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CETA PSE Terminee Reemployment Reporting – A Federal Farce?

Edward G. Kouba

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CETA PSE TERMINEE REEMPLOYMENT REPORTING --

A FEDERAL FARCE?

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Independent Study

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of the

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FOREWORD

Due to the magnitude of the bureaucracy, it becomes very easy to get lost in a maze of terms, department names, and the intent of certain words when they are used in a work of this nature. For this reason, it is important for the reader to be aware that the Department of Labor has responsibility for several sub-departments, one of which is the Employment and Training Administration. Both departments exist at the federal level. In this paper, the terms Department of Labor and Employment and Training Administration shall be used interchangeably. Job Service is considered a state agency even though practically all of its funding is received from the Department of Labor.

Another area of potential confusion lies in the method of reporting certain statistics. When reporting transactions, every transaction that has taken place is considered. Thus, if six job developments are performed for an individual, six job developments would be reported. In the report discussed in this paper, the Department of Labor had elected to count individuals instead of transactions. Consequently, if six job developments were performed for an individual, only one job development would be reported. Both methods are employed in the study.

When the "model" reporting program's bar chart is reviewed, the reader will note that the obtained employment element contains the number, forty-three, which is the same as was listed in the original PSE reemployment report. This was done intentionally as no other data was available on this reporting element and it does represent an important role in our discussions.

CHAPTER I
INTRODUCTION

Problem

In the winter of 1981, the federal government finally gave in to program critics and significantly slashed funding for the Comprehensive Employment and Training Act (CETA). This funding reduction had a near disastrous effect on all titles under the Act but none suffered the impact greater than the Public Service Employment (PSE) programs funded under Titles II-D and VI. These two titles were responsible for the employment of approximately three hundred thousand individuals in a variety of public jobs that were to provide participants with a skill and the public with improved services. A great many prominent and influential individuals, in both the private and public sectors, felt that PSE was not providing the training and skills needed to transfer the participants into unsubsidized jobs and that the public was not receiving the services they were supposed to. These individuals also charged that CETA, primarily in the public service employment area, was fraught with abuse, nepotism, fraud, and other sundry acts. The critics' cries grew louder and louder until in February of 1981 the President announced that the Public Service Employment programs would have their funding completely curtailed by the end of the fiscal year.

All public service employment jobs were to summarily end on September 30, 1981.

The PSE program cessation created a great deal of concern throughout the Department of Labor, which was responsible for the administration of the CETA programs. Within a six month period, this agency would be required to find alternative training or unsubsidized employment for several hundred thousand people - a task DOL was not prepared to undertake.

After a series of blitzkrieg-like meetings, Department of Labor officials developed and formalized plans to assist the soon-to-be terminated PSE participants in finding new endeavors. It was anticipated that a large share of the terminees could be transferred to training situations funded under other CETA titles and, hence, no significant problems would be encountered in this area. What concerned DOL most at this time was what to do for the thousands of terminees not interested in training or for whom training funds were not available. The only acceptable alternative for these people was to find them unsubsidized employment, thereby reducing the potential impact on other social programs such as welfare, unemployment compensation, and food stamps.

In order to move as many terminating CETA public service employees as possible into unsubsidized job opportunities, the Department of Labor undertook a massive reemployment and training program involving a host of other agencies and organizations under its funding umbrella. These agencies included Job Service, Job Corps, Private Industry Councils, the Work

Incentive Program, National Alliance of Business, and the Human Resources Development Institute. Each of these organizations had different responsibilities and roles to perform on the terminees' behalf.

As would any other bureaucracy, the Department of Labor felt it was necessary to establish a reporting system that would indicate the various agencies' impact on the reemployment effort. The reporting system would serve as both a management information tool and an indicator of goal accomplishment.

The federal government has never been highly touted for its ability in implementing programs or efficient reporting systems. Therefore, the intent of this study shall be to scrutinize the reporting system developed for the PSE terminee reemployment program in relationship to the Job Service system -- specifically, Job Service North Dakota.

Of the four hundred thirty-four CETA participants affected by the termination of Titles II-D and VI in North Dakota, one hundred eighty-eight met all of the DOL requirements for inclusion in the reportable population base. This group will serve as the nucleus of attention for the hypotheses to be proven in this paper.

Objectives and Methodology

It is a commonly held view that the bureaucracy is basically inept in its implementation of both established and new activities with which it becomes involved. In

concurrence with that commonly held view, the objective of this paper shall be an attempt to prove that the federal bureaucracy -- using the Department of Labor as an example -- cannot hastily implement a reporting system that is understandable, credible, and equitable. The Department of Labor PSE reemployment reporting program shall be studied in order to prove or disprove the stated objective.

To make a meaningful determination on the above statement, it will be necessary to objectively review and study all available written material, paying particular attention to initial instructions issued by the Department of Labor applicable to the reporting program, subsequent correspondence related to reporting instruction clarifications, communications justifying reporting procedures, and reporting requirement changes.

The one hundred eighty-eight individuals who constitute the reportable population base for Job Service North Dakota's reemployment program shall be considered the "control group" in this study.

The major hypotheses to be considered in this paper shall be:

- 1) The Department of Labor's restrictive reporting requirements resulted in the under reporting of Job Service activity to individuals by fifty percent.
- 2) The Department of Labor's initial reporting requirements were liberalized to reflect a higher rate of goal accomplishment.
- 3) A "model" reporting system will produce results at least one hundred percent greater than the original guidelines in all reportable categories.

As the study is conducted, the possibility exists that other hypotheses may be discovered. If so, an attempt will be made to prove or disprove them.

Research Considerations

In order to pursue a logical conclusion to this paper, usage will be made of all available government publications, letters, memorandums, directives, and reports related to the reemployment program reporting system. Although limited in number because of the program's short life span (seven months), a sufficient amount of information is available to conduct the study. If any relevant information from outside the bureaucracy appears and is pertinent to the topic, it shall be included.

Of primary use in this paper shall be computerized printouts of the four hundred thirty-four PSE participants that represented North Dakota's share of the CETA Title II-D and VI terminees. These printouts contain almost all the reportable activities to be included on the reemployment reports and will be reviewed thoroughly to assist in discussing the reporting system. All determinations made in this study shall be a result of unobtrusive data. Hence, no Department of Labor personnel involved in the development of the reporting program will be interviewed. Likewise, no Job Service employees, other than the author, who were knowledgeable in this reporting program will be asked to contribute information as there existed a high degree of prejudice toward the reporting system within this agency.

Some of the above hypotheses may be determined to be of little or no relevance to the actual study itself and thus may be modified or eliminated altogether. Elimination of the hypotheses will be highly unlikely, as those listed above are considered reasonable and of major consequence to the overall impact of the study.

Since a portion of this study will consist of establishing a model reemployment reporting system, specific questions will need to be asked of the model as follows:

- 1) How is the reportable population base to be expanded or contracted?
- 2) How is the reporting of participant services to be handled?
- 3) Should the definitions be altered for any of the reportable activities?
- 4) Should the number of reportable elements be expanded or contracted?

Additional questions may need to be considered as development of the model reporting progresses and shall be incorporated if feasible.

In order to completely involve the reader in this study, it is important he or she be knowledgeable of the origins of the CETA public service employment programs. Points to be covered in Chapter II of the study shall be what reasoning brought PSE about; whom it was to serve; and what benefits would be derived for both the participants and the public. Next, information will be provided on the eventual termination of the CETA-PSE programs and the subsequent reemployment effort, its implementation process, and related goals.

Chapter III shall provide the reader with an in-depth view of the reemployment reporting requirements established by the Department of Labor and carried out by its State Job Service Agencies. The initial reporting requirements will be discussed followed by a presentation of DOL's subsequent reporting instructions and clarifications. This chapter shall be concluded by discussion of the resultant confusion in the reporting system.

Chapter IV shall include the construction of a "model" reporting system which will then be compared and tested with the actual reporting program. All findings in Chapter IV shall then be discussed and evaluated in Chapter V which will provide the summary and conclusion portion of this study.

Generalization

This study is limited in scope since none of the main actors involved in developing the reemployment reporting system were contacted for their input. Their comments on the rationale involved in some of the original or subsequent reporting decisions would likely impact this study.

Another limitation includes the fact that this was a national program, but the study of its operation is restricted to Job Service North Dakota only. How the reporting program was viewed and handled in this state may well have been entirely different than in other states.

CHAPTER II

CETA PUBLIC SERVICE EMPLOYMENT PROGRAMS

PSE Titles II and VI Origins

In 1971 the Emergency Employment Act was introduced to help counteract the effects of a recent economic slowdown. The main thrust of this Act was keyed in the Public Employment Program (PEP), the objective of which was to employ over two hundred thousand unemployed persons in public service jobs. The Act made provisions for only two years of funding, fiscal years 1971 and 1972, which emphasized its roll as a temporary countercyclical tool.¹

This program was initially limited to enrolling unemployed persons who were members of a family with incomes below the poverty level. Preference in this group was to be given to Viet Nam era veterans, former enrollees in manpower programs, younger and older workers, migrants, others with disadvantaged backgrounds, and workers displaced by technological change or shifts in the pattern of federal expenditures.

Other guidelines included in this legislation were encouragement for restructuring jobs, eliminating arbitrary barriers to employment, and putting civil service reforms into effect to facilitate hiring members of target groups and moving them into permanent jobs.

Due to a host of operational problems associated with the Emergency Employment Act, manpower experts agreed that any reform of the nation's system of manpower training should have as its three basic goals the "decategorization, decentralization, and consolidation of all existing manpower developments."²

In agreement with that philosophy, the federal government took action to reform the nation's manpower training programs. In late 1974 the Department of Labor began a movement to go as far as possible with the decentralization and decategorization of manpower activities under existing legislation. The trend became to develop a comprehensive manpower delivery system which would bring existing manpower programs and delivery systems under local direction and control. This was accomplished by combining most programs operating in an area into a single grant under the sponsorship of a local elected official, county executive, or other elected official.

Following in the footsteps of PEP, Title II of CETA was implemented to counter unemployment by creating opportunities for transitional employment in jobs providing needed public services in areas of substantial unemployment. A major emphasis in this program was to provide the enrollees with job skills and education which would aid in transitioning them into unsubsidized employment. Title II was oriented primarily toward the structurally unemployed.

A new title, Title VI, was designed to provide for a

large temporary program of emergency public service jobs specifically targeted to help ease the impact of the high unemployment generated by the economic downturn experienced in 1974 and 1975. This program was oriented toward the cyclically unemployed.

Because of recurring problems similar to those experienced in PEP, the Comprehensive Employment and Training Act was amended in 1978 (Public Law 95-524).³ The amendments contained features which further crystalized the purposes of Titles II and VI. Title II now combined the comprehensive manpower services previously authorized under Title I and the public employment programs previously authorized under Title II. Allowable program activities included training, work experience, upgrading, retraining, and education plus other services, (known as Parts A, B, and C), and counter structural public service employment, (known as Part D), needed to enable participants to obtain unsubsidized employment. Participants enrolled in institutional training programs and services were to be economically disadvantaged and either unemployed, underemployed, or in school while participants in public service employment must have been on welfare or economically disadvantaged and unemployed fifteen or more weeks.

Title VI still provided for counter cyclical public service jobs and authorized the funding of sufficient positions to employ twenty percent of the number unemployed

in excess of a four percent overall area rate of unemployment. Fifty percent of the funds were to be used only for the employment of persons in projects of limited duration, and all persons working in those projects had to be employed at the entry skill level. The only eligibility requirement for this program was that the participants be unemployed six out of the most recent fifteen weeks.

PSE Program Cessation

The CETA amendments of 1978 attempted to prevent program fraud and abuse plus quell its critics by requiring the Secretary of Labor to establish standards and procedures to prevent nepotism, conflict of interest, excessive legal fees, improper co-minglings of funds, kickbacks, political patronage, or similar abuses. In addition, each prime sponsor was required to establish an independent unit to monitor compliance with the requirements of the Act, its regulations, and the Comprehensive Employment and Training plan. The Department of Labor further urged its prime sponsors to use their independent monitoring units as managerial tools for improving the operation and efficiency of CETA programs and activities. Additionally, the Secretary of Labor assessed annually the effectiveness of each prime sponsor's independent monitoring units with particular attention paid to the adequacy of funding, staffing, training, and ensuring the independence and objectivity of monitoring procedures and practices.

Despite the attempts by the federal government, through

law and closer program monitoring, to cleanse the CETA program of mismanagement and abuse, the program critics had already cast dark clouds of suspicion over CETA. The anti-CETA movement grew more vocal and more intense as more and more dollars were pumped into the programs until, finally, in fiscal year 1980, the bubble burst and overall CETA funding had its course quickly reversed. The funding reversal can be readily understood by observing the following chart:⁴

<u>Fiscal Year</u>	<u>Title II-D</u>	<u>Title VI</u>
1979	2.45 billion	3.75 billion
1980	1.77 billion	1.85 billion
1981	1.28 billion	.61 billion
1982	- 0 -	- 0 -

Finally, on February 18, 1981, the President announced an Economic Recovery Program proposing to end funding for CETA Titles II-D and VI at the end of the fiscal year. As part of the recovery program, the President reported to Congress on March 10 and 17, 1981, a proposed cutback of two hundred thirty-four million dollars in Title VI and a deferral of six hundred and seven million dollars in Title II-D.⁵ The President's anticipated fiscal year 1982 budget contained no funding for Titles II-D and VI.

PSE Terminee Reemployment Program

It was at this point that Assistant Secretary of the Department of Labor, Albert Angrisani, instructed his Employment and Training Administration (ETA) to coordinate a reemployment effort for those CETA participants who became unemployed as a result of the funding cuts in Titles II-D

and VI. This effort was to have top priority for all parts of the Employment and Training Administration system at the federal, state, and local levels.

All the available resources possessed by the ETA were to be directed toward assisting the CETA terminees in transitioning to other activities. In order to judge the effectiveness and impact of this transition program and to ensure its effectiveness, all involved organizations were required to provide the Department of Labor with information regarding the outcomes experienced by persons who were impacted by the program phaseout.

The State Job Service Agencies (SJSAs) were assigned the major responsibility in assisting Title II-D and VI participants in obtaining unsubsidized employment. CETA plan modifications were instituted to immediately phase out both Titles II-D and VI by the end of the fiscal year. CETA prime sponsors were to submit copies of the phaseout plans to Job Service. This procedure would allow the State Job Service Agencies to assess their respective statewide pictures of the phaseout impact. This information aided in determining whether Job Service staff resources needed to be adjusted to handle high demand where large numbers of layoffs would be occurring. Based on perceived needs, staff was to be relocated, temporary staff hired, or other appropriate action taken to handle the workload. The SJSAs then were to advise each local office, both Job Service and Unemployment Insurance, to work directly with CETA prime sponsor

staff to implement the reemployment effort.⁶

Reemployment Program Goals and Implementation

Job Service was expected to provide basic employment services to every Title II-D and VI participant who was seeking employment. It was projected that Job Service would place thirty percent of all Title II-D and VI participants registered with them by May 20, 1981. This target was based on the Title II-D revised allocations and the planned revised allocations in Title VI referred to earlier in this paper. Thus, based on a projection of two hundred thousand PSE participants, a target of sixty thousand job placements had been established for the Job Service nationwide. In order to achieve this goal, Job Service responsibilities were to include:

- 1) Providing each registered participant with at least one job placement related service, preferably a job referral.
- 2) Promoting job development where immediate job openings were not available.
- 3) Coordinating employer contacts and job developments with CETA prime sponsors.
- 4) Entering applications, for terminees who wished to relocate, into the Computerized Interstate Clearance System. In addition, the microfiche listings of interstate job orders, as well as Occupations in Demand information, was to be made available to those terminees willing to relocate.

Where significant numbers of participants were involved, local offices and prime sponsor staff were to undertake special efforts such as scheduling labor market briefings for participants being laid off, job search workshops, group

and individual assessments, and counseling and testing activities. Special services were also implemented related to cooperating with other organizations such as Apprenticeship Information Centers, Community Based Organizations, Job Service Employer Committees, Job Fairs, Job Telethons, Dial-A-Job hot lines, and special media coverage.

All of the above activities were carried out in a relatively short time frame by the Department of Labor through a flurry of telephone calls, letters, field memorandums, and telegrams.

To put into perspective the urgency with which the reemployment program was implemented, one must be aware of the actual dates within which this activity took place. It is important to keep in mind the fact that the President announced the intended phaseout of Titles II-D and VI on February 18, 1981.

On March 13, 1981, the DOL issued instructions and guidance to regional administrators regarding allocation levels, revised fiscal year 1981 Titles II-D and VI plans, compliance issues, waivers, unemployment compensation procedures, and other issues related to the phaseout of the PSE programs.

On April 9, 1981, telegraphic messages to the regional administrators, followed by a field memorandum, outlined the responsibilities and goals of CETA prime sponsors, the Job Service, Unemployment Insurance Service, Work Incentive Program (WIN), Private Industry Councils (PICs), and Job Corps. Also included were the public and private interest groups,

such as the National Alliance of Business, The Human Resources Development Institute, the U.S. Chamber of Commerce, and the U.S. Conference of Mayors.

To emphasize the importance of the reemployment effort at the local level, on April 10, 1981, the Assistant Secretary for Employment and Training sent individual letters to all administrators of the above organizations informing them of the significance of the reemployment effort and their expected cooperation in it.

The goals for placing terminated PSE participants were established at the onset of the reemployment effort. Because of the one-time intensive nature of the CETA participant reemployment program, Albert Angrisani viewed the goals as an absolute requirement. The goals not only functioned as targets for the entities involved in finding jobs for CETA terminees, but they also served to fulfill a commitment he made to the Senate Committee on Labor and Human Resources on March 9, 1981, when he stated that:

"Through this Re-Employment Effort [sic], the vast majority of PSE participants affected by the phaseout of the program will be either placed in an unsubsidized job, training opportunities, or other positive outcomes."⁷

Additional pressure was applied to Job Service toward meeting reemployment goals because of the country's skeptical views toward social programs and the administration's concerns regarding Job Service's ability to do its job. This attitude was best spelled out in a letter to state Job Service administrators by Robert E. David, who was the president

of the Interstate Conference of Employment Security Agencies, Inc., (ICESA). In his letter, Mr. David made the following statement:

"Recent meetings with administration officials and Congressional staff point up more than ever that the Job Service level of productivity in the PSE reemployment effort is being viewed as a major test of the effectiveness of our labor market exchange system. With additional budget cuts in social programs, almost a certainty in fiscal year 1983, and the strong possibility that the scope of CETA reauthorization will include Wagner-Peyser, it is absolutely essential that we intensify our support of their effort."⁸

FOOTNOTES

¹Manpower Report of the President, Department of Labor. Washington, D.C.; U.S. Government Printing Office, March 1972, pp. 42-43.

²Manpower Report of the President, Department of Labor. Washington, D.C.; U.S. Government Printing Office, March, 1973, p. xiii.

³Employment and Training Report of the President, Department of Labor. Washington, D.C.; U.S. Government Printing Office, June, 1979, p. 31.

⁴Implementation of the Phaseout of CETA Public Service Jobs. Washington, D.C.; U.S. General Accounting Office, April 14, 1982, p. 2.

⁵T. James Walker, General Administration Letter No. 81-24, Transition of CETA Title II-D and VI Participants into Unsubsidized Employment. Washington, D.C.; U.S. Department of Labor, Employment and Training Administration, May 8, 1981.

⁶Ibid.

⁷Implementation of the Phaseout of CETA Public Service Jobs. Washington, D.C.; U.S. General Accounting Office, April 14, 1982, p. 8.

⁸Robert E. David, ICESA Letter, PSE Reemployment Effort. Washington, D.C.; Interstate Conference of Employment Security Agencies, Inc., May 22, 1982.

CHAPTER III

JOB SERVICE REPORTING REQUIREMENTS FOR THE REEMPLOYMENT EFFORT

Initial Reporting Requirements

On April 30, 1981, the Executive Director of Job Service North Dakota was advised by the Employment and Training Administration's Regional Administrator about the specifics of the reporting requirements for services provided to public service employment participants about to be terminated from the PSE program.

Job Service North Dakota would be required to prepare a monthly report reflecting cumulative services to affected PSE participants through the end of each reporting month. The first report was to reflect activity as of March 1, 1981, through the end of April 1981. The reports were originally scheduled to continue through September 1981.

Forms were provided by the Department of Labor to be used by Job Service in compiling its services to the terminees. Reportable services were presented in a field memorandum dated May 1, 1981, as follows:¹

- 1) New and renewal applicants: Individuals who completed a new job application or who activated an inactive application.
- 2) Individuals provided some service: Individuals who were counseled, tested, referred to supportive services, provided job development, or were referred to a job.
- 3) Individuals referred to jobs: An individual who was referred to a job opening available in the Job Service office.

- 4) Individuals placed: Individuals who were hired by an employer on a specific job opening listed at Job Service.
- 5) Obtained employment: This was a reportable service developed by the DOL for this program only. Obtained employment could be reported for only those individuals who participated in job search workshops or job finding clubs and then the service could only be reported when the following conditions were met:
 - a. The job search workshop or job finding club was wholly or partially funded by the Job Service through its Title III grant funds;
 - b. The individual obtained employment within ninety calendar days of participating in a job search workshop or job finding club;
 - c. The individual could not be reported as a placement.

Job search workshops consisted of short 1-3 day seminars designed to provide participants with knowledge that would enable them to find jobs. The job finding club encompassed all elements of the job search workshops plus a period (1-2 weeks) of structured, supervised, self-application where participants attempted to find jobs.

In addition to the monthly written reports that were to be submitted, the Job Service was also required to provide semi-monthly telephone summary reports of reemployment activities. These reports were to continue through June 30, 1981. On the telephone reports, only two items were to be reported:

- 1) the number of individuals placed; and
- 2) the number of individuals who met the obtained employment criteria.

As soon as the above information was provided to the DOL regional office, they would compile the data and telegram it

to the national DOL office.

Although relatively simple in appearance and limited in scope, the reporting system contained a host of inequities and problems that will be revealed as this paper progresses.

Subsequent Reporting Instructions

Within one week of receipt of the initial reporting requirements, the ETA Regional Administrator sent a letter to Job Service dated May 6, 1981, that stated:

"In reference to my letter dated April 30, 1981, this is to clarify the Job Service reporting requirements contained in the draft field memorandum which was attached to the letter. Please be advised that reporting on applicants, services and placement outcomes specified in the field memorandum should be on the basis of all sources of funds, not Title III grants only."²

Although this letter was not considered to be greatly significant at that time, it was the first indication that the reporting system established for the reemployment effort may have problems.

On May 22, 1981, the Employment and Training Administration found it necessary to issue another letter, the subject of which was further "clarification of Job Service reporting for the PSE reemployment effort".³ This letter was originated because a large number of questions were raised by Job Service offices concerning who should be included in the PSE report. Basically, this letter stated that:

- 1) Renewal applicants should only be individuals who were registered with Job Service on or prior to March 1, 1981, and who had made contact with a local Job Service office for assistance on or subsequent to March 1, 1981, but prior to May 20, 1981.

- 2) New applicants were to be counted on only those PSE terminees who registered with Job Service on or subsequent to March 1, 1981, but prior to May 20, 1981, and were actually seeking services.
- 3) Individuals provided some service were to include all applicants who had been provided any service other than registration, and should include job search assistance of any type provided PSE terminees.

The letter also stated that an individual should only be counted once regardless of the number of activities or services that person was provided by Job Service during the reporting period. The letter closed by instructing Job Service that it should ensure their PSE reemployment reports henceforth contained these "updates and clarifications."

On June 26, 1981, the Employment and Training Administration found it necessary to issue not one, but two letters, further "clarifying" problems in their reporting system. General Administration Letter (GAL) 81-59⁴ was issued to "correct reporting problems caused by overstatement on the number of PSEs available for assistance."

Again, a host of questions had been raised by Job Service staff concerning interpretation of who should be included and who should be excluded from the PSE reemployment report.

The Employment and Training Administration was concerned because the overstatement of new and renewals was producing questionable levels of service for individuals registered with the Job Service such as low placement rates and low service rates. The letter instructed Job Service to exclude individuals from their reports who were suspended from WIN, parti-

participants for whom the employer had made a commitment to hire as a permanent employee, and those participants who were to be enrolled in training. The reports population base was once again to be adjusted to allow for the elimination of individuals whom DOL felt were erroneously included.

GAL 81-60⁵, also dated June 26, 1981, was issued because of confusion relating to the definition of "Obtained Employment." Initially, obtained employment credit was to be given to only those individuals who participated in a job search workshop or job finding club situation and found employment within ninety calendar days of participating in that activity. The definition was now changed to include the word, "counseling." Job Service was instructed to go back to the beginning of the reporting period and decide who could be added to the report because of the change in the definition and report those people accordingly.

On July 17, 1981, the Employment and Training Administration struck once again with the GAL 81-66⁶ providing Job Service with another "revised definition" for the Obtained Employment column. The definition for obtained employment was now expanded to read "obtained employment will be reported when an individual has received counseling, or job development, or job search assistance, or employability assessment or has participated in a job search workshop, or a job finding club wholly or partially funded by Job Service through its Title III grants fund." This change became effective with the July report.

Although the entire PSE Reemployment Program and related reports were to terminate on September 30, 1981, the Employment and Training Administration decided that it would be appropriate if the entire reemployment effort was extended by one month. Consequently, on August 10, 1981, the Department of Labor issued instructions that informed Job Service that "although no participant could remain in a PSE job or training position after September 30, 1981, those who had not yet been employed or placed in a different training program could be provided reemployment services through October 31, 1981."⁷ Job Service was to submit its reemployment service report for this additional month by November 5, 1981.

Confusion in the Reporting System

It is evident to see from the list of letters issuing clarifications and revised reporting instructions that confusion, frustration, and misunderstandings were profound in the reporting program. Considerable confusion existed as to who should be included in the report population base as the initial reporting requirements were obviously not explicit enough. Overstating the population base was a situation ETA wholeheartedly wished to avoid since they felt that an inflated base would result in carrying people in the report who did not seek and, hence, would not receive services. Much to Job Service's consternation, the ETA had instructed them to exclude individuals who would actually help in meeting program goals.

Another area of confusion and frustration developed when

ETA changed the definition of the obtained employment category. The definition was expanded twice during the reporting period, and although it is unclear as to exactly why it was changed, there is speculation that the pressure came from within the Department of Labor itself to "loosen up" the definition in order to allow for reporting of more activity in that category. This would lend credence to the old cliché, "if you're having trouble winning the game, change the rules."

A final change in the reporting instructions was to extend the deadline for reporting services to PSE terminees from September 30, 1981, to October 31, 1981. One can only assume that the reports time frame was extended to provide for additional activity to be reported, thus showing greater accomplishment toward program goals.

Inequities existed in the reporting program that were unfair to Job Service itself. For instance, only PSE terminees who registered on or prior to May 20, 1981, were to be counted in the report. This excluded individuals who may have had a job promised but discovered later that the employer would not live up to the offer; people who were scheduled for training but decided later against attending, or who may have left the training shortly after starting. Also excluded were those terminees who may have been unable to make it to the Job Service office prior to the deadline for any number of reasons. Many of these "excluded" people eventually did come into a Job Service office and received service equivalent

to those in the population base but Job Service could not take credit for their services.

Two other problem areas existed in the reporting program. One area worked to the benefit of the Department of Labor, the other to the detriment of Job Service. Working against Job Service was the stipulation that only one placement, one reportable service, one job development, one job referral, and one obtained employment could be reported per individual. For example, if an individual was referred to six part time jobs during the reporting period and was hired on two of them, Job Service could only report one referral, and one placement. This restriction severely demoralized the Job Service staff, since their true efforts in placing the PSE terminees were essentially going unrecognized.

To DOL's benefit, potentially deceptive items existed in the reporting of a PSE terminee placement. An individual was to be reported as a placement whether he/she was placed on a job one day in length or one year in length. Since temporary or short term jobs are easier to find, naturally, a significant number of people would be placed in them and reported accordingly. The Department of Labor saw no problem with this since they were, obviously, more concerned with the reporting of a placement than they were with the quality of that placement.

FOOTNOTES

¹T. James Walker, Reporting of Titles II-D and VI Participant Outcomes. Washington, D.C.; U.S. Department of Labor, Employment and Training Administration, May 1, 1981.

²Floyd E. Edwards, General Administration Letter No. 81-22, Reporting of Reemployment Efforts. Denver, Colorado; U.S. Department of Labor, Employment and Training Administration, May 6, 1981.

³Robert C. Harden, Clarification of Job Service Reporting for the PSE Reemployment Effort. Denver, Colorado: U.S. Department of Labor, Employment and Training Administration, May 22, 1981.

⁴Robert C. Harden, Reporting of PSE Reemployment of Labor, Employment and Training Administration, June 26, 1981.

⁵Robert C. Harden, General Administration Letter No. 81-60, Reporting of Obtained Employment for the PSE Reemployment Effort. Denver, Colorado; U.S. Department of Labor, Employment and Training Administration, June 26, 1981.

⁶Robert C. Harden, General Administration Letter No. 81-66, Revision of Definition of Obtained Employment for the PSE Reemployment Effort. Denver, Colorado; U.S. Department of Labor, Employment and Training Administration, July 17, 1981.

⁷Implementation of the Phaseout of CETA Public Service Jobs. Washington, D.C.; U.S. General Accounting Office, April 14, 1982, p. 7.

CHAPTER IV
REEMPLOYMENT REPORTING PROGRAM MODEL

Model Criteria

The reporting model to be introduced in this chapter shall incorporate some basic and fundamental changes to the original reporting instructions. To begin with, it is felt that the May 20, 1981, deadline unfairly eliminated a large number of individuals from the report population base. Therefore, the deadline date for registering individuals needing job related assistance shall be eliminated and any PSE terminnee seeking placement assistance during the entire reporting period will be permitted to enter the model's population base.

The next reporting change shall be to allow Job Service to report all services provided on a transaction basis in addition to reporting those services on an individual basis. Essentially, this amounts to an expansion of the reporting elements of the original report and is implemented to provide a more realistic picture of Job Service's role and impact on the reemployment effort. The net effect of this alteration is to give Job Service credit for six referrals and two placements for a participant if he or she in fact received six referrals and two placements during the reporting period.

The third variation to be incorporated in the model

reporting program is to discount the obtained employment category. Although obtained employment was an important element to the reemployment effort, it has been discovered that this category was reported directly by local office Job Service staff and was not available on the automated applicant services printouts used for this study. Since local office Job Service staff would no longer have this information available and there is no other means of securing the information other than from the terminees themselves -- a nearly impossible task -- nothing can be done with this reporting element.

However, for informational purposes, the obtained employment category shall remain in the original report, (to be shown later), to reflect statistics reported in the final report. On the model report, also to be shown later, this category shall be asterisked and labeled as information not available.

Testing the Model

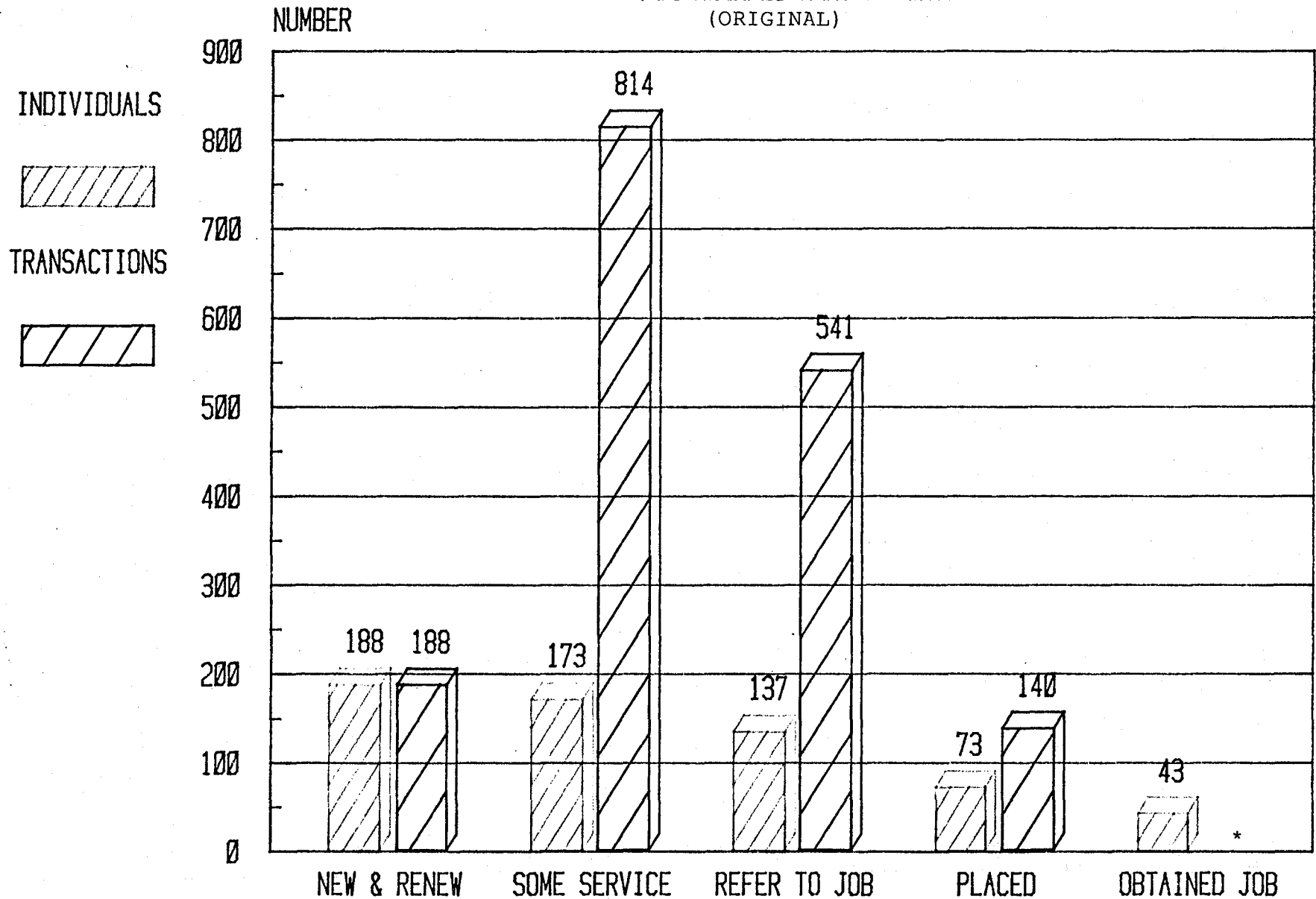
To visually present the information available for both the original reporting system, the model reporting system, and a comparison of both, three bar charts have been prepared and are presented in the next three pages of this paper.

Chart number one represents the original reporting program and consists of services provided to individuals in all categories as reported on October 31, 1981. Also, the chart

JOB SERVICE NORTH DAKOTA

PSE REEMPLOYMENT REPORT

(ORIGINAL)

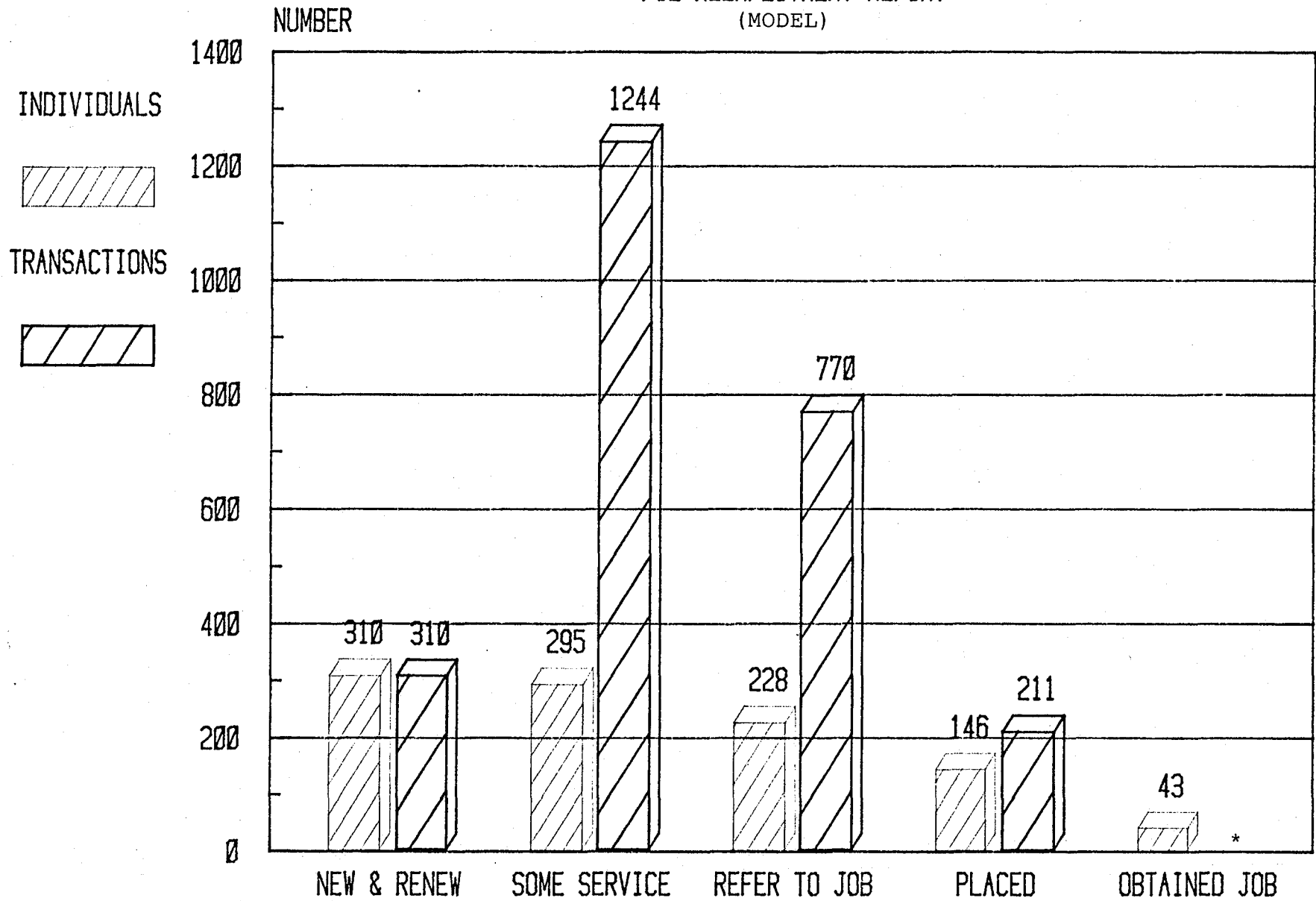


* Information not available.

JOB SERVICE NORTH DAKOTA

PSE REEMPLOYMENT REPORT

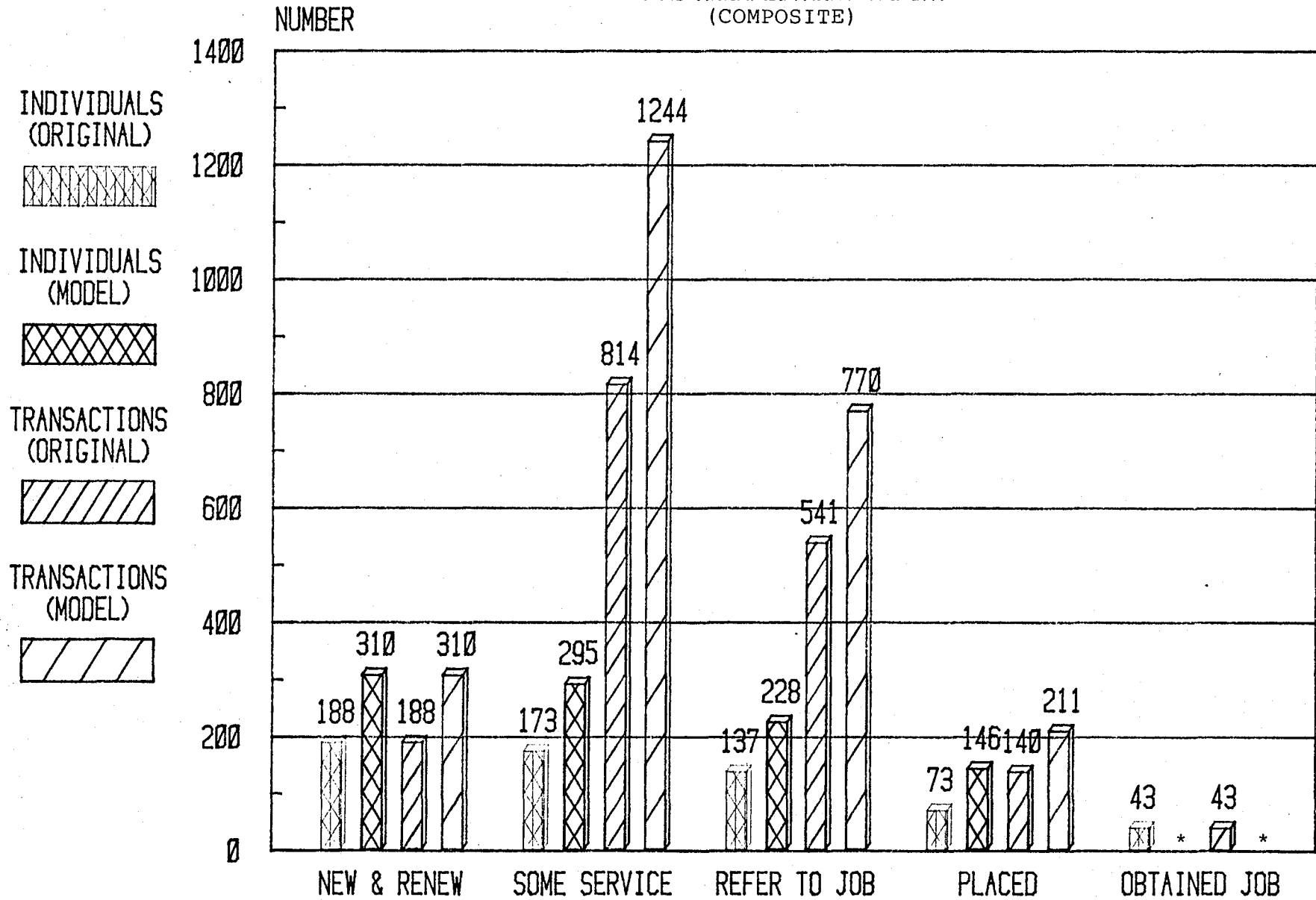
(MODEL)



*Information not available.

JOB SERVICE NORTH DAKOTA

PSE REEMPLOYMENT REPORT (COMPOSITE)



*Information not available.

shows the impact of reporting these services as transactions rather than individual counts on the original population base.

Chart number two presents the same type of information. However, this chart incorporates changes represented in the "model" PSE reemployment program.

Chart number three represents a composite of charts one and two and is made available so the reader may visually observe the differences between the original and the model PSE reemployment reporting programs.

Chart one reveals a significant change develops when Job Service transactions are considered along with the original individual reporting totals. The "Some Service" column indicates a significant amount of activity that was provided by Job Service but for which they did not receive credit. The "Referred to Job" column showed much the same result while the "Placed" column also showed a respectable increase. As indicated earlier, information on the "Obtained Job" column is not available, so no observations can be made pertaining to that reporting element. There is no change in the "New and Renew" column as the data base remains the same in this chart.

Along with an expanded population base, chart number two reveals similar increases in reportable transactions when compared to the individual only reporting elements. This observation dispels the Department of Labor's fears that a broader reporting base would lead to an underreporting of

services and placements toward established goals.

Chart number three puts into perspective the impact of the model reporting program as compared to the original. Looking at the individuals only elements, it is noted that new applications and renewals increased by one hundred twenty-two individuals, a sixty-five percent increase. Individuals provided some service increased by a like amount of individuals, a seventy-one percent increase. The individuals referred to jobs element indicates an additional seventy-three individuals were placed by Job Service in the model program over the original program for an increase of one hundred percent in this category alone.

Were it permissible to report transactions in addition to individuals served, the increases for each reporting element in the model transaction column over the original report would be as follows:

New and Renew	65%
Some Service	53%
Refer to Job	42%
Placed	51%

Another significant (and most important of all) fact is revealed when the original placement goal of thirty percent of the registered PSE terminees is considered. The original reporting program illustrated that Job Service placed thirty-nine percent of the reportable population -- a healthy nine percent above the established goal. However, when the same element is examined in the model reporting program, it is observed that an even more impressive forty-five percent of the base was placed by Job Service staff.

CHAPTER V

SUMMARY AND CONCLUSION

Findings or Hypotheses

Hypothesis number one of this study indicated that services to individuals were under reported by fifty percent due to the restrictive reporting requirements imposed by the Department of Labor. Obviously, the hypothesis led in the right direction but the percentage used was somewhat conservative. When the original report statistics are compared to the model's, the various reporting elements indicate increases from a low of sixty-five percent to a high of almost one hundred percent. These results allude to the theory that the Department of Labor should not have been so paranoid about limiting the population base of the public service employment report.

Hypothesis number three findings were much the same as hypothesis number one except that the model reporting program, which included the reporting of transactions, stated there would be an increase of one hundred percent of reportable activity over the original report. Once again, the hypothesis led in the right direction but the percentage used was too conservative. When comparing the model's transactions columns to the original report's individual count columns, the percentage increases varied from a low of approximately three hundred percent in the

"placed" category to over seven hundred percent in the "some service" category. These results are indeed astonishing and should open the eyes of even the most myopic bureaucrats within the Department of Labor.

Based on the more realistic statistics presented in the model reporting program, it is obvious the Department of Labor did a very poor job of designing and implementing the original public service employment reporting program. Not only did the original reporting program grossly under report actual Job Service activity with PSE terminees, it also served to stifle the size of the reports data base which in turn hindered placement goal accomplishment.

The purpose of the second hypothesis was to establish a relationship between the Department of Labor's liberalization of reporting requirements and its desire to show a higher percentage of goal accomplishment. A review of the report submitted on the originally scheduled ending date of September 30, 1981, indicated one hundred seventy-three individuals were provided some service, one hundred thirty-six individuals were referred to jobs, sixty-nine individuals were placed, and forty-two individuals were reported as having obtained employment. When this information is compared to the report submitted for October 31, 1981, the reporting elements increased by zero, one, four, and one, respectively. If the Department of Labor's purpose in extending the reemployment program by one month was to show greater goal accomplishment, it certainly

cannot be proven by the diminutive increases shown here. There was no way of testing the impact of the Department of Labor's changes in the definition of the obtained employment portion of the PSE report because the information for this element was no longer available.

Consequently, no conclusion can be drawn in this study on the second hypothesis which intended to prove that the Department of Labor attempted to show a higher rate of goal accomplishment by liberalizing some reporting requirements, i.e., extending the reemployment program by one month and by significantly expanding the definitions of the obtained employment reporting element.

Although nothing could be proven on the second hypothesis, it was not removed from this study due to its relevance to the original objective this paper has focused on.

Another point to be reviewed in this paper is the alleged deceptive reporting of individuals placed by allowing credit for short term placements. A separate study was not conducted on this point and, hence, exact figures are not available on how many people were placed in jobs of very short duration and how many were placed in permanent jobs. However, when placement transactions are observed in the original report, one sees that the number of placement transactions exceeds individuals placed by slightly more than two to one. This means that temporary placements, for which the DOL received credit as a permanent placement, played a major role in goal accom-

plishments. Whether the Department of Labor performed this deception knowingly or unknowingly is anyone's guess, but one cannot deny that it definitely worked to the Department's benefit.

Based on the information presented in this paper on the Department of Labor's reemployment reporting program, one is led to believe that the federal government cannot hastily implement a reporting system that is understandable, credible, and equitable.

National Impact

No information could be uncovered during the course of this study on the final results of the reemployment program at the national level.

Because of the varying economic factors that existed throughout the different regions of the United States during the PSE terminees reemployment program, it would be illogical to apply the success Job Service North Dakota encountered in both the original and model reporting programs toward the nation as a whole. However, it does appear logical that if the model reporting program would have been used nationwide, a much greater amount of success would have been shown toward goal accomplishment at all levels of the bureaucracy.

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