DOCUMENT RESUME

ED 317 642 UD 027 349

TITLE Working it Out: An Anthology of State and Local Performance Management Strategies Designed To Increase Service to Youth At Risk of Chronic Unemployment. Report from the Region V, Youth Performance Management Task Force.
INSTITUTION Brandeis Univ., Waltham, Mass. Florence Heller Graduate School for Advanced Studies in Social Welfare.; Department of Labor, Chicago, IL. Region V.
SPONS AGENCY Employment and Training Administration (DOL), Washington, D.C.
PUB DATE Feb 89
GRANT 99-7-1879-72-331-02
NOTE 96p.; For a related document, see UD 027 350. Appendix 2 has small, filled print.
PUB TYPE Guides - Non-Classroom Use (055)

EDRS PRICE MF01/PC04 Plus Postage.
DESCRIPTORS Administrator Guides; At Risk Persons; Community Programs; *Cooperative Programs; *Employment Programs; Federal Programs; Job Training; Performance Contracts; *Policy Formation; *Program Administration; *State Programs; *Youth Programs
IDENTIFIERS *Job Training Partnership Act 1982

ABSTRACT

This document is the first volume of a two-volume resource guide to help states and localities take advantage of new Federal initiatives to increase services to youth under the Job Training Partnership Act (JTPA). It summarizes the performance management principles and options available to program administrators identified in discussion papers (the second volume comprises those discussion papers and provides examples of existing policies), and emphasizes the need for JTPA Service Delivery Area (SDA) administrators to collaborate with service providers to develop competency and contracting systems tied to effective local program designs. The following state-level policy actions are discussed: (1) selecting and setting performance standards; (2) establishing incentive policies; (3) increasing coordination among youth agencies; (4) making effective use of discretionary grants; and (5) providing technical assistance. The following local-level issues are discussed: (1) defining at-risk youth and employability; (2) developing multi-tiered service delivery systems; (3) designing youth-centered competency-based programs; (4) encouraging high performance through contracting; and (5) making effective use of Requests for Proposals (RFPs). Four charts are included. Examples of service contracting materials used in Los Angeles and Michigan are appended. (FMW)

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An Anthology of State and Local Performance Management Strategies Designed to Increase Service to Youth At Risk of Chronic Unemployment

February 1989

This Paper Represents the Work of the United States Department of Labor, Region V, Youth Performance Management Task Force

Illinois
Indiana
Michigan
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Wisconsin

Prepared by Brandeis University, Center for Human Resources
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PREFACE

In 1987, the Department of Labor (DOL) announced a series of fundamental policy goals that established improving the long-term employability of youth and adults as a clear priority for the Job Training Partnership Act. For youth practitioners and policy-makers, three goals offer a particular challenge and opportunity for all levels of the JTPA system:

- To increase services to individuals at risk of chronic unemployment, especially youth
- To foster training investments that lead to long term employability
- To increase basic skills training and competency-based occupational skills training

These DOL policy goals are reflected in the revised performance standards system that went into effect July 1, 1988 (with parts becoming effective July 1, 1989). Specifically, the new youth employability enhancement performance measure, the adjustments to the youth cost standards, and the strengthened guidelines for youth competency attainment were designed to:

- encourage more intensive investment in services to at-risk youth by setting cost standards at levels that will accommodate more comprehensive programming;
- increase basic skills and competency-based occupational training by providing a performance measure (employability enhancement) that stresses the importance of the basic and occupational skills necessary to enter the labor market and that, in doing so, legitimizes non-employment outcomes for youth; and
- improve the quality and consistency of youth programming by emphasizing the provision of substantive pre-employment/work maturity skills and the attainment of competencies in at least two major skill areas.

DOL's policy goals and performance standards revisions grew out of the Department's concern over growing numbers of youth not receiving adequate preparation in basic education and occupational skills to compete for the complex jobs that typify our labor market. Those national decisions have, in turn, "set the stage" for state and local decision making that can genuinely move the employment and training system forward in improving the quality of youth programs and in expanding services for those who need the most assistance. The effect of these policy signals on the programs designed and the participants served, however, will depend on the bold and creative decisions made by states and within SDAs. Increasing the training investment in youth requires the cooperation of all levels of the JTPA community.

Increasing and Expanding Services to Youth: Options for States and Localities

This resource guide was assembled to help states and localities take advantage of the new federal initiatives to increase services to at-risk youth. Drawing on the experiences of state and local practitioners from the states in DOL's Region V, the guide identifies ways in which states can expand and improve services to youth through such key state level policy actions as:

- selecting and setting performance standards
- establishing incentive policies
- increasing coordination among youth-serving agencies
- making effective use of discretionary grants
- providing technical assistance.

The guide also provides best practices and policy guidance for the local level on the following issues, based on options from SDAs and program operators in Region V:

- definitions of at-risk youth and employability
- multi-tiered service delivery systems
- youth centered, competency based program designs
- contracting methods to encourage high performance
- effective use of RFPs.

The materials for "Working It Out" are organized into two separate documents. This paper summarizes the performance management principles and options identified by the Region V Task Force based on papers developed for the Task Force and Task Force discussions. Its goal is to lay out the basic policy strategies and choices available to state and local administrators. For those interested in more detailed information, the options papers developed by Task Force members and examples of existing state and local performance management policies are collected in a second volume: "Working It Out: Options Papers and Sample Policies."

Using This Guide: A Call for Collaboration

Over the course of the six months of Task Force deliberations, there was one point on which everyone agreed: effective performance management, and effective youth programming, has to be based on collaboration. In order to serve youth well at the local level, Service Delivery Area (SDA) administrators and service providers need to work together to arrive at workable competency and contracting systems tied to effective program designs. Similarly, for state policies to result in increased services to youth and improved service quality, they need the involvement of the SDAs. Perhaps most important, at both the state and local level, JTPA practitioners need to open their doors to other youth serving systems and gain their involvement early in the policy making process if they are to adequately address the needs of at-risk youth.

We believe that this guide can contribute to that collaborative process by clarifying some of the JTPA policy options and by highlighting some of the ways in which youth-serving systems can coordinate their services. We strongly encourage policy makers at the state and local level to sit down with each other and with their counterparts in other systems and review this guide together. It is our hope that, by providing a common ground of information, we can spark a broader discussion of how your agencies can work together to better serve those young people who are most at risk.

Working It Out

"Working It Out" was developed by the Center for Human Resources at Brandeis University in partnership with the Region V Youth Performance Management Task Force. The title for the guide was deliberately chosen. While bringing to the Task Force a rich store of ideas supported by demonstrated effectiveness and extensive experience in collaboration and innovative policies and practices, representatives of the Region V states also emphasized that this is essentially a work "in progress." The title "Working It Out" reflects the fact that, in developing a guide for colleagues in the field, we are all still trying out new strategies for helping young people. The options outlined here reflect the best judgement of the participants in the Task Force. But we need to recognize that "the returns are not all in" on how these options will work in difference situations. Each state and SDA will have to examine its own circumstances and determine the performance management strategy that best meets its needs. It is in the spirit of a common search for solutions, that the Task Force and Brandeis offers this options book. We all hope that it inspires bold decision making in your state and SDA and a continued search for new solutions. The choices you make are critical to our future and to a quality workforce.

ACKNOWLEDGEMENTS

This guide is the result of collaboration on many fronts. Most of the material in the guide was developed by the members of the Region V Youth Performance Management Task Force (listed on the following page). Comprised of practitioners from state JTPA and education agencies, SDAs and PICs, and service provider agencies from Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin, the Task Force was set up to identify performance management strategies that states and localities could use to make the most of the new federal JTPA youth initiatives. Task Force members met regularly between September, 1988, and February, 1989, to identify issues, discuss options, and review draft materials. A number of Task Force members also drafted background papers reflecting their own experiences and views on particular issues and supplied sample policies from their states. (Those materials are presented in a companion volume to this guide.) Without the time and effort that the Task Force members invested in this initiative, the guide would never have been developed.

Joseph Juarez, the Department of Labor's Regional Administrator for Region V, and Paul Fredericks and Nola Penn on his staff also deserve much of the credit for the Task Force and the resulting guide. The initial idea for the Task Force originated with the Regional Office, which then provided critical financial and staff support for the Task Force's operations. Paul Fredericks, in particular, played a key role in organizing the Task Force and providing ongoing support.

The final text of "Working It Out" was prepared by Alan Melchior and Susan Curnan at the Center for Human Resources at Brandeis University. Their work was supported by a grant from the U.S. Department of Labor, Employment and Training Administration. We at Brandeis would like to thank Patricia McNeil, Karen Greene, Erich Larish, Hugh Davies, and Elaine Kolodny at the Department of Labor for their help in making it possible for us to work with the practitioners from Region V. Karen Greene in particular played a major role in supporting the idea of the Task Force and in shaping its approach.

Lastly, we would like to thank the JTPA Liaisons and the various state and local agency directors who encouraged members of their staffs to participate in the Task Force. We believe that through their willingness to involve their staffs in the Task Force, we have all learned how to serve at-risk you a little better.

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The material in this publication was prepared under Grant No. 99-7-1879-72-331-02 from the Employment and Training Administration, U.S. Department of Labor, under the authority of Title IV, part D, of the Job Training Partnership Act of 1982. Grantees undertaking such projects under Government sponsorship are encouraged to express freely their professional judgement. Therefore, points of view or opinions stated in this document do not necessarily represent the official position or policy of the Department of Labor.

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STARTING WITH YOUTH AT RISK

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Most works on performance management begin with a statement about JTPA's performance standards and the roles that state and local policy makers can play in a performance-driven system. But effective performance management (and effective programming) begins not with the legislation or the regulations, but with thinking about what it means to build the employability skills of at-risk youth. Whether establishing statewide goals or designing a local program mix, policy makers and planners need to begin their thinking by looking at the fundamental skill and behavior requirements of employers and the diverse skills and behavior patterns of the youth population. The development of this supply and demand portrait may incorporate employer surveys, examination of "PIC recognized competencies," meetings with practitioners and youth, and reviews of statistical data and other sources. What is important, however, is that the needs of youth and employers, set the context for answering three fundamental performance management questions:

- Who are you going to serve?
- What outcomes do you want to achieve?
- What training and service needs have to be met?

This guide begins with the assumption that the "who" we all want to serve are at-risk youth -- loosely defined as those youth most likely to fail in school and the labor market -- and that the outcome we want to achieve is long-term employability. In this section, we will outline some of the issues involved in refining that definition of "at-risk youth" and in making decisions about outcomes and service options, based on the discussions of the Region V Task Force. The answers to these questions are important. It is through them that we begin to determine the kinds of program designs that are most appropriate for at-risk youth and the policies needed to support an effective high performance youth training system. And in doing that, we set the goals for performance management at both the state and local levels.

Who Are You Going To Serve?

There are a number of methods for defining at-risk youth, and as many specific definitions as there are practitioners. Each approach carries implications for measuring performance and designing systems and programs.

Group Characteristics. The most traditional way of defining the at-risk population (and perhaps the most popular under JTPA) is in terms of demographic characteristics. Practitioners have long known that low income, being black or hispanic, having dropped out of school, or receiving welfare, among other factors, correlate highly with risk of long-term unemployment. More recently, behavioral characteristics such as court-involvement, teen parenting and substance abuse have been identified as additional risk factors. At-risk youth, then, are frequently defined in terms of a list of characteristics, or combinations of characteristics.[1]

Many states and communities depend exclusively on these kinds of demographic indicators to define the at-risk population, in part because of the strong research base, but also because the data are readily available through the census and other public documents. There are, however, several significant drawbacks to using only group characteristics to define the youth population. The first is that as proxies for more specific skill deficits and social problems, group characteristics are not easily compared to employer requirements in defining employability, nor can they be readily translated into needs that can guide a service strategy. As a result, when used in planning, they tend to mask the real skill issues that need to be addressed. The second drawback is that the use of group characteristics as a performance management strategy does not guarantee that all youth in that group are at-risk. Minority youth, as one example, will vary substantially in their levels of skill and experience, but all may be included in an "at-risk" strategy. In fact the "creaming" charges often leveled at JTPA programs arise,

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1 The options papers by Dean Fangman, "Comments on the Development of Youth Policy," (Ohio) and by Kay Tracy and Ray Garmaker, "Youth Policy Resource Guide" (Minnesota) both provide examples of a group characteristics approach to defining at-risk youth.

Throughout this paper we will refer to options papers and sample policies that were used during the Task Force discussions. Those materials have been collected and arranged by state in a supplemental volume, "Working It Out: Options Papers and Sample Policies. Where a state name is shown in parentheses in those references [such as (Ohio)], it indicates the section of the supplemental volume in which the particular options paper or policy can be found.

in part, because all members of a target group served by JTPA may not necessarily have employment-related skills deficits or other barriers to employment.[1]

Skill Levels. A second approach that is growing in use is the definition of at-risk youth in terms of specific skill deficits or levels of employability. In this instance, at-risk youth are often defined as those lacking functional basic skills and/or pre-employment/work maturity skills.[2] This approach focuses much more specifically on skills (such as the ability to read a graph or to complete a job application) which can be matched up more directly with employer expectations. Equally important, by defining at-risk youth in terms of specific skill levels, practitioners are also able to recognize and define different levels of need within the youth population in very specific terms -- such as youth testing above or below specified reading and math levels. As a result, planning decisions can be made with more precision, and program providers can develop appropriate curriculum and program designs for meeting different levels of need within the population.

Several points need to be considered in adopting a skills-based definition. The skills approach to defining at risk youth requires the development or procurement of new data sources (such as academic records) and assessment tools to gather planning

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[1] This point is made in several Task Force papers. See James O'Brien, "Defining At-Risk Youth" in the Illinois section of the supplemental volume and Richalene Kozumplik, "Defining At-Risk Youth" in the Indiana section.

[2] See the Task Force paper by Linda Kinney and Robert Rice, "Serving At-Risk Youth" in the Michigan section of the supplemental volume and the paper "Defining At-Risk Youth" in the Indiana section for discussions of defining at-risk youth in terms of levels of employability.

Several recent studies have explored the problem of youth employment from the employer's point of view. When asked what they look for in young hires employers - large and small, in a wide variety of business and industries - agree upon a few basic qualifications:

- Basic verbal, writing and mathematical skills;
- "Work maturity," including the ability to follow instructions and to satisfy basic job requirements such as punctuality and regular attendance;
- An awareness of the "world of work," including some sense of one's own occupational interests and opportunities;
- Positive work-related attitudes including a strong work ethic, and knowledge of proper behavior on the job;
- Occasionally, a specific skill such as the use of certain tools or machinery.

These qualifications form the basic competencies essential for employability and are broadly known as youth employment competencies under JTPA.

data that indicates skill levels -- activities which are beneficial in the long-run but may be time consuming and expensive in the short term. Some practitioners argue that a purely skill-based definition fails to take into account important social and cultural barriers to employment. Finally, areas that have traditionally defined service in terms of demographic groups only may find it politically difficult to make the shift to an exclusive skill-based definition because it appears to reduce the focus on particular target populations.

The Preferred Approach: A Hybrid Definition to Increase Service to At-Risk Youth. The Task Force formulated a third approach which combines both skill measures (such as basic skill level) and group characteristics (such as teen parent) in defining at-risk youth. A "hybrid" definition, for example, might define at-risk youth as those who are dropouts, or minorities, or teen parents and who lack specific educational and/or work skills. The purpose of a hybrid definition is to gain the advantages of the skill approach -- that is, targeting those with clearly specified employment skill needs -- while formally recognizing some of the social factors that exacerbate the risks of failure in the labor market.[1] By including demographic and/or social characteristics, the hybrid approach may also make it easier for JTPA and other youth serving agencies to develop common definitions.

What Outcomes Do You Want To Achieve?

Most practitioners agree the ultimate outcome for youth in training and employability development programs should be "to attain economic self-sufficiency through employment". In effect, quality employment is the best final outcome for training and the goal towards which all young people must move.

However, any discussion of outcomes for youth also has to go beyond the simple slogan "our job is jobs" and recognize that for many youth -- those requiring long term, intensive basic skills remediation and workplace training -- it is essential to identify interim outcomes on the road to employability. All young people are not alike, and an

1 The brief paper by Richalene Kozumplik, "Defining At-Risk" by Behavior vs. Characteristics" (Indiana) attempts to translate several group characteristics into skill measures as part of a hybrid approach.

effective employment and training strategy has to recognize the different levels of need among youth and to establish interim and final outcomes that are appropriate to the profile of the youth that are enrolled. For some youth, immediate employment is not only possible but appropriate and desirable. For others, some exposure to the world of work may be necessary prior to placement, and for still others extensive training, counseling and rigorous work site training will be required prior to quality placement. For every youth, though, "How long it takes to reach the level of employability (e.g. job readiness) depends on where you start."

In developing a coherent strategy for serving youth, then, practitioners and policy makers need to define interim as well as final outcomes that are meaningful, that are related to a youth's initial level of skill, and that reflect real progress toward employability. For those youth needing intensive training and basic skills development, employability skills development as measured by "competency attainment" under JTPA can be a logical interim outcome. For other youth, employment may be the only outcome that reflects real gains. What is important, however, is that there is a sequence of outcomes that enable young people to be adequately prepared before they are placed in a job.

What Training And Service Needs Have To Be Met?

It is now common knowledge among employment and training professionals -- the Work Force 2000 forecasts, the Quality Work Force Initiatives and reports on "The Forgotten Half" have succeeded in raising our consciousness -- that the problem is not a shortage of workers overall -- it's how those workers fit or do not fit the available jobs. The "mismatch" between workers and skill demands is attributed largely to a demographic shift in the population and growing technical sophistication and skill requirements of the labor market. In short, there are fewer prepared entry level workers for jobs requiring higher order cognitive and workplace skills.

Many experienced employment and training practitioners and policy makers recognize yet another great mismatch -- one between their client groups and their JTPA program designs. Demographics certainly help explain part of the problem. While the actual number of young people entering school, training systems and the labor market is diminishing, the proportion of those suffering from poverty, lack of education, run-ins with the law, language barriers, etc., is actually increasing. These are the young people for whom we are designing special "high risk" programs. There is another element exacerbating the mismatch between clients and program designs. As the economy continues to improve and sustains an "employees market," more of the youngsters characterized as "employable" or "nearly employable" but requiring effective short-term job search training (typical of JTPA training regimes) are getting jobs on their own. Often "job-hopping" -- moving easily from one job to another -- and occasionally taking a moratorium from work, these youngsters are confident the next job will be waiting for them. To be sure, there are training and quality career issues associated with this behavior, but for the employment and training professionals the immediate (and perhaps lasting) consequence of these labor market dynamics is that -- on a continuum of employability preparation -- those nearly ready for work and those needing placement services are harder and harder to find. Yet, most JTPA programs have been designed around those very youth.

Responding creatively to the new demographics and the labor market demand is <u>the</u> performance management challenge of the 1990s and requires a new look at how our employment training systems are structured. Practitioners are currently reporting the need for more capacity to serve the handicapped and youth severely lacking in basic education skills and pre-employment/work maturity skills. And as the section on local strategies indicates, JTPA administrators will increasingly need to develop strategies that can address multiple levels of needs, that can match services and individual needs, and that can support a long-term employability development process.

Implications For Performance Management

Meeting the needs of at-risk youth today means changing the current way of doing business. Rather than simply continuing with programs that have been successful in the past, policy makers and practitioners are going to have to look closely at the needs of youth, the demands of the labor market, and the services currently available and begin moving to fill some growing gaps. More and more, both state and local administrators need to ask: Given the skills, experience and support that young people need to achieve employability (and ultimately employment), what kinds of services do we need to offer to whom, what kind of program mix do we need, what institutions should we bring into the service delivery process, and how do we provide incentives to encourage agencies to provide increased services for youth at risk?

The implications of these questions for program design and performance management are signficant. By beginning with the needs of youth and the demands of the labor market we can develop employability development strategies that are relevant and responsive. As we struggle with the difficult issues of defining "at-risk youth" or of identifying appropriate interim and final outcomes, we can begin to see what kinds of services we need to be providing and how they can be most effectively organized. And as we build a service delivery system based on the needs of young people, we can also begin to see how we can use state and local performance management tools to support the employability process.

Finally, as JTPA serves larger proportions of youth with multiple needs who require a combination of education, employment and social services, it becomes increasingly clear that JTPA can not go it alone. Interagency cooperation has never been more important. JTPA professionals must determine what share of the job of preparing youth people for self-sufficiency makes sense for them and, more to the point, how that share can succeed within the current performance management system. But, as we will say many times in the course of this guide, one of the most consistent themes of the Region V Task Force was the need for all of the agencies involved in serving youth to develop a holistic view of the interagency youth preparatory system. There is no question that we collectively must strengthen basic education skills, workplace skills and support services for at-risk youth. It is also clear that there is no time to debate whose job it is. The challenge is bigger than any one agent.

LOCAL STRATEGIES

LOCAL STRATEGIES

PROGRAM DESIGN AND PERFORMANCE MANAGEMENT

Most experienced practitioners agree on the basic elements of effective programming for at-risk youth. A mix of work and classroom learning; an individualized, competency based approach based on an assessment of individual needs and a mutually agreed upon employability development plan; the close supervision of a competent, caring adult; and a case managed approach that provides access to a range of supports and services are some of the elements that emerge time and again from Task Force discussions, practitioner roundtables and research reports. While specific program designs vary in the focus and intensity of these services, the basic elements of effective youth programs are familiar and present to at least some degree in almost every Service Delivery Area.[1]

As the opening section of this guide suggests, the real challenge for practitioners today is not that of determining what kinds of services are effective, but one of how to structure, manage and finance a system of services that can build the employability skills not only of those youth who are nearly job ready, but of those who are most at-risk. Performance management at the local level, then, is the process of moving the local service delivery structure from what is often a one dimensional collection of free-standing programs towards an integrated and comprehensive youth serving system.

This section provides an introduction to three critical elements of effective local system design and performance management: the concept of a multi-tiered service delivery structure, a competency based approach to training, and the use of performance-based contracting in financing longer term, intensive training and education. What is presented is explicitly an introduction: we do not pretend to provide a comprehensive technical assistance guide. There are too many details and

[1] A number of the Task Force options papers address elements of effective program design. See, for example, Michigan's paper "Serving At-Risk Youth" and Minnesota's "Youth Policy Resource Guide." Also see the "Indiana Youth Forum Policy Review Letter." (The Indiana Youth Forum is a state-sponsored organization comprised of local administrators and youth program operators, as well as other education, employment and training representatives. The views expressed by the Forum are from the total membership and not solely those from the state or the service delivery areas.)

local variations to do that here. We also need to be clear that, in discussing these local strategies, perhaps more than in the section on state performance management options, we are covering new ground. While none of the concepts are new, the JTPA system in Region V and elsewhere is just beginning to work out their practical application. Our goal, in that context, is to introduce some basic options and ideas on how services can be organized at the local level to create new opportunities and incentives to increase services to at-risk youth. It is our hope that they will spark new efforts that will help us all bring them into daily operation.

Building a System to Meet Multiple Needs

What are the basic criteria for an effective youth system? A recent review of dropout prevention strategies reminds us that "no single approach or strategy will prove effective for all children and adolescents in difficulty."

> What works for a pregnant dropout or teenage mother may not meet the needs of an adolescent who leaves school to take a job. Similarly, a youngster ... who has performed fairly well in school but whose family life is in disarray may require different support and guidance than [another] who has fallen far behind his grade level.... Youngsters in trouble in school and at the workplace do not constitute an undifferentiated mass. Therefore, efforts to intervene on their behalf must respond to their distinct and varied needs.[1]

To meet the needs of at-risk youth effectively, then, a service delivery system must be able to respond to the differences among youth. It must be able to address multiple needs and the increasingly significant skills deficits that characterize youth at risk. Above all, it must be "kid conscious," as one of the Task Force papers notes, growing out of the needs of the young people served rather than arbitrary program regulations or performance standards. Based on the Task Force discussions, four fundamental elements are required:

[1] Andrew Hahn, Jacqueline Danzberger and Bernard Lefkowitz, Dropouts in America: Enough is Known for Action (Washington, D.C.: Institute for Educational Leadership, 1987).

1. a program mix that is flexible and varied enough to address a spectrum of individual needs and skill levels and that has the means (through assessment) to identify those needs;

2. the capacity to provide intensive and long term programming, with appropriate interim outcomes, for those youth with the greatest deficiencies;

3. an integrated and collaborative approach that can provide an array of services, in particular a mix of remediation and work experience;

4. a graduated sequence of services that extend over time, combining, for example, school-year and summer programming over several years, to provide for the development of a hierarchy of skills and experience.

The Multi-Tiered Approach: Matching Kids and Services

The need to be able to provide a mix of services matched to the needs of different youth and a sequence of services that can address the need for long-term, intensive programming for some youth is leading more and more practitioners toward the development of a multi-tiered service delivery system. Where the traditional JTPA service delivery system is often organized as a collection of categorically targeted and funded programs (such as programs for minority youth or pregnant and parenting teens), a multi-tiered approach is organized in terms of the employability skills of the youth being served, with each "tier" representing a sequence of programs and services designed to address a particular level of needs.

In Region V and elsewhere around the country, one multi-tiered approach model is being developed that is based on the definition of three broad skill levels or levels of need among youth:

- Employable: those who have solid basic and work skills, but need a job connection;

- Nearly Employable: needs some basic educational skills, pre-employment and work maturity skills, and on-the-job training;

- Pre-employable: need intensive basic education and work site training.

In the three-tiered model, services are then aligned with the skill needs of the three groups of youth being served, with a different set of services for those youth functioning at each level. Youth entering the system at any one of the levels can continue upward through the skill hierarchy until they are job ready. The table on the following page (Figure 1) illustrates how a three-tiered approach provides a structure to match youth with an array of employment-related services.[1]

A Systematic Approach to Employability. The strength of the multi-tiered strategy lies in its systematic approach to matching services to individual needs and its provision of a clear progression or sequence of services leading from the development of fundamental basic skills to employability. Using ongoing assessment and a competency based approach to programming, the multi-tiered system offers flexibility and variety in the program mix, provides the capacity for longer-term programming, incorporates a mix of work and basic educational skills for those who need it, and organizes those services into a logical employability development sequence.

The other strength of the multi-tiered strategy lies in the practical solutions it offers to the problem of providing the longer term, intensive (and expensive) services for those youth needing substantial remediation under JTPA. By managing the mix of youth served and balancing the higher cost Tier 3 interventions with lower cost Tier 1 services, SDAs can maintain the kinds of cost averages and terminations that allow them to work with those most in need while still meeting JTPA performance standards. In that context, the multi-tiered approach stands not only as an effective programming strategy, but also as a sophisticated financial management device.

Flexibility in Service Delivery. Within a multi-tiered framework, Service Delivery Areas have substantial flexibility in the way services are actually delivered. SDAs may choose to contract the entire array of services, both work and education, to the local schools or to have them delivered through a combination of schools, the SDA and CBOs, with schools providing the educational services and CBOs and the SDA operating the work skills training. SDAs could also operate all the programs "in house" by developing their own educational components. A single contractor may elect to provide the full range of services, from Tier 3 up through Tier 1; other contractors may focus on providing services within a single tier. What is important on the service level is that the progression of services is available and that youth are able to move from one level to the next as their skills develop.

Whatever delivery mode is right for your community, it is important to keep in mind that balancing interim and final outcomes and measuring-up in terms of

[1] For a description of the three-tiered model as it is being implemented in several Michigan SDAs, see John Haycook and Karen West's option paper, "Increasing Services to At-Risk Youth Utilizing RFP and Contracting Procedures."

FIGURE 1: THREE-TIERED YOUTH DEVELOPMENT MODEL

Tier	Sample Services	JTPA Program/ Source	Sample of Partnership Help Needed
Tier 1: Employable (Advanced)	• Career Awareness • Job Search Assistance • Placement	Conventional Title II-A "Fast Track"	• JTPA–Labor Market Exchange **Private Sector** • Employment Competency Certification • Quality placements
Tier 2: Nearly Employable (Intermediate)	• Pre-Employment Skills Training • Tryout Employment or On-the-Job Training • Basic Education Tutorials within schools and in alternative settings	JTPA "Menu" Title II-A and B; Eight Percent	**Education** • trained remediation instructors • curriculum development for YEC **Prime Sector** • Quality worksites for training • Effective supervision • Employment competency certification
Tier 3: Pre-Employable (Basic)	• Intensive Work Site Training w/competent adult as supervisor, guide, "mentor" (Behavior/ Attitudes, Work Maturity) • Employment Related Basic Skills Remediation • Counseling/Coaching	Entry Employment Experience Title II-A and B; Eight Percent Set-Aside	**Social Service** • Enhanced counseling capacity (family, drug abuse, etc.) • Transportation • Curriculum development for YEC **Education** • Trained remediation instructors for in school and out of school • Functional curriculum development for YEC

This service delivery approach reflects the four quality standards set forth earlier, i.e., it is *flexible* and *varied* in program mix, provides the capacity for *longer term programming* for pre-employable youth, represents an integrated and collaborative approach requiring a *mix of work and basic skills on at least two levels* and organizes services in a *logical sequence* in order to enable young people to achieve ascending levels of skills as they move toward employability.

The entire array or any combination of services may be offered in any one of three ways: by schools, by schools in partnership with SDA and/or CBOs or "in house" by JTPA contractors or SDAs.

performance standards will require increased management time. As one Task Force member put it, the multi-tiered approach depends on an astute "management of terminations" or "balancing of enhancement and entered employment rates" in order to meet performance standards. Even with this perception intact, however, the value added to the delivery system is thought by many to outweigh the management burden. The development of a multi-tiered system offers an unparalleled opportunity for Service Delivery Areas to work with their contract providers and with partner agencies in the community to define youth needs clearly and to build a system that is truly "youth-centered." Without that effort, we are likely to face a growing labor market and training "mismatch" and a continuing crisis in our ability to build youth employability.

Addressing Individual Needs: A Rationale for Competency Based Training

Multi-tiered systems offer a strategy for structuring local programs to provide the range of services needed to meet the needs of a diverse youth population. But the capacity to match programs to the needs of individual youth and to provide a structured sequence of employability development also depends on having a system that can clearly identify the specific skills that a young person needs to gain, that can teach those skills in a practical context, and that can measure and document gains as they take place. Competency based training provides that system and, when properly designed and undertaken, offers practitioners one of the most powerful performance management tools in the employment and training repertoire.

Few areas of youth programming are more misunderstood, misrepresented or underutilized than competency based training under JTPA. For many JTPA practitioners, "youth competencies" refers only to a seemingly arcane set of regulations governing the reporting of positive terminations. But, in fact, competency based training grows out of a simple set of ideas long at the heart of vocational training: teach people what they <u>need to know</u> and enable them to learn (and be tested) by having them <u>do</u> it.

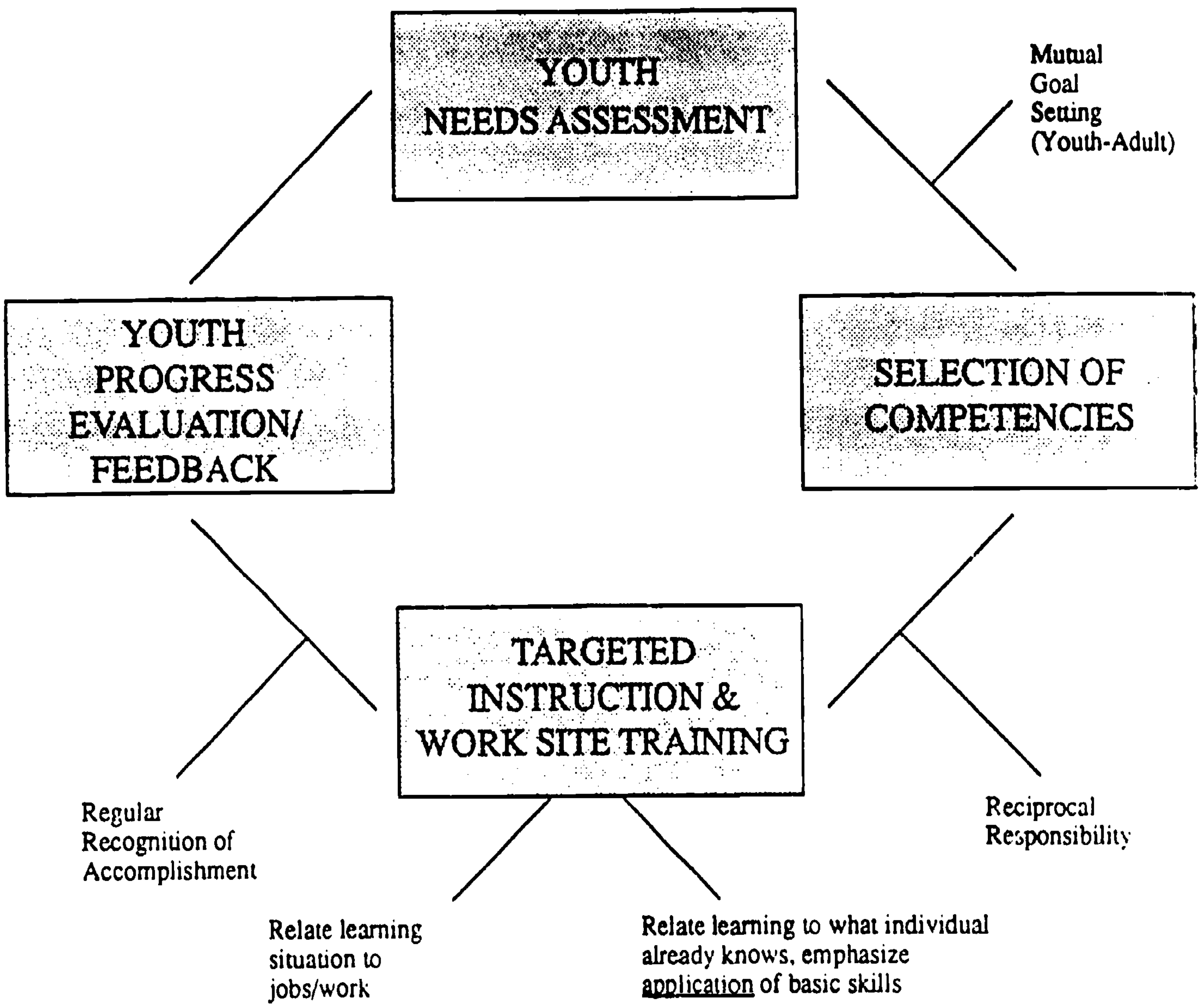
The figures on the following two pages briefly convey the basic concepts of a competency based approach. In a competency based program, learning is defined in terms of specific, clearly defined skills or learning objectives, with a young person's progress measured by his or her demonstrated mastery of successive skills. Instruction emphasizes real world applications, is self-paced and focused on the specific skills a participant needs to learn, with regular and frequent feedback as the individual completes each task or lesson. An ongoing sequence of assessment, goal setting, instruction, and evaluation allows students and instructors to identify needs and measure progress towards employability.

PROGRAM COMPONENTS OF COMPETENCY-BASED AND NON-COMPETENCY-BASED PROGRAMS

Program Components	Competency-Based Programs	Non-Competency-Based Programs
1. Desired outcomes	Specific, measurable statements; typically at an objective level	Non-specific, not necessarily measurable; typically goal-level statements
2. Instructional content	Outcome or competency-based	Subject-matter based
3. Amount of time provided for instruction	Continue until participant demonstrates mastery	Fixed units of time (e.g., semester, term)
4. Mode of instruction	Emphasis on instructor as facilitator of participant performance. Uses a variety of instructional techniques and groups	Emphasis on instructor presentation
5. Focu of instruction	What the participant needs to learn (especially related to employability and employment)	What instructor is able and likes to teach
6. Instructional materials	Several different texts and media based on the various learning styles of the participants in the program	Single sources of materials (Text and/or workbooks)
7. Feedback on performance	Report results immediately alter performance in understandable terms to the participant	Delayed feedback
8. Pace of instruction	Paced to each individual's rate of learning	Instructor or group paced
9. Testing	Criterior (competency) referenced--test measures participants' progress toward attaining intended outcomes	Norm referenced--based on relative performance of others
10. Exit criteria	Participant demonstrates the specified competencies	Final tests and grades

CALIFORNIA STATE DEPARTMENT OF EDUCATION, 1987

COMPETENCY BASED EMPLOYABILITY DEVELOPMENT CYCLE



HOW LONG IT TAKES TO REACH THE LEVEL OF "EMPLOYABILITY" DEPENDS ON WHERE YOU START

An Effective Teaching Strategy. Experienced practitioners and researchers seem to agree that competency based training is effective with youth at risk for several reasons:

- it stresses shared responsibility for learning,
- it involves a competent, caring adult role model as teacher,
- it is based on life experience (work situations, for example) and emphasizes practical content as the basis for learning and testing, and
- it stresses application and integration of knowledge for immediate use.

Finally, competency based training sets clear and achievable goals for young people and enables them to gain a sense of real progress and achievement. As such, it provides a critical degree of reinforcement and motivation for youth in employment and education programs.

A Learning Management Tool. On the systems level, a competency based approach offers equally significant benefits. In the context of a multi-tiered service delivery structure, a competency based approach provides the framework that allows practitioners to match services to needs and measure progress through the system. By identifying a hierarchy and sequence of skills necessary for employability, a well-defined system of employability competencies makes it possible to determine at what level a youth should enter the system; to set reasonable individual goals; to objectively measure gains; and to legitimately reward achievement. "Youth competencies" in this context means much more than the provision of a separate "competencies program" for selected groups of youth. Rather it is the development of a systematic approach to youth development that is applied to all of an SDA's youth employment and education programs.[1]

Connecting Youth and the Labor Market. Lastly, a competency based approach to training, by focusing on what youth need to know to be employable, enables youth practitioners to make a clear connection between what youth are learning and the demands of the workplace. The best local systems are truly based on employer hiring standards, and therefore ensure that young people are developing the skills needed to gain a job and to retain a job. Task Force members also point out that business leaders have a clear preference for measurable results. As such, a competency based

[1] See Richalene Kozumplik's paper (Indiana) "Employment Competencies -- Activity or System" for a further discussion of youth competencies as a program and system management tool. Also see "Increasing Services to At-Risk Youth Utilizing RFP and Contracting Procedures" (Michigan) for the use of competency benchmarks in contracting.

approach is often favored by private sector partners and Private Industry Councils because it "promotes accountability and an economy of means" and because of its capacity to clearly identify the outcomes of training and the skills that young people would bring to the workplace. In short, the development of a competency based system provides not only useful program and management tools, but an invaluable tool for marketing training graduates in the labor market.

Making Youth Competencies an Effective Management Tool, Not a Bureaucratic Nightmare

To be used as an effective performance management tool, a competency based training system has to reflect a commitment to integrated and systematic planning, implementation, and evaluation of the educational and employment training processes. Competency based training is a total program that integrates curriculum, instruction and assessment and that requires management, counseling, worksite, and instructional staff to work closely together as a team to clearly specify what is to be learned, how it will be measured and how instructional materials will be focused on the learning/management objective. It is when competency programs are designed as separate "activities" with little purpose beyond insuring positive terminations that the burdens of assessment, testing and documentation become overwhelming.

The "Elements" in a System Context: A Simplified View. It is in the context of a "system" approach that JTPA's requirements for a "sufficiently developed system" begin to appear less arbitrary and threatening for practitioners. In a competency based system, the linkages among curriculum, instruction and assessment provide a method to plan and manage a well integrated employability development program. The "PIC-recognized competency statements" identify the goals and objectives of the competency system; they provide an outline of the skills that need to be taught as a young person moves along the employability continuum. Carefully designed stages and types of assessment in a sufficiently developed system serve several purposes. An initial "appraisal" provides data to indicate the most appropriate program level for youth (i.e., in the three tiered model an appraisal would effectively "sort" youth into three levels of employability (see the figure on the following page for an example). Pre- and post-tests, as well as regular benchmarking, enable instructors to systematically monitor the progress of individuals (and groups) in order to determine when youth are ready to move to more advanced curriculum levels. They also enable program operators to certify mastery of a specified level of proficiency or "attainment of youth employment competencies." The curricula indicates how needed skills will be taught and must, logically, relate to and teach the competencies that need to be attained. The employability development plan provides a means of documenting assessment results

FIGURE 2
Three-Tiered Youth Development Model with Sample Assessment Level for Pre-Employment/Work Maturity and Basic Education Skills

TIER	Sample/Estimates Assessment Level		Competencies Addressed	Appropriate JTPA Services	Sample Outcome(s)
	Grade Level	Criterion Ref. Scale Score (CASAS)*			
Employable • succeeded in school • some work experience • acceptable habits and attitudes	12th Grade 9th Grade	250 225	High level job search competencies (self-directed)	• Career awareness • Job search • Placement • Estimated duration of training 40-200 hours	• Entered employment • Estimated cost = $1,000-$2,500
Nearly Employable • weak school records • no diploma or GED • little or no work experience	9th Grade 7th Grade	224 215	Pre-employed/work maturity Basic Skills Intermediate Level	• Classroom training • Worksite training/TOE/OJT • Estimated duration of training 500 ± hours	• Entered Employment • Enhancement • Estimated cost = $4,000 - $5,000
Pre-Employable • high risk youth • school dropouts • unemployed/negative work experience	7th Grade < 3rd Grade	214 200	Pre-employment/work maturity Basic Skills Basic Level	• Basic skills remediation • Rigorous worksite training • Estimated duration of training = at least one full year depending on goal/exit point	• Move up tiers to employable, ultimate to obtain job as well as enhancement at each level • Estimated cost = $5,400-$10,000

A schematic such as this helps raise several pertinent operational questions all of which can be asked and answered on the local level, and all of which help determine how you measure up within the performance management system as you increase services to at-risk youth.

* See Michigan paper for full explanation of CASAS criterion referenced assessment tools as well as an explanation of their outcome performance plan.

and insuring that participants are assigned to activities related to their skill development needs, and certification -- a "diploma" or "skills passport" -- provides a means of indicating to participants and employers that a specific set of skills has been gained.

Competency based Systems as a Process. The effectiveness of a competency based system depends not only on having the necessary elements, but also on the development process. According to Stiles and Tibbits, two highly regarded experts in competency based training, the development of an effective system requires several ordered steps.[1] Those include:

- development of a philosophy statement that reflects a competency based program (as contrasted with a conventional program).

- selection of competencies specific to the needs local agencies and communities. (Implicit in this is the need for a labor market assessment as well as assessment of instructional staff and participants.)

- a system to share with participants the agency's competency goals so that participants can select, add to, and prioritize their own employment objectives. Youth sometimes go through entire programs with only vague understanding of expectations. Even worse, these expectations may appear to be unrelated to participant goals. Clear and open communication between agency staff and participants can help avoid dissatisfaction and drop-out resulting from miscommunication and frustration about student goal attainment.

- development of an educational/employment sequence based on selected competencies. It is the responsibility of management to see that competency based course outlines are written and correlated with appropriate curriculum materials.

- provisions made for on going staff development activities to insure that the above operations are fully-functioning and not mere "paper operations.

1 The following is adapted from "What is Competency Based Education?", excerpt from the State of California GAIN Training Manual, 1987.

ELEMENTS OF A SUFFICIENTLY DEVELOPED SYSTEM

1. **PIC-recognized competency statements** that are employment-related, quantifiable, measurable, verifiable, and offer proof of gain as a result of program participation.
2. **Assessment** of participant need at the start of the program.
3. **Employability development/individual education plans** which document assessment results and assignment of enrollees to the right learning activities at the appropriate sites.
4. **Focused curricula, training modules,** or behavior modification approaches which teach the employment competencies in which youth are found to be deficient.
5. **Evaluation of participant achievement** at the end of the program.
6. **Certification** of youth employment competency attainment in the form of certificates to clients.
7. **Documentation** of intra-program learning gains achieved by young people through internal maintenance of enrollee files and external reporting of competency-based outcomes.

These requirements relate to the ETA definition of "attained PIC-recognized youth employment competencies" used for reporting positive terminations under JTPA:

> "The total number of youth who, at termination, have demonstrated proficiency in two or more of the following three skills areas in which the terminee was deficient at enrollment: pre-employment/work maturity, basic education, or job specific skills. Competency gains must be achieved through program participation and be tracked through sufficiently developed systems that must include: quantifiable learning objectives, related curricular/training modules, pre and post assessment, employability planning, documentation, and certification."

- development of a systematic program evaluation process that is competency based and widely publicized. The purposes of evaluation must be made known to staff. As with other aspects of competency based training, the emphasis is always on the participants and the program benefits they derive. Results from program evaluation help decision-makers modify the participant's program when and where necessary. Evaluations should identify the benefits that are gained, their relative costs, and determine whether more benefits could be gained for the same relative costs, or if the same benefits could be had for lower relative costs.

In summary, a competency based "system" implies a curriculum management approach that will only work to increase quality services to at risk youth if it is designed as a coherent system benefiting youth, staff and employers. Stiles and Tibbits caution local administrators about the importance of establishing systems through a collaborative approach. If competency based training is to be successful, they say, all staff need to be involved at each step in the development and operations of the programs. This is a point that Task Force also reinforced. For competency based programming to increase and improve services to at-risk youth, it must be developed in conjunction with those partner agencies likely to share in the training process (particularly education) as well as with service providers.

While the development of an effective competency based system is a time consuming and demanding process, it has tremendous payoff in terms of the ability to link programs in a coherent sequence and to move young people through an ordered employability development process. The "bureaucratic nightmare" of youth employment competencies comes when they are developed as a special activity designed solely "to meet performance standards." It is when competencies are taken out of the context of effective program and system design so that the paper requirements are many and the benefits few, that competencies become unsuccessful not only as a tool for administrators, but as a system for serving at-risk youth.

Competencies and System Change

When linked together, the development of a coherent competency based system and a multi-tiered service delivery model provide a powerful catalyst for changing the way in which at risk youth are served on the local level. In defining a set of competencies that address the needs and expectations of employers and in organizing services to reflect the differing levels of skills among at-risk youth, local practitioners and policy makers have an opportunity to rethink who they should be serving, what kinds of outcomes are appropriate for which youth, what kinds of services need to be provided and who needs to be involved. That process can lead to the development of new collaborative relationships between SDAs, employers, partner agencies and services providers; to a better understanding of what constitutes an appropriate gain or "positive termination" point for youth entering the system at different levels; and to the design of programs and services that more accurately match the needs of at-risk youth and the labor market. Once established, a well-designed competency system also provides the means for continually monitoring and evaluating the operation of local programs and the system as a whole, providing a constant flow of assessment data on the needs of young people as they enter the system as well as data on the success of individual programs in building the skills of program participants. The result over time will be a system that, perhaps for the first time, provides the tools needed for local practitioners to truly manage local performance in a way that will improve and expand services to at-risk youth.

Making It Work: Financing Youth Programs

Enabling contractors to provide quality training to at risk youth requires change at every level of the employment and training system. Not the least of these changes is in how we finance programs within a multi-level service strategy. For SDA administrators, taking on the next generation of challenges as presented in this paper not only demands astute "terminations management," (i.e., balancing how many enhancements and how many entered employment outcomes you can afford under your performance standards), but it requires a financial strategy that offers service providers incentives to develop the programs needed to address the needs of those youth most at risk.

There are two basic methods for paying for employment and training services today, one traditional, and one somewhat controversial and creative. Many agencies and school districts are successfully funding youth programs through traditional cost reimbursement contracts. This is in most cases a simple, direct and familiar approach, but one that emphasizes predictability of cash flow over accountability. Other SDAs and PICs are experimenting with innovative -- even revolutionary -- performance based, or hybrid contracts that attempt to balance a demand for accountability with incentives to those youth most in need of assistance. This section briefly outlines some of the key concepts and principles underlying the development of these new performance based contracts and how this tool can be used to increase services to at risk youth by providing incentives for contractors to take on the "riskiness" of doing business with "hard to find" and "hard to serve" young people.[1]

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1 Much of this section is based on experience gained by Brandeis University through its work with the City of Los Angeles on the development of a multi-tiered youth system. John Chamberlin, who has been a partner is this process, must be credited with defining and operationalizing many of the concepts and models presented in this section.

A similar project is now underway in seven SDAs in Michigan through a project spearheaded by the Center for

Five Contracting Principles. As practitioners and policy makers have begun to consider how to use performance-based contracts to encourage increased services to at-risk youth, they have identified five elements to guide the contracting process. An effective contract, they have suggested:

- is developed around the key accountability principle: "get what you pay for and pay for what you get." In other words, the costs in a contract should vary with the difficulty and the length of time involved in the task. In the case of a contract in a multi-tiered system, costs would vary with the level of employability of the entering youth and his or her need for support services.

- employs payment benchmarks that are measurable and achievable.

- shares the risk of serving high-risk youth by paying for time spent *and* for achievement of benchmarks We need to acknowledge that as we attempt to increase the proportion of high risk youth in our mix of participants, we simultaneously increase the contractor's risk of failure. It becomes necessary, therefore, to build in some incentives and safeguards for the contractor (this is especially relevant for hybrid contracts that are at once performance based and cost reimbursement).

- seek to recognize and reward youth participants for learning gains by providing "learning reinforcement payments" for progress.

- motivates contractors to increase services for high risk youth.

Two Multi-Tiered Contract Models. The performance-based contracting models being developed in Michigan, Los Angeles and elsewhere begin to suggest some of the ways in which these general principles can be carried out.[1] By combining performance based contract with the three tiered service delivery model, both the Michigan and LA

Remediation Design. The paper by Lori Strumpf, "Next Steps to Effective Remediation Strategies: The Michigan Model" in the supplemental volume describes that project in general terms. The pa;... "Increasing Services to At-Risk Youth Utilizing RFP and Contracting Procedures" provides an in-depth discussion of the RFP and contracting procedures that have grown out of that project.

[1] Materials on the contract models being developed in the City of Los Angeles and in Michigan can be found in the Appendices at the back of this volume. As noted earlier, a description of the Michigan contracting model is also included in the paper on "Increasing Services to At-Risk Youth Utilizing RFP and Contracting Procedures."

models have provided a mechanism, based on clear and measurable standards, for varying payments according to the types of services needed and the difficulty of the task. By tying payment structure to participant assessments, those SDAs have developed an objective means of determining the level of participant needs and the type of investment service providers are likely to have to make. Similarly, the use of a fully developed, hierarchical competency based system in those SDAs enables them to establish payment benchmarks that are measurable and provide for a high degree of accountability and quality control.

Performance based contracts also provide a number of mechanisms for sharing risks. In a strict performance based contract, there is an opportunity to do this by paying for a portion of the "time" spent developing skills in addition to "competency attainment" or placement. In a hybrid approach, you can assure the contractor some cash flow capacity by coupling that strategy with a cost reimbursement approach for support services.

The City of Los Angeles contract represents a particularly sophisticated incentives strategy for services to high risk youth and for encouraging quality outcomes. With four milestones established for vested earnings purposes, the costs vary according to the employability status of the participant. The categories for payment points include:

1. Complete Initial Training Objective
2. Employment Enhancements
3. Placement
4. Placement Quality Measures

The city encourages contractors to bring pre-employable youth all the way to the level of employability by rewarding competency attainment at specified intervals in both basic skills and pre-employment work maturity. While the contract awards competency achievement, it also pays contractors for time invested in skill building -- but with a cap if no progress has been made within a certain time period. Contractors, therefore, know that they will be paid for the extra time they invest in working with youth needing intensive remediation, provided that the investment results in reasonable gains. Provisions for earning payments at all four milestones make it possible for contractors to earn up to $10,000 for the most intensive, high quality services to at risk youth.

It is worth noting that the LA contract also provides for "learning reinforcement payments" for direct payment to participants each time a gain is achieved, thus making it possible for the contractor to establish incentives for participants as partners in the learning process.

Finally, the Los Angeles contract model weights the payments according to the skill needs of the youth on entering the program. As a result, contractors serving those most at risk are rewarded more substantially for basic skills gains than for placement, again providing an incentive for investing in skills development and recognizing the extra level of intensity required, while the payments for those youth who are almost job ready are more heavily weighted toward placement. The result is a system aimed an encouraging appropriate services rather than pushing for the same service for every youth regardless of need.

<u>A Joint Learning Process</u>. In presenting these models as options for local consideration, two points have to be made. The first is that these contracts, once again, represent the leading edge of local practice. As pilot efforts to work out new ideas, are only beginning to be tested in practice. Hence, while the principles are well-established, both the Michigan and Los Angeles models will undoubtedly need to be refined in practice, and as other localities move in similar directions, the details of these or similar models will need to be adjusted to meet local needs and expectations.

The second point flows from the first. Because we are learning as we go along about how to use contracting as a tool for improved and expanded service to youth, this type of contracting -- like the other elements of youth system design -- will only work if developed collaboratively. As the Michigan paper persuasively argues, SDA administrators, partner agencies, and service providers need to work together from the beginning to define goals, to identify risks and negotiate ways of compensating for them, and to develop mutually agreeable systems of payment points and relative payment weights. It is ultimately through the RFP and contracting process that the guidelines governing program design and service delivery at the local level all come together. If we are to develop a system that can effectively serve the needs of all youth, that system must be collaboratively designed.

Conclusion

The performance management challenge for the 1990s -- matching programs and services to the needs of youth and the marketplace -- provides an important stimulus for change in the JTPA system. Increasingly, practitioners and policy makers on the local level are going to have to begin to reexamine their mission and to begin reworking the tools they have available. This will not be an easy process. Little of what has been presented here can be bought "off the shelf" or designed and put into place in a few weeks or months time. Improving and expanding services to youth is going to take time and energy, and it is going to require making an investment now with an eye on the longer term.

As the section that follows suggests, it is important that that investment take place not only at the local, but also at the state level. In order to create and direct an effective "high performance" program for at risk youth, it is imperative that SDA, PIC and program representatives participate in policy decisions and debates at the state level as well as design decisions in their own back yard. Through the development of a participatory policy development process, forward thinking local practitioners can act as effective change agents. As the first to connect policy with practice -- to test a "model" with "real people", local practitioners need to move state level policy makers towards adopting a top-down-bottom-up strategy for policy making and performance management so that state level actions support rather than impede effective programming on the local level. By working together on both program design needs and performance management goals, the state and local leaders from employment and training, education, and social services can establish a coherent and consistent approach to increasing services to at risk youth.

STATE STRATEGIES

STATE STRATEGIES

POLICY AND PERFORMANCE MANAGEMENT

Though the basic structure of JTPA's performance management system is established at the federal level, and program design and operations take place locally, state policy and program decisions play a pivotal role in shaping and influencing the services provided to youth. Through the definition of statewide goals and objectives, Governor's can articulate a vision for the state's youth serving system and establish the importance of a comprehensive strategy for serving those most at risk. Through performance standards and incentive grant policies, the targeting of discretionary funds, the use of technical assistance and monitoring strategies, and other state-level actions, states can support that vision, creating new opportunties for and reducing barriers to longer-term, more intensive programming. States can provide concrete incentives to directly encourage specific types of services, such as basic skills education, or service to individuals who are particularly at risk. And through coordination among youth serving systems, they can allocate youth resources more effectively and increase the array of services available to support employability development.

This section reviews some of the specific ways in which states can use a variety of performance management tools to support increased investments in the long-term employability of young people. In reading through the section, there are several general points that policy makers and practictioners should keep in mind:

> A Multi-Faceted Strategy Works Best. While each set of policy tools and options is discussed separately (and some under several headings), none of these policy tools can truly stand alone. The most effective state performance management strategies are those that use a combination of

tools -- performance standards plus incentives plus discretionary grants plus technical assistance, for example -- to achieve one or more clearly defined ends.

Policies Must Be Consistent. Policy makers need to make sure that their performance management decisions point in a consistent direction and are not internally contradictory. At the state level, policy makers need to be sure, for example, that performance standards policies aimed at encouraging comprehensive programming (such as selection of the employability enhancement standard) are not offset by incentive policies that reward short-term, low cost programs. Similarly, the way in which states define at-risk youth should be consistent across policies, so that at-risk youth are not defined in terms of demographic characteristics for one set of programs and in terms of skill levels for another. At the local level, the need for consistency is equally strong: SDAs need to make sure that the performance standards they apply to each service provider are consistent with the services they want delivered. In this case, consistency means recognizing differences in program strategies and not simply applying the same performance standards across the board.

Performance Management is a Process that Depends on Collaboration. State policy actions will have the greatest impact when there is "buy in" at all levels of the employment and training system and when there is consensus on goals among key players. To achieve that consensus, states need to make an honest commitment to ongoing collaboration and discussion on several levels: between systems, to define common goals and strategies among agencies before decisions are made; and among the levels of the JTPA system to insure that providers, SDAs and states are moving in the same direction.

Performance Management is an Ongoing Process. To be effective, performance management also has to be understood as an ongoing and flexible process. Like any management tool, state policies need to be regularly evaluated to see if they are accomplishing their goals, and they need to be revised if they are not.

The final point is that performance management extends to almost every policy and planning decision that states can make. While this paper focuses on a number of specific performance management strategies (using performance standards and incentive policies, increasing coordination, etc.), states also need to look at other, less structured means of encouraging localities to serve at-risk youth. Tools such as the Governor's goals and objectives statement or the annual Title IIA and IIB planning guidelines offer states valuable opportunities to affirm the importance of serving at-risk youth and to remind SDAs of the need to consider the appropriateness of their program designs. Though a goals statement on increased service to youth, or a planning question about what basic skills services are available may have only a marginal impact, when combined with the policies discussed here, they can help to move the employment and training system forward.

USING PERFORMANCE STANDARDS AND INCENTIVE POLICIES TO SUPPORT LONGER, MORE INTENSIVE SERVICES FOR THOSE MOST IN NEED

To serve at-risk youth effectively, states need to find new ways of encouraging local JTPA programs to target services to those most in need and to invest JTPA funds in longer, more intensive services -- those incorporating basic skills instruction, competency-based training, and substantive pre-employment/work maturity skills. JTPA's performance standards system represents one of the most powerful tools available to states for achieving these goals. In a performance-driven system, these standards determine the "bottom lines" of performance at the local level. Because they apply to the mainstream of JTPA funds (Title IIA) and provide the basis for substantial incentives and sanctions, performance standards policies can significantly influence who is served and the kinds of services that are offered.

Within JTPA's performance standards system, Governors are responsible for making a number of critical decisions in determining state performance standards policy. They determine which of the federal performance measures to adopt, whether and how to make adjustments for local circumstances, how to define when standards have been met or exceeded, whether to create additional state standards, how to apply sanctions and how to reward performance with incentives. Individually, each of these decisions has the potential to encourage or discourage services to youth and to raise or lower barriers to comprehensive programming. Taken together, they offer an opportunity to move a state's JTPA system towards, or away from, a policy goal of serving at-risk youth.

Selecting Standards: The Combination is Important

One of the most critical youth performance management decisions a Governor can make is the selection of performance measures. Under the March, 1988, revisions to the JTPA performance standards system, Governors can now select which 8 of the 12 federal performance standards they want to use to measure performance in their states.[1] Included among those standards is a new youth performance measure -- employability enhancement -- which is defined as competency attainment or a non-placement outcome such as return to full-time school, completion of a major level of education, etc. As a result of those changes, Governors can now establish employability development as a JTPA performance standards priority and directly encourage program outcomes other than job placement.

The creation of the employability enhancement standard marks a significant change for the JTPA system. Until this year, JTPA performance standards have placed little pressure on SDAs to provide intensive, employability development programming. Both of the original JTPA youth outcome measures, entered employment and positive terminations, allow SDAs to deliver programs that may be largely focused on placements and that may not emphasize building the basic and work skills needed for long-term success in the labor market, even for those youth most at risk. While such "enhancement" outcomes as return to school or achieved major level of education are included in the positive termination rate, that standard itself does not provide a strong incentive to serve more at-risk youth or provide longer-term skill development. SDAs can still meet their goals through short-term job placements alone.

Adopting Enhancement. By adopting the new employability enhancement measure, however, states can legitimize outcomes other than high volume placement and directly encourage more intensive, competency-based programming for higher risk youth. States that select the employability enhancement measure can now send an unambiguous message to SDAs and PICs that they need to develop effective youth competency systems, that they need to design programs that provide basic educational, occupational and substantive pre-employment/work maturity skills, and that they need to begin providing those services to larger numbers of youth with substantial skill deficits.

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[1] The original seven standards are Adult Entered Employment Rate, Cost Per Adult Entered Employment, Adult Average Wage at Placement, Adult Welfare Entered Employment Rate, Youth Entered Employment Rate, Youth Positive Termination Rate, and Youth Cost Per Positive Termination. The 5 new standards are Youth Employability Enhancement Rate, Adult Follow-up Employment Rate, Adult Average Weeks Worked in the Follow-up Period, Weekly Earnings of all Employment at Follow-up. States must include at least one of the measures of adult program quality (e.g. placement wage or weekly earnings at follow-up), and one of the following youth measures: entered employment, positive terminations or employability enhancement.

The adoption of the employability enhancement standard is one of the most effective ways states can encourage employability development for at-risk youth. Without it, states have little leverage by which to move local programs toward more intensive services or toward services to less job ready young people. In considering the enhancement standard, however, states also need to recognize that employability enhancement, in most cases, is an interim outcome in the employability development process. Employment in a quality job is still the ultimate goal of the youth employment system. In many states, then, the selection of the employability enhancement standard has been combined with selection of the youth entered employment rate, thereby underscoring the importance of employment as the final outcome for job ready youth and the necessity for more intensive employability development efforts for those youth not ready to enter the labor market.

A Phased-In Approach. While acknowledging the value of the employability enhancement, a number of states around the country have decided not to select the employability standard out of concern that local competency systems and programs may not be ready and that few SDAs would be able to meet their performance goals in the first year. One approach those states may want to consider is to phase-in the new standard over time. In Illinois, for example, the employability enhancement standard has been selected for use in making incentive awards in PY '88, but will not be considered for sanctions. In 1989, the new standard will go into effect for both sanctions and awards. By using a phased-in approach, states can establish their commitment to enhancement and make SDAs aware of the need to change without penalizing those who are not immediately ready to comply with the new requirements.[1]

Employment and Enhancement: The Issue is Quality. The selection of performance standards sends a clear message to SDAs about the kinds of outcomes that are expected for the young people being served. However, states also need to recognize that the standards alone cannot not guarantee program quality. While

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[1] See James O'Brien's options paper "Illinois Performance Standards and Incentive Policy Strategies" for Illinois' phase-in approach. Also see Lynn Brant's notes on "Ohio PY 1989 Performance Standards Selection." Both Ohio and Illinois selected a combination of the employability enhancement and youth entered employment rate standard.

adoption of the enhancement standard, for example, can encourage increased and more intensive services to at-risk youth, the standard cannot by itself ensure that employability enhancement outcomes reflect meaningful skill gains, or that enhancements are being provided to appropriate youth, any more than the entered employment standard ensures placement in a quality job. As one Task Force member commented, the question remains, "how do we make sure that there are no second rate outcomes for high risk youth?" To accomplish that goal, state and local policy makers together need to look beyond the standards to the question of what kinds of outcomes are appropriate for which youth and how terms like "positive termination" or "job placement" are best defined. There are no easy answers to these issues -- what is an effective entry work experience for one youth may be a dead end job for another. But as the Task Force members reminded us, the issue of insuring that each youth is receiving quality services that are appropriate to their needs is at the heart of the employabiilty development challenge.

Costs and Incentives

The other key standard for youth is the cost per positive termination measure. There is considerable debate over the value of the cost standard and its impact. Proponents suggest that the cost standard provides an important measure of efficiency and is a key element in maintaining business support of JTPA. Opponents of the cost standard argue that its use encourages SDAs to focus on low-cost, placement-oriented programming that is unlikely to provide long-term benefits for at-risk youth. Many practitioners have also pointed out that, since the reported cost figures do not include program investments made by partner agencies, they cannot provide an accurate or consistent measure of program efficiency. Low costs in one SDA may be the result of extensive interagency collaboration while in another it may reflect an emphasis on "quick-fix" programs.

At least one recent study indicates that the cost standard does have the significant "unintended" impact of discouraging intensive, higher cost programming for both youth and adults. Much of that impact comes from the way that the standard is used in conjunction with incentive policies. The greatest negative impact is in those states where the incentive grant structure heavily rewards those SDAs with the lowest costs; that is, where incentive grant awards are weighted toward the cost standard or where the size of incentive awards for costs is directly related to degree to which the standard is exceeded.[1]

Cost Standard Options. As a result, states need to look at the selection of performance measures and incentive policies together to insure that they are consistent in encouraging programs aimed at employability. In terms of the cost standard, a number of strategies should be considered:

- States may decide to not include the youth cost standard in their performance standards system. By doing so, states will open the door for SDAs to conduct more intensive, higher cost programming. However, they will also be giving up their means of measuring program efficiency. In that instance, states may want to consider developing a state standard that more effectively measures real costs.

- States that want to encourage employability development and still maintain some cost control can select both the enhancement standard and the youth cost standard, but not apply incentive dollars toward achievement of the cost standard. Both Illinois and Ohio selected this option. In Ohio, SDAs are required to meet the cost standard to be eligible for incentive awards, though the standard was "0 weighted" in calculating the actual awards. In Illinois, the cost standard continues to be considered in determining sanctions, thereby providing an upper limit on average costs. In both states, however, the decision to not award incentive dollars on the basis of the youth cost standard effectively

[1] SRI International and Berkeley Planning Associates, Evaluation of the Effects of JTPA Performance Standards on Clients, Services, and Costs (Washington, D.C.: National Commission on Employment Policy, Research Report No. 88-16, September, 1988).

eliminates the incentive for SDAs to try to push costs down in order to increase their incentive grants.[1]

- States that want to maintain incentives for costs can limit their negative impact by awarding a smaller proportion of incentive dollars for exceeding the cost standards than for other standards, and by placing a "cap" on the incentive awards that limits the degree to which SDAs are rewarded for exceeding the standard.[2]

- Lastly, states may also consider adjusting the cost standard upward through a Governor's adjustment, thereby reducing the incentive for SDAs to further reduce costs and giving SDAs freedom to provide more intensive training.

Adjustments to Standards: Leveling the Playing Field

Another strategy that Governors can use to encourage more intensive programming and services to higher risk populations is to make adjustments to the federal performance standards to take into account the provision of special types of services or services to particularly hard-to-serve populations. The rationale for making adjustments is that the national performance standards adjustment model developed by DOL does not adequately reflect the impact on local performance of serving youth with limited basic skills or other barriers to employment, or of providing higher cost, more intensive services. Unadjusted standards, as a result, may act as a disincentive for SDAs to serve large numbers of at-risk youth or provide comprehensive services because those SDAs would have to meet the same performance levels as SDAs serving a less hard-to-serve population. Through the adjustment process, states can "level the playing field" again

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[1] See "Illinois Performance Standards and Incentive Policy Strategies" and "Ohio PY 1989 Performance Standards Selection" for discussion of incentive policies in those two states.

[2] See "Illinois Performance Standards and Incentive Policy Strategies" and Minnesota's "6% Incentive Grants: PY'88 Performance Standards and Incentive Methodologies" for examples.

by taking into account the higher costs or reduced outcomes that may accompany employability development programs.

Adjustments within Tolerance Levels. There are several types of adjustments that Governor's can make to the national perfoımance standards. The first is to adjust the results of the national performance standards model upwards or downwards within that model's "tolerance levels" -- a measure of the model's statistical imprecision. The use of these adjustments, which range from plus or minus 3.4% to 5.6% for the youth placement, termination, and enhancement standards, and plus or minus $310 for the youth cost standard, requires no additional justification to DOL. Consequently, they have the advantage of providing an easy method of lowering or raising performance expectations statewide. As noted above, for example, Governor's may consider using this adjustment to raise the youth cost standard as a means of encouraging greater investments in youth pro_rams. A number of states build these adjustments directly into their performance standards system by defining performance results anywhere within the tolerance levels as "meeting" the standards, thus allowing some flexibility in performance expectations. In making these adjustments, however, two points should be kept in mind. The first is that the impact of these adjustments will vary according to how the state's incentive policies reward SDAs that meet or exceed their standards. States also need to recognize that the performance management impact of this type of adjustment will be limited since it cannot be linked to the specific SDA performance; everyone benefits whether or not they are making an effort to serve at-risk youth.

Adjustments Beyond the Model. A second type of adjustment is adjustments to the national model itself, by adding factors not in the DOL model in calculating local standards or by negotiating specific adjustments based on clearly identified criteria. States should be willing to work with SDAs requesting adjustments and consider making adjustments for such factors as provision of basic skills education or service to at-risk youth not already included in the DOL model (such as youth with limited basic skills). The Department of Labor's technical assistance guide on performance standards offers some information on how these kinds of factors may be incorporated into the model.

The development of adjustment strategies is one of the areas in which states and localities may want to coordinate with education and other youth serving institutions. SDAs may find, for example, that local schools or youth agencies can provide the data and program experience with remediation programs or with specific at-risk populations that is needed to make a case for a performance stanards adjustment. Similarly, state JTPA agency staff may want to draw on other state agencies, including education, for assistance in evaluating SDA adjustment proposals.

A recent study of the performance standards system found that state adjustments, particularly to account for basic skills instruction, have resulted in increased services for hard-to-serve individuals. However, the study also notes that many of the state and SDA staff surveyed were not comfortable with current adjustment procedures. "State staff felt unsure about how to establish equitable criteria for adjustments beyond the model and about how to determine the appropriate size of adjustments. SDA staff often felt that they did not understand the statistical basis of the models well enough to justify adjustments."[1] Task Force members echoed these findings, noting that, since these adjustments are subject to DOL review, many states see further federal guidance and improved adjustment modeling as essential to the more active use of performance standards adjustments. Where states do feel comfortable with the adjustments process and want to encourage more intensive services through these adjustments, they may want to provide additional technical assistance to their SDAs on the adjustment process and its impact.

State-Based Models. The third approach to performance standards adjustments is the development of state-based statistical adjustment models to replace that developed by the Department of Labor. In Region V, all of the states participated in a project to develop state performance standards models, and one of the states, Illinois, implemented its model in 1988.

[1] SRI International and Berkeley Planning Associates, Evaluation of the Effects of JTPA Performance Standards on Clients, Services, and Costs (Washington, D.C.: National Commission on Employment Policy, Research Report No. 88-16, September, 1988).

For states interested in using performance standards to encourage increased services to youth, state-based models have several advantages:[1]

- Since the models are based on participant-level data and not limited to data available on the JTPA Annual Status Report, the state is in a position to include adjustment factors (e.g. math and reading ability or multiple barriers) that reduce performance expectations to the extent that an SDA serves hard-to-serve or "at-risk" populations.

- The state is also able to include adjustment factors that reduce performance expectations in selected performance areas if an SDA increases its emphasis on the provision of long term occupational classroom training and academic training.

- State and regional models are also technically superior to the alternative federal models in terms of stability from one year to the next and the ability to predict performance (i.e. fewer sign reversals, same factors and similar factor weights). Therefore, state models provide a more stable policy environment and do a better job of adjusting performance expectations based on the populations served, local economic conditions and the local mix of services.

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1 The following discussion draws heavily on the options papers prepared by James O'Brien from Illinois for the Task Force. See "Illinois Performance Standards and Incentive Policy Strategies," and "Defining 'At-Risk' Youth: A Case for a Hybrid Approach and State Performance Standards Modeling" for a discussion of Illinois' use of state-based models. The paper on "Illinois Performance Standards Adjustment Models" provides a table comparing the factors included in the Illinois and DOL adjustment models as well as a listing of factors tested but not included in the Illinois model. For a full discussion of the Region V state model initiative, see Baj and Trot, "State Based Performance Standards Models for JTPA," (Washington, D.C.: National Governors Association, May 1988)

Advantages and Disadvantages of State-Based Models. The advantages of state-based models are evident in the capacity to develop a performance standards system that is tuned to the state's definition of at-risk youth and that can take into account such program factors as type of training or participation in basic skills programs. In Illinois, for example, factors not in the DOL model, such as as rural residence and teen parent, are incorporated into the state adjustment model for youth entered employment; the positive termination rate model includes factors for participation in occupational classroom training or an exemplary youth program. Equally important, the development of an effective state-model (or a good state adjustment process generally) requires states, SDAs, and services providers to reach up-front agreement on the goals of the system, definitions of youth, and specific measures of program activity and quality. Ideally, such a process will lead states and SDAs toward a more consistent approach to youth employability development and employment.

However, the state adjustment process is not cost free. Whether pursuing state-based models or making more limited adjustments, states are largely limited by the information collected through their management information systems. If those systems can only collect standard DOL reporting data, state modeling will offer few advantages. In considering state-based models, states also need to examine the time and costs involved. States should not undertake the state modeling process without staff that have a high level of technical sophistication and an MIS system that is able to incorporate new data elements. States and SDAs must also be willing to invest the time necessary in analyzing and negotiating system options and the funds necessary for data collection and analysis. Those states that are best positioned to develop state models, therefore, are those with a well-developed MIS that can access SDA level data, with an MIS staff willing to devote time to developing a system, and with a nearby university with the appropriate knowledge and capacity.

State Standards As A Supplement to Federal Measures

The creation of state performance standards to supplement the federal measures is, along with selection of the employability enhancement standard, one of most direct methods available to states for encouraging services to at-risk youth. State standards provide an opportunity for states to build their youth priorities into the performance standards system by targeting incentives to more specific performance criteria than are allowed by the national measures. The range of options is almost infinite:

- States may want to use state standards to directly encourage services to youth who are considered most in need or hard-to-serve. In Ohio, for example, the state has established a standard for service to welfare recipients in which additional incentive funds are awarded for higher levels of services to hard-to-serve participants (long-term welfare recipients, offenders, etc.). Similarly, a state also could establish a standard requiring that a certain percentage of youth gaining employability enhancements face one or more clearly defined skill deficits or employment barriers.

- State standards also can be used to encourage specific types of service strategies or to differentiate service strategies for different groups. States may, for example, want to establish a standard aimed at encouraging dropout prevention programs by rewarding service to in-school youth or by defining separate enhancement standards for in-school and out-of-school youth.

- States may also encourage longer term programs by creating standards that identify interim outcomes for youth remaining in programs over a period of years. By defining standards that reward incremental basic skills gains, for example, states can encourage SDAs to enroll higher risk youth who might require several years of assistance before terminating from JTPA.

- State standards can also be used to increase the overall resources focused on youth. States could establish a standard for meeting or exceeding the 40% youth expenditure level. Similarly, at least one state (Ohio) has established a standard that rewards interagency linkages. In that state, incentive funds are awarded to SDAs that can demonstrate excellence in developing "system building" collaboration with the Employment Service, human services agencies, economic development and/or education. SDAs are evaluated through a two-part process (including a site visit) that considers such factors as coordination in planning, service delivery, use of resources, and monitoring; PIC role; benefits to participants and employers; and future plans.[1]

Connecting, Not Competing, Priorities

Whatever particular goals are chosen, the standards need to measurable and clearly defined. They also need to reflect a consistent approach to defining at-risk youth and employability. In states that define the at-risk population in terms of demographic characteristics, the standards should reinforce that approach, e.g. reward services to dropouts, teenage parents, welfare recipients, etc. In a state that supports a definition of at-risk that focuses on skill deficiencies, the standards should be designed to reward services, for example, to participants reading below the 7th grade level or to youngsters two or more grade levels behind in school or to those lacking prior work experience. Similarly, in states that have adopted a more "hybrid" definition, using a combination of socioeconomic and skill-based characteristics to define those targeted for priority services, standards should reflect and reinforce that definition. What states need to avoid are the mixed messages that result from using different definitions for different policies -- one definition for at-risk youth in a state performance standard, and a

[1] "JTP Ohio PY'88 System Building Incentive Award Criteria" describes the Ohio standard for interagency linkages.

different definition in policies for 6% hard-to-serve funds or its 8% grants.

While every state will differ in its approach, the state standards do provide an important opportunity to go beyond general JTPA goals and to promote specific types of activities and/or levels of performance from SDAs. In areas ranging from the direct encouragement of interagency coordination to the expansion of services to particular at-risk populations and the provision of longer term, competency-based training, state standards provide states with an valuable tool for furthering their youth policy priorities.

Incentive Policies: Leveraging Program Quality for High Risk Youth

The effectiveness of the performance standards system depends in large part on the way in which JTPA's 6% incentive funds are used to reward performance. While the the JTPA legislation emphasizes equity in the distribution of incentive awards, states need to ensure that their incentive policies are consistent with their performance goals and are designed to leverage maximum program quality. States also need to be sure that their incentive policies are not so complex and technical as to confuse local administrators. As a recent paper by the National Governor's Association notes, "incentive policies are especially influential when the policy is simple and clearly linked to stated policy objectives."[1]

In developing incentive policies, states have a number of choices to make, including which standards to reward and by how much, what thresholds to set for awards, how and if to award SDAs for "exceeding" standards, how much of the 6% grant to apply to incentive awards, and how SDAs can use that money. Each of these decisions offers opportunities to encourage increased and improved services for youth:

Rewarding Enhancement Not Costs. One of the ways states can encourage more intensive, longer-term services is by reducing the incentives for low cost programs and increasing those for employability enhancement. As noted above, several states have stopped awarding incentive funds for the youth cost standard by "0 weighting" that

1 Jose Figueroa and Evelyn Ganzglass, "Using JTPA Performance Standards as a State Policy Tool," (Washington, D.C.: National Governor's Association, May, 1988).

standard in calculating incentive grants. Equally important, however, states can provide positive incentives for the development of competency systems and programs for at-risk youth by apportioning larger shares of their performance award dollars to the employability enhancement standard. Taken together, those two options provide a clear message about the relative importance states place on cost versus the development of long-term employability.

Supporting Programs for the Hard-to-Serve. States can also reinforce their commitment to serving at-risk youth by setting aside a signficant share of their 6% funds to fund or reward services to hard-to-serve populations. States can use 6% funds to provide incentive awards to SDAs that serve one or more target groups above a specified level or in proportion to or above their incidence in the population. As with state standards, these hard-to-serve awards can provide an added incentive for SDAs to focus more of their services on those youth who need the most assistance. Using 6% funds in this way also provides states who are unwilling to select the enhancement standard with a way of phasing in incentives for serving high risk youth.

States can also require SDAs to use a portion of their 6% incentive awards for services to hard-to-serve populations. In Ohio, SDAs must use at least 25% of any performance awards they receive to serve hard-to-serve participants.

States can also use 6% funds to directly support services for hard-to-serve populations through grants for special programs. In Michigan, for example, the state's "Hard-to-Serve Initiative" uses 6% monies to fund multi-agency programs serving hard-to-serve individuals (including at-risk in-school youth and dropout youth) through interagency planning and integrated service delivery.[1] Innovative, high risk projects often emerge from this kind of use of 6% incentive monies. These pil[illegible] [illegible]t aside" initiatives may later be mainstreamed into IIA and thereby provide th[illegible] for significant institutional change within the JTPA framework and am[illegible] [illegible]er agencies. In using 6% funds to support innovative projects, states need to incl[illegible] provisions to ensure that this mainstreaming takes place and that 6% projects are [illegible] continued

[1] The Michigan Hard-to-Serve Program Initiative is briefly described in the Linda Kinney and Robert Rice's "Michigan Program Models" options paper. More detailed information is provided in the "Hard-to-Serve Program Initiative: Request for Proposal," also in the Michigan section of this guide's supplemental volume.

indefinitely outside of the performance standards system where their long-term impact on the employment and training system may be limited.

Minimum Requirements for Awards. States can also influence services to youth through the minimum requirements they set for SDAs to qualify for incentive funds. Currently, there is a wide variation among states in how many performance standards SDAs must meet to qualify for incentives. Some require SDAs to meet all eight standards to qualify for any awards. Others have established primary and secondary standards, designating several required standards, such as employability enhancement, while leaving SDAs a degree of choice. Others require SDAs meet five of eight standards to qualify, or to only meet one. In most cases, the issue in establishing a threshold is the degree of flexibility states want to allow SDAs in setting their program priorities versus using the threshold requirements as a means of enforcing a general level of program quality. Some states may, for example, want to consider requiring SDAs to meet the employability enhancement standard as a minimum requirement for any incentive awards as one means of ensuring that SDAs are providing programs for at-risk youth. Others, however, may prefer not to place extra emphasis on any one particular standard.

In addition to identifying which performance standards must be met to qualify for incentives, states can also tie incentive awards to levels of service. Several states have built into their incentive system policies that reduce the amount of incentive funds if minimum service levels for at-risk youth are not achieved. In an effort to ensure services to youth, others tie the size of the incentive award to the level of SDA youth expenditures.

Capping Awards. As discussed earlier, the way in which states award funds for meeting and exceeding standards can also have a significant impact on youth services. Where grant awards rise with the degree to which each standard is exceeded, incentive policies tend to create pressure for low cost, quick placement programs. States can limit this competitive pressure by creating distinct pools of funds for each standard and by putting a "cap" on the awards an SDA can earn. In Illinois, for example, an SDA earns the bulk of its incentive awards if it meets or exceeds its standards by up to 10%.

However, the incremental awards for higher performance levels are much smaller, and no additional funds are awarded for performance that exceeds the standards by more than 20%. Similarly, in Minnesota, SDAs can earn 60% of their incentive awards for each standard by meeting it or exceeding it by one tolerance factor, 30% for exceeding a standard by 1-2 tolerance factors, and 10% for exceeding by three or more. In both cases, the states have reduced the incentive for low cost, quick-fix programs by eliminating grants for unusually high performance results.[1]

Incentives and Performance Standards. As a result of the recent JTPA revisions, Governor's now have the option of deciding whether or not to apply performance standards to the use of incentive awards. A number of states have used this new authority as one final means of encouraging services to at-risk youth. In Michigan, for example, the Governor has prescribed a variation to the standards to reflect services to hard-to-serve participants. Performance standards reflect the exclusion of hard-to-serve participants and associated costs for the purpose of awarding incentive grants. In Indiana, the state will also exempt 6%-funded programs from performance standards calculations, but requires SDAs to apply for and justify the exemption.

States should recognize that, as with other options, this approach involves some trade-offs. On the one hand, for many SDAs, the impact of excluding hard-to-serve participants from performance standards calculations may be limited, and their inclusion in the calculations may even result in a more favorable performance standard. At the same time, states need to recognize that by excluding 6% funded services from performance standards calculations, they are giving up an element of quality control. Thus, while freeing SDAs to develop more innovative or experimental approaches for hard-to-serve youth, the benefits of exempting 6% funds from performance standards may be limited and states may want to closely monitor its use.

Investing in Technical Assistance. Finally, states may decide to invest a signficant proportion of their 6% funds in technical assistance. As discussed later in this guide, technical assistance programs can be used to orient local staffs to the needs

[1] See the options papers on "Illinois Performance Standards and Incentive Policy Strategies" and Minnesota's "6% Incentive Grants: PY'88 Performance Standards and Incentive Methodologies."

of at-risk youth, to help develop improved programs and systems (such as competency systems), or to pilot program tools such as curriculum. When used in conjunction with performance standards and incentive policies aimed at moving SDAs towards increased and improved services for youth, that technical assistance can be a critical step in translating policy into operating programs.

INCREASING COORDINATION: TOWARDS A COMPREHENSIVE SYSTEM FOR YOUTH

JTPA's performance standards and incentive policies provide critical tools for moving JTPA programs toward longer, more intensive services. But one of the clearest messages to emerge from the Region V Task Force was the equally important need to build a more coordinated approach to serving at-risk youth. Youth who are at-risk of failure in school or of chronic unemployment today bring with them a constellation of needs: for basic skills education and work skills, but also for counseling on family issues, treatment for drug or alcohol abuse, housing assistance, day care and the like. At the same time, as the funds for social services decline, it is clear that states and localities can no longer afford the fragmented and duplicative approach to services that has been common in the past. Neither JTPA nor any other youth system on its own can provide the comprehensive services that meet the range of youth needs.

The coordination challenge facing states, then, is to develop a coordination strategy that can support those brings together the resources available for serving youth, that broadens the range of services available to each at-risk young person, and that does so in a way that minimizes administrative barriers for administrators and for participants. The more difficult coordination is for planners and service providers, or the more complicated the service delivery process appears to youth, the less likely effective coordination will take place.

Coordination Lessons

Among the Region V states, the development of coordinated strategies for youth was a high priority. Who was involved in coordination activities varied substantially, in part according to how states defined their approach to at-risk youth. Generally, education was seen as the most critical partner. But where states took a comprehensive approach to at-risk youth, looking beyond employability skills to additional barriers to independence, they also made an effort to bring in other agencies, such as youth services, welfare, or public health systems.

However broad or narrow the coordination effort, successful collaboration meant changing the ways in which institutions related to one another. While there are no simple formulas for bringing about that change, the coordination experiences of the Region V states do suggest a number of basic lessons:[1]

Begin with the Issues, not the Act. While JTPA offers a number of tools to support and encourage coordination (such as Coordination Criteria and the 8% Education Grants) the key to many of the Region V initiatives has been the development of an interagency collaborative process prior to making JTPA-specific policy decisions. Effective coordination begins by defining common interests, by organizing agencies around a set of issues, and by developing a broader state strategy for serving at-risk youth of which JTPA is one part. JTPA policies are then used to ratify, reinforce, and carry into effect an agreed upon collaboration policy rather than to try to establish it from scratch.

State-Level Coordination is Key. The Region V states also recognized that coordination has to begin with agreements among state-level agencies. While the coordination that takes place on the local level has the most immediate impact on service delivery, the lack of agreements among state agencies is one of the most critical barriers to the successful creation of those local ties. (Task Force members also noted that the lack of agreements at the Federal level is viewed as a primary barrier to state-level coordination.) Many of the administrative barriers to coordination, in term of program priorities, eligibility rules, funding cycles and the like need to be dealt with at the state level, and it is at the state level that the leadership needed to overcome longstanding turf issues

[1] See Joyce Hawthorne and Wayne Sherry's Wisconsin options papers "Working Together for At-Risk Youth" and "The Wisconsin Approach to Collaboration" for a discussion of key steps in the collaboration process. Practitioners may also want to read Richard Lacey and Christopher Kingsley's "A Guide to Working Partnerships," (Waltham, Massachusetts: Brandeis University, Center for Human Resources, 1988) for a more in-depth discussion of how to build collaborative programs.

must be exercised. To the extent that states want to encourage the development of integrated local delivery systems, they need to set the context at the top.

Coordination Is Based on Collaboration. As one of the Task Force options papers notes, "coordination is an unnatural act between non-consenting adults." It does not take place easily or quickly, and it rarely takes place solely as the result a written policy. The development of a coordinated strategy for youth at the state or the local level, then, has to reflect a broader commitment to collaboration and an awareness of the need to address a variety of often substantial barriers. Policy makers and administrators need to demonstrate leadership by being willing to take risks and by sharing their decision making power and their policy development process. They also need to be willing to invest time and energy in negotiating common goals, building trust, and working out problems. More than in any other area of performance management, coordination requires the "buy in" of all the key players. Because of that, the process is essential to the product.

Change Must Be Supported on Several Levels. As with every aspect of performance management, the most effective strategies for increasing coordination are those that make use of the full range of available tools and are implemented on several levels. Among the Region V states, there were coordination initiatives that involved developing a unified youth policy, that supported coordinated planning at the state and local levels, and efforts that created a framework for collaborative programming. However, the greatest potential for institutional change was evident where coordination was supported on all three levels at the same time. Institutional change -- in terms of redefined policy goals, shared resources, new service and new delivery structures -- is most likely to take place where policy, planning strategies, and operating systems are all moving in the same direction.

Coordination Must Have a Goal. Implicit in all of the lessons listed above is the most important: coordination must have a clear focus and a goal. For practitioners and policy makers to invest their time and energy in coordination, there must be a clear rationale and readily identifiable, mutual benefits. As the options paper from Wisconsin notes, "A coordination effort which is not focused and relevant to everyone's needs [coordination for coordination's sake!] will quickly lose the interest of busy people.

The Coordination Goal: A Comprehensive Approach to Youth

For states that want to expand and improve services for at-risk youth, the goal of coordination is the development of an effective, comprehensive service delivery system. As outlined earlier in this guide, that means a system that can provide a flexible and varied program mix, intensive and long-term programming, and an integrated and collaborative approach that offers an array of services that can be accessed in a graduated sequence. To achieve that goal, states and localities need to find ways of establishing shared goals and objectives for diverse youth serving agencies so that programs aim at a common outcome. Planning and resource allocation needs to take place in a way that eliminates unnessary duplication of services while fostering development of programs that fill existing service gaps. Program staff need to be aware of existing services and have the tools needed to move participants from service to service across agency lines. Finally, participants need to be able to access those services with a minimum of administrative barriers.

Coordination, in this context, is a means to an end. In this case, the desired end is support for a comprehensive youth system. The strategies outlined here, which include the development of common goals and definitions, joint planning and funding, and administrative initiatives, are all aimed at bringing together and organizing resources for at-risk youth and at reduce the barriers to a flexible, integrated youth service delivery system.

Agreeing on the Definition

One of the most significant barriers to collaboration is the lack of a common language and definitions, goals, and eligibility guidelines among youth-serving systems. At the Federal level, for example, income guidelines differ among such programs as JTPA, school lunch programs, TJTC, welfare and food stamps. "Youth" are defined differently under JTPA, Wagner-Peyser, TJTC and welfare. Programs also differ substantially on such terms as "remediation," "competency-based," "placement," and "enrollment." In many states, these differences are repeated in state level legislation and policies. As a result, each system has its own goals, its own programs, and its own priorities, resulting in fragmentation, competition, and duplication of services.

The most effective starting point for collaborative programming, then, is the development of a common approach to the issues of at-risk youth. The key step in that process is the negotiation of common goals and definitions among the various youth-serving agencies: identifying who is at risk, what outcomes are appropriate, what kinds of services are needed to achieve those results. On one level, the process of developing shared goals and definitions of at-risk youth is a critical factor in getting agencies to focus on the needs of young people rather than on their institutional interests and to recognized their common commitment to helping youth. On another level, the development of common definitions should lead to the adoption of identical language and coordination goals in the policies of the various collaborating agencies. As the representatives of one state pointed out, the incorporation of the same or similar language in the policies and/or legislation of several systems is one of the most effective coordination strategies because it means that the field staff in all the programs are hearing the same tune.

Several of the Region V states have moved toward a unified youth policy through legislation that defined a comprehensive approach to youth or a particular set of youth issues. Through that legislation, priorities were set, common definitions were established, roles defined, and funds made available to help smooth the gaps between existing services.

In Wisconsin, the state's Children At Risk Legislation (1985) establishes a framework for collaboration on dropout prevention between schools, JTPA, and other community agencies. The legislation defines youth at-risk and requires school districts to develop dropout prevention programs in cooperation with other community agencies. As a result of that legislation, the state's JTPA and education agencies have developed common coordination criteria and program goals. The state's 8% coordination funds and Perkins Act funds are targeted to supporting those goals through the development of competency-based curriculum and by funding collaborative dropout prevention programs, and the state JTPA and education agencies have developed joint training initiatives for schools, SDAs and other youth agencies.[1]

- In Minnesota, the state's Departments of Jobs and Training, Education, Health and Human Services joined agreed to bring together their state budget proposals in a single, umbrella youth dropout prevention bill, now before the legislature. The legislation was developed in an effort to gain support for youth services generally and to eliminate the annual competition for funding among youth-serving agencies. Included in the legislation is funding to supplement JTPA Title IIB and to encourage the development of year-round in-school programming, including remediation, basic skills instruction, case management, tutoring, mentoring and counseling services.[2]

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1 See the material on the Children At Risk legislation in the Wisconsin section of the guide's supplemental volume.

2 See the description of the "Minnesota Youth Program" in the supplemental volume.

Sharing Planning and Decision Making

A second strategy for increasing coordination in serving youth is the development of a collaborative planning process at both the state and the local level that can develop joint programs, identify roles and responsibilities among agencies, and coordinate the allocation of resources -- in short, a process that can translate broad policy goals into operational decisions. At the state level, one approach is to set up a special youth planning council involving all the state youth agencies to coordinate programs at the state level. In some states, these councils have been organized around the use of JTPA's 8% funds; in others they have grown out of state legislation or policy mandates or have been established to organize a specific project.

States can also promote collaborative planning at the local level through the use of coordination criteria or the planning requirements for 8% grants and other special programs. As noted above, Wisconsin's Children At-Risk legislation encourages involvement of a broad group of local agencies in planning dropout prevention programs. Similarly, through the use of coordination criteria, Michigan's Governor is requiring a number of employment related agencies to develop local plans for comprehensive service delivery.

While encouraging coordinated planning at both the state and the local level, states should make an effort to locate that planning in existing structures rather than create new, duplicative planning bodies. Where states agencies can reach agreement on the development of a joint planning process, they may want to identify an existing organization, such as the State Job Training Coordinating Council or local school boards or PICs, as the lead planning body for youth issues.

States need to recognize, however, that the effectiveness of any coordinated planning effort depends on the willingness of the participants to take some risks and share decision-making. The designation of a state or local youth council is not in and of itself enough to increase coordination. Nor can states simply mandate trust or shared decision making. But the development of a collaborative planning process can create a context in which representatives of youth-serving agencies have to address common issues and identify their respective roles. And where it works, collaborative planning can have a major impact on program planning and operations by developing common procedures, program guidelines and funding schedules, issuing joint grants and RFPs, and planning complementary rather than duplicative programs.[1]

Lowering Administrative Barriers

States can also significantly expand and ease access to a range of services on the program level by addressing the administrative barriers that block joint operations on a day-to-day basis. These barriers can range from differences in agency planning cycles to location to intake forms. Together, these kinds of administrative issues can seriously hinder efforts to develop joint programs or to move young people across agency lines. States may want to consider some of the following strategies:

- By establishing common planning and funding schedules and by developing and using joint RFPs, states can encourage local agencies to combine similarly targeted funds or discretionary grants and to develop collaborative programs. In one state, for example, the state JTPA and education agencies combined 8% and state dropout prevention funds in a single RFP for dropout prevention programs. By establishing a unified proposal format and reporting guidelines, and by coordinating the funding, the agencies were able to require a single, comprehensive dropout plan from the schools and SDAs.

- States can also encourage collaborative planning by creating common boundaries for substate areas in JTPA, the Employment Service, education, and other youth serving systems.

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[1] A number of Task Force options papers address coordination issues. See Jennifer Biddle's paper (Indiana) on "Development of Coordination Criteria," Michigan's "PY'88 Goals, Objectives and Coordination Criteria," Wisconsin's "JTPA Coordination Criteria and Objectives, and the material on Wisconsin's Children at Risk Legislation.

- States can support joint planning and improved access to services for participants by encouraging the co-location of employment and youth-related services. In Indiana, for example, JTPA and the Employment Service have merged at the state level and many local offices have co-located. States may also want to consider encouraging the location of JTPA offices in schools or co-locating intake services with welfare, health services, and other youth agencies. Similarly, joint staff training programs can improve staff awareness of community resources and facilitate planning and referrals across agency lines.

- States can also support comprehensive services and improved access by developing common intake, eligibility and assessment tools. In Michigan, as directed through the Governor's coordination criteria, core groups of local agencies have been formed to achieve joint planning and thereby improve access to job training and related services. These core groups are designing common intake, assessment and EDP planning tools for all job training related agencies. The state is also requiring local agencies to work together to develop criteria, methods, and plans to meet local needs, including the development of local, county-based resource directories. At the state level, agencies are identifying common information needs and formats. These common tools will make it easier for young people to move among systems and for institutions (such as schools and JTPA) to establish joint initiatives for a common population.

Funding Coordinated Youth Services

A final strategy for encouraging increased coordination at the local level is the funding of joint program operations. Through the use of 8% funds, dropout prevention monies, and other resources, states can support the development of collaborative program models involving SDAs, schools, and other youth-serving institutions. States can also develop new pools of funds designed to support comprehensive strategies for youth at-risk. As noted earlier, in Michigan, for example, a number of state agencies have pooled $1.2 million in funding in a joint "Hard to Serve" initiative. The funding is designed to support comprehensive services by filling the gaps between existing services. Similarly, states can move toward integrated services by channeling a variety of program funds through a single system, such as the PICs/SDAs or the schools. Indiana has taken this approach, using the JTPA system, in developing employment and training programs for food stamps recipients. By using a single delivery system for a variety of programs, states can reduce the duplication of services and support the more efficient allocation of youth-related resources.[1]

Reinforcing Coordination Through JTPA

Where state agencies have reached agreement on the development of a coordinated approach to at-risk youth, several JTPA performance management tools can be used to reinforce those agreements and to help carry them into effect.

Linking Work and Education: The 8% Grants. JTPA's 8% Discretionary Funds (Section 123) are explicitly designated as means of increasing coordination between JTPA and education. The funds can be used provide to services for eligible participants through cooperative agreements between education agencies and SDAs; to provide literacy training, dropout prevention services or school to work transition programs; or to facilitate state level coordination through cooperative agreements. 80% of the funds must be used to provide services to participants (e.g. a maximum of

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[1] For a description of the Michigan Hard-to-Serve Program, see the paper on "Michigan Program Models" and Michigan's "Hard-to-Serve Program Initiative: Request for Proposals." For the Indiana program, see Jennifer Biddle and Nina White "Indiana Manpower and Comprehensive Training (IMPACT) Concept."

20% for state-level coordination), and the state must provide matching funds.

Region V states have used their 8% funds in a variety of ways: to jointly develop curriculum and materials, to fund demonstrations, and to leverage collaborative programs between JTPA and schools. Wisconsin uses its 8% funds to leverage the development of significant programmatic collaboration between schools and SDAs. Some of its 8% funds are used to support development of competency-based curriculum for use in schools and JTPA programs; however, the majority of funds are for programs for at-risk youth that are developed in accordance with strict guidelines and are designed to integrate the states JTPA, Children At Risk and Education for Employment initiatives.

Other states are also using 8% funds to encourage coordinated and comprehensive services. Part of Michigan's 8% funds are being used to develop and pilot basic skills programs and competency systems for at-risk youth. In Ohio, 8% funds were used to develop a computer-based, integrated labor market information system that provides both labor market and career guidance information and that is located in schools, SDAs, county offices and other service agencies. Ohio is also using 8% funds to support school-to-work and dropout prevention programs and expects to issue grants this year for innovative youth programs and programs that will result in systematic, interagency coordination of services. Other states are using 8% monies to fund projects providing collaborative dropout prevention services or other services for hard-to-serve youth. Since 8%-funded activities are not counted in performance standards, many states use them for experimental activities or to support services to high risk populations.[1]

Critical Choices: RFP or Formula: One of the strategic choices that states have to in using their 8% funds is whether to issues the funds through a competitive grant process or a formula allocation. Each approach has its proponents, and each involves a number of important trade-offs. By using an RFP or grant process, states have

[1] For Wisconsin, see Wayne Sherry and Joyce Hawthorne's paper, "Strategies that Work: 8% in Wisconsin." Also see Wisconsin's "Goals and Activities for PY'88-89 8% Program," and "Department of Public Instruction: PY'88-89 8% Job Training Plan." For a description of the Michigan project, see Lori Strumpf's article, "Next Steps to Effective Remediation Strategies: The Michigan Model" in the supplemental volume, and for Ohio, see "PY'88 JTPA 8% Education Set-Aside Policy Overview" and "The Ohio LMI System." Also see Indiana's "PY'88 JTPA Youth Education (8%) Planning Instructions."

substantial control over the use of funds and can target monies to specific institutions or issues. A grant process also allows states to devote larger sums to specific projects that may have system-wide impact, such as model citywide dropout prevention initiatives or the development of pilot curriculum in one or two sites. Formula allocations have the advantage of providing many localities with incentives for coordination or with funds for special projects, and offer SDAs an opportunity to address issues or develop programs of particular local concern. However, because formula allocations are spread in smaller amounts throughout the state are unlikely to leverage change beyond the individual SDA.

Focus on Change. Whatever the specific approach, 8% funds should be used in a way that creates new links between work and education and that leverages institutional change. As flexible, discretionary funds, they offer an opportunity that should not be wasted to move programs and systems in new directions. Whether using formulas or grants, states need to establish guidelines for 8%-funded projects that make clear those high expectations; with a focus on which agencies need to be involved in planning and operations, what kinds of coordination are expected, what kinds of matching funds should be involved, who should be served, how the programs address the issues of educational enhancement, and expected outcomes. Though 8% funds are not subject to regular JTPA performance standards, states should negotiate clear performance expectations for any 8% funded projects. Lastly, with the goal of building the results of any 8% efforts into the mainstream of JTPA, states need to ask what kinds of long-term institutional change will take place and how programs will continue after the 8% funding expires.[1]

Coordination Criteria: Sending a Message to the Field. As part of the Governor's JTPA Coordination and Special Services Plan, states are required to establish criteria for coordinating JTPA activities with programs and services provided by education, public assistance, the employment services, rehabilitation agencies, and

[1] A number of the 8% policies in the supplemental volume provide examples of how states can establish clear program guidelines for 8% projects. Both Wisconsin and Indiana, for example, require programs to indicate how projects will be continued. Wisconsin has also developed a set of performance indicators for use with 8% funded in-school programs. See Wisconsin's "Completion Codes for DPI 8% In-School Youth Programs.

others. These coordination criteria can provide an effective vehicle for increasing coordination. Coordination criteria, such as those in Michigan or Wisconsin, can require collaborative planning processes among youth-serving agencies or mandate the development of common tools and program strategies. Michigan's coordination criteria, for example, require each PIC to involve a core group of agencies in the development of a step-by-step plan for integrating service delivery. Among the agencies required to be involved are secondary and post-secondary education, the Employment Service, the Department of Social Services, and community based organizations. Similarly, state criteria can be used to encourage co-location or local decisions to channel funds through a single service delivery system.

While are there few limits on the issues and behaviors that coordination requirements can address, they are likely to be effective only when they are developed through an interagency process, identify specific actions and measurable outcomes, and reflect state level agreements that are already in place. But states need to recognize that coordination criteria are more effective as message carriers than as initiators of change. Where they are developed in isolation within the JTPA system, coordination criteria are unlikely to have a significant effect on institutional behavior.

Coordinating Eligibility. As noted earlier, one of the biggest barriers to serving youth across agency lines and of mixing funds in a single program is the difference in definitions of eligibility among youth-serving systems. JTPA offers some flexibility in who can be served through the Title IIA's "10% Window" and the 25% "window" associated with the 8% Education and Coordination Grants. Both of these windows allow JTPA programs to serve a limited number of non-economically disadvantaged clients. However, in many cases, JTPA programs are finding that these "windows" are not sufficient to allow easy movement of at-risk youth among programs or to encourage joint programming. The difficulties are especially evident in developing in-school programs, where schools may be unwilling to restrict program access to JTPA eligible youth, and in programs mixing 8% funds, with one set of rules, and regular IIA funds, which have another.

A number of states have turned to the use of "family of one" policy as means of opening eligibility windows to facilitate coordination. Federal Regulations for JTPA (20

CFR 626.4) authorize Governors to define "family" when used in determining family income for eligibility. Under a family of one approach, the income of family members can be disregarded in considering the eligibility of individuals in certain targeted populations. Approximately one dozen states have now adopted family of one policies that define at-risk youth such as dropouts, potential dropouts (e.g. behind grade level, frequently absent, etc.), pregnant teenagers, and others as a family of one for eligibility purposes.[1]

A Controversial Approach. The use of family of one policy is the source of considerable controversy. Among practitioners, opponents question whether, given JTPA's inability to serve more than a fraction of the eligible population, it is appropriate to open JTPA program eligibility to non-economically disadvantaged individuals. Others have supported the use of family of one as a way of recognizing the importance of factors other than income in determining risk (e.g. basic skills deficits) for youth, but have argued that current policies open the door too wide by including other potentially at-risk populations. Finally, many supporters of the policy point to it as a critical tool in building coordination among systems. The use of family of one, they argue, is the only current means of allowing SDA and other agencies to form common definitions of at-risk youth and to translate those definitions into joint services.

There is no clear answer here. The Department of Labor has indicated that it believes family of one policies are an inappropriate effort to circumvent the intent of JTPA and that they should not be used. However, DOL has not made any official policy determination at this point, and has recently indicated that it does not intend to.

Evaluate the Impact. What is clear is that if family of one is used as a policy tool, it needs to be used with care. In writing their policies, states should have a clear purpose and rationale, and need to consider how to define eligible groups without abandoning JTPA's primary goal of serving economically disadvantaged. (Some states,

[1] See the paper by Nancy Waisanen and Kay Tracy, "Defining At-Risk Youth as a Family of One" (Minnesota) for a discussion of family of one policies in several states. Also see Minnesota's "Eligibility Policy: At-Risk Youth."

for example, have set upper limits on family income for those eligible under family of one guidelines.) At the same time, if the policies are used, states should evaluate the effects of the policy on their service levels by tracking the proportion of young people served under family of one, their income level under standard JTPA rules, and the kinds of programs and services they are involved in. If the policy is not resulting in new collaborative services or is serving youth of substantial means, states may want to reconsider its use.

Training and Collaboration. Lastly, one of the most effective means of facilitating coordination is through a coherent program of technical assistance and information. States can use their 6% technical assistance funds (as well as 8% monies) to develop joint training programs or information-sharing mechanisms that build awareness and trust among practitioners in local and state agencies. Two examples stand out:[1]

- In Wisconsin, state agencies have developed and run a joint training program on at-risk youth. Programs brought together interagency "teams" from each SDA, including JTPA, education and human services representatives, to work on common definition and goals and to begin the development of collaborative youth strategies for their communities. The training has resulted in the identification of common interests among local youth administrators and development of new interagency planning groups in many of the SDAs.

- In Michigan, state agencies have developed a directory of statewide, publicly-funded job training, education and related services as a means of acquainting service providers with available

[1] See "The Wisconsin Approach to Collaboration" and Michigan's "PY'88 Goals, Objectives and Coordination Criteria."

services. The state is mandating local systems to develop similar guides. By including information on the names of programs in the community, the types of services offered, eligibility requirements, who provides services, the scope of programs and contact persons, the guides will make it easier for local administrators and service providers to access a broader array of services.

Conclusion

While coordination clearly lies at the heart of improved services, it is a goal that cannot be achieved easily by policy action alone. There is nothing easy about sharing credit, power and money in an area often characterized by vague goals. Hard work, the ability to form relationships, political savvy, persistence, patience and luck all help. On one level, states and localities need to take the time to address a variety of legal and technical issues that can stand in the way of joint programming, such as protocols for sharing confidential information or development of simple release forms; development of common monitoring guidelines, funding cycles and reporting requirements; rules for co-mingling funds; and ways of measuring the contributions of several partners so that real inputs and outcomes can be evaluated. As one practitioner noted, "its the little things that get you down."

At the same time, the clearest lesson to emerge from the Region V coordination experience is that successful collaboration can only result from making an effort to collaborate. State and local leaders need to be willing to clarify joint objectives, invest in the effort to build trust, and stick with the process until a good working relationship is built. There is a real payoff for that effort, however, in terms of developing more effective services for youth.

APPENDIX I
LOS ANGELES CONTRACTING MATERIALS

NARRATIVE SUMMARY OF VESTED EARNINGS MILESTONES

A series of milestones have been established for vested earnings purposes. In keeping with the three-tiered model, payments vary according to the employability status of the participant.

These four milestones are listed and defined below.

Milestone 1. Complete Initial Training Objective

To earn the unit price for "Complete Initial Training Objective," the contractor must perform and document completion of all the following tasks:

a. Conduct intake.

b. Determine and document eligibility and need for training, submit the Reg/E1 form to the City, and retain documentation on file.

c. Document that the participant meets the PIC's definition of High Risk Youth.

d. Administer the CASAS Employability Competency System (ECS) appraisal.

e. Administer and maintain on file assessment instruments as required by the City and determine employability status.

f. Develop and maintain on file an Education and Employability Development Plan (EEDP).

g. Provide orientation.

h. Provide and document completion by the participant of at least twenty (20) hours of worksite training, Job Specific Skills Training, English as a Second Language (ESL), Basic Education, or Pre-Employment/Work Maturity (PE/WM) training.

The City and the PIC are committed to providing a formal specialized assessment for specific handicapped youth who are in need of such assessment. If a youth applicant or participant has a mental or physical handicap which impairs his or her ability to take the CASAS test, or to be otherwise pre- or post-tested or trained, the contractor is encouraged to utilize assessment services offered to the handicapped by LAUSD, by State agencies, or by other agencies which receive non-JTPA funding for assessment and services for the handicapped. Input from the agency providing services to the handicapped may be used to establish an alternative assessment, pre- or post-testing, or training plan for the handicapped youth. If an alternative training plan is required the plan must be submitted to the City for approval. The alternative plan must establish objective measurements for the achievement of subsequent benchmarks. Upon approval from the City, up to $_________ may be added to the initial payment in order to provide for the formal specialized assessment.

Milestone 2. Employment Enhancements

a. Basic Education Skills

There are two types of payments that may be earned relative to a participant's progress in acquiring basic skills.

program through administration of an assessment investment approved by the City; and

(c) Contractor must document the provision of job specific skills training in accordance with the City-approved Competency Acquisition Plan.

(ii) The second type of payment is termed "Job Specific Skills Attainment." To earn this payment, contractor must document that the participant acquired the skills outlined in the contractor's City-approved Competency Acquisition Plan (CAP) for the occupation in which the participant received training using a City-approved assessment instrument for that occupation and issued a certificate of competency attainment.

d. Other Employment Enhancements

Four additional employment enhancements as identified in Section 106(b) 2 of JTPA are allowable youth positive outcomes. These outcomes qualify a contractor for payment for pre-employable and nearly-employable youth, as described below (NOTE: No more than <u>one</u> of these employment enhancements may be claimed for any given participant.

(1) To earn the unit price for "Enter Non-Ticle II-A Training," a youth participant must, upon program completion or termination, enter an employment and training program <u>not</u> funded under Title II of the Job Training Partnership Act.

(2) To earn the unit price for "Return to School Full-Time," a youth participant, who upon enrollment met the Los Angeles Unified School District's (LAUSD's) definition of a dropout (did not attend sc[illegible] for at least forty-fi[illegible] consecutive days) and had not previously obtained a high school diploma or the equivalent, must return to full-time school.

(3) To earn the unit price for "Completed Major Level of Education," a participant, who had not previously done so, must pass the General Education Development (GED) exam; pass the California High School Proficiency Examination; or graduate from high school.

(4) To earn the unit price for "Completed Program Objectives," a participant who was less than 16 years of age at time of entry into the program, must complete the program objectives as defined in the contract and in City-approved exemplary youth project plans. This unit price will be negotiated by the City.

Milestone 3. Placement

a. To earn the unit price for "Entered Unsubsidized Employment," a youth participant must be placed in unsubsidized, permanent employment. For employment of less than 10 hours per week, no payment will be made.

b. To earn the unit price for "Entered Armed Forces," an eligible youth must enter the Armed Forces. Placement of yo[illegible] participants into the Armed Forces will not earn the contractor any quality measure payments for wage or retention/intensity.

c. To earn the unit price for "entered registered apprenticeship program," an eligible youth participant must enter a registered apprenticeship program.

The unit price for placement may be earned in addition to other payments with the following exception:

IF A PAYMENT IS MADE FOR PLACEMENT, PAYMENT SHALL NOT ALSO BE ALLOWED FOR ANY OF THE FOLLOWING ENHANCEMENTS: "ENTERED NON TITLE IIA TRAINING," "RETURNED TO SCHOOL FULL-TIME," OR "COMPLETED PROGRAM OBJECTIVE."

To be eligible for either type of payment, contractor must document that the participant scored below 235 on the CASAS pre-test in either math, or reading, or below 221 in listening comprehension.

NOTE: The basic skills payments outlined below do not apply to basic skills programs provided by a public education agency. A public education agency may, however, propose a reasonable reimbursement rate for these two benchmarks subject to negotiation with the City. The agency must clearly show what basic skills services and enhancements will be provided in addition to those funded through state reimbursement for Average Daily Attendance (ADA).

(1) The first type of payment is termed "Basic Skills Acquisition." A payment shall be made for each five point incremental gain by a youth participant on the CASAS post-test for reading, or math, or listening comprehension.

(2) The second type of payment is termed "Basic Skills Time Training Time." To earn payment for "Basic Skills Training," the contractor must document that the number of hours of basic skills training received by a participant. Payment shall be calculated per basic skills training hour as follows:

For each 120 hours of basic skills training time payments billed, there must be at least one basic skills acquisition.

b. Pre-Employment/Work Maturity

To be eligible for payment for Pre-Employment/Work Maturity (PE/WM), the contract must document that the youth was deficient in 5 or more of the core PE/WM competencies upon entry into the program. The costs incurred in providing wages and fringe benefits or compensation in lieu of wages shall be paid on a line item cost reimbursement basis. In addition, there are two payment benchmarks for pre-employment/ work maturity programs:

(i) For level III youth a work maturity payment can be earned when the youth has completed at least eleven weeks of an employment experience and received at least three worksite evaluations.

(ii) To earn the payment for PE/WM Competency Attainment, the contractor must document that the participant attained at least eighty percent (80%) proficiency in each of the core Pre-Employment/ Work Maturity Competencies, completed at least eleven weeks of an employment experience, and received at least three worksite evaluations, at least two of which must show mastery. In order to earn both benchmarks, contractor must document that the participant has completed at least 22 weeks of an employment experience, received at least 6 worksite evaluations, and has attained at least eighty percent (80%) proficiency in each of the core PE/WM competencies.

c. Job Specific Skills

There are two types of payments which can be earned relative to a participant's acquisition of job specific skills.

(i) The first type of payment is termed "Job Specific Skills Training Time." A payment shall be made for the provision of at least ____ hours of job specific skills training and additional payments for each _____ hours thereafter as defined in the contract. The rate of payment will be negotiated by the City. To receive payment under this benchmark, the following conditions must be met:

(a) Payment applies only to classroom training provided by the contractor and for which the contractor has private post secondary approval or certificate of state accreditation on file.

(b) Contractor must document that the participant lacked job specific skills upon entry into the

Milestone 4. Placement Quality Measures

Two quality measures have been identified. No quality measure payments will be made for participants terminated to the following: Armed Forces, Completed Major Level of Education, or Completed Program Objectives. The two measures are discussed below:

a. To earn the unit price for "wage," the participant must be placed into unsubsidized employment at an hourly wage rate of at least $5.00 an hour.

b. To earn the unit price for "retention," the participant must have terminated to one of the following: (1) entered unsubsidized employment, (2) entered a registered apprenticeship program, (3) returned to school, (4) entered Non-Title II-A Training.

   (1) One-third of the retention payment may be earned if the participant is retained for a minimum of thirty (30) days but less than (60) calendar days.

   (2) Two-thirds of the retention payment may be earned if the participant is retained for a minimum of sixty (60) calendar days but less than ninety (90).

   (3) The entire retention payment may be earned if the participant is retained for a minimum of ninety (90) calendar days

c. Unit Price and Cost Per Entered Employment

   Applicants will propose a unit price for each of the milestones described above.

   The maximum unit price is the sum of the payments for each milestone for one participant.

   The cost per entered employment (CPEE) or cost per positive termination (CPPT) is calculated by summing the entire proposed budget (the total of the fixed-unit price budget and the set-aside budget) and dividing by the proposed number of job placements and youth positive outcomes.

   For more information on fiscal policies, and performance management see the City TJDD Planning Staff.

CITY OF LOS ANGELES
THREE-TIERED PLANNING MODEL

TIER	SAMPLE SERVICES	COST PER POSITIVE TERM TOTAL AVE/ MAX PAYMENT	ASSESSMENT* SCALE SCORE
Tier I: Employable (Advanced	• Job Search Assistance • Placement	$2,000/$2,500	225 and above
Tier II: Nearly Employable (Intermediate)	• Pre-Employment Skills Training • Tryout Employment or On-the-Job Training • Placement • Basic Skills Classroom Training (C Level Curriculum References)	$4,100/$5,000	215-224
Tier III: Pre-Employable (Basic)	• Rigorous Work Site Training (Behavior/Attitudes/Work Maturity) (LWE, EEE, .OE, SYEP) • Basic Skills Remediation (B Level Curriculum References)	$7,000/$10,000	200-214

CASAS SCALE SCORE INTERPRETATION

After a participant takes the ECS Appraisal Test, the results are converted from a raw score to a CASAS scale score. Basic skill functional levels have been identified based on five years of statewide achievement data for students enrolled in Basic Education programs in California. The following descriptions of the levels will assist in the interpretation of the test results.

Pre-employable
BELOW 200 Participants functioning below 200 have difficulty with basic literacy and computational skills necessary to function in employment and in the community. These participants have difficulty providing basic personal identification in written form (e.g., job applications), are not able to compute wages and deductions on paychecks, and cannot follow simple basic written directions and safety procedures. (A Level)

200-214 Participants functioning **between 200 and 214** have low literacy skills and have difficulty pursuing other than entry level programs requiring minimal literacy skills. They can fill out simple job application forms and demonstrate basic computations only. These participants are functioning below a 7th grade level.

Nearly Employable
215-224 Participants functioning **between 215 and 224** are functioning above a basic literacy level, and are able to handle basic literacy tasks and basic computational skills in a functional setting related to employment. They have difficulty following more complex sets of directions and are functioning below a high school level. (C Level)

Employable
225 AND ABOVE Participants functioning **at or above 225** can function at a high school entry level in basic reading and math and if they do not have a high school diploma can profit from instruction at the high school level. They can usually perform work that involves following oral and written directions in familiar and some unfamiliar situations. Those participants 18 years of age and above can profit from instruction in General Educational Development (GED) preparation and in a short time, have a high probability of passing the GED test.

FINANCING COMPETENCY BASED TRAINING UNDER JTPA: A HYBRID CONTRACT
PART 1: FIXED UNIT PRICE PAYMENTS

	LEVEL I	LEVEL II	LEVEL III	Comments:
I. Complete Initial Program Objectives	$300	$300	$300	"Specialized Assessment" = $200
II. Youth Enhancements				
A. Basic Skills				
1. Basic Skills Training Time	$2.00/hr.	$2.50/hr	$3.00/hr.	Contractor proposes total hours to be provided.
2. Basic Skills Acquisition (each 5 point gain)	$75/5 points	$100/5 points	$125/5 points	For each 120 BST training hours, one acquisition must be achieved, measured over the entire contract.
B. PE/WM Skills Attainment	N/A	$300	$300 X 2 max.	
C. Job Specific Skills				Line-item, cost reimburseable budget will pay for OJT wages, TOE, WE support services, learning reinforcement payments. Classroom training costs will be negotiated.
1. Occupational Training Time	N/A	Negotiable	Negotiable	
2. JSS Achievement	N/A	$300	$300	
D. Other Enhancements	N/A	$200	$200	Only "GED" may be earned in addition to a placement.
III. Placement	$500	$700	$900	
IV. Quality Measures				1/3 of payment if 30-59 days retention; 2/3 if 60-90 days retention; full-earning after 91 days retention.
A. Wage	$150	$175	$200	
B. Retention	$150	$225	$300	Does not include GED enhancements or occupational training time. Varies with BST time & acquisition.
Fixed Unit Price Total (Ranges)	$1,[illegible] - $1500	$1550 - $3250	$2000 - $5500	

PART 2: LINE ITEM COST REIMBURSEMENT PAYMENT ESTIMATES

	LEVEL I	LEVEL II	LEVEL III
I. Work Experience Limited Work Experiences/Entry Employment	N/A	0 - $1400	$1400 - $4600
II. Support Services	$100 average	$250 average	$700 average
III. Learning Reinforcement Payments			
IV. Occupational Skill Training (OJT/TOE, tuition reimbursements)	0 - $1000	0 - $1400	$1200 - $2000
Estimated Fixed Unit Prices	$700 average	$1700	$3200
Total Average	$2000	$4100	$7000
Maximum Payment	$2500	$5000	$10,000

Comments:

If WE is longer, OJT should be shorter. Ideally, WE will end and OJT will begin <u>prior</u> to the end of long-term basic skills. All line-items are negotiable and will vary by the client group and the contractor's service plan.

APPENDIX II
MICHIGAN CONTRACTING MATERIALS

(Exhibits to accompany "Increasing Services to At-Risk Youth
Utilizing RFP and Contracting Procedures"
in the supplemental volume.)

8. Performance Objectives

Per contract negotiations, the following are understood to be the definitions of Program Objectives and, therefore, are the conditions under which payments will be requested by the Contractor.

Performance Objective #1: Enrollment/Completed Initial Training Objective

Defined As: Enrollment of an eligible participant into one of the allowable activities under this contract after referral from Jobs Central, to qualify as an enrollment, the participant must have completed a minimum of thirty (30) hours in training activities as specified by tier in this contract.

Documented By: Enrollment Verification form which verifies attendance of no less than thirty (30) hours of scheduled training in activities allowable as specified by tier under this contract (original signature required); See Attachment D-1 for facsimile.

MAXIMUM NUMBER OF ENROLLMENT PAYMENTS ALLOWABLE: 258

Tier I: 168
Tier II: 50
Tier III: 40

Performance Objective #2: Midpoint

Defined As: Verified completion of a minimum number of hours in an allowable [illegible]ing activities as specified by tier, in this contract, as stated below. The Contractor may not receive midpoint payments if placement or youth competency attainment occurs prior to midpoint.

Tier I: 60 hours
Tier II: 130 hours
Tier III: 285 hours

Documented By: Midpoint Verification Form which verifies the minimum hours (original signatures required). See Attachment D-2 for facsimile.

MAXIMUM NUMBER OF MIDPOINT PAYMENTS ALLOWABLE: 235

Tier I: 155
Tier II: 45
Tier III: 35

Performance Objective #3: Completion

Defined As: Completion of a minimum number of hours in allowable activities as specified by tier, in this contract, as stated below. The Contractor may not receive completion payments if placement or youth competency attainment occurs prior to midpoint.

Tier I: 120 hours
Tier II: 260 hours
Tier III: 570 hours

Documented By: Completion/Competency Attainment Form which verifies the minimum hours (original signatures required). See Attachment D-3 for facsimile.

MAXIMUM NUMBER OF COMPLETION PAYMENTS ALLOWABLE: 2[illegible]2;

Tier I: 140
Tier II: 42
Tier III: 30

Defined As: Attainment of a youth competency within one or more allowable activities as specified by tier under this contract. These competencies include Pre Employment/Work Maturity, Basic Education or Job Specific Competencies; or placement of a participant into unsubsidized employment in the occupation trained for upon completion of training (with the same employer for ICT and OJT) at a wage rate as stated below excluding employer fringe benefits. To meet the definition of placement, the participant must have been retained by the employer for a minimum of one hundred twenty (120) hours within thirty (30) calendar days or for On-the-Job Training, one (1) day after the training. Placement into unsubsidized employment will be considered occupation specific if the knowledge, skills and abilities acquired during the participants training are used by the participant on the job into which he or she is placed.

TIER I

4A. Adult Placement	$4.00-4.99:	25 max.
4B. Adult Placement	$5.00-5.99:	50 min.
4C. Adult Placement	$6.00-Higher:	26 min.
4D. Youth Placement	$3.35:	39 min.
	TOTAL	140

TIER II

4A. Adult Placement	$3.35-4.74:	7 max.
4B. Adult Placement	$4.75-5.74:	15 min.
4C. Adult Placement	$5.75-Higher:	8 min.
4D. Youth Placement	$4.00:	12 min.
	TOTAL	42

TIER III

4A. Youth Placement	$3.35:	10 min.
4B. Youth Competency:		20 max.
	TOTAL	30

NOTE: Achievement of the adult placement goals represented above DO NOT constitute attainment of the SDA required average wage at placement of $5.25 for TIER I and $5.00 for TIER II for this objective. Placement payments will be allowed for Adult Placements beyond the maximum for 4A if at the end of the program the wages of all adult participants placed meet or exceed the prescribed average wages by tier, exclusive of employer fringe benefits. Payment will be made after the final Request for Payment.

Documented By: Completion/Competency Attainment Verification Form for Youth Competency Attainments (original signatures required) See Attachment D-3 for facsimile; or

Documented By: Verification of Unsubsidized Employment Form (original signatures required); See Attachment D-4 for facsimile; and

Documented By: Submission of a copy of the specific Individualized Customized Training Agreement for TIER I or the OJT agreement for TIER II and, if the unsubsidized placement job title varies in any way from that specified in the agreement, UL shall submit written details of the specific skills, abilities and/or knowledge utilized in the closely related placement occupation for Jobs Central consideration (original signatures required).

MAXIMUM PLACEMENT OR YOUTH COMPETENCY PAYMENTS ALLOWABLE: 217, 187 PLACEMENTS AND 20 YOUTH COMPETENCIES

Performance Objec: ve #5: Full Performance

Defined as: One additional placement above the required two hundred seventeen (217) outcomes, of which one hundred eighty seven (187) must be placements, as outlined in Performance Objective #4.

Documented By: See Performance Objective #4.

MAXIMUM PAYMENTS ALLOWABLE = 1 CONTRACTOR SHALL BE ELIGIBLE TO RECEIVE ANY REMAINING DOLLARS IN PERFORMANCE OBJECTIVE #3.

ATTACHMENT C: PAYMENT SCHEDULE AND BUDGET SUMMARY

TIER I SECTION I: PERFORMANCE BUDGET

COST CATEGORY: 100% Training

I. EMPLOYABLE

Performance Objective	Price/Subunit	# of Subunits	Maximum Payable
#1 Enrollment	$369.88	168	$62,139.84
#2 Midpoint	400.90	155	62,139.50
#3 Completion	443.85	140	62,139.00
#4 Placement			
#4A Adult Placement $4.00-4.99	887.70	25	22,192.50
#4B Adult Placement $5.00-5.99	887.70	50	44,385.00
#4C Adult Placement $6.00-Higher	887.70	26	23,080.20
#4D Youth Placement	887.70	39	34,620.30

#5 Full Performance Available Dollars from #3
Total Number of Units Contracted for : 140
Fixed Unit Price for Training and Placement: $2,219

TIER I: TOTAL BUDGET: $310,696.34

TIER II SECTION I: PERFORMANCE BUDGET

COST CATEGORY: 100% TRAINING

Performance Objective	Price/Subunit	# of Subunits	Maximum Payable
#1 Enrollment	$410.00	50	$20,500
#2 Midpoint	452.00	45	20,340
#3 Completion	484.00	42	20,328
#4 Placement			
#4A Adult Placement $3.75-4.74	971.00	7	6,797
#4B Adult Placement $4.75-5.74	971.00	15	14,565
#4C Adult Placement $5.75/Higher	971.00	8	7,768
#4D Youth Placement	971.00	12	11,652

#5 Full Performance: Available dollars from #3
Total Number of Units Contracted for: 42

Fixed unit price for training and placement: $3,027

Total Performance Budget: $101,950

TIER II SECTION II: REIMBURSEMENT BUDGET

On-the-Job Training

NOTE: No administrative cost has been allocated as a result of On the Job Training. All administrative costs which could have been allocated to the Administrative Cost Category have been offset by direct in-kind contributions by UL.

Cost Category: 100% Training

Employer Reimbursement Payments = $25,200 (Max.)

TIER II TOTAL BUDGET: $127,150

TIER III SECTION I: PERFORMANCE BUDGET

Cost Category: 100% Training

Performance Objective	Price/Subunit	# of Subunits	Maximum Payable
#1 Enrollment	$606.00	40	$24,240
#2 Midpoint	693.00	35	24,255
#3 Completion	809.00	30	24,270
#4 Placement/Youth Competency			
#4A Competency	1,617.00	20 (Max.)	32,340
#4B Placement	1,618.00	10 (Min.)	16,180
#5 Full Performance	Available Dollars from #3		

Total Number of Units Contracted for: 30 20 Youth Competencies and 10 Placements.
Fixed Unit price for training and placement: $4,621

Total Performance Budget: $121,285

TIER III SECTION II: REIMBURSEMENT BUDGET

Limited Work Experience

NOTE: No administrative cost has been allocated as a result of Limited Work Experience. All administrative costs which could have been allocated to the Administrative Cost Category have been offset by direct in-kind contributions by UL.

Cost Category: 50% Participant Support
50% Training

Limited Work Experience Wages and Fringes Benefits: $17,345 Maximum

TIER III TOTAL BUDGET: $ 138,630