have more information on the hard to serve, in PY88 DOL began to collect data on participants' reading skills, shown in Appendix C.

The regressions produce two results of importance here. First, they indicate the direction of the relationship between individual factors and the relevant performance standard. As noted earlier, the direction of the relationship between Hispanics and the entered-employment rate produced by the models has changed over the years.

Second, regressions estimate "weights" for the individual factors. The weights indicate the extent to which differences in the factors across SDAs are important in explaining differences in SDAs' performances. An example noted earlier is that the model produced greater weights for blacks than for Hispanics in PY86 and PY87. Thus, for those years, differences in the proportions of blacks trained was expected to explain more of the variation in SDAs' entered-employment rates than

differences in the proportions of Hispanics trained.

### *Adjusting for Terminée Characteristics*

Including factors in the regressions that represent the characteristics of program terminées can produce results that are counter-productive to policy goals unless great care is taken. The problem is the extent to which all the characteristics of people in JTPA accurately reflect all the characteristics of all people eligible for JTPA – stated more formally, the extent to which the sample is randomly selected from the population. This is an important issue: if the sample is biased, then the permitted adjustments will not accurately capture the "true" adjustments needed for serving the hard to serve.

Two types of biases are possible. One can occur when all personal characteristics that can affect people's labor market situations are not included in the regressions. When this occurs, it is not possible to know whether people with particular characteristics have selected themselves (or been selected) into the program. Motivation is a particularly important personal characteristic in this regard. If highly motivated people enter JTPA programs, then it is possible that their motivation, rather than the effects of training, leads them to have successful program outcomes, such as high entered-employment rates. In the context of the adjustment models, high levels of motivation can produce results that indicate people (such as Hispanics) are not hard to serve even though their other personal characteristics, such as levels of education, would suggest they are hard to serve.<sup>8</sup>



Because participants' motivation has not been measured, it is not possible to say, with certainty, that Hispanics in JTPA are more or less motivated than either Hispanics not in JTPA or other groups who are in JTPA. However, there are some indications that motivation is an important missing element in the adjustment models and failure to adjust for motivation has had an effect on the adjustments for Hispanics. As discussed in Section III, Hispanics appear to have a strong work ethic. Not only does this reduce the likelihood they will be eligible for JTPA, it also seems to lead those who are eligible to want to be in programs for short periods of time, as discussed in the next section. It is possible that Hispanics' work ethic has affected the extent to which the adjustment models indicate they are, or are not, hard to serve.

A second bias that can affect the adjustment models concerns people's characteristics which have been measured. National data indicate that Hispanics who have been in JTPA differ from the disadvantaged Hispanic population as a whole in two ways that are key in the definition of hard to serve. While in general disadvantaged Hispanics lack basic skills and proficiency in English, most of those who are in JTPA have basic skills and are proficient in English. According to national data --

- Among the school dropouts completing JTPA, there have been proportionately fewer Hispanics than would be expected on the basis of their share of the population of school dropouts eligible for the training. While Hispanics account for 24% of the dropouts eligible for JTPA, they were 14% of

the dropouts who completed the JTPA program in PY86, and 15% in PY87. The reverse was found among blacks: while they are 23% of the dropouts eligible for JTPA, they were 32% of the dropouts who completed the program in PY86, and 31% in PY87.<sup>9</sup>

- There have been relatively few Hispanics (and others) in JTPA who lack proficiency in the English language. In PY87 about 3% of the enrollees were reported to have limited proficiency in English and of them, fewer than 50% were Hispanic. In the first half of PY88, 4% of terminees were reported to have limited proficiency in English and of them, close to 70% were Hispanic. This means that 14% of Hispanic program terminees in PY87, and 22% of Hispanic terminees in the first half of PY88, lacked proficiency in English at program entry. In comparison, between 25% and 45% of Hispanics in general may not be proficient in English.<sup>10</sup>

Reports from PIC and SDA Directors, as well as program operators, corroborate data showing that Hispanic enrollees differ from the economically disadvantaged population of Hispanics. As people report,

- JTPA services to Hispanics are, for the most part, the same as those provided to whites and blacks even though proportionately more Hispanics might be expected to need basic education and English-language training.

- Those program operators who have more people applying for their programs than they have slots can choose those Hispanic, black, and white applicants who are most likely to complete the program successfully. Furthermore, the program operators must be selective to assure that they meet their performance-based contracts and receive their payments.
- There are very few JTPA Title II programs for people with limited English proficiency; people who need English-language or adult-basic-skills training are typically referred to (or placed in) programs funded through 8% funds or non-JTPA sources, as described earlier.
- JTPA-funded English-as-a-Second-Language (ESL) programs typically do not enroll people who have low levels of basic skills in their native languages -- a characteristic of the economically disadvantaged Hispanic population.

To the extent Hispanics in JTPA are not the hard-to-serve Hispanics, regressions using program data will show the entire group as not hard to serve. Specifically, the factor representing Hispanics might be statistically significant, but in the "wrong" direction -- as it was in PY84 and PY85 when CETA data were used. Alternatively, the factor might be significant and hence included in the model, but the size of the permitted adjustment would be small -- as occurred in PY86 and PY87 when JTPA data were first used. Finally, the factor might be statistically insignificant, and following DOL's

procedures, not be included among the adjustments states may permit SDAs to make -- as occurred in PY88 and PY89.

### ***The Effects of the Adjustment Model on SDAs***

States that use DOL's adjustment models currently are not permitting SDAs to adjust for serving Hispanics. The effect is to penalize implicitly SDAs that have Hispanics but no blacks to be served, compared to SDAs that have blacks, but no Hispanics, to be served.

This problem was pointed out at the Commission's hearings. SDAs that have both groups to serve have greater difficulties meeting their performance standards when they train greater proportions of Hispanics. Also, one Hispanic CBO (the only one in the SDA) reported being chastised by his SDA for serving Hispanics because the SDA could not adjust its standards downward when Hispanics were trained.

Because adjustments are not permitted for Hispanics, SDAs that have Hispanics to serve are in a different situation from SDAs that do not have Hispanics to serve. The former group needs to develop a strategy that takes into account both their need to meet performance standards and their need (for political or other reasons) to serve Hispanics equitably even though they cannot adjust their standards for Hispanics. This can most easily be accomplished by serving Hispanics who are not hard to serve -- those who have basic skills and are proficient in English. Other SDAs do not have to develop such a strategy.



## ENDNOTES

1. SRI International and Berkeley Planning Associates, JTPA Performance Standards; and Evelyn Ganzglass and Jose Figueroa, "Using JTPA Performance Standards as a State Policy Tool," Center for Policy Research, National Governors' Association, Washington, D.C., April 1988.
2. SRI International and Berkeley Planning Associates, JTPA Performance Standards, pp. 209-210.
3. For an example of the effect of such directives at the local level, see the discussion on "Identifying and Selecting Participants" in the next section.
4. As described later, two of the system's performance standards are the rate of placement among program terminees and training cost per program terminnee.
5. U.S. Department of Labor, Office of Strategic Planning and Policy Development, Guide for Setting JTPA Title II-A Performance Standards for PY 88, Washington, D.C., June 1988, p. I-1.
6. Ganzglass and Figueroa, "Using JTPA Performance Standards as a State Policy Tool."
7. Office of Strategic Planning and Policy Development, June 1988.
8. For more detail, see the discussion in Fred Romero, Hispanics in JTPA. DOL's decision to engage in a random assignment experiment to determine the effectiveness of JTPA programs is largely based on the Department's awareness of the problem discussed in this paragraph.
9. U.S. Department of Labor, Office of Strategic Planning and Policy Development, "JTPA Title IIA Participants Who Were School Dropouts at Program Application: Program Year 1986," JTQS Special Paper No. 6, Washington, D.C. June 1988; and Office of Strategic Planning and Policy Development, June 1989.
10. U.S. Department of Labor, Office of Strategic Planning and Policy Development, June 1989; National Commission for Employment Policy, Hispanics and Jobs; and Romero and Gonzalez, Falling Through the Cracks, February 1989.

## V. REACHING AND TRAINING HISPANICS

In broad terms, SDAs have two goals to meet within the JTPA framework. One relates to their performance standards. To the extent SDAs consider this an important goal, they are likely to emphasize serving those people who will help them achieve it. This emphasis would be especially strong in states with incentive policies that stress exceeding standards.

SDAs' second goal relates to the demographic and socio-economic composition of their program participants. This goal goes beyond assuring the provision of services to groups emphasized in the law; it also includes assuring that services are provided to all groups in need, including racial/ethnic groups within their eligible populations. The extent to which this is viewed as an important goal depends upon state directives, local policies, and the amount of political power different groups have locally.

Private Industry Councils (PICs) within SDAs are responsible for providing "policy guidance" for job training plans and for overseeing their implementation. Thus, "on paper," PICs have important roles in JTPA; in practice, they vary in the degree to which they are involved with the system. This is not surprising since PIC members, like their SJTCC counterparts, are volunteers.

Because PICs -- and individual PIC members -- vary in the degree of their involvement, the importance to Hispanics

of having a representative of the community on the PIC varies as well. As with the SJTCC, having members of PICs who are Hispanic, in and of itself, is not sufficient to assure that concerns of the Hispanic community will be addressed. Hispanic representation makes a difference to Hispanics' participation in JTPA programs when the representatives are knowledgeable about their communities, and are willing to be actively involved with the PICs. They can assure that issues of importance to the group are aired and problems are resolved satisfactorily.

Having Hispanic PIC and SDA staff (and others willing to act as advocates) is critical since staff does the work involved in developing options for job training plans and for implementing them. In cases where PICs play direct roles in developing the plans, Hispanic staff can bring to PIC members' attention practices that facilitate (or hinder) Hispanics' participation.

This section discusses four areas where decisions made locally have affected the likelihood of Hispanics' enrollment in JTPA programs: outreach into Hispanic communities, the use of Hispanic community-based organizations (CBOs), the use of fixed-unit price, performance-based contracting with CBOs, and types of programs offered.

## Identifying Potential Hispanic Participants

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Testimony at the NCEP hearings indicated that SDAs differ in the extent to which they make systematic efforts to publicize JTPA programs generally. Attempts to reach Hispanic communities are similarly uneven across SDAs and also over time within SDAs. There are several reasons for the variations reported, although the extent of Hispanics' political power locally seems to play an important role.

At one extreme, no (or weak) attempts are made to involve Hispanics in JTPA. Examples here include:

- inadvertently overlooking Hispanics;
- almost purposeful exclusion of Hispanics (for example, locating intake offices in neighborhoods in which Hispanics feel uncomfortable and/or having no Hispanic or bilingual staff in intake offices); and
- active outreach only near the end of a program year when SDAs realize they are unlikely to meet the goals specified in their job training plans unless special efforts are made.

At the other extreme, some SDAs' outreach efforts into the Hispanic community are deliberate, organized, and systematic; for example:

- the Hispanic media are used;

- intake offices are located in neighborhoods that Hispanics view as hospitable to them;
- institutions that are strong within the Hispanic community (such as the Catholic church) are used to give the program legitimacy and credibility; and
- Hispanic participants are asked to "spread the word" about their successes with the program.

According to witnesses from all parts of the nation, the most effective means of attracting Hispanics to the programs is to have Hispanic (and bilingual) staff, especially in intake offices. The reasons are related to both language and culture. Having a bilingual staff assures effective communication with potential enrollees; misunderstandings over terminology and the types of documents needed to verify eligibility are readily overcome.

Hispanics' presence in intake offices is crucial even when they are not bilingual or are not dealing with Hispanic applicants directly. When Hispanic applicants see Hispanics on the staff, they feel "at home" — they perceive that the program is intended for them as well as others. Part of this feeling is related to the cultural importance of *la familia*, as noted earlier.

Outreach efforts that are effective occur in areas that have any one of several characteristics.

- There are some states and SDAs in which Hispanics have been significant proportions of the local populations for centuries. They are

also the dominant minority group. In these areas it is natural for JTPA programs to be sensitive to the needs of Hispanics.

- There are areas where Hispanics have gained significant political power even though they are relative "newcomers" and may not be the dominant minority group. They use their power to assure proportionate services to their communities.
- In some places forces outside the JTPA system (such as a governor's question about Hispanics' employment and training needs, the threat of a law suit, or Hispanics' use of the "power of the ballot,") energize the system into serving Hispanics.
- Some PIC/SDA Directors are sensitive to the diversity of their eligible populations and the need to use different approaches to reach different groups.

Weak efforts occur in areas which have one of two characteristics.

- There are areas where sizable growth in the Hispanic population has occurred since the 1980 Census. In places where Census data indicated there were few Hispanics, officials are not necessarily cognizant of the extent of the growth of the Hispanic population over the past decade or of their needs.
- There are areas where Hispanics are known to be one of several, approximately equally sized, minority groups, but they have not gained the political power com-

mensurate with their population size.

## Selecting Service Providers

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SDAs' and PICs' decisions about funding different service providers also affect how many Hispanics participate in JTPA. Here the issue is complex, because it involves the extent to which there are service providers that are both effective and experienced in serving Hispanics and Hispanic participants' preference for dealing with other Hispanics.

While there are many CBOs whose primary constituents are Hispanic, relatively few of them are involved in JTPA. Moreover, there are relatively few Hispanic-oriented CBOs in JTPA compared to the number of CBOs in JTPA whose constituents are either primarily black or white.

While most Hispanic CBOs involved in JTPA appear to be successful in winning JTPA contracts, some have difficulties. Problems reported include insufficient resources to compete successfully for contracts, lack of the needed record of performance, and insufficient political power. While technical assistance helps both to maintain and to increase the number of Hispanic CBOs involved in JTPA, few funds are available for this purpose.<sup>1</sup>

It was apparent from the hearings that SDAs and PICs that want to serve one or more particular racial/ethnic group(s) in some specified proportions take great care in selecting service providers known to serve these groups. They fund CBOs which have proven track records in serving these groups. In SDAs where this is not possible, care is taken to assure that

the selected training providers have staff with the relevant racial/ethnic characteristics. Hispanic CBOs have a long history of having Hispanic as well as non-Hispanic staff and of serving non-Hispanics as well as Hispanics.

In terms of assuring Hispanic participation and retention in JTPA programs, contracting with Hispanic training providers (or ones with Hispanic staffs) is critical given that Hispanic enrollees feel more comfortable when there are Hispanics on the training providers' staff. In addition, because the training providers and the participants share the same group identity, the providers tend to have a better understanding of problems "outside the classroom" that can adversely affect Hispanics' participation "inside the classroom."

One problem for SDAs with a limited number of Hispanic CBOs is that an Hispanic CBO's funding level can become the number of training slots allocated for the group. This would not be a problem except for two factors. First, it absolves other service providers of the need to address Hispanics' concerns and to learn the most effective ways of training them. Second, the number of Hispanics trained becomes dependent upon the extent of a CBO's effectiveness and, as important, political power.

## **CBOs and Performance-Based Contracting**

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Assuring that the JTPA system is held accountable is key to maintaining its credibility. One method for assuring accountability is the use of fixed-unit price,

performance-based contracting. Use of this contracting procedure has become a source of concern recently.<sup>2</sup> This is a form of contracting which is more frequently used with CBOs (Hispanic and others) than other training providers, such as community colleges and for-profit institutions.<sup>3</sup>

The U.S. Department of Labor's Office of Inspector General has raised several issues regarding this contracting procedure. One relates to the performance-based nature of the contracts: there have been instances of payments being made without the appropriate benchmarks having been achieved.

Others relate to the fixed-unit price component of the contracts and a pattern of usage that has evolved over time. First, while the law requires that 70% of all Title IIA funds be spent on training, no more than 15% be spent on administrative costs, and no more than 15% on support services, this 70/15/15 split is not always upheld. Also, the documents needed to verify the 70/15/15 split have not been maintained systematically for audit purposes. Finally, fixed-unit pricing has enabled non-profit organizations to have an excess of revenue over cost.<sup>4</sup>

Testimony before the Commission addressed these issues and raised others about how this form of contracting has affected PICs and CBOs.<sup>5</sup> First, PIC members from the business community tend to like performance based contracts. It is straightforward and it is a familiar type of contract to them.

Second, for CBOs, the performance-based aspect of the contracts has good and bad points. On the one hand, it



enables them to develop track records of "proven effectiveness." In turn, these track records enable them to compete effectively with larger institutions (such as community colleges) in competitions for contracts. On the other hand, performance-based contracts can lead to cash-flow problems. These problems can be acute at the onset of a contract when training is to begin -- staff to be hired -- but payments are delayed until a benchmark has been achieved. Cash-flow problems surface again when SDAs are unduly slow in making their payments after benchmarks have been achieved.

Third, the surplus that fixed-unit price contracts enable CBOs to earn is important to their viability. It is used to tide the organizations over when cash-flow problems arise. A second use is to improve the quality of their programs. This may include purchasing capital equipment (such as computers) or (re)training staff.

Finally, the combination of fixed-unit price and performance-based contracts can cause difficulties for CBOs when they do not control who enrolls in their programs. In these cases, they contract to provide training programs for certain prices and with certain benchmarks even though they have little or no information about the characteristics of the people they will be training.

On a more general level, this contracting procedure has had the effect of transforming CBOs from service organizations into small businesses. That is, they have learned how to compete effectively -- while still trying to serve the communities they represent. Like any busi-

ness, they seek to find the highest quality "inputs" (program participants) and to produce products (program trainees) which are marketable and "hit the market on time." They achieve these results at prices which enable them to remain competitive and also to have funds to "plough back" into their organizations.

Changes in the type of contracting procedures allowed under JTPA are likely to affect CBOs' behavior -- whether they become newly involved in JTPA; remain in JTPA; and within the JTPA system, alter the way they run their total operations. Because Hispanic CBOs are important service providers within the Hispanic community, changes in their behavior have positive (or negative) consequences for Hispanics' participation in the training programs.

## **Training Programs**

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The types of training programs SDAs offer are determined by both the characteristics of the local eligible population and SDAs' desire to meet their performance goals. In considering the population's characteristics, SDAs must take into account (a) people's education and training backgrounds, (b) their education and training needs based on those backgrounds and (c) other characteristics, such as people's desire (need) for immediate jobs or their need for childcare. For example, an SDA offering only General Equivalency Degrees (GED) will not attract high school graduates. Also, such an SDA will not necessarily attract school dropouts to the extent that dropouts are primarily interested in jobs, even though they may "need" GEDs.



### ***JTPA Programs and Hispanics' Training Needs***

National data indicate that people with three particular characteristics are among the least likely to enroll in JTPA: people who are school dropouts, lack English proficiency (LEP), and/or read below the 7th grade level. Of people who recently completed the program, at entrance, 27-28% lacked a high school degree, 4-5% had limited English proficiency, and 16% read below the 7th grade level.<sup>6</sup>

The generally limited enrollment of people with these characteristics helps explain Hispanics' under-representation in particular. Hispanics are more likely than whites or blacks to have these characteristics, especially the lack of proficiency in English.

According to testimony, the small percentage of JTPA participants who are

"limited English proficient" (LEP) should not be surprising since it is difficult for SDAs to meet their performance goals by serving people who are not proficient in English. As noted earlier, to serve this group, 8% set-aside funds are used or the people are encouraged to enroll in ESL programs funded through non-JTPA sources and return to JTPA after completing those programs.

SDAs that do enroll people who are LEP in Title IIA programs largely focus on the Hispanic community. In the first half of PY88, about two thirds of LEP participants were Hispanic.<sup>7</sup>

### ***JTPA Programs and Hispanics' Training Interests***

Table 6 shows enrollment patterns of Hispanics and non-Hispanics as well as

**TABLE 6**

***Proportions of Hispanics and Non-Hispanics, and Persons With and Without Limited Proficiency in English in Various Types of Training Programs (First Half of PY88)***

Characteristic	CR	OJT	Type of Training			Other
			JSA	WE		
Hispanics	32 %	26 %	18 %	10		14
Non-Hispanics	31	27	15	7		20
LEP	28	37	15	11		9
Non-LEP	32	26	15	7		20

CR - Classroom training  
OJT - On the job training  
JSA - Job Search Assistance  
WE - Work Experience

Source: U.S. Department of Labor, Office of Strategic Planning and Policy Development, June 1989.

persons who are LEP and those who are not. A striking finding from the data is the extent to which Hispanics and persons who are LEP (most of whom are Hispanic) enroll in programs geared toward finding jobs (obtaining income) quickly. For example, 63% of LEP terminees, compared to 48% of non-LEP terminees, were in either "on the job training," job search assistance, or work experience. Also, over half of Hispanics

were in one of these three programs, compared to just under half of the non-Hispanics.<sup>8</sup>

Data in Table 7 show the median amount of time participants spent in the programs. Hispanics and persons who are LEP are in the programs for substantially shorter periods of time than others.<sup>9</sup>

**TABLE 7**

*Median Number of Days in JTPA Programs of Hispanics and Non-Hispanics and Persons With and Without Limited Proficiency in English  
(First Half Of Py88)*

Characteristic	Median Number of Days in JTPA
Hispanics	67.7
Non-Hispanics	96.5
LEP	59.6
Non-LEP	94.8

Source: U.S. Department of Labor, Office of Strategic Planning and Policy Development, June 1989.

Taken as a whole, these data correspond to testimony at the hearings. On the one hand, Hispanics need lengthy training to overcome their English-language and basic skills deficiencies. On the other hand, Hispanics' strong sense of responsibility for their families (especially among the males) virtually mandates that they be employed, or if unemployed, find jobs quickly. Without some income support and childcare, they

cannot afford to take the training they need.

Thus, and especially for Hispanic men, JTPA may be one other way to find jobs, comparable to the use of friends, relatives or newspaper advertisements. Without the possibility of long-term training, Hispanics may view JTPA as a labor exchange bureau -- rather than a training program.

## ENDNOTES

1. Recognizing this problem, the U.S. Department of Labor has funded SER-Jobs for Progress, and recently the National Council of La Raza, to find ways to increase the number of Hispanic CBOs in JTPA.

2. Testimony of Gerald W. Peterson, Office of the Inspector General, U.S. Department of Labor before the Committee on Education and Labor, U.S. House of Representatives, on the Job Training Partnership Act, September 29, 1988; and National Governors' Association, "Report on NGA Survey on Use of Fixed Unit Price, Performance-Based Contracting," Washington, D.C., March 1988.

3. SRI and Berkeley Planning Associates, JTPA Performance Standards.

4. The U.S. Department of Labor has attempted to address these concerns. See "Job Training Partnership Act: Requirements for Acceptable Fixed Unit Price, Performance-Based Contracts," Federal Register, Vol. 54, No. 47 (Monday, March 13, 1989), pp. 10459-10467.

5. Also, see testimony of The Honorable Hubert Price, Jr., Commissioner of Oakland County, Michigan, on Behalf of the National Association of Counties, before the Committee on Education and Labor, U.S. House of Representatives, on the Job Training Partnership Amendments of 1989, Washington, D.C., September 20, 1989.

6. U.S. Department of Labor, Office of Strategic Planning and Policy Development, June 1989.

7. This is an increase over PY87 figures. In that year, 49% of LEP participants were Hispanic, as shown in U.S. Department of Labor, Office of Strategic Planning and Policy Development, June 1989.

8. Similar patterns were observed for the first half of PY87, the other period for which published data were available.

9. Similar patterns were observed for the first half of PY87, the other period for which published data were available.

## VI. CONCLUSIONS

The JTPA system is currently seeking ways to increase the participation of the "most-in-need" population. Identifying and overcoming barriers to Hispanics' participation will, by definition, increase the numbers of "most in need" who are served since Hispanics are part of this population. In addition, identifying barriers that hinder Hispanics from enrolling can suggest barriers that may be affecting groups with other educational and cultural backgrounds. Moreover, the need to address services to groups with differing backgrounds is likely to increase over the coming years as the diversity of the nation's population increases.

"Who is served" in JTPA depends upon how well the characteristics of the system mesh with the characteristics of the people the system intends to train. The key point is that the people who comprise the JTPA eligible population are diverse. They differ not only in their education, training and employment needs and experiences, but also in their current financial and family situations, their goals for the future, their proficiency with English, and their attitudes toward government.

This means that the amount of the system's flexibility is crucial: the system must be able to adapt to people's needs and circumstances if the program offerings are to be of interest and value to potential enrollees. The institutional factors that govern JTPA, such as the law and the regulations, are similarly key.

They, and the leadership that guides the system, not only set the bounds on the system's flexibility, but also signal preferences for the ways in which the system's flexibility is to be exercised.

How well JTPA meets the needs and interests of a diverse population begins with the provisions of the law. As an example, the way funds are distributed across SDAs determines the way training opportunities are distributed geographically. In the case of Hispanics, their geographic concentration in large urban areas has meant a smaller share of training opportunities because large urban areas in general receive fewer funds than would be expected based on their share of the JTPA eligible population.

Another example is one of JTPA's eligibility criteria. Although the law intended to facilitate enrollment, it has produced an unintended result. Specifically, the law presumes that people eligible for the Food Stamp program will use it, and thereby be eligible for JTPA. However, for cultural or other reasons, some people, including Hispanics, do not use Food Stamps. These people are ineligible for JTPA if their family income is above the income cut-off for JTPA -- even though their income is below the income cutoff for Food Stamps.

In other respects, the law takes into account differences within the total eligible population in terms of language, culture, and interests, and education and training

needs. Also, the law recognizes that states and localities may differ in their program offerings because of differences in their eligible populations.

At the federal level, the U.S. Department of Labor has given the system much leeway. It has issued relatively few regulations and has developed national partners whose responsibility is to provide assistance to the system. In keeping with the philosophy and provisions of the law, the Department has offered little technical assistance; it has largely left that role to the states.

In one instance where the Department has offered guidance -- the performance standards adjustment models -- the outcome inadvertently affects who is served. While the models intend to permit states to hold SDAs harmless for serving hard-to-serve groups, in practice they bias SDAs against serving Hispanics -- whose low levels of education and lack of proficiency in English place them within the hard-to-serve population.

In another instance -- issuing regulations intended to preserve the use and integrity of fixed-unit price, performance-based contracts -- the Department has indirectly affected Hispanics' and other minorities' participation in JTPA. Since minority groups are the major clientele of CBOs and since this form of contracting is disproportionately used with CBOs, any changes to this contracting procedure disproportionately and directly affect both CBOs' interest in being part of the JTPA system and their abilities to compete effectively for contracts.

How states use their authorities under the law further affects "who is served." As examples,

- states with incentive policies for serving "the hard to serve" encourage localities to train these people, some of whom are Hispanic;
- states that permit 8% funds to be used for ESL programs encourage enrollments of persons who lack proficiency in English; and
- states that use the Department of Labor's suggested models for local adjustments to performance standards inadvertently bias the system against serving Hispanics because the models do not adequately capture the extent of their basic skills deficits and limited proficiencies in English.

Ultimately, who is served depends upon how SDAs and PICs use the flexibility the system's institutional factors either accord or signal to them. For example, who is served depends upon SDAs' and PICs' responses to their state's incentive policies. It also depends upon their willingness to apply for 8% monies available for ESL or education remediation programs. It depends too upon their decisions regarding the conduct of outreach, the qualifications of staff hired, the types of programs offered and the organizations offering the programs.

State and local decisions about "who to serve" are made within a system that stresses fiscal accountability. Accountability is important since appropriate use of government funds is critical to main-



taining the program's credibility. At the same time, over-emphasis on accountability can lead the system in unintended directions. Areas of accountability include performance standards; fixed-unit price, performance-based contracting; and documentation requirements for determining people's eligibility for JTPA. How performance standards and contracting procedures can bias the system has been much discussed within the employment and training community.

Overlooked have been the effects of documentation requirements on the other side of the picture -- on people's interest in enrolling, regardless of the training programs offered. People from different cultures and with different backgrounds and needs respond differently to requests for such documents as birth certificates, personal pay stubs, and relatives' pay stubs. They also respond differently to the amount of time needed to collect all the documents. As examples, children may not wish to ask their fathers to verify that the family has a low level of income. Also, people in need of work may not wish to wait six

weeks to obtain their birth certificates so they can enter training programs.

Finally, there are forces outside the JTPA system that affect what happens inside the system. To illustrate -- changes in the minimum wage law will affect who is served unless the income-cutoff for JTPA is also changed. And, providing ESL programs outside JTPA Title II enables people to learn English so they can meet one of the implicit qualifications for entry into many Title IIA-funded training programs.

In sum, "who is served" in JTPA programs depends upon a host of factors taken both individually and collectively. It is determined by the ways in which the law and regulations permit flexibility, how the system uses its flexibility, how it is held accountable, how other laws and systems affect it, and finally, how they are all balanced. Findings here for Hispanics can assist the system in meeting the challenges of training the diversity of people "facing serious barriers to employment, who are in special need of ... training."



## APPENDIX A

### Hearings "Hispanics In JTPA"

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The National Commission for Employment Policy held six hearings on the subject "Hispanics in JTPA" during the summer of 1989. Listed below are the cities in which the hearings were held and the dates of the hearings. For each hearing, the witnesses are shown in the order of their appearance.

#### *Washington, D.C. May 5, 1989*

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Dr. D. Kay Wright, Deputy Assistant Secretary  
Vocational and Adult Education  
U.S. Department of Education  
Washington, D.C.

Ms. Margarita Roque, Legislative Assistant  
Congressional Hispanic Caucus  
Washington, D.C.

Ms. Marion Pines, Chairwoman  
JTPA Advisory Panel of the U.S. Department of Labor  
Baltimore, Maryland

Mr. Hector Velazquez, President  
National Puerto Rican Forum  
New York, New York

Ms. Siobhan Nicolau, President  
Hispanic Policy Development Project  
New York, New York

Mr. Raul Yzaguirre, President  
National Council of La Raza  
Washington, D.C.

**Mr. Troup Coronado, Executive Staff Director  
U.S. Senate Republican Task Force on Hispanic Affairs  
Washington, D.C.**

**Ms. Teresita Schroeder, Legislative Analyst  
Committee on Education and Labor  
U.S. House of Representatives  
Washington, D.C.**

**Dr. Beth Buehlmann, Coordinator for Education  
Committee on Education and Labor  
U.S. House of Representatives  
Washington, D.C.**

**Mr. Ray Uhalde, Deputy Administrator  
Employment and Training Administration  
U.S. Department of Labor  
Washington, D.C.**

**Ms. Joan Crigger, Director of Employment and Training  
U.S. Conference of Mayors  
Washington, D.C.**

**Dr. Burt Barnow, Vice President  
Lewin/ICF Inc.  
Washington, D.C.**

***New York, New York  
June 21, 1989***

**Mr. David Gillette, Executive Director  
State Job Training Partnership Council  
Albany, New York**

**Ms. Lilliam Barrios-Paoli, Commissioner  
New York City Department of Employment  
New York, New York**

**The Honorable Robert Menendez  
Mayor, Union City, New Jersey and  
Assemblyman, 33rd District, New Jersey  
Union City, New Jersey**

Dr. Daniel Friedlander, Senior Research Associate  
Manpower Demonstration Research Corporation  
New York, New York

Ms. Lydia Hernandez, Vice President  
Private Industry Council  
Philadelphia, Pennsylvania

Mr. Agustin Garcia, Executive Director  
Asociaciones Dominicanas, Inc.  
New York, New York

Mr. Jose Duran, Executive Director  
Hispanic Office of Planning and Development  
Boston, Massachusetts

Ms. Rosaida Rosario, Vice President for Operations  
National Puerto Rican Forum  
Hartford, Connecticut

Ms. Maria Serrano, Executive Director  
Hispanic Labor Committee  
New York, New York

Ms. Anna Stern, Vice President of Employment Services  
Federation Employment and Guidance Service  
New York, New York

***Miami, Florida***  
***June 23, 1989***

Ms. Alena Davies, representing Mr. J.A. Ojeda, Jr.  
Assistant County Manager  
Metropolitan Dade County  
Miami, Florida

Mr. Fred Marinelli, Assistant to the Mayor  
Hialeah, Florida

Mr. William de la Sierra, Chairman  
State Job Training Coordinating Council  
Miami, Florida

## Training Hispanics: Implication for the JTPA System

Mr. Joseph Alfano, Executive Director  
Private Industry Council of South Florida and South Florida  
Employment and Training Consortium  
Miami, Florida

Ms. Adeipha Gonzalez-Mayo, Project Director for Title II Programs  
Little Havana Activities and Nutrition Centers of Dade County  
Miami, Florida

Mr. Guarione Diaz, President  
Cuban-American National Council, Inc.  
Miami, Florida

Mr. Jerry Spurlin, Director of JTPA  
State Education Department  
Tallahassee, Florida

Mr. Charles Johnson, Fund Development Officer  
Latin American Association  
Atlanta, Georgia

Mr. Mason Jackson, Executive Director  
Broward Employment and Training Administration  
Fort Lauderdale, Florida

### *Chicago, Illinois* July 10, 1989

Mr. Ambrosio Medrano, Executive Director  
Mayor's Advisory Commission on Latino Affairs  
Chicago, Illinois

Commissioner Mary Gonzales-Koenig  
Mayor's Office of Employment and Training  
Chicago, Illinois

Mr. Jim O'Brien, Chief  
Program Development and Assessment  
Job Training Programs Division  
Illinois Department of Commerce and Community Affairs  
Springfield, Illinois

Mr. Bradley Woodruff, Manager Job Training  
Illinois State Board of Education  
Springfield, Illinois

Mr. Richard Lopez, Chief Executive Officer  
SER-Corporation of Kansas  
Wichita, Kansas

Mr. Abel Ortiz, Executive Director  
Milwaukee SER-Jobs for Progress, Inc.  
Milwaukee, Wisconsin

Ms. Beverly Weckstein, Executive Director  
SER-Jobs for Progress, Inc. of Lake County  
Waukegan, Illinois

Dr. Robert Spiegelman, Executive Director  
W.E. Upjohn Institute for Employment Research  
Kalamazoo, Michigan

Mr. Carlos Ponce, Executive Director  
Spanish Coalition for Jobs  
Chicago, Illinois

Ms. Chris Stevens, Director  
Private Industry Council Program of Lake County  
Waukegan, Illinois

Mr. Jack Wuest, Director  
Alternative Schools Network  
Chicago, Illinois

***Dallas, Texas***  
***July 12, 1989***

Ms. Annette Hamilton, Chairwoman  
City of Dallas Private Industry Council  
Dallas, Texas

Ms. Jane Metzinger, Case Worker  
Office of U.S. Representative John Bryant  
Dallas, Texas

Mr. Rodney Walter, Chairman  
Balance of Dallas County Private Industry Council  
Dallas, Texas

Dr. Patricio Quintana, Member  
State Job Training Coordinating Council  
Las Cruces, New Mexico

Mr. Alex Martinez, Executive Director  
Santa Fe/SER-Jobs for Progress, Inc.  
Santa Fe, New Mexico

Dr. John Soto, Administrator  
Denver Employment and Training Administration  
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Mr. Addison Durboraw, Executive Director  
SER-Jobs for Progress, Inc. of Dallas  
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Mr. Luis Plascencia, Research Associate  
Center for the Study of Human Resources  
Austin, Texas

Mr. William Demestihis, Director  
Private Industry Council  
Austin, Texas

Mr. Pedro Viera, President  
National SER-Jobs for Progress, Inc.  
Dallas, Texas

Mr. Eduardo Aguirre, Chairman  
Employment Subcommittee of the U.S. Senate  
Republican Task Force on Hispanic Affairs  
Houston, Texas

***Los Angeles, California***  
***August 3 and 4, 1989***

Honorable Grace M. Davis, Deputy Mayor  
City of Los Angeles  
Los Angeles, California



Ms. Pat Benson Duldulao, Staff Representative  
Office of U.S. Representative Augustus Hawkins  
Los Angeles, California

U.S. Representative Matthew Martinez  
(Statement Introduced into the Record)

Mr. William Bruce, Director  
Training and Job Development Division  
City of Los Angeles Community Development Department  
Los Angeles, California

Mr. Pete Garcia, Director  
Chicanos Por La Causa  
Phoenix, Arizona

Mr. David A. Hicks, President  
Nevada Business Services  
Las Vegas, Nevada

Ms. Margarita Padilla, Executive Director  
Mexican-American Opportunities Foundation  
Commerce, California

Mr. Rick Sanchez, Executive Director  
South Bay SER  
Hawthorne, California

Ms. Diana Marshall, Executive Director  
State Job Training Coordinating Council  
Sacramento, California

Mr. Alex Hurtado, Chairman  
State Job Training Coordinating Council  
Salt Lake City, Utah

Mr. Bill Moye, Chairman  
State Job Training Coordinating Council  
Santa Fe, New Mexico

Mr. Rodo Sofranac, Chairman  
State Job Training Coordinating Council  
Phoenix, Arizona

## **Training Hispanics: Implication for the JTPA System**

**Ms. Erin Munding, Chairman  
State Job Training Coordinating Council  
Olympia, Washington**

**Ms. Jessie Emmett, Chairman  
State Job Training Coordinating Council  
Carson City, Nevada**

**Mr. Stan Schroeder, Assistant Chief Executive  
San Diego Regional Employment and Training Consortium  
San Diego, California**

**Mr. Ruben Treviso, Member  
American GI Forum  
Los Angeles, California**

**Mr. Gary Mendez, Member  
American GI Forum  
Los Angeles, California**

**Mr. Jerry Jaramillo, Member  
American GI Forum  
Los Angeles, California**

## APPENDIX B

### Data Problems as a Possible Explanation for Hispanics' Under-representation in JTPA

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This appendix discusses data problems involved in estimating the number of Hispanics who participate in JTPA Title IIA programs and the number who are eligible for them. It indicates that data problems are unlikely to be a major reason for the finding that Hispanics are under-represented in JTPA compared to their share of the eligible population.

#### Estimating Participation

Data on JTPA participants come from the Job Training Quarterly Survey (JTQS), which in PY 1984 and 85 (the years for which Hispanics' under-representation was first determined) consisted of a sample of 194 SDAs. The sample was designed to produce a nationally representative estimate of program participants. There were 6,000 enrollees in the sample.<sup>1</sup>

At issue in the JTQS is whether a sample designed to be nationally representative of participants is representative of Hispanic participants since Hispanics have a very different geographic distribution from the U.S. population as a whole. (See the discussion in Chapter II.)

Investigation of the method used to select the sample of 194 SDAs indicates Hispanics were likely to have been ap-

propriately included in the JTQS.<sup>2</sup> Large urban SDAs in which Hispanics are concentrated were in the sample (New York, Miami, Los Angeles, and Houston among others). Also, the number of unemployed Hispanics was one of the criteria used for selecting which of the smaller SDAs would be in the sample.

#### Sample Design

A several-step process was used to select SDAs for inclusion in the sample. First, SDAs were ranked according to the amount of JTPA funding they received in PY 1984, since it was expected that SDAs with greater funding levels would also have a greater number of participants. Then the SDAs were split into two groups.

One group included the 91 metropolitan-area SDAs which received the greatest allocation of JTPA funds. These SDAs were automatically included in the sample. The metropolitan areas in which these SDAs were located included ones with large concentrations of Hispanics, such as New York City, Los Angeles, Chicago, Miami, and Houston.

The second group of approximately 510 SDAs was further grouped according to their Census region. Within each region, SDAs which were as similar as possible

were placed in subgroups (or strata) of roughly equal size. The subgroups were obtained using the following criteria (with data for each criterion obtained from the 1980 Census):

- Unemployed persons
- Black unemployed persons
- Spanish unemployed persons (only in the South and West regions)
- Persons in urban areas
- Persons below the poverty level
- Families with a female head of household

One SDA from each of the strata was included in the sample.

## Estimating the Eligible Population

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The Current Population Survey (CPS) is the source used to estimate the number of people eligible for JTPA. The CPS has information which can be used to determine whether or not a person is economically eligible for the program. It does not have information which could be used to determine if a person is a citizen, a legal resident, a refugee, or an undocumented worker; however, a person's status as citizen/legal resident/refugee is an eligibility criterion for JTPA. Thus using the CPS to estimate the number of people eligible for JTPA may produce an overestimate.

Hispanics may be a significant portion of this overestimate since it has been sug-

gested that up to 72% of undocumented workers in the U.S. are from Latin American countries.<sup>3</sup> Moreover, undocumented workers have several of the same characteristics as those groups of Hispanics which are under-represented in JTPA: they tend to be young, male, and have fewer than 12 years of schooling.<sup>4</sup>

The author's investigation suggests that the CPS may show some Hispanics to be eligible for JTPA on the basis of their income when they in fact are not eligible due to their residency status. A rough estimate is 200,000 to 290,000. After subtracting them from the pool of people who meet income criteria for eligibility, Hispanics still account for 13% of all eligibles. While this figure is somewhat below the proportion eligible as shown in Sandell and Rupp (13.6%), it is the same proportion of Hispanics that the U.S. Department of Labor (USDOL) originally indicated were eligible for JTPA.<sup>5</sup>

The remainder of this appendix explains the process used to suggest that Hispanics are about 13% of the population which the CPS would indicate are eligible for JTPA.

**Step 1.** Based on the CPS, the author determined the number of undocumented workers who would need to be in the pool of eligible Hispanics in order for undocumented workers to be totally responsible for Hispanics' over-representation in the eligible population.

Using CPS data, Sandell and Rupp estimated that there were 4,293,000 Hispanics eligible for JTPA in PY84. For Hispanic undocumented workers to be

totally responsible for Hispanics' overrepresentation, there would need to be 1,214,900 undocumented Hispanic workers among those that the CPS would show to be eligible for JTPA. This number is determined by solving the following equation:

$$(4,293 - x)/(31,697 - x) = .101, \text{ where}$$

$x$  = number of Hispanics in eligible population who would need to be found ineligible in order for Hispanics to achieve proportionate representation in JTPA

4,293 = number of eligible Hispanics estimated in Sandell/Rupp study (in thousands)

31,697 = total number of eligibles estimated in Sandell/Rupp study (in thousands)

.101 = ratio of Hispanic JTPA participants to the total number of participants

**Step 2.** The author estimated the number of Hispanic undocumented workers who the CPS might indicate are eligible for JTPA on the basis of their income.

*Step 2a. Determining income eligibility for JTPA.*

Using the CPS, people are classified as eligible for JTPA programs if they report (a) receiving food stamps, (b) being on public assistance, or (c) having a level of income in the prior six months that was no more than 70% of the lower living standard or 100% of the poverty line, whichever was higher. The author's investigation is restricted to the income-eligibility criterion since, research indicates that fewer than 4% of undocumented workers use either Food Stamps or public assistance.<sup>6</sup>

Income eligibility is determined on the basis of both family size and location. Table B.1 shows the maximum amounts of income individuals in families of different sizes living in either Los Angeles

**TABLE B.1**

*1986 Income Eligibility Requirement for JTPA in  
Dallas/Fort Worth and Los Angeles by Number of People in Family  
(Six Month Income Limits)*

Location	Family Size			
	One	Two	Three	Four
Dallas/Fort Worth	\$2,885	3,865	4,890	6,040
Los Angeles	2,680	3,795	5,210	6,435

Source: "Job Training Partnership Act: Lower Living Standard Income Level," Federal Register Notice, Vol. 51, No. 72, April 15, 1986, pp. 12752-3 and assistance from local-area program operators.

or Dallas/Fort Worth could receive in the 6 months prior to enrolling in JTPA and qualify for the program.<sup>7</sup> For example, in 1986 a single person in Dallas/Fort Worth could earn no more than \$2,885 in the 6 months prior to enrolling in JTPA in order to qualify for the program.

*Step 2b. Estimating the income of undocumented workers for a 6-month period for purposes of comparison with JTPA's income limits (Step 3).*

Estimating undocumented workers' family income requires information on their family size, the number of wage earners per family, the amount of pay each receives, and the number of hours and weeks each works over a six month period. Research suggests that undocumented workers differ along these characteristics depending upon their countries of origin (Mexico, countries in Central America, and countries in South America) and especially for those from Mexico, the number of years they have been migrating between the U.S. and Mexico.<sup>8</sup>

Because precise data on the characteristics of the undocumented worker population are not available, Table B.2 shows a range of possible family incomes. The range is based on the best available evidence on undocumented workers' family sizes and earnings. The table shows that, for example, a single person working full-time for six months at \$3.35 per hour would earn \$3,484. (\$3.35 is the minimum wage, which is less than the average hourly wage

reported by most undocumented workers. See Massey, "The Settlement Process Among Mexican Migrants to the United States.") A family with two workers employed at \$3.35 per hour and working 10% less than full-time would earn \$6,270 over a six-month period.

A comparison of the figures in Tables B.1 and B.2 indicates that there are few situations in which the earnings of undocumented workers are likely to be below the income cut-off for JTPA.

- Undocumented workers without family members in the U.S. (such as spouses) are unlikely to be income-eligible for JTPA. For instance, in Dallas/Fort Worth they could earn no more than \$2,885; only undocumented workers employed in agriculture are below this cut-off.
- When two undocumented workers in the same family are employed, they tend to earn too much money to qualify. For example, the lowest earnings shown in Table B.2 is \$4,888 for two-earner families employed in agriculture. Few undocumented worker families are likely to be in this category. Undocumented male workers from Mexico are the most likely to in agriculture; they work in this sector in the early years of their migration between the U.S. and Mexico and it is during this early period of migration that they are least likely to have their wives or other family members with them in the U.S.<sup>9</sup>



**TABLE B.2**

*Estimated 6-Month Earnings of Undocumented Worker Families by Wage Level, Hours Worked, and Number of Employed Family Members*

Hours Worked and Hourly Wages	One Earner in Family	Two Earners in Family
Full-time @ \$3.35 per hour(a)	\$ 3,484.00	\$ 6,968.00
10% less than full-time @ \$3.35 per hour(b)	3,135.60	6,270.00
Full-time @ \$2.35 per hour(c)	2,444.00	4,888.00
Full-time @ \$4 per hour(d)	4,160.00	8,320.00
10% less than full-time @ \$4 per hour	3,744.00	7,488.00
10% less than full-time @ \$4 per hour and 10% less than full-time @ \$3.35 per hour(e)	NA	6,879.60
10% less than full-time @ \$4 per hour & 50% less than full-time @ \$3.35 per hour(e)	NA	5,215.00

(a) Full-time = 26 weeks at 40 hours per week = 1040 hours. \$3.35 is the minimum wage, which is less than the lowest average hourly wage reported by undocumented workers from Mexico employed in nonagricultural industries in the U.S., adjusted for inflation. The undocumented workers reported typically working more than 40 hours per week and, especially during the early migration period being employed every week they were in the U.S. "See Massey, 'The Settlement Process Among Mexican Migrants to the United States.'"

(b) 10% less than full-time = 936 hours.

(c) Full-time = 26 weeks at 40 hours per week = 1040 hours. \$2.35 is the lowest average hourly wage reported by undocumented workers from Mexico employed in agriculture in the U.S., adjusted for inflation. This is the lowest bound since they reported typically working more than 40 hours per week. (See Massey, "The Settlement Process Among Mexican Migrants to the United States.")

Notes continued on next page.

## Training Hispanics: Implications for the JTPA System

(d) 25% of undocumented workers, who both received amnesty under the Immigration and Control Act of 1986 and reported a wage, earned \$4 or less per hour. Unpublished data from the U.S. Immigration and Naturalization Service.

(e) This category includes only families in which two people were employed but differed in their wages and hours worked.

NA - Not applicable

- Undocumented workers in families of 2-3 persons in the U.S. (such as with a spouse and a child) only meet JTPA's income eligibility criterion when the families have only one wage-earner. For example, undocumented workers (husbands, for instance) employed 10% less than full-time at \$3.35 per hour would earn \$3,135.60; this level of earnings would qualify them for JTPA in Dallas/Fort Worth only if one additional person in the family was working no more than a few hours over a 6-month period. (The income cut-off was \$3,865 in a two-person family). Workers earning \$4.00 per hour and working full-time (earning \$4,160) would be income-eligible in Dallas/Fort Worth only if there were two or more additional people in the family, none of whom was working more than a few hours over a 6-month period.

**Step 3.** The author estimated the number of Hispanic undocumented workers likely to be included in the CPS estimates of people who meet JTPA's income eligibility tests.

*Step 3a. Estimating the number of Hispanic undocumented workers.*

Other research estimated that there were 3,158,000 undocumented workers in the U.S. in 1986. About 2,288,000 were from Latin American countries: 75%

(1,716,000 people) were from Mexico; 15% (343,000 people) were from Central America and 10% from South America.<sup>10</sup>

*Step 3b. Estimating the proportion of Hispanic undocumented workers who the CPS might indicate are eligible for JTPA on the basis of their income.*

The workers were first divided into three groups, according to their country of origin (Mexico, Central American countries, and South American countries). For people from South America, a range of 5-10% (11,000 to 23,000 people) was estimated to be shown in the CPS as eligible for JTPA on the basis of their income. The 10% figure was based on the assumption that due to the distances involved, few return to their countries of origin when they are without work. This would increase the likelihood that they have periods of unemployment in the U.S. similar to those found among Mexican-origin undocumented workers who have had more than ten years of migration experience, as reported in Massey. The 5% figure is based on the assumption that few can afford to be without work for extended periods of time because they cannot receive unemployment insurance benefits or public assistance. (They also do not access these programs, according to Massey.)

For people from Central America, a range of 10% to 25% (34,000 to 86,000) people was estimated to be shown in the

CPS as eligible for JTPA on the basis of their income. This range is based on "best guesses" about the behavior of undocumented workers from Central America who are primarily from Nicaragua and El Salvador. A relatively high percentage is suggested by the view that even when the people are without work in the U.S., they do not want to return to their countries for reasons of safety and distance. A relatively low percentage is suggested by the view that most arrive in the U.S. already aware of a network of friends and relatives who can help them "settle in" and find work.<sup>11</sup> After a period of adjustment, the undocumented workers obtain employment using the connections of those with U.S. experience.

For people from Mexico, a range of 9% to 10.5% (154,000 to 181,000 people) was estimated. This range is based first upon

estimated workers who were employed in agriculture in 1986. Experts on the topic suggest that between 25% and 40% of agricultural workers in the U.S. are undocumented. This translates to 3%-5% (49,000 and 79,000 people) of undocumented workers from Mexico.<sup>12</sup> The CPS may also show another 6% of undocumented workers from Mexico (102,000 to 105,000 people), who are employed in nonagricultural industries in the U.S., to be income-eligible.<sup>13</sup>

For all the reasons given above, this paper roughly estimates that the CPS may show between 9% and 13% of Hispanic undocumented workers as qualifying for JTPA on the basis of their income. Excluding them from the population of eligibles indicates that Hispanics are 13% of the eligible population.

## ENDNOTES

1. The JTQS understates enrollments by 10% according to comparisons with administrative data (data from the Job Training Partnership Training Act Annual Status Report or "JASR.")
2. The remainder of this section is based on the "Original Job Training Longitudinal Survey (JTLS) Title IIA Sample Design" in "Job Training Quarterly Survey (JTQS): Title IIA Administrative Data Collection Sample Design," U.S. Department of Labor, August 1988.
3. Karen Woodrow and Jeffrey Passel, "Preliminary Estimates of Undocumented Immigration to the United States: 1980-1986: Analysis of the June 1986 Current Population Survey," Proceedings of the Social Statistics Section at the meetings of the American Statistical Association, San Francisco, California, August 1987.
4. Douglas Massey and Kathleen Schnabel, "Background and Characteristics of Undocumented Hispanic Migrants to the United States: A Review of Recent Research," Migration Today, Vol. XI, No. 1 (1983), pp. 8-13.
5. U.S. Department of Labor, Office of Strategic Planning and Policy Development, December 1988. Using data from the March 1988 CFS, USDOL shows that Hispanics are 14% of the eligible population. See Office of Strategic Planning and Policy Development, June 1989.
6. Douglas Massey, "The Settlement Process Among Mexican Migrants to the United States," American Sociological Review, Vol. 51 (October 1986), pp. 670-684.
7. Dallas/Fort Worth and Los Angeles were selected for this exercise because they have relatively large concentrations of undocumented workers.
8. Massey and Schnabel, "Background and Characteristics of Undocumented Hispanic Migrants to the United States: A Review of Recent Research," and Massey, "The Settlement Process Among Mexican Migrants to the United States."
9. Massey, "The Settlement Process Among Mexican Migrants to the United States."

10. Woodrow and Passel, "Preliminary Estimates of Undocumented Immigration to the United States: 1980-1986: Analysis of the June 1986 Current Population Survey," August 1987; and Jeffrey Passel and Karen Woodrow, "Geographic Distribution of Undocumented Immigrants: Estimates of Undocumented Aliens Counted in the 1980 Census by State," International Migration Review, Vol. xviii, No. 3, pp. 642-672. The 15% figure for Central Americans is somewhat higher than that indicated from 1980 Census data, 12%.

11. The existence of a network of people in the U.S. would partly explain undocumented Hispanic workers' preference for settling in areas which already have large Hispanic communities. See Passel and Woodward, "Preliminary Estimates of Undocumented Immigration to the United States: 1980-1986: Analysis of the June 1986 Current Population Survey."

12. Discussion with Dr. Phillip Martin; and U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, Vol. 34, No. 1 (January 1987), p. 183.

13. Based on Massey's research it is estimated that 75% have fewer than ten years of experience migrating between the U.S. and Mexico, and of them, 5% experience some period of joblessness before returning to Mexico. (This amounts to 61,000 to 63,000 people in nonagricultural work.) The relatively low figure of 5% is based on the finding that rather than remain unemployed in the U.S., people with fewer than ten years of migration experience tend to return to Mexico. In addition, 25% of people in nonagricultural industries are estimated to have ten or more years of experience migrating and 10% of them experience some periods of joblessness in the U.S. (This amounts to 41,000 to 42,000 people.) The relatively high figure of 10% is based on the finding that these migrants have tended to develop social ties within the U.S. and do not as quickly return to Mexico as those workers with less migration experience.

## APPENDIX C

### Description of "The Hispanic Factor" in the Performance Standards Adjustment Models of the U.S. Department of Labor

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As described in Section IV of this report, the performance standards adjustment models are based on regression analysis. There is a separate regression for each performance standard. In PY88 there were eight performance standards for adults and so there were eight regressions.<sup>1</sup>

The regressions include two types of factors. One type is intended to capture local area characteristics, such as its unemployment rate. The second type, of importance here, is intended to capture the characteristics of "the hard to serve." The intent in including this second type of factor is to permit states to "hold SDAs harmless" if they serve greater than average percentages of the hard to serve.

Specifically, if SDAs serve a greater than average percentage of a group included in the regression (such as blacks, Hispanics, or welfare recipients), the regression permits these SDAs to meet a performance standard which is below the national average. The size of the reduction is determined by (a) calculating the difference between the percentage served nationally and the percentage served locally and (b) multiplying that difference by the weight which the regression

produced. (See the worksheets at the end of this appendix.)

As described in the text of this report, Hispanics are considered to be among the hard to serve. The types of adjustments the models permit for them are discussed next.

#### The Hispanic Factor in the Adjustment Models

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The "Hispanic factor" in the regressions is the proportion of the programs' termines who are Hispanic. Similarly, the "black factor" is the proportion of termines who are black. The group "left over," for purposes of summing to 100 percent, is, in most SDAs, the proportion of termines who are white.

An adjustment for Hispanic termines is permitted for only one of the eight adjustment models: it is included only in the regression used to adjust the "cost-per-entered employment" standard. (The factors included in the PY88 "cost" regression are shown in Table C.1) In this regression, there is no black factor. Blacks are combined with whites in the contrasting "reference group" — this means that the regression shows whites



**TABLE C.1**

***Factors In Regression Used To Adjust Adult "Cost Per Entered Employment"  
Performance Standard, PY88***

***(Ratio of Federal Program Funds to Number of Terminees Who Enter Unsubsidized Employment)***

Estimated Factor Sign	Factor Label	Factor Content
<b><u>Terminee Characteristics</u></b>		
+	% Hispanic	Percent of program terminees who are Hispanic
+	% UC Claimant	Percent of program terminees who were receiving Unemployment Compensation (UC) prior to entering JTPA
+	% Not in Labor Force	Percent of program terminees who were not in the labor force prior to entering JTPA
+	% AFDC Recipient	Percent of program terminees who were receiving Aid to Families with Dependent Children (AFDC) prior to entering JTPA
+	% GA/RCA Recipient	Percent of program terminees who were receiving General Assistance or Refugee Cash Assistance (RCA) prior to entering JTPA
-	% Terminees	Percent of program participants who complete the program
<b><u>Local Conditions</u></b>		
+	Unemployment Rate	Percent of SDA's labor force that is unemployed
+	Average Annual Earnings in Retail and Wholesale Trade	Average annual earnings of employees in SDA who are in Wholesale and Retail Trade industry
+	Population Density	Number of people in SDA per square mile

Note: Program terminees are people who have been enrolled in JTPA and left the program, whether or not they completed it.

and blacks to be similarly costly to serve and both less costly to serve than Hispanics.

The situation is exactly the reverse in the remaining seven regressions. (For purposes of illustration, Table C.2 shows the factors included in the PY88 entered-employment-rate regression.) Adjustments are permitted for the proportion of terminees who are black while Hispanics are combined with whites in the contrasting reference group. This means that, for example, the regression for "entered-employment rate" shows Hispanics and whites to be similarly easy to place and both easier to place than blacks.

The Hispanic factor was not included in the seven final regressions for PY88, in part because initial results showed that having higher (or lower) than average proportions of Hispanics in the program did not strongly affect SDAs' ability to meet national standards. (The factor was statistically insignificant). Also, initial results showed a positive relationship between having Hispanics in the program and an SDA's ability to meet its standard.

For example, initial results for the "entered-employment-rate" regression showed that SDAs with higher than average proportions of Hispanics among their programs' terminees ought to have entered-employment rates higher than the national standard. An Hispanic factor was excluded from the final adjustments because it did not make sense to those developing the regressions that economically disadvantaged Hispanics -- who, on average, have relatively low

educational levels and lack proficiency in English -- should also be easier, rather than more difficult, to place than whites.<sup>2</sup>

As mentioned earlier, the policy intent was not to penalize SDAs for serving higher than average proportions of Hispanics. They would be "held harmless." The analysts overlooked the fact that the regressions were showing Hispanics and whites to have similar effects on SDAs' abilities to meet their performance standards because the Hispanics in JTPA are more similar to whites in JTPA than they are to the economically disadvantaged population of Hispanics.

If economically disadvantaged Hispanics are in reality harder to place than whites, for example, then SDAs are not permitted to adjust for having higher than average proportions of them among their program terminees.<sup>3</sup> To the extent SDAs have a goal of serving Hispanics, they can only meet this goal by serving those Hispanics who are very similar to whites in their "employability characteristics."

To the extent that Hispanics in JTPA are as easy to place as whites (and also have no adverse effect on SDAs' abilities to meet six of the other seven performance standards), then it becomes necessary to explain how the "cost-per-entered-employment" regression could show Hispanics to be more costly to serve than both whites and blacks.

**TABLE C.2**

***Factors in Regression Used to Adjust Adult "Entered Employment Rate"  
Performance Standard, PY88  
(Proportion of Terminees Who Enter Unsubsidized Employment)***

Estimated Factor Sign	Factor Label	Factor Content
<b><u>Terminee Characteristics</u></b>		
-	% Female	Percent of program terminees who are female
-	% Age 30 or more	Percent of program terminees who are 30 years of age or older
-	% Black	Percent of program terminees who are black
-	% Dropout	Percent of program terminees who are school dropouts
-	% Unemployed 15 Weeks or More	Percent of program terminees who were unemployed 15 or more weeks prior to entering JTPA
-	% Not in Labor Force	Percent of program terminees who were not in the labor force prior to entering JTPA
-	% AFDC Recipient	Percent of program terminees who were receiving Aid to Families with Dependent Children (AFDC) prior to entering JTPA
-	% GA/RCA Recipient	Percent of program terminees who were receiving General Assistance (GA) or Refugee Cash Assistance (RCA) prior to entering JTPA
<b><u>Local Conditions</u></b>		
-	Unemployment Rate	Percent of SDA's labor force that is unemployed
+	Population Density	Number of people in SDA per square mile
-	Employee/Resident Worker Ratio	Ratio of the number of employees in SDA to the number of people living in SDA

Note: Program terminees are people who have been enrolled in JTPA and left the program, whether or not they completed it.

### ***Adjusting the National "Cost" Standard for the Hispanic Factor***

SDAs are permitted to adjust their cost-per-entered-employment standard upward when they have higher than average proportions of Hispanics among their program terminees. The employment and training community has interpreted this to mean that training Hispanics is a more costly undertaking than training their white or black counterparts. The rationale for this interpretation is evidence that, on average, Hispanics have greater employment and training needs than whites or blacks. Their dropout rate is substantially higher than that of either whites or blacks and Hispanics are also more likely than whites and blacks to need English language training.<sup>4</sup>

Determining whether or not Hispanics in JTPA are in fact more costly to serve is important. Under the current system, SDAs with greater than average proportions of Hispanics among their program terminees are permitted to adjust their cost standard upward even if they incur no additional costs due to Hispanics. Moreover, SDAs do not incur additional costs to the extent they select Hispanics who have basic skills and are proficient in English.

There is evidence to suggest that the reason why the regression produces a positive relationship between costs and the presence of Hispanics has little or nothing to do with the personal characteristics of Hispanics in JTPA. In particular, it is possible that there are technical problems in the regression. The relationship may be positive because both the Hispanic factor and the stand-

ard are positively related to other factors not included in the regression: the regression may have produced results which "look like" having Hispanics in JTPA programs raises per-person program costs when the result may be attributable to Hispanics' concentration in SDAs with particular characteristics.

The cost-per-entered employment standard is a ratio. Its numerator is the federal contribution to an SDA's operations; in essence, the numerator is an SDA's allocation. Data for the cost standard are from all SDAs while Hispanics are concentrated in a relatively small number and their patterns of concentration are associated with particular SDA characteristics.

A positive relationship between Hispanics and the cost standard may be due to similarities between the distribution of Hispanics across SDAs of different sizes and the distribution of JTPA funds across SDAs of different sizes.<sup>5</sup> For example, as discussed in the text, large urban SDAs receive a smaller JTPA allocation than medium-sized SDAs; similarly, large urban SDAs have smaller proportions of Hispanics among their program terminees than some of the medium-sized ones.

It also may be that Hispanics are concentrated in areas where program costs are high for all groups, Hispanics, whites, and blacks. The factor included in the regression as a proxy for differences in the cost of living across SDAs (annual earnings of people in wholesale and retail trade) may not be capturing fully differences in program costs.

## Training Hispanics: Implications for the JTPA System

The possibility that Hispanics' geographic distribution is responsible for the positive relationship between costs and the Hispanic factor is further bolstered by the discussion in the text of the characteristics of Hispanics in JTPA. It is also bolstered by the results of the other seven regressions which show Hispanics and whites to have similar ef-

fects on SDAs' abilities to meet their performance standards.

In sum, the adjustment models, as a whole, do not adequately encourage SDAs to serve Hispanics as a group, and especially those Hispanics who lack basic skills and proficiency in English.

PY 88 JTPA Performance Standards Worksheet			A. Service Delivery Area's Name	B. SDA Number
C. Performance Period PY 88	D. Type of Standard     Plan     Recalculated	Date Calculated _____	E. Performance Measure Entered Employment Rate (Adult)	

F. LOCAL FACTORS	G. SDA FACTOR VALUES	H. NATIONAL AVERAGES	I. DIFFERENCE (G MINUS H)	J. WEIGHTS	K. EFFECT OF LOCAL FACTORS ON PERFORMANCE EXPECTATIONS, (I TIMES J)
1. % Female		55.1		- .073	
2. % Age 30 and Above		52.8		- .166	
3. % Black		23.2		- .055	
4. % Dropout		24.8		- .177	
5. % Unemployed 15 Weeks or More		48.7		- .015	
6. % Not In Labor Force		11.9		- .082	
7. % AFDC Recipient		23.8		- .159	
8. % GA/RCA Recipient		5.2		- .312	
9. Unemployment Rate		7.4		- .608	
10. Population Density (1000s/sq.m.)		0.7		.633	
11. Employee/Resident Worker Ratio		99.9		- .064	
L. Total					
M. NATIONAL DEPARTURE POINT					68.0
N. Model-Adjusted Performance Level (L + M)					
O. Governor's Adjustment					
P. SDA Performance Standard					

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FY 88 JTPA Performance Standards Worksheet			A. Service Delivery Area's Name	B. SDA Number
C. Performance Period PY 88	D. Type of Standard     Plan     Recalculated	Date Calculated	E. Performance Measure Cost Per Entered Employment (Adult)	

F. LOCAL FACTORS	G. SDA FACTOR VALUES	H. NATIONAL AVERAGES	I. DIFFERENCE (G MINUS H)	J. WEIGHTS	K. EFFECT OF LOCAL FACTORS ON PERFORMANCE EXPECTATIONS, (I TIMES J)
1. % Hispanic		8.3		6.2	
2. % UC Claimant		10.3		34.5	
3. % Not in Labor Force		11.9		8.0	
4. % AFDC Recipient		23.8		24.9	
5. % GA/RCA Recipient		5.2		15.2	
6. % Terminees		73.2		- 22.0	
7. Unemployment Rate		7.4		63.8	
8. Average Annual Earnings in Retail and Wholesale Trade (000)		12.5		79.0	
9. Population Density (1000s/sq.m.)		0.7		79.5	
L. Total					
M. NATIONAL DEPARTURE POINT					\$4,500
N. Model-Adjusted Performance Level (L + M)					
O. Governor's Adjustment					
P. SDA Performance Standard					

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## ENDNOTES

1. The eight performance standards are: entered-employment rate, follow-up employment rate, average wage at placement, follow-up weekly earnings, follow-up weeks worked, cost-per-entered-employment rate, welfare-entered-employment rate, and follow-up welfare-entered-employment rate.
2. "Hispanics were excluded from all models except the cost-per-entered employment model because the estimated weight was either small or counter-intuitive." Katherine P. Dickinson and Richard W. West, "Development of Adjustment Models for PY88: JTPA Training Performance Standards," Prepared for the U.S. Department of Labor, Menlo Park, California: SRI International, November 1988, p. IV-28; and Katherine P. Dickinson and Richard W. West, "Development of Adjustment Models for PY86 JTPA Performance Standards," Prepared for the U.S. Department of Labor, Menlo Park, California: SRI International, June 1986.
3. Burt Barnow and Jill Constantine, "Using Performance Management to Encourage Services to Hard-to-Serve Individuals in JTPA," RR 88-04, National Commission for Employment Policy, April 1988.
4. For an example, National Commission for Employment Policy, Hispanics and Jobs.
5. The PY88 regression includes a factor, population-density per square mile, which the analysts may intend to proxy for the size of SDAs. However, for the most part, it is not a reasonable proxy since SDAs of similar sizes may have very different densities. For example, Los Angeles and New York have similar population sizes, but the population density of Los Angeles is considerably less than that of the boroughs of New York.