CR - Richard Hudson (LR)

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

09-Sep-1996 01:32pm

TO: William White

FROM: Molly Brostrom
Domestic Policy Council

SUBJECT: Title V supplemental

As you know, NCSC and others have been wondering whether we're going to submit a supplemental to cover the additional cost incurred by the Title V program as a result of the minimum wage increase.

I just learned from OMB (Pam Vanwie) that "the Administration is planning on submitting a 97 budget amendment that will include $90 million for the Title V program" (28 M to cover FY 96 costs; the rest for 97). There's no date/decision on when this will be submitted.

I passed this on to Dave Affeldt of NCSC. He is very pleased. May bug you in my absence as to the timing of the budget amendment -- if so, I'd check with Larry Haas or Pam Vanwie.

July 1, 1997 through September 30, 1998, for carrying out activities of the School-to-Work Opportunities Act: Provided, That $52,502,000 shall be for carrying out section 401 of the Job Training Partnership Act, $69,285,000 shall be for carrying out section 402 of such Act, $7,300,000 shall be for carrying out section 441 of such Act, $8,000,000 shall be for all activities conducted by and through the National Occupational Information Coordinating Committee under such Act, $895,000,000 shall be for carrying out title II, part A of such Act, and $126,672,000 shall be for carrying out title II, part C of such Act: Provided further, That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers: Provided further, That funds provided to carry out title III of the Job Training Partnership Act shall not be subject to the limitation contained in subsection (b) of section 315 of such Act; that the waiver allowing a reduction in the cost limitation relating to retraining services described in subsection (a)(2) of such section 315 may be granted with respect to funds from this Act if a substate grantee demonstrates to the Governor that such waiver is appropriate due to the availability of low-cost retraining services, is necessary to facilitate the provision of needs-related payments to accompany long-term training, or is necessary to facilitate the provision of appropriate basic readjustment services; and that funds provided to carry out the Secretary's discretionary grants under part B of such title III may be to provide needs-related payments to participants who, in lieu of meeting the requirements relating to enrollment in training under section 314(e) of such Act, are enrolled in training by the end of the sixth week after grant funds have been awarded: Provided further, That service delivery areas may transfer funding provided herein under authority of titles II-B and II-C of the Job Training Partnership Act between the programs authorized by those titles of that Act, if such transfer is approved by the Governor: Provided further, That service delivery areas and substate areas may transfer up to 20 percent of the funding provided herein under authority of title II-A and title III of the Job Training Partnership Act between the programs authorized by those titles of the Act, if such transfer is approved by the Governor: Provided further, That, notwithstanding any other provision of law, any proceeds from the sale of Job Corps center facilities shall be retained by the Secretary of Labor to carry out the Job Corps program: Provided further, That notwithstanding any other provision of law, the Secretary of Labor may waive any of the statutory or regulatory requirements of titles I-III of the Job Training Partnership Act (except for require- 's relating to wage and labor standards, worker rights, participation and protection, grievance procedures and judicial review, nondiscrimination, allocation of funds to local areas, eligibility, review and approval of plans, the establishment and functions of service delivery areas and private industry councils, and the purposes of the Act), and any of the statutory or regulatory requirements of sections 8–10 of the Wagner-Peyser Act (except for require- relating to the provision of services to unemployment insurance claimants and veterans, and to universal access to basic labor exchange services without cost to job seekers), only for funds available for expenditure in program year 1997, pursuant to a request submitted by a State which identifies the statutory or regulatory requirements that are requested to be waived and the goals which the State or local service delivery areas intend to achieve, describes the ac- that the State or local service delivery areas have undertaken to remove State or local statutory or regulatory barriers, describes the goals of the waiver and the expected programmatic outcomes if the request is granted, ibes the individuals impacted by the waiver, and describes the process used to monitor the progress in implementing a waiver, and for which notice and an opportunity to comment on such request has been provided to the organizations identified in section 105(a)(1) of the Job Training Partnership Act, if and only if the extent that the Secretary determines that such requirements impede the ability of the State to implement a plan to improve the workforce development system and the State has executed a Memorandum of Understanding with the Secretary requiring such State to meet agreed upon outcomes and implement other appropriate measures to ensure accountability: Provided further, That the Secretary of Labor shall establish a workforce flexibility (work-flex) partnership demonstration program under which the Secretary shall authorize not more than six States, of which at least three States shall each have populations not in excess of 3,500,000, with a preference given to those States that have been designated Ed-Flex Partnership States under section 311(e) of Public Law 103–227, to waive any statutory or regulatory requirement applicable to service delivery areas or substate areas within the State under titles I-III of the Job Training Partnership Act (except for requirements relating to wage and labor standards, grievance procedures and judicial review, nondiscrimination, allotment of funds, and eligibility), and any of the statutory or regulatory requirements of sections 8–10 of the Wagner-Peyser Act (except for requirements relating to the provision of services to unemployment insurance claimants and veterans, and to universal access to basic labor exchange services without cost to job seekers), for a duration not to exceed the waiver period authorized under section 311(e) of Public Law 103–227, pursuant to a plan submitted by such States and approved by the Secretary for the provision of workforce employment and training activities in the States, which includes a description of the process by which service delivery areas and substate areas may apply for and have waivers approved by the State, the requirements of the Wagner-Peyser Act to be waived, the outcomes to be achieved and other measures to be taken to ensure appropriate accountability for federal funds.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

(TRANSFER OF FUNDS)

To carry out the activities for national grants or contracts with public agencies and public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of title V of the Older Americans Act of 1965, as amended, or to carry out older worker activities as subsequently authorized, $361,140,000, including $21,840,000 which shall be available for the period ending June 30, 1997.

To carry out the activities for grants to States under paragraph (3) of section 506(a) of title V of the Older Americans Act of 1965, as amended, or to carry out older worker activities as subsequently authorized, $101,860,000, including $6,160,000 which shall be available for the period ending June 30, 1997.

The funds appropriated under this heading shall be transferred to the Department of Health and Human Services, "Aging Services Programs" following the enactment of legislation authorizing the administration of the program by that Department.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of trade adjustment benefit payments and allowances under part I, and for training, for allowances for job search and relocation, and for related State administrative expenses under part II, subchapters B and D, chapter 2, title II of the Trade Act of 1974, as amended, $324,500,000, together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For authorized administrative expenses, $173,452,000, together with not to exceed $3,146,826,000 (including not to exceed $1,653,000 which may be used for amortization payments to States which had independent retirement plans in their State employment service agencies prior to 1980, and including not to exceed $2,000,000 which may be obligated in contracts with non-State entities for activities such as occupational and test research activities which benefit the Federal-State Employment Service System), which may be expended from the Employment Security Administration account in the Unemployment Trust Fund including the cost of administering section 1201 of the Small Business Job Protection Act of 1996, section 7(d) of the Wagner-Peyser Act, as amended, the Trade Act of 1974, as amended, the Immigration Act of 1990, and the Immigration and Nationality Act, as amended, and of which the sums available in the allocation for activities authorized by title III of the Social Security Act, as amended (42 U.S.C. 502–504), and the sums available in the allocation for necessary administrative expenses for carrying out 5 U.S.C. 8501–8523, shall be available for obligation by the States through December 31, 1997, except that funds used for automation acquisitions shall be available for obligation by States through September 30, 1999; and of which $23,452,000, together with not to exceed $738,283,000 of the amount which may be expended from said trust fund, shall be available for obligation for the period July 1, 1997 through June 30, 1998, to fund activities under the Act of June 6, 1933, as amended, including the cost of penalty mail authorized under 39 U.S.C. 3202(a)(1)(E) made available to States in lieu of allotments for such purpose, and of which $216,333,000 shall be available only to the extent necessary for additional State allocations to administer unemployment compensation laws to finance increases in the number of unemployment insurance claims filed and claims paid or changes in a State law: Provided, That to the extent that the Average Weekly Insured Unemployment (AWIU) for fiscal year 1997 is projected by the Department of Labor to exceed 2,828,000 an additional $28,600,000 shall be available for obligation for every 100,000 increase in the AWIU level (including a pro rata amount for any increment less than 100,000) from the Employment Security Administration Account of the Unemployment Trust Fund: Provided further, That funds appropriated in this Act which are used to establish a national one-stop career center network may be obligated in contracts, grants or agreements with non-State entities: Provided further, That funds appropriated under this Act for activities authorized under the Wagner-Peyser Act, as amended, and title III of the Social Security Act, may be used by the States to fund integrated Employment Service and Unemployment Insurance automation efforts, notwithstanding cost allocation principles prescribed under Office of Management and Budget Circular A–87.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, as amended, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1954, as amended; and for nonrepayable advances to the Unemployment Trust Fund as authorized by section 8509 of title 5, United States Code, section 104(d) of Public Law 102–164, and section 5 of Public Law 103–6, and to the "Federal unemployment benefits and allowances" account, to remain available until September 30, 1998, $373,000,000.

In addition, for making repayable advances to the Black Lung Disability Trust Fund in the current fiscal year after September 15, 1997, for costs incurred by the Black Lung Disability

Carmela G. Lacayo
President/CEO

ANPPM
ASOCIACION NACIONAL
PRO PERSONAS MAYORES

Regional Centers: Los Angeles, CA • San Diego, CA • Washington, D.C. • Miami, FL • Tampa, FL • Chicago, IL • El Paso, TX • San Antonio, TX • Laredo, TX • New Orleans, LA • Detroit, MI • Portland, OR • Salt Lake City, UT • Kansas City, KS

FACSIMILE COVER SHEET

TO: Molly Brostrom **FAX:** 202/456-7028

FROM: Dave Affeldt

SUBJECT: FY 1997 Appropriation Needed to Maintain the SCSEP at 61,500 Positions

DATE: 08/29/96

NUMBER OF PAGES TO FOLLOW: 3

OUR FAX NUMBER IS (202) 466-9028

SPECIAL INSTRUCTIONS:

Please call (202) 293-9329 if you have not received any part of this transaction or if it is illegible. Thank you.

Operator

National Association for Hispanic Elderly
Washington, D.C. Regional Office: 1015 18th Street, NW #401 Washington, D.C. 20036
(202) 293-9329 Fax (202) 466-9028

TO: MOLLY BROSTROM

FROM: DAVE AFFELDT

RE: FUNDING NEEDED TO MAINTAIN THE SCSEP AT 61,540 POSITIONS FOR FY 1997

DATE: AUGUST 29, 1996

As you know, the Older Americans Act Title V Senior Community Service Employment Program (SCSEP) is funded at $373,000,000 for FY 1996 (July 1, 1996 to June 30, 1997).

Dan Schulder sent you a memo on August 16, informing you that an appropriation of $401,056,180 would be needed for FY 1996 to maintain the current enrollment because of the recent enactment of the minimum wage increase (Public Law 104-188, the Small Business Job Protection Act).

I spoke with you a couple of days ago. You asked me, "What funding would be needed for the SCSEP for FY 1997 to maintain enrollment at 61,540 positions?" I have completed my calculations. I estimate that an appropriation of $435,210,880 would be needed for FY 1997 to maintain the present enrollment. I have provided you with my summary sheet for the basis of my computation. If you have any questions, please give me a call. I am forwarding a copy of my work schedule for you to reach me for September. My phone number for August 29 is 202/293-9329. My phone number for August 30 is 301/251-0239.

August 29, 1996

Impact of the Minimum Wage Increase for FY 1997
for the SCSEP

Minimum Wage - $4.75 (07/01/97 - 08/31/97)
$5.15 (09/01/97 - 06/30/98)

Total hours for FY 1997 - 1,092 (21 per week x 52 = 1,092)

$4.75 x 182	$864.50
$5.15 x 910	$4,686.50

Blended average wage $5,551.00

$5,551 x 1.11 (fringe benefits) =	$6,162
Administration and other enrollee costs	$910
Per unit cost	$7,072
61,540 authorized positions x $7,072 =	$435,210,880
FY 1996 revised funding needed for 61,540 positions	-$401,056,180
Additional funding for FY 1997	$34,154,700

September Work Schedule for David A. Affeldt

National Caucus and Center on Black Aged	(NCBA)	202/637-[illegible]
American Association of Retired Persons	(AARP)	202/434-[illegible]
Asociacion Nacional Pro Personas Mayores	(ANPPM)	202/293-[illegible]
Home		301/251-[illegible]
Fax		301/340-[illegible]

Monday	Tuesday	Wednesday	Thursday	Friday
2 Holiday	3 ANPPM	4 NCBA	5 NCBA	6 NCBA
9 NCBA	10 NCBA	11 ANPPM	12 AARP	13 NCBA
16 ANPPM	17 AARP	18 NCBA	19 NCBA	20 NCBA
23 ANPPM	24 NCBA	25 NCBA	26 NCBA	27 AARP
30 ANPPM	10/1 AARP	10/2 NCBA	10/3 NCBA	10/4 NCBA

Admin Letter to
House subcommittee

Enclosure
(House Committee)

ADDITIONAL CONCERNS
DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1997
(AS REPORTED BY THE HOUSE SUBCOMMITTEE)

The Administration looks forward to working with the Congress to address the following concerns.

Department of Labor

Youth Opportunity Areas. The Subcommittee bill does not provide $250 million for the President's initiative for out-of-school youth now underway under current law. The initiative would provide approximately $14 million a year to each of 15-20 high poverty urban and rural areas to increase dramatically employment of out-of-school youth.

Dislocated Workers. The Subcommittee bill funds dislocated worker assistance at $1.1 billion, $193 million below the President's request. This would reduce participation by about 81,000 relative to the President's proposal. The Administration strongly opposes language to permit unlimited transfers of funds between dislocated worker and adult training programs.

Senior Community Service Employment Program. The Subcommittee reduces the share of funds for the national contractors (e.g. AARP, NCSC, Green Thumb) by almost 15 percent. These contractors would be unable to provide about 8,000 job opportunities for disadvantaged senior citizens in communities throughout the Nation.

Veterans Employment and Training. The Subcommittee reduces funding for State grants by eight percent below the President's request, and two percent below the FY 1996 enacted level. This action would result in about 28,000 fewer veterans being placed in jobs.

House Committee Report

School-to-Work

The bill includes $176,000,000 for the school-to-work opportuni-
ties initiative under the School-to-Work Opportunities Act. This is
an increase of $5,000,000 over the fiscal year 1996 appropriation
and a reduction of $25,000,000 from the budget request. This pro-
gram is designed to provide a national framework within which all
States can create statewide systems to help youth acquire the
knowledge, skills, abilities, and labor market information they need
to make an effective transition from school to work, or to further
education or training. It is jointly administered by the Depart-
ments of Labor and Education. A like amount is included for the
program in the Department of Education. Funds support develop-
ment grants to States to plan school-to-work systems to ease the
transition from school to work and implementation grants provided
competitively to States and local consortia to begin building such
systems. Activities can include recruiting employers, obtaining in-
depth information on local labor markets, designing school-based
and work-based curricula, and training school-based and work-
based staff.

Native Americans

For Native American programs, the bill provides $50,000,000.
This is the same as the President's budget request and a reduction
of $2,502,000 below the fiscal year 1996 level. These programs are
designed to improve the economic well-being of disadvantaged Na-
tive Americans through vocational training, work experience, and
other services aimed at getting participants into permanent
unsubsidized jobs.

In a recent program year, only 50% of those who completed the
program were placed into jobs. A lack of private sector jobs on res-
ervations is a major problem for reservation training programs.
There appears to be a high degree of overlap and fragmentation
among programs in various Federal agencies which serve the In-
dian population.

Migrant and seasonal farmworkers

For Migrant and Seasonal Farmworker programs, the bill pro-
vides $65,000,000. This is the same as the President's budget re-
quest and a reduction of $4,285,000 below the fiscal year 1996
level. This program is aimed at alleviating chronic unemployment
and underemployment being experienced by farmworker families.
Training and employability development services are supposed to
prepare farmworkers for stable, year-round employment, both in
and outside the agricultural industry. Supportive services such as
health care, day care and housing are also provided. Over the 9-
year period ending on June 30, 1992, of the 440,000 participants
in the program, only 27% had been placed into permanent
unsubsidized employment.

The Department is encouraged to continue the farmworker hous-
ing program at a level proportionate to the current year.

Veterans' employment

For veterans' employment, the bill provides $5,300,000. This is a
reduction of $2,000,000 w the budget request the fiscal
year 1996 level. T s provide special
ing programs designed to meet the unique ne
nam-era, and recently separated veterans. The C
cided that the continuation of the National Veterans
stitute is a priority this year.

Other Federally-administered programs

For other Federally-administered programs, $33,825,000 is pro-
vided. This is $17,752,000 under the fiscal year 1996 level and
$332,754,000 under the budget request. The Committee allowance
includes funding for research and evaluation ($6,196,000), labor
market information ($5,489,000), the National Occupational Infor-
mation Coordinating Committee ($2,530,000), pilots and dem-
onstrations ($15,000,000), Women in Apprenticeship ($610,000),
and the National Skills Standards Advisory Board ($4,000,000).

The Committee has provided full funding for the ongoing
multiyear evaluation of the Job Corps program. This evaluation
will proceed as planned and on schedule. A number of serious ques-
tions have been raised about Job Corps in the recent past, and the
Committee expects this evaluation will provide answers for them.

The Committee has placed the pilots and demonstrations activity
on a phaseout path. The Department is expected to phase down
funding of current principal grantees to allow them to make the
transition to other sources of funding.

The Committee has provided no funding for new discretionary job
training initiatives proposed by the President totaling
$315,000,000. Most of these funds were requested for an out-of-
school youth demonstration program. While the Committee agrees
that there are serious problems with this segment of the popu-
lation, it does not believe that this additional funding should be
provided at this time. The discretionary spending ceilings are ex-
tremely tight again this year, and we simply cannot afford large
new initiatives. In addition, the authorizing committees are near-
ing completion of a complete rewrite of the job training laws. Any
new program initiatives should await the new law.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

The bill includes $373,000,000 for community service employ-
ment for older Americans. This is the same as the fiscal year 1996
level and an increase of $23,000,000 over the President's budget re-
quest. The Committee notes that this program again this year
lacks an authorization for appropriations. The program, under title
V of the Older Americans Act, provides part-time employment in
community service activities for unemployed, low-income persons
aged 55 and over. It is forward-funded from July to June, and the
fiscal year 1997 appropriation will support the effort from July 1,
1997 through June 30, 1998. An estimated 86,000 participants will
be supported by the bill.

The Committee notes that the authorizing committees are mov-
ing towards shifting this program entirely to the States. In the
meantime, the Committee recommends in this bill that 65 percent
of the funds go to national sponsors and 35 percent go to the
States, rather than the current allocation of 78 percent for national
sponsors and 22 percent for States.

Pam VanWie 5-7754

FACSIMILE TRANSMITTAL

To: Molly Bostrom
Brian Burke

456-7028

FAX No.: 720-4732 ☐Commercial

From: **Name:** Chris Pytel

Office of Deputy Chief for Administration
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Date Sent: 6/20/96

Document Length: Cover + 4 **pages**

To Confirm Receipt, Call: Mary Hill, 205-1709

Message:
WE JUST LEARNED THAT SCSEP IS SCHEDULED TO COME UP ON THE FLOOR AT 4 PM TODAY ... ATTACHED IS PROPOSED LANGUAGE THAT MARK MIODUSKI, COMMITTEE ON APPROPRIATIONS HAS PREPARED THAT WILL HELP US RETAIN THE SCSEP. WE WANTED YOU TO BE AWARE OF THIS LATEST DEVELOPMENT AND APPRECIATE WHATEVER HELP YOU CAN GIVE US.

*

-------========X========-------

Amendment [redacted] to Dickey Amendment

Offered by Mr. Obey

Strike the proposed report language and insert:

~~Insert in the appropriate place in the report:~~

"The Committee directs the Secretary to work with the states and national contractors to improve placement rates in programs where transition to a non-Federal job is the goal of the program, and to especially concentrate on hard to serve populations with poor employment prospects."

EXPLANATION

The amendment clarifies the concern to improve program performance, but doesn't penalize programs that are trying to target the hardest to serve populations such as non-English speaking seniors, and programs such as the Forest Service -- where the goal is not to get a job with the Forest Service but to augment the agencies personnel with low-income seniors who assist visitors to our national forests.

Dickey Proposed Report Language

"The Committee directs the Secretary to give preference in the award of Title V funds so as to assist in maintaining the level of program services provided by entities which have consistently over the past three years achieved their 20 percent placement goal and established a record of strong fiscal responsibility."

Rationale for Opposition

1. Unfairness: The proposed report language would penalize a national sponsor or a state for prior conduct when neither grantee knew or had reason to know that it would be penalized for its actions three years earlier.

2. Contrary to Statutory Allocation Formula for States: This report language is contrary to the existing statutory allocation formula (section 506(a)(3) and (4) of the Older Americans Act) for states. The allotment percentage under current law is based upon a formula that is weighted to take into account a state's per capita income and population 55 years of age or older. Many states have not achieved the 20-percent unsubsidized placement goal during the past three years. These states could conceivably lose funds if the Dickey report language should remain legally in force.

3. Contrary to Existing Statutory Language for National Sponsors: The Dickey proposed report language is contrary to section 506(a)(1)(C) of the Older Americans Act, which provides, "Preference in awarding grants and contracts ... shall be given to national organizations, and agencies, of proven ability in providing employment services to eligible individuals under this program and similar programs." This provision has worked well, and should not be overturned by vague report language.

4. Disruptive: This proposal would be disruptive for the Senior Community Service Employment Program (SCSEP), the enrollees, and the local host agencies because it would shift Title V participants from one sponsor to another and conceivably from one state to another.

5. Vague: This proposed report language is very vague and subject to different interpretations by reasonable persons. Thus, it would be very difficult, if not impossible, for the Department of Labor to enforce.

6. Other Criteria As Important or Perhaps More Important: Unsubsidized placements and an exemplary fiscal accounting record are certainly important. However, they are not the sole criteria for determining who is performing best or whether a sponsor or state is fulfilling the requirements of the SCSEP. In fact, the language ignores important statutory directives (section 502(a) of the Older Americans Act) for serving "unemployed, low-income persons who are fifty-five years old or older and who have poor employment prospects" (emphasis supplied). These individuals (e.g., those with low levels of educational attainment, incomes below the poverty line, limited English-

speaking ability, minorities, and long-term detachments from the labor force) are major priority groups for the SCSEP and typically are more difficult to place in unsubsidized employment. Any type of proposed performance standard must take into account the requirements of section 502(a). The Dickey report language is fatally flawed because it does not.

7. Creaming: The proposed report language could have the undesired effect of causing Title V sponsors to "cream" in order to meet unsubsidized placement goals. The net impact is that sponsors may opt to serve the easier-to-place older workers, rather than those who have the greatest needs.

Unsubsidized Placements
For
Senior Community Service Employment Program

Sponsor	1992-93	1993-94	1994-95
American Association of Retired Persons	42.7%	49.2%	49.5%
Asociacion Nacional Pro Personas Mayores/ National Association for Hispanic Elderly		21.3%	19.1%*
Green Thumb	23.0%	29.9%	28.7%
National Caucus and Center on Black Aged	22.6%	28.3%	24.9%
National Council on the Aging	26.5%	25.8%	30.8%
National Council of Senior Citizens	20.1%	21.8%	23.2%
National Urban League	29.7%	30.0%	29.8%
U.S. Forest Service (Department of Agriculture)			18.4%*
National Indian Council on Aging			9.0%*
National Asian Pacific Center on Aging			8.7%*

Source:

U.S. Department of Labor

Keys:

1. Blank means the sponsor did not meet the 20-percent unsubsidized placement goal. Figures for the exact unsubsidized placements for these sponsors is not available for the 1992-93 program year and the 1993-94 program year.

2. * - The sponsor did not meet the 20-percent unsubsidized placement goal for the 1994-95 program year.

Prepared by NCSC, NCOA + others

SOME EXAMPLES OF SCSEP PROGRAMS

Tens of thousands of public and nonprofit agencies throughout the U.S. benefit from the services of SCSEP enrollees. SCSEP projects run by national contractors work in schools, offices, hospitals, day care centers, and a host of other community agencies. They work in such programs as education, literacy, substance abuse, homelessness, child and spousal abuse and child and adult day care. SCSEP participants help construct, maintain and staff public works projects. They respond to community needs by working with disaster victims, by helping agencies expand their existing services and in providing services that would never exist without the SCSEP.

SCSEP participants are teachers aides, computer operators, receptionists, librarians, child and adult day care workers, bookkeepers, drivers, nutrition site managers, counselors, hotline managers and whatever else community services require.

New York, New York

Partnership for the Homeless has been described as the largest private shelter network and permanent housing program for the homeless in the country. Ninety-five formerly homeless SCSEP enrollees perform clerical, secretarial, and maintenance work here.

Memphis, Tennessee

Gramma's Day Care Center of Senior Services, Inc. is a unique intergenerational center-based child development program that provides quality learning experiences for infants, toddlers, and preschoolers. It was started with SCSEP older workers and provides day care instructors and attendants for more than 350 children, employing 100 senior workers in three centers in the Memphis area. To date, more than 50 SCSEP enrollees have transitioned to unsubsidized employment here.

Oxnard/East Los Angeles/Bakersfield, California

Mexican-American Opportunity Foundation (MAOF) operates projects that use several hundred SCSEP workers as child care givers, literacy tutors, and English-language instructors.

Dade County, Florida

SCSEP clients conduct fire safety inspections in homes. The fatal fire rate in the county has dropped by 40 percent since the program began.

Erie, Pennsylvania

Twenty SCSEP enrollees at the Greater Erie Community Action Committee were trained to mentor youths in summer programs for 15-year-olds. This intergenerational project provided the young people a positive exposure to job experience and the work ethic.

CUSTOMER COMMENTS

Comments from SCSEP Participants

Decatur, Indiana
After being out of the job market for 30 years my husband walked away and I was left to fend for myself.I was handicapped and had no job skills.I started working for the SCSEP and learned typing and bookkeeping. I've now been hired by my host agency.

Eureka, California
At the time I contacted the SCSEP I was virtually unemployable. The project worked with me, allowing me to make the step back to the mainstream, both socially and financially. Today I am a benefit to my community.

Galveston, Texas
The program gave me confidence to start applying for employment. I will be employed in the private sector very soon After a year in the program, I feel very secure, and my training is complete.

Belleville, Illinois
The SCSEP came at a time when I thought I would be without a job or steady work. It gave me a part-time job when I had no income at all. The program literally saved my life.

Bath, New York
The only income I received was my Social Security. Then I had the opportunity to work in the SCSEP. This gave me a chance to get out every day, meet people, and it helped me financially.

Wilmington, North Carolina
I worked in an SCSEP project for three years and then I was hired by the agency I worked for. Now, 10 years later at 75 I am still employed by the same agency. The SCSEP is a very needed and worthwhile program.

Franklin County, Massachusetts
I was laid off from my chosen career. During my nose dive a parachute named SCSEP scooped me up and gave me a chance to start over again. I'm learning secretarial skills and how to work with computers.

Martin, Tennessee
When I came to the SCSEP I was living with my family, cleaning house to pay my way. I now live alone. I make enough to pay my way. I am the happiest person in the world.

Wausau, Wisconsin
When you are in my age group, jobs are not easy to find. I am only one of hundreds who really are aided by this wonderful government assistance. Until I can find a job of full-time substance, I am ever so grateful for this assistance I earn.

Muscle Shoals, Alabama
At a time when people (especially women) are living longer, the SCSEP offers men and women over 55 part-time employment that provides them with a rewarding way of maintaining their own independence and self-respect.

Comments from Host Agencies

Granite City, Illinois

We are deeply grateful for the wonderful people who have been placed with us. Our SCSEP enrollees have been caring, warm individuals who have not only filled a need for us but have also provided excellent role models for other seniors who see how, in remaining active and interested in others, they benefit themselves.

Durham, North Carolina

Because of the SCSEP enrollees, we have been able to provide services to some persons who may not have received services otherwise due to our limited staff and budget. Thank you for providing a program that allows individuals the opportunity to explore and use talents that may have laid dormant for years. Perhaps through your program, they may have the opportunity to achieve a measure of personal success that they may never have realized in their previous years.

Denver, Colorado

SCSEP workers are a valuable and integral part of my unit's operation. A number of them have become employed full-time because of the training they received. With increasing workloads and limited staff, our unit could not have been as effective without these workers. I applaud the program and encourage its continued progress and success.

Lansing, Michigan

I am writing to thank you for the SCSEP enrollees you have allowed us to have in our office. Like most agencies, funding is very limited and is stretched to the maximum. Demands for our services have increased and funding has not kept up with the requests. We are a clearing house for volunteers and are data-based in most of our reports. The SCSEP workers have been a real help to us in our data base and daily operations.

Comments from Employers

Santa Rosa, California

SCSEP is to be commended for the pool of labor you have located. You offer excellent training opportunities to seniors, and may of them have transitioned very quickly to full-time private sector experiences.

Jackson, Mississippi

I have used the SCSEP more than once and am extremely happy with the qualities of employees. Older workers bring to the company a more developed work ethic and greater degree of dependability. I intend to continue to utilize this business asset in the future.

Hartford, Connecticut

Since 1980, SCSEP enrollees have been placed under our Elderly Home Care Program. We have hired them as homemakers. They have provided excellent services and proven to be dedicated, responsible workers.

Springfield, Massachusetts

We currently have a workforce of 22 people ... 12 of them have come from the SCSEP...I can only recommend no other employment source as highly as I confidently endorse the SCSEP. This is truly the most model employee rich resource pool I have encountered.

Lansing, Michigan

I am writing to let you know that I will be hiring a SCSEP enrollee as our janitor. He has done a fine job under your program and we are confident that he will continue to grow as an employee. The SCSEP is a wonderful program and gives non-profit organizations access to staff they otherwise couldn't afford. I hope this is one program government streamlining will leave intact.

President
Eugene Glover
Silver Spring, MD

Executive Director
Lawrence T. Smedley
Washington, D.C.

National Council of Senior Citizens

1331 F Street, N.W. • Washington, D.C. 20004-1171 • (202)347-8800 • FAX (202) 624-9547

FAX Transmittal

TO: Marilyn Yager FAX #: 456-6218 ~~456-6682~~

PHONE #:

The White House
Organization or Office

RE:

FROM Larry Smedley FAX #: 624-9547

PHONE #: ~~624-9549~~

DATE: 6/21/95 # of PAGES INCLUDING COVER 2

COMMENTS This is alternative Title V language which may be more useful than what was sent earlier.

DRAFT LANGUAGE FOR OLDER AMERICANS ACT REAUTHORIZATION

TITLE V-- COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

(SECTIONS 501-511 OF THE ACT)

EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 506.(a)(1)(A) Subject to paragraph (2), from sums appropriated under this title for each fiscal year, the Secretary shall first reserve such sums as may be necessary for national grants or contracts with public agencies and public or nonprofit private organizations to maintain the level of activities carried on under such grants or contracts at least at the level of such activities supported under employment programs for older Americans in fiscal year ~~1978.~~ 1995.

ADD

In carrying out this section, the Secretary shall maintain the percentage distribution of resources between states and national, non-profit contractors at the same level as provided for in Fiscal Year 1995. In the award of such contracts, the Secretary shall utilize those national non-profit organizations and agencies which have demonstrated experience and ability in providing multi-state services to eligible individuals under this and similar programs.

make payments to subgrantees and contractors.

(b) *Basic standard.* Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205.

(c) *Advances.* Grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee.

(d) *Reimbursement.* Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement.

(e) *Working capital advances.* If a grantee cannot meet the criteria for advance payments described in paragraph (c) of this section, and the Federal agency has determined that reimbursement is not feasible because the grantee lacks sufficient working capital, the awarding agency may provide cash or a working capital advance basis. Under this procedure the awarding agency shall advance cash to the grantee to cover its estimated disbursement needs for an initial period generally geared to the grantee's disbursing cycle. Thereafter, the awarding agency shall reimburse the grantee for its actual cash disbursements. The working capital advance method of payment shall not be used by grantees or subgrantees if the reason for using such method is the unwillingness or inability of the grantee to provide timely advances to the subgrantee to meet the subgrantee's actual cash disbursements.

(f) *Effect of program income, refunds, and audit recoveries on payment.* (1) Grantees and subgrantees shall disburse repayments to and interest earned on a revolving fund before requesting additional cash payments for the same activity.

(2) Except as provided in paragraph (f)(1) of this section, grantees and subgrantees shall disburse program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.

(g) *Withholding payments.* (1) Unless otherwise required by Federal statute, awarding agencies shall not withhold payments for proper charges incurred by grantees or subgrantees unless—

(i) The grantee or subgrantee has failed to comply with grant award conditions or

(ii) The grantee or subgrantee is indebted to the United States.

(2) Cash withheld for failure to comply with grant award condition, but without suspension of the grant, shall be released to the grantee upon subsequent compliance. When a grant is suspended, payment adjustments will be made in accordance with § 97.43(c).

(3) A Federal agency shall not make payment to grantees for amounts that are withheld by grantees or subgrantees from payment to contractors to assure satisfactory completion of work. Payments shall be made by the Federal agency when the grantees or subgrantees actually disburse the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work.

(h) *Cash depositories.* (1) Consistent with the national goal of expanding the opportunities for minority business enterprises, grantees and subgrantees are encouraged to use minority banks (a bank which is owned at least 50 percent by minority group members). A list of minority owned banks can be obtained from the Minority Business Development Agency, Department of Commerce, Washington, DC 20230.

(2) A grantee or subgrantee shall maintain a separate bank account only

when required by Federal-State agreement.

(i) *Interest earned on advances.* Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 U.S.C. 6501 et seq.) and the Indian Self-Determination Act (23 U.S.C. 450), grantees and subgrantees shall promptly, but at least quarterly, remit interest earned on advances to the Federal agency. The grantee or subgrantee may keep interest amounts up to $100 per year for administrative expenses.

§ 97.22 Allowable costs.

(a) *Limitation on use of funds.* Grant funds may be used only for:

(1) The allowable costs of the grantees, subgrantees and cost-type contractors, including allowable costs in the form of payments to fixed-price contractors; and

(2) Reasonable fees or profit to cost-type contractors but not any fee or profit (or other increment above allowable costs) to the grantee or subgrantee.

(b) *Applicable cost principles.* For each kind of organization, there is a set of Federal principles for determining allowable costs. Allowable costs will be determined in accordance with the cost principles applicable to the organization incurring the costs. The following chart lists the kinds of organizations and the applicable cost principles.

For the costs of a—	Use the principles in—
State, local or Indian tribal government.	OMB Circular A-87.
Private nonprofit organization other than an (1) institution of higher education, (2) hospital, or (3) organization named in OMB Circular A-122 as not subject to that circular	OBM Circular A-122.
Educational institutions.	OMB Circular A-21.
For-profit organization other than a hospital and an organization named in OBM Circular A-122 as not subject to that circular.	48 CFR part 31. Contract Cost Principles and Procedures, or uniform cost accounting standards that comply with cost principles acceptable to the Federal agency.

§ 97.23 Period of availability of funds.

(a) *General.* Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

(b) *Liquidation of obligations.* A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee.

§ 97.24 Matching or cost sharing.

(a) *Basic rule: Costs and contributions acceptable.* With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost sharing requirement may be satisfied by either or both of the following:

(1) Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement. This includes allowable costs borne by non-Federal grants or by others cash donations from non-Federal third parties.

(2) The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirements applies.

(b) *Qualifications and exceptions*—(1) *Costs borne by other Federal grant agreements.* Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant. This prohibition does not apply to income earned by a grantee or subgrantee from a contract awarded under another Federal grant.

(2) *General revenue sharing.* For the purpose of this section, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds.

(3) *Cost or contributions counted towards other Federal costs-sharing requirements.* Neither costs nor the

values of third party in-kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be counted towards satisfying a cost sharing or matching requirement of another Federal grant agreement, a Federal procurement contract, or any other award of Federal funds.

(4) *Costs financed by program income.* Costs financed by program income, as defined in § 97.25, shall not count towards satisfying a cost sharing or matching requirement unless they are expressly permitted in the terms of the assistance agreement. (This use of general program income is described in § 97.25(g).)

(5) *Services or property financed by income earned by contractors.* Contractors under a grant may earn income from the activities carried out under the contract in addition to the amounts earned from the party awarding the contract. No costs of services or property supported by this income may count toward satisfying a cost sharing or matching requirement unless other provisions of the grant agreement expressly permit this kind of income to be used to meet the requirement.

(6) *Records.* Costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantee or cost-type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs.

(7) *Special standards for third party in-kind contributions.* (i) Third party in-kind contributions count towards satisfying a cost sharing or matching requirement only where, if the party receiving the contributions were to pay for them, the payments would be allowable costs.

(ii) Some third party in-kind contributions are goods and services that, if the grantee, subgrantee, or contractor receiving the contribution had to pay for them, the payments would have been an indirect costs. Costs sharing or matching credit for such contributions shall be given only if the grantee, subgrantee, or contractor has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of the contributions.

(iii) A third party in-kind contribution to a fixed-price contract may count towards satisfying a cost sharing or matching requirement only if it results in:

(A) An increase in the services or property provided under the contract (without additional cost to the grantee or subgrantee) or

(B) A cost savings to the grantee or subgrantee.

(iv) The values placed on third party in-kind contributions for cost sharing or matching purposes will conform to the rules in the succeeding sections of this part. If a third party in-kind contribution is a type not treated in those sections, the value placed upon it shall be fair and reasonable.

(c) *Valuation of donated services*—(1) *Volunteer services.* Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.

(2) *Employees of other organizations.* When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. If the services are in a different line of work, paragraph (c)(1) of this section applies.

(d) *Valuation of third party donated supplies and loaned equipment or space.* (1) If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.

(2) If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space.

(e) *Valuation of third party donated equipment, buildings, and land.* If a third party donates equipment, buildings, or land, and title passes to a grantee or subgrantee, the treatment of the donated property will depend upon the purpose of the grant or subgrant, as follows:

(1) *Awards for capital expenditures.* If the purpose of the grant or subgrant is to assist the grantee or subgrantee in the acquisition of property, the market value of that property at the time of donation may be counted as cost sharing or matching.

(2) *Other awards.* If assisting in the acquisition of property is not the purpose of the grant or subgrant, paragraphs (e)(2) (i) and (ii) of this section apply:

(i) If approval is obtained from the awarding agency, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. In the case of a subgrant, the terms of the grant agreement may require that the approval be obtained from the Federal agency as well as the grantee. In all cases, the approval may be given only if a purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost-sharing or matching.

(ii) If approval is not obtained under paragraph (e)(2)(i) of this section, no amount may be counted for donated land, and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the grantee or subgrantee. They are computed and allocated (usually as indirect costs) in accordance with the cost principles specified in § 97.22, in the same way as depreciation or use allow ances for purchased equipment an buildings. The amount of depreciatio or use allowances for donated equip ment and buildings is based on th property's market value at the time i was donated.

(f) *Valuation of grantee or subgran tee donated real property for construc tion/acquisition.* If a grantee or sub grantee donates real property for a construction or facilities acquisition project, the current market value o that property may be counted as cost sharing or matching. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost sharing or matching.

(g) *Appraisal of real property.* In some cases under paragraphs (d), (e) and (f) of this section, it will be necessary to establish the market value of land or a building or the fair rental rate of land or of space in a building. In these cases, the Federal agency may require the market value or fair rental value be set by an independent appraiser, and that the value or rate be certified by the grantee. This requirement will also be imposed by the grantee on subgrantees.

§ 97.25 Program income.

(a) *General.* Grantees are encouraged to earn income to defray program costs. Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, and from payments of principal and interest on loans made with grant funds. Except as otherwise provided in regulations of the Federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them.

(b) *Definition of program income.* Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. *During the grant period* is the time between the effective date of the award and the ending date of the award reflected in the final financial report.

(c) *Cost of generating program income.* If authorized by Federal regulations or the grant agreement, costs incident to the generation of program income may be deducted from gross income to determine program income.

(d) *Governmental revenues.* Taxes, special assessments, levies, fines, and other such revenues raised by a grantee or subgrantee are not program income unless the revenues are specifically identified in the grant agreement or Federal agency regulations as program income.

(e) *Royalties.* Income from royalties and license fees for copyrighted material, patents, and inventions developed by a grantee or subgrantee is program income only if the revenues are specifically identified in the grant agreement or Federal agency regulations as program income. (See § 97.34.)

(f) *Property.* Proceeds from the sale of real property or equipment will be handled in accordance with the requirements of §§ 97.31 and 97.32.

(g) *Use of program income.* Program income shall be deducted from outlays which may be both Federal and non-Federal as described below, unless the Federal agency regulations or the grant agreement specify another alternative (or a combination of the alternatives). In specifying alternatives, the Federal agency may distinguish between income earned by the grantee and income earned by subgrantees and between the sources, kinds, or amounts of income. When Federal agencies authorize the alternatives in paragraphs (g) (2) and (3) of this section, program income in excess of any limits stipulated shall also be deducted from outlays.

(1) *Deduction.* Ordinarily program income shall be deducted from total allowable costs to determine the net allowable costs. Program income shall be used for current costs unless the Federal agency authorizes otherwise. Program income which the grantee did not anticipate at the time of the award shall be used to reduce the Federal agency and grantee contributions rather than to increase the funds committed to the project.

(2) *Addition.* When authorized, program income may be added to the funds committed to the grant agreement by the Federal agency and the grantee. The program income shall be used for the purposes and under the conditions of the grant agreement.

(3) *Cost sharing or matching.* When authorized, program income may be used to meet the cost sharing or matching requirement of the grant agreement. The amount of the Federal grant award remains the same.

(h) *Income after the award period.* There are no Federal requirements governing the disposition of program income earned after the end of the award period (i.e., until the ending date of the final financial report, see paragraph (a) of this section), unless the terms of the agreement or the Federal agency regulations provide otherwise.

§ 97.26 Non-Federal audit.

(a) *Basic rule.* Grantees and subgrantees are responsible for obtaining audits in accordance with the Single Audit Act of 1984 (31 U.S.C. 7501-7) and Federal agency implementing regulations. The audits shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial and compliance audits.

(b) *Subgrantees.* State or local governments, as those terms are defined for purposes of the Single Audit Act, that receive Federal financial assistance and provide $25,000 or more of it in a fiscal year to a subgrantee shall:

(1) Determine whether State or local subgrantees have met the audit requirements of the Act and whether subgrantees covered by OMB Circular A-110, "Uniform Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations" have met the audit requirement. Commercial contractors (private forprofit and private and governmental organizations) providing goods and services to State and local governments are not required to have a single audit performed. State and local govenments should use their own procedures to ensure that the contractor has complied with laws and regulations affecting the expenditure of Federal funds;

(2) Determine whether the subgrantee spent Federal assistance funds provided in accordance with applicable laws and regulations. This may be accomplished by reviewing an audit of the subgrantee made in accordance with the Act, Circular A-110, or through other means (e.g., program reviews) if the subgrantee has not had such an audit;

(3) Ensure that appropriate corrective action is taken within six months after receipt of the audit report in instance of noncompliance with Federal laws and regulations;

(4) Consider whether subgrantee audits necessitate adjustment of the grantee's own records; and

(5) Require each subgrantee to permit independent auditors to have access to the records and financial statements.

(c) *Auditor selection.* In arranging for audit services, § 97.36 shall be followed.

CHANGES, PROPERTY, AND SUBAWARDS

§ 97.30 Changes.

(a) *General.* Grantees and subgrantees are permitted to rebudget within the approved direct cost budget to meet unanticipated requirements and may make limited program changes to the approved project. However, unless waived by the awarding agency, certain types of post-award changes in budgets and projects shall require the prior written approval of the awarding agency.

(b) *Relation to cost principles.* The applicable cost principles (see § 97.22) contain requirements for prior approval of certain types of costs. Except where waived, those requirements apply to all grants and subgrants even if paragraphs (c) through (f) of this section do not.

(c) *Budget changes*—(1) *Nonconstruction projects.* Except as stated in other regulations or an award document, grantees or subgrantees shall obtain the prior approval of the awarding agency whenever any of the following changes is anticipated under a nonconstruction award:

(i) Any revision which would result in the need for additional funding.

(ii) Unless waived by the awarding agency, cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed ten percent of the current total approved budget, whenever the awarding agency's share exceeds $100,000.

(iii) Transfer of funds allotted for training allowances (i.e., from direct payments to trainees to other expense categories).

(2) *Construction projects.* Grantees and subgrantees shall obtain prior written approval for any budget revision which would result in the need for additional funds.

(3) *Combined construction and nonconstruction projects.* When a grant or subgrant provides funding for both construction and nonconstruction activities, the grantee or subgrantee must obtain prior written approval from the awarding agency before making any fund or budget transfer from nonconstruction to construction or vice versa.

(d) *Programmatic changes.* Grantees or subgrantees must obtain the prior approval of the awarding agency whenever any of the following actions is anticipated:

(1) Any revision of the scope or objectives of the project (regardless of whether there is an associated budget revision requiring prior approval).

(2) Need to extend the period of availability of funds.

(3) Changes in key persons in cases where specified in an application or a grant award. In research projects, a change in the project director or principal investigator shall always require approval unless waived by the awarding agency.

(4) Under nonconstruction projects, contracting out, subgranting (if authorized by law) or otherwise obtaining the services of a third party to perform activities which are central to the purposes of the award. This approval requirement is in addition to the approval requirements of § 97.36 but does not apply to the procurement of equipment, supplies, and general support services.

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

12-Jun-1995 09:49am

TO: (See Below)

FROM: Marilyn Yager
Office of Public Liaison

SUBJECT: 11:00 meeting on Ttile V

The following individuals will be attending the 11:00am meeting in Ken's office on Title V:

Dave Affeldt, Nat. Caucus and Center on Black Aged
Larry Crecy, Nat. Caucus & Center on Black Aged
Don Davis, Nat. Council on Aging
Dorinda Fox, NCSC
Dan Schulder, NCSC
Larry Smedley, NCSC
Andrea Wooten, Green Thumb
Chauncey Ching, Nat. Asian Pacific Center on Aging
Jo Reed, AARP
Bob Mizerak

Distribution:

TO: Kenneth S. Apfel
TO: Molly Brostrom
TO: Christopher C. Jennings
TO: Larry R. Matlack
TO: Barry White

CC: Deborah F. Kramer

ADOPTED RESOLUTIONS MAY 2-5, 1995

WHITE HOUSE CONFERENCE ON AGING--REFERENCES TO TITLE V--SCSEP

1. Out of a possible 2,002 votes, 1,175 adopted a resolution to expand training and employment opportunites for older workers. (page 2)

2. Out of a possible 1,907 votes, 1,414 adopted a resolution to support the Reauthorization of the Older Americans Act (page 3)

3. 4.7 Preserving the integrity of the Older Americans Act:

- 10. Preserve and strengthen the existing network to ensure a seamless continuum of quality services which includes: nutrition, home and community-based services (---), advocacy and elder rights protections, health promotion, transportation, volunteerism and employment;

  13. Reauthorize the OAA . . .increase support for titles which serve older persons in community-based, life-enhancig activities--such as senior centers--and which funds vital research, training and senior employment programs;. . . (page 25)

4. 6.2 Expanding training and employment opportunities for older workers:

   7. Preserve and expand funding to Title V of the OAA, which provides community service employment opportunities for low income older persons;. . . (page 32)

5. Reauthorization of te Older Americans Act in 1995 #121

- 12. Build upon the success of the SCSEP, by preserving its unique structure and goals, including national sponsors and state and local providers, to meet the needs of a rapidly aging population; . . .

GREEN THUMB

TRANSFER OF THE SCSEP FROM DOL TO HHS/AOA

Pros

The commitment of AOA to the SCSEP appears to be stronger than the commitment that DOL has demonstrated. In the current environment, we need an agency that is willing to be proactive and fight for the program.

A transfer could result in the formation of closer linkages between SCSEP grantees and the aging community. This could increase access to services for participants and strengthening advocacy efforts on behalf of seniors.

In the current political environment in which "reinvention" and "change" have become goals in and of themselves, a transfer to AOA could be viewed by some members of Congress as an important indicator of progress. If strategically timed, the transfer could be used as a bargaining chip to avoid legislative proposals that would eliminate or negatively impact the SCSEP.

House and Senate Budget Resolutions call for significant cuts in employment and training programs in the 20-30 percent range. Although an unlikely scenario, the SCSEP could be better off at AOA if aging programs take a smaller cut and if SCSEP appropriations follow the transfer. (The SCSEP could be transferred without additional appropriations, in which case the program would be worse off by having to compete with other aging programs from a dwindling pot of resources.)

Cons

Administration by the Department of Labor ensures a healthy balance between the three goals of the program: community service, job training, and subsidized employment. If the program were to be transferred to HHS, this balance might be upset by emphasizing the provision of services to aging programs over meeting the employment and training needs of participants.

Administration by the Department of Labor provides the SCSEP with access to valuable resources that enhance the ability of the program to achieve its goals. For example, because the SCSEP resides within DOL, coordination with the Employment Service, JTPA, and other job training programs has been strongly encouraged and supported. This coordination has dramatically increased training and employment opportunities for SCSEP participants.

Administration of the program by the Labor Department has been key to the political support and growth that the SCSEP has achieved over the years. If the SCSEP were transferred to HHS, it would be forced to compete with other aging services programs for limited funding, rather than with other Labor Department programs that do not have powerful constituencies.

Pros

Cons

The need for older worker community service employment and training will grow dramatically as our workforce ages. As the federal agency directly responsible for national workforce development, the Labor Department should continue to administer and expand upon the only federal employment program targeting seniors. The SCSEP should be viewed as an integral part of our country's overall workforce development system.

Our country has a significant investment in the DOL staff who administer the program. These staff are competent, trained, and committed to the success of the SCSEP. The loss of their leadership and direction would be a tremendous loss to the program.

SCSEP grantees have a history with DOL and know generally what to expect from that agency. A transfer to AOA would be accompanied by many uncertainties, ranging from whether AOA would continue to support the national grantees and the current national/state funding allocation to how DOL would allocate cuts and new money.

Some feel that a transfer to AOA would mean the eventual demise of the national grantees because those in the aging network who advocate giving all the funding to the states would have more clout. AOA may not have a full appreciation for the important leadership role that the national grantees have played in founding the SCSEP and ensuring the growth and survival of the program.

The SCSEP has consistently exceeded all goals established by Congress under the leadership of the Department. Why transfer a program that is being administered successfully unless essential to save the program?

THE SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM (SCSEP)

FACT SHEET

The SCSEP provides employment and training opportunities to more than 64,000 low-income, older Americans annually and meets thousands of critical human needs in communities nationwide as participants work in community service assignments.

The SCSEP is authorized under Title V of the Older Americans Act and funded by grants with the U.S. Department of Labor to the following ten national organizations:

American Association of Retired Persons
Asociacion Nacional Pro Personas Mayores
Green Thumb, Inc.
National Asian Pacific Center on Aging
National Caucus and Center on Black Aged
National Council of Senior Citizens
National Council on the Aging
National Indian Council on Aging
National Urban League
U.S. Forest Service

Program participants are 55 years of age or older and have income that does not exceed 125 percent of the federal poverty level. Participants' skills and interests are matched with a community service assignment at a public or nonprofit agency, where participants receive minimum wage for approximately 20 hours of work each week. The community services performed by participants are richly diverse; they are determined by the needs of the participant and the local community. For example, participants provide care for children, the elderly, and persons with disabilities, tutor students, operate computers, landscape public grounds, work as clerks, receptionists, and mechanics, and perform many other important community services.

Almost one quarter of program participants obtain unsubsidized employment annually as a result of the SCSEP. In addition to community service work experience, the SCSEP also provides participants with enhanced training and employment opportunities through on-the job and classroom training, job search assistance, remedial education, and other related services.

PERFORMANCE SCORECARD

PROGRAM: *SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM*
AUTHORIZED UNDER TITLE V OF THE OLDER AMERICANS ACT

PERFORMANCE STANDARD	GOAL	ACHIEVED	GRADE
1. JOB PLACEMENT	20%	27%	A
Comments: The SCSEP has consistently exceeded its 20% placement goal for the past 6 years, achieving a record 135% of goal in program year 1993-94.			
2. COMMUNITY SERVICE	100%	100%	A
Comments: Enrollees provide essential community services while gaining the confidence and skills needed to obtain employment. As an integral part of the Older Americans Act, the SCSEP provides critical support to aging services across the country.			
3. FUNDS MANAGEMENT	100%	98%	A
Comments: The SCSEP has an exemplary record of fiscal management. Virtually all appropriated funds are spent each grant year in stark contrast to similar programs; no carry over funding is allowed. Less than 15% of funding is spent on administrative costs - one of the lowest rates among federal programs and despite a unit cost that has not been adjusted for increased administrative expenses since 1981.			
4. SERVICE TO MOST IN NEED	100%	100%	A
Comments: All enrollees are 55+ and have incomes at or below 125% of poverty ($9,200 for family of one). Approximately 39% of enrollees are minorities - the highest minority participation rate of all Older Americans Act programs; 9% have disabilities; 32% are age 70 and older; 81% are age 60 and older; 72% are female; and 41% do not have a high school education. Long waiting lists document the growing need for the SCSEP among an aging population.			
5. RETURN ON INVESTMENT			A
Comments: The SCSEP returns at least $1.47 for every dollar invested by empowering individuals to become self sufficient and productive members of their communities.			
6. PUBLIC SUPPORT			A
Comments: The SCSEP historically has enjoyed strong public and political support from liberals and conservatives alike because of its focus on workfare, not welfare, and its service to the community. In addition, the program is extremely popular among participants, host agencies, employers, communities, and the members of 10 of our nation's largest nonprofit aging organizations.			
7. PARTNERSHIPS			A
Comments: The SCSEP is actively participating in one stop service initiatives and is coordinating effectively with JTPA, vocational education, and other employment and training programs to secure training and other critical services for participants. The 10 national aging organization grantees work in partnership with the Department of Labor, the Governors of each state, and local communities to achieve program goals and equitably distribute resources.			
8. LOCAL RESPONSIVENESS			A
Comments: The SCSEP provides national responsiveness to local needs through a system that is customer-focused and quality driven. Participants are directly involved in meeting critical human needs in their local communities, from child and elder care to public safety and environmental preservation. The SCSEP has also been a major contributor to national disaster relief efforts, most recently resulting from floods in the midwest, hurricanes in the southeast, and the California earthquakes and riots.			
9. FISCAL RESPONSIBILITY			A
Comments: During the course of its 30 year history, the SCSEP has demonstrated a close adherence to standards of performance and fiscal accountability unique in the employment and training industry.			
10. EMPOWERMENT			A
Comments: The SCSEP empowers individual participants and local nonprofit and public agencies and communities by emphasizing continuous learning and personal responsibility, and by leveraging limited resources.			

FINAL GRADE A

Performance Scorecard endorsed by Dr. Harold L. Sheppard, Ph.D. and Professor, Department of Gerontology, University of South Florida. Formerly Counselor on Aging, President Carter; Staff Director, U.S. te Special Committee on Aging; Director of the Center on Work Aging, America tutes for Research.

The Washington Post FRIDAY, JANUARY 27, 1995 E3

JUDY MANN

A Federal Program That Does It Right

Let's say you run a small company and you need a filing clerk. A 67-year-old Latino woman applies for the job and so does a newly minted high school graduate. Which one would you hire?

Precisely. And that's one of the reasons behind the Senior Community Service Program, an organization that trains low-income people 55 and older and helps them find jobs. Participants usually receive minimum wage for 20 hours of training, and then they go to work, often in community service jobs that help the elderly. Those subsidized jobs often serve as bridges into permanent positions.

By last June, the program had placed 27.3 percent of its people in unsubsidized jobs such as bookkeeping in banks, driving delivery vehicles, tutoring in schools and working as health aides. That is a higher rate than the 25 percent job placement rate in California's program for its welfare parents.

The Senior Community Service Program is the backbone for most meals-on-wheels programs and for many day-care centers in rural areas. An essential feature of the program is that it matches seniors with the service needs of each community. The program also works closely with businesses to ensure that enrollees are getting indispensable job skills.

The program is administered by the Department of Labor, which contracts with national nonprofit organizations, such as the National Council of Senior Citizens (NCSC) and the American Association of Retired Persons, to run them. About 70 percent of the enrollees are women, 56 percent are 65 or older, a third have less than a high school education and about 40 percent are members of a minority group—one of the highest rates of minority participation for any domestic program.

Chris Oladipo, who runs the NCSC program in Prince George's County, says it is particularly helpful as a bridge for older immigrants who have trouble earning a living because of language barriers.

While most employment programs operate on the premise that they get more for their money by concentrating on young people, "we look for the oldest and poorest people we can find," says Andrea Wooten, president of Green Thumb Inc., which trains 18,000 people a year.

The programs have also played an important role in retraining displaced workers, says Donald Davis, who directs the programs run by the National Council on Aging. He tells the story of a professional man in San Francisco who had looked for a job for eight months after being laid off.

"We worked with him for three months. He is now heading up a multilingual program and making $30,000 a year," Davis says. "Every study that's been done of this program says it is one of the most effective ever developed by the federal government."

In the three decades since the senior community service and job training program has evolved, it has enjoyed strong bipartisan support. But it is in danger of getting caught up in the current rush to decentralize welfare programs and to fund them through block grants to states, where various programs are having to compete with each other for fewer resources.

David Affeldt, the former chief counsel with the U.S. Senate Committee on Aging who developed legislation creating the program, says it came about because block grant programs historically have not served older workers well. He predicts that, at a minimum, 15,000 to 20,000 older workers served each year "will get their pink slips" if the program is funded through block grants.

"One of the main problems that older workers have is that they are not as visible or outspoken about their needs. . . . The program has given these people hope and an opportunity to help themselves while helping others, rather than be dependent upon public assistance."

The Senior Community Service Program, also known as Title V of the Older Americans Act, costs $410 million a year and is supposed to serve about 67,000 people. "We actually serve over 100,000 people because we've used this program to get people up and out," says Sheila Manheimer, of the NCSC.

Half the members of the U.S. House of Representatives have been elected since 1992, and many are riding a steamroller called "mandate for change" without having a very good idea of the territory they are rolling over. The Senior Community Service Program serves the poorest of the elderly while providing a wide variety of services that make our communities livable. Far from a candidate for dismantling, this is one federal program that everyone should look to as a model of what works.

10 GOOD REASONS TO SUPPORT THE SCSEP

The Senior Community Service Employment Program (SCSEP) authorized under Title V of the Older Americans Act should be preserved and expanded for the following reasons:

1. The SCSEP is our country's ***only workforce development program designed to maximize the productive contributions of a rapidly growing older population*** through training, retraining, and community service. History has taught us that mainstream employment and training programs like JTPA and CETA are not successful in serving older workers. A targeted approach is needed.

2. The SCSEP is primarily ***operated by private, non-profit national aging organizations*** that are customer-focused, mission driven, and experienced in serving older, low-income people. These nonprofits work in *close partnership* with the Governors, Department of Labor, aging network, and employment and training system, actively participating in One Stop Service initiatives designed to streamline and integrate services.

3. The SCSEP is a ***critical part of the Older Americans Act,*** balancing the dual goals of community service and employment and training for low-income seniors. Many nutrition programs and other services for seniors are dependent on labor provided by the SCSEP.

4. The SCSEP has ***consistently exceeded all goals*** established by Congress and the Department of Labor, ***surpassing the 20% placement goal for the past six years*** and ***achieving a record 135%*** of goal in FY 1993-94. Virtually all appropriated funds are spent each grant year, in stark contrast to similar programs.

5. The SCSEP provides a ***positive return on taxpayer investment***. One study found that the program ***returns at least $1.47 for every dollar invested*** by empowering individuals to become self-sufficient and productive members of their communities.

6. The SCSEP is a ***means tested program***, serving Americans age 55+ with *income at or below 125% of the poverty level*, or $9,200 for a family of one. The program serves less than 1% of those who are eligible; long waiting lists are common in most areas of the country.

7. The SCSEP serves the ***oldest and poorest*** in our society, and those *most in need*: 39% of enrollees are minorities - the highest minority participation rate of any Older Americans Act program; 72% are female; 32% are age 70 and older; 81% are age 60 and older; 41% do not have a high school education; and 9% have disabilities.

8. The SCSEP ensures ***national responsiveness to local needs*** by directly involving participants in meeting critical human needs in their communities, from child and elder care to public safety and environmental preservation. The SCSEP has been a major contributor to ***national disaster relief efforts,*** most recently resulting from floods in the midwest, hurricanes in the southeast, and the California earthquakes and riots.

9. The SCSEP has ***demonstrated high standards of performance and fiscal accountability*** unique to government programs. Less than 15% of funding is spent on administrative costs - one of the lowest rates among federal programs and despite a unit cost that has not been adjusted for increased administrative expenses since 1981.

10. The SCSEP historically has enjoyed ***strong public support*** because it is based on the principles of ***personal responsibility, lifelong learning, and service to community***. In addition, the program is extremely popular among participants, host agencies, employers, communities, and the membership of our nation's largest aging organizations.

GREEN THUMB INC.
employment and training

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May 24, 1995

VIA HAND

Mr. Harold Ickes
Assistant to the President
and Deputy Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. Ickes:

I am writing to follow up on the question that I posed to you yesterday at the Democratic Senatorial Campaign Committee briefing in the Old Executive Building. That question was whether the Administration is willing to fight for the Senior Community Service Employment Program (SCSEP) authorized under Title V of the Older Americans Act (OAA) and administered by the Department of Labor.

The SCSEP is the type of program that should be used to define this Administration and us as Democrats. During its 30 year history, the program has provided thousands of low-income seniors with the opportunity to earn supplemental income while providing essential services to their communities like child and elder care, nutritious meals, and home health care. This program has consistently exceeded all goals established by Congress and yet it is:

- Targeted for a $14 million rescission under the FY 95 rescission bill
- Zeroed out in both the House and Senate FY 96 budget proposals
- Targeted for repeal and consolidation under GOP sponsored job training consolidation bills in both the House and the Senate (HR.1120 and S.143)

While we are encouraged by the President's intention to veto the FY 95 rescission bill as currently structured, we urge you to ensure that the SCSEP is not the target of any rescission compromise. We also urge the Administration to strongly support the SCSEP in future budget, appropriations, and legislative battles as one of the most successful initiatives launched by the Democratic party.

The SCSEP is a program of great importance to Green Thumb, Inc. and the aging community, not to mention the older Americans and families who are positively impacted. My thanks for your leadership and attention to this important matter.

Sincerely,

Andrea J. Wooten

Andrea J. Wooten
President

SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM
LEGISLATIVE SUMMARY
June 2, 1995

FY 1995 APPROPRIATIONS RESCISSION BILL

The House and Senate have both approved the rescission of approximately $14.4 million of the $410.5 million previously appropriated for the SCSEP Program Year beginning July 1, 1995. This will return the program to its FY 93 level of $396.5 million and result in the loss of 2300-2800 community service employment positions nationwide. President Clinton has promised to veto the rescission bill because it cuts needed investments in education, job training, national service, the environment, and other critical areas rather than cutting funds for unnecessary pork barrel projects. If the President does veto the bill, a compromise bill restoring funding in priority areas is likely. The SCSEP does not appear to be one of the programs on the President's priority list.

FY 1996 BUDGET

Both the House and Senate Budget Committees have zeroed out the SCSEP for FY 1996. The SCSEP is slated for block-granting or elimination in the House resolution although the program is not included in the job training block grant approved by the House Education and Labor Committee (H.R.1617). On the Senate side, the budget resolution consolidates 60 job training programs including the SCSEP into a block grant with a 25 percent reduction in overall funding.

FY 1996 APPROPRIATIONS

The Appropriations Committees will be under significant pressure to reduce FY 96 domestic discretionary spending. The House Labor/HHS/Ed Appropriations Subcommittee plans to mark-up its FY 1996 appropriations bill at the end of June. The Senate, which is on a much later schedule, may not mark-up until September.

mid to late → July

REAUTHORIZATION OF THE OLDER AMERICANS ACT

Legislative authorization for the Older Americans Act (OAA) expires on September 30, 1995. This means that Congress must reauthorize the OAA prior to October 1 if the SCSEP and other aging services programs are to continue. Representative Goodling (R-PA), Chairman of the House Economic and Educational Opportunities Committee, and Senator Judd Gregg (R-NH), Chairman of the Subcommittee on Aging of the Senate Labor and Human Resources Committee, have indicated their intention to proceed with reauthorization this year. The House Subcommittee on Early Childhood, Youth and Families chaired by Randy Cunningham (R-CA) plans to hold hearings on OAA reauthorization in June and July. The Administration has requested a three year extension of the Act and has indicated that it will preserve the current administrative structure of the SCSEP in its bill. The Administration strongly supports keeping the OAA intact and opposes block granting aging services programs to the states.

JOB TRAINING CONSOLIDATION BILLS INTRODUCED IN THE SENATE

Job Training Consolidation Act of 1995, S.143 - Senator Kassebaum (KS)

S.143, introduced by Senator Nancy Kassebaum, the new Chairperson of the Senate Labor and Human Resources Committee, *repeals the SCSEP, JTPA, and eleven other job training programs effective 24 months after enactment of the legislation.* The Job Training Consolidation Act would grant broad waivers immediately to allow states and localities maximum flexibility to coordinate federal training programs at the local level, including the SCSEP and JTPA. Under these waivers, program resources could be combined to address locally determined high priority needs and some programs could be eliminated. S.143 does not include the provision contained in S.1943, which Senator Kassebaum introduced last legislative session, to create a national commission to study and make recommendations to Congress on consolidating all existing programs.

Senator Kassebaum no longer believes that it is necessary to wait two years before taking decisive action to reform the job training system. She intends to build upon S.143 by introducing a replacement bill in late May. This bill will be known as the Work Force Development Act of 1995, and is broadly described below.

Work Force Development Act of 1995 (4/26/95 Discussion Draft) - Senator Nancy Kassebaum - (KS)

This bill, as described in a May Discussion Draft, will replace S.143. As currently proposed, *the Work Force Development Act will combine funds from existing federal education and training programs - including the SCSEP and JTPA - into a single block grant to the states.* In mid-April, Senator Kassebaum indicated a willingness to reconsider whether the SCSEP should be included in her proposed bill or whether the program should remain part of the Older Americans Act and be evaluated in that context. *However, a late May Discussion Draft continued to include the SCSEP on the list of programs targeted for repeal*

As described in the Discussion Draft, the single block grant will be divided at the state level between two principal elements of the system: education and employment/training services. A separate federal authorization for vocational rehabilitative services will be maintained. A minimum of 25% of the Employment and Training Services authorization will be devoted to establishing one-stop delivery of services under the direction of the Governor. Another 25% of the authorization will be devoted to Vocational and Adult Education efforts designed and implemented by state and local educational agencies. The state will determine how to allocate the remaining 50% of the block grant funds based on its unique work force development needs.

The Act provides for a two year transition period to the block grant approach, which will be in place for FY 1998. In the meantime, programs will continue to be funded as they are now. However, to provide states with immediate flexibility to begin combining and consolidating, the Act provides for up-front waivers for fiscal years 1996 and 1997. These waivers may be used to address high priority needs, improve efficiencies, and eliminate duplication, and would also allow states to combine administrative funds from any of the to-be consolidated programs for the purpose of developing unified state plans. The Act would shift administrative responsibilities for the consolidated programs from the Secretaries of Labor and Education to a Work Force Development Partnership - a "functionally integrated team" responsible for work force development under the guidance of a Governing Board.

Committee mark-up of Senator Kassebaum's new bill has been tentatively scheduled for Wednesday, June 14.

Working Americans Opportunity Act, S.6 - Senators Daschle (SD), Breaux (LA), Kennedy (MA), Mikulski (MD), Reid (NV), Rockefeller (WV), Dodd (CT), Kerry (MA), Dorgan (ND), and Moseley-Braun (IL)

S.6 would establish a voucher-based training system for economically disadvantaged adults and dislocated workers using funds from a number of repealed programs including JTPA Titles II-A and III-A and others. The bill is similar to the Skill Scholarship Grant proposal outlined by the Department of Labor as part of the President's "Middle Class Bill of Rights" initiative. It would provide eligible individuals with vouchers worth up to $3,000, good for a period of two years, issued through state designated voucher application offices. S.6 would repeal some 16 separate job training programs or titles effective January 6, 1996. *The SCSEP is NOT among the programs listed, although JTPA II-A and the older worker set-aside are.* The legislation directs the Secretaries of Labor and Education to report to Congress on how to consolidate programs NOT repealed by S.6 into a more integrated and accountable workforce development system by January 1, 1996, and each year thereafter. In addition, within six months after enactment, the Secretaries are to develop a plan to use common definitions, outcome measures, eligibility standards, and funding cycles for all job training programs.

<u>Workforce Development Act, S.180 - Senator Kennedy (MA)</u>

S.180 is a complement to S.6. This legislation repeals fifteen job training programs upon enactment. Titles II and III of JTPA, along with other programs, are repealed effective September 30, 1999. *The SCSEP is not on either repeal list.* S.180 strongly encourages states to compete for grants to establish one-stop career centers and voucher programs for a wide range of adult training programs, including those for older workers. States that receive one-stop implementation grants are mandated to include a number of programs as one-stop center participants. S.180 also requires that a national board submit a joint resolution to the President and Congress by June 1, 1999, containing recommendations for a new public/private workforce development system for the 21st century. To ensure that Congress acts on these recommendations, 20 separate programs with more than $4 billion in funding, will sunset September 30, 1999.

<u>JOB TRAINING CONSOLIDATION BILLS INTRODUCED IN THE HOUSE</u>

<u>Employment Enhancement Reform Act, H.R.1120 - Reps. Zeliff (NH), Kasich (OH), Mica (FL), McCollum (FL), Shays (CT), Zimmer (NJ), Inglis (SC), Gilchrest (MD), Hoke (OH), Ramstad (MN), Talent (MO), Cox (CA), Solomon (NY), Smith (MI), Hancock (MO), Blute (MA), Herger (CA), Bass (NH), Doolittle (CA), Burr (NC), Jones (NC), Funderburk (NC), Radanovich (CA), Dornan (CA), Seastrand (CA), and Stearns (FL)</u>

H.R. 1120 consolidates a broad spectrum of federal employment assistance programs and replaces them with an $8 billion block grant to the states. Programs targeted for repeal *include the SCSEP,* Foster Grandparent and Senior Companion Programs, JTPA, JOBS, Adult Education, National Literacy, and Vocational Education programs, among others. These programs are all repealed 180 days after the first day of the fiscal year beginning after the date of enactment. Mr. Zeliff released proposed amendments to H.R.1120 in early May, many of which are consistent with the Workforce Development Block Grant Statement of Principles developed by a Republican Governors' Association task force in mid-April. This bill remains referred to four different House committees, none of which has scheduled hearings or mark-ups. While this bill may influence the form of other pending legislation, it may not reach the floor of the House as introduced or amended.

<u>Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act or "CAREERS Act," H.R.1617 introduced May 11, 1995 - Reps. McKeon (CA), Goodling (PA), Cunningham (CA), Gunderson (WI), Riggs (CA), DeLay (TX) Boehner (OH), Kasich (OH), McIntosh (IN), Petri (WI), Roukema (NJ), Funderburk (NC), Souder (IN), Fawell (IL), Ballenger (NC), Barrett (NE), Hoekstra (MI), Castle (DE), Meyers (KS), Sam Johnson (TX), Talent (MO), Greenwood (PA), Hutchinson (AR), Knollenberg (MI), Graham (SC), Weldon (FL), Norwood (GA), and Davis (VA)</u>

The Careers Act, introduced by Rep. Bill McKeon (CA), Chairman of the Postsecondary Education, Training, and Lifelong Learning Subcommittee of the House Economic and Educational Opportunities (EEO) Committee and Rep. Goodling (PA), Chairman of the House EEO Committee, would consolidate over 100 existing education, training, and employment assistance programs into four consolidation grants to the States. These block grants would cover the following four areas: (1) Youth Workforce Preparation, (2) Vocational Rehabilitation, (3) Adult Training, and (4) Adult Education and Literacy. *The Adult Training Consolidation Grant will include JTPA and other programs for disadvantaged adults and dislocated workers. The SCSEP is not on the consolidation list.* The Careers Act would provide maximum authority to the States and localities to design and operate their workforce preparation system. The bill does not include a set-aside or service requirements for older workers. The involvement of local employers is required through employer-led Workforce Development Boards. The legislation would also require service delivery through a one-stop delivery structure, and that education and training be provided through the use of vouchers with approved providers to the extent practicable.

The Careers Act replaces and expands upon H.R. 511, the Workforce Preparation and Development Act, which was introduced earlier this session as a placeholder bill by Reps. Goodling and McKeon. *The bill is on a fast track. Subcommittee mark-up was May17 and full committee mark-up May 24. The House is expected to consider the bill in mid to late June.*

<u>"Middle Class Bill of Rights" Job Training Component - President Clinton</u>

The Administration has proposed a "GI Bill for America's Workers," which would collapse some 70 education and job training programs, including JTPA II-A and the older worker set-aside. Resources from these programs will be used to (1) give the Governors additional flexibility to design integrated service delivery systems focusing on One Stop Career Centers where workers can get access to job search assistance and reliable information on jobs, careers, and the performance of training institutions, and (2) establish a system of individual skill scholarship grants and loans to assist laid off and disadvantaged workers obtain training. *The SCSEP is not among those programs targeted for consolidation.* The President's proposal has not been introduced as a bill.

<u>OTHER</u>

The U.S. Department of Health and Human Services has proposed to better coordinate programs for older people, including programs under the Older Americans Act, as part of its second phase of reinventing government (REGO II). As part of this initiative, the Administration on Aging (AOA) is exploring opportunities to serve as the focal point for the coordination and review of a cross-section of aging services and applied research. One of the points of discussion involves the potential transfer of administrative responsibility for the SCSEP from the Department of Labor to AOA.

COMMITTEE PRINT

T.V –

OLDER AMERICANS ACT: A STAFF SUMMARY

BY THE

CHAIRMAN

OF THE

SUBCOMMITTEE ON HUMAN SERVICES

OF THE

SELECT COMMITTEE ON AGING
HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

SECOND SESSION

DECEMBER 1992

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COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS—TITLE V OF THE OLDER AMERICANS ACT

The community service employment program for Older Americans has as its purpose to promote useful part-time opportunities in community service activities for unemployed low-income persons who are 55 years or older and who have poor employment prospects. The program is the only existing job creation program for adults since the elimination of public service employment under the Comprehensive Employment and Training Act (CETA).[47] Although the program supports a relatively small number of jobs—65,200 in the 1992-93 program year—it is the most visible federally supported employment program for older persons. It represents about 28 percent of total funds appropriated under the Older Americans Act in FY 1993 ($390 million out of total Older Americans Act funding of $1.4 billion). The program not only provides opportunities for part-time employment and income for older persons, but also contributes to the general welfare of communities by providing a source of labor for various community service activities.

BACKGROUND

The community service employment program was modeled after Operation Mainstream, a pilot project authorized under the Economic Opportunity Act and first funded in 1965. Operation Mainstream was designed to employ poor, chronically unemployed adults and operated primarily in rural areas. In 1967, administrative responsibility for Operation Mainstream was transferred from the Office of Economic Opportunity to the Department of Labor (DOL), but funding authority continued under the Economic Opportunity Act. In 1973, the program was given a statutory basis under Title IX of the Older American Comprehensive Services Amendments of 1973. The 1975 amendments to the Older Americans Act incorporated the program as Title IX of the Act, and the 1978 amendments redesignated the program as Title V.

Major amendments to the program have centered on changes in criteria for participant eligibility and allocation and distribution of funds to national organizations and to States. Amendments enacted in 1978 specified income eligibility criteria which had not previously been required by law. The 1975 amendments included some relatively major changes in the prior law to require that national organizations which had been administering the program receive a "hold harmless" amount, that is, an amount sufficient to maintain a certain level of activities. Subsequent amendments have altered the distributional requirements in order, first, to provide some equity among the States in terms of receipt of Title V funds, and secondly, to specify that State agencies on aging receive a portion of funds. The most recent amendments in 1992 added a provision that specifies a minimum level of funding ($5.1 million) for national organizations operating the program, triggered when Title V funding exceeds 102 percent of the FY 1991 funding amount.

[47] The Rehabilitation Act authorizes a community service employment program for persons with disabilities. It has never been funded.

Other significant amendments have required coordination of the employment program with the State agency on aging program under Title III of the Act; required DOL to conduct activities related to placement of participants in private sector employment; and established a legislative cap on the amount of funds that can be used for project administration.

PARTICIPANT ELIGIBILITY AND BENEFITS

Persons eligible to participate in the program are those who are 55 years of age or older (priority must be given to persons 60 years and older), unemployed, and who have poor employment prospects. Persons must have income not in excess of 125 percent of the DHHS poverty level guidelines (in 1992, $8,515 for a 1 person household and $11,490 for a 2 person household, with higher amounts for Alaska and Hawaii).

When determining eligibility for Title V benefits, non-cash income such as food stamps and compensation received in the form of food or housing, unemployment benefits, and welfare payments, are not counted as income. Wages received under Title V are counted when determining eligibility for certain income-tested programs, such as the supplemental security income (SSI) program. However, Title V wages are exempted in determining eligibility and level of benefits for the food stamp program and for Federal housing programs. Enrollee wages are subject to Federal, State, and local taxes, and participants contribute to social security.

Enrollees are paid no less than the Federal or State minimum wage or the local prevailing rate of pay for similar employment, whichever is higher. Federal funds may be used to compensate participants for up to 1,300 hours of work per year (52 weeks at 25 hours a week), including orientation and training. Participants work an average of 20-25 hours per week. For the 1991-92 program year, the average hourly wage paid to enrollees was $4.32. In addition to wages, enrollees receive physical examinations, personal and job-related counseling, and transportation for employment purposes, under certain circumstances. Participants also may receive on-the-job training. DOL regulations indicate that training should be oriented toward upgrading job skills in preparation for community service as well as unsubsidized employment. Enrollees are paid at the established rate of pay when participating in training.

JOB AND ENROLLEE CHARACTERISTICS

Participants work in a wide variety of community service activities. As shown in Table 10, during the 1991-92 program year (PY), 66 percent of job placements were in services to the general community while 34 percent were in services to the elderly. The greatest proportion of jobs in the general community were in education and social services, representing about 32 percent of all jobs. About 10 percent of all jobs were in elderly nutrition services.

TABLE 10.—Title V of the (

P'

Total
Services to general community
Education
Health and hospitals
Housing/home rehabilitation
Employment assistance
Recreation, parks, and forests
Environmental quality
Public works and transportation
Social services
Other
Services to elderly community
Project administration[3]
Health and home care
Housing/home rehabilitation
Employment assistance
Recreation/senior centers
Nutrition programs
Transportation
Outreach/referral
Other

[1]July 1, 1991–June 30, 1992.
[2]This represents enrollment as of 30, 1992.
[3]Refers to enrollees who work in the administrat

Source: U.S. Department of Labor. Comi
port. Unpublished data.

The types of jobs provided to en
of sponsoring organization. During
sors placed more enrollees in serv
services to the elderly community.
sor jobs were in services to the ge
and social services. State sponsori
agencies on aging, generally favor a
of their enrollees working in servic
92.[48]

Participation data for prc ye
rollees were female. Forty-five
and 36 percent graduated from hig
white or Hispanic. Forty-two perce
years of age, and 32 percent were
selected characteristics.) Almost 80
poverty level and 13 percent were v

[48]U.S. Department of Labor. Senior (
1991-92 Program Year. Unpublished data.
[49]Ibid.

requ coordination of the employ-
aging program under Title III of the
s related to placement of participants
stablished a legislative cap on the
oject administration.

ITY AND BENEFITS

program are those who are 55 years
o ons 60 years and older), unem-
nt prospects. Persons must have in-
the DHHS poverty level guidelines
ld and $11,490 for a 2 person house-
d H).
e V benefits, non-cash income such
ved in the form of food or housing,
yments, are not counted as income.
when determining eligibility for
s the supplemental security income
s are exempted in determining eligi-
p program and for Federal hous-
ct to Federal, State, and local taxes,
rity.
deral or State minimum wage or the
r employment, whichever is higher.
participants for up to 1,300 hours
s a week), including orientation and
of 20-25 hours per week. For the
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CHARACTERISTICS

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2 program year (PY), 66 percent of
general community while 34 percent
proportion of jobs in the general
l services, representing about 32 per-
l jobs were in elderly nutrition serv-

TABLE 10.—Title V of the Older Americans Act, Enrollment Job Inventory, PY 1991-92[1]

	Jobs	Percent
Total	[2] 62,874	100.0
Services to general community	41,455	65.9
Education	9,6371	5.3
Health and hospitals	3,230	5.1
Housing/home rehabilitation	1,036	1.6
Employment assistance	1,592	2.5
Recreation, parks, and forests	5,687	9.0
Environmental quality	594	0.9
Public works and transportation	2,576	4.1
Social services	10,186	16.2
Other	6,917	11.0
Services to elderly community	21,419	34.1
Project administration[3]	1,778	2.8
Health and home care	2,210	3.5
Housing/home rehabilitation	894	1.4
Employment assistance	899	1.4
Recreation/senior centers	5,096	8.1
Nutrition programs	6,083	9.7
Transportation	1,038	1.7
Outreach/referral	1,738	2.8
Other	1,683	2.7

[1] July 1, 1991–June 30, 1992.
[2] This represents enrollment as of June 30, 1992.
[3] Refers to enrollees who work in the administration of the Title V program.

Source: U.S. Department of Labor. Senior Community Service Employment Program. *Quarterly Status Report.* Unpublished data.

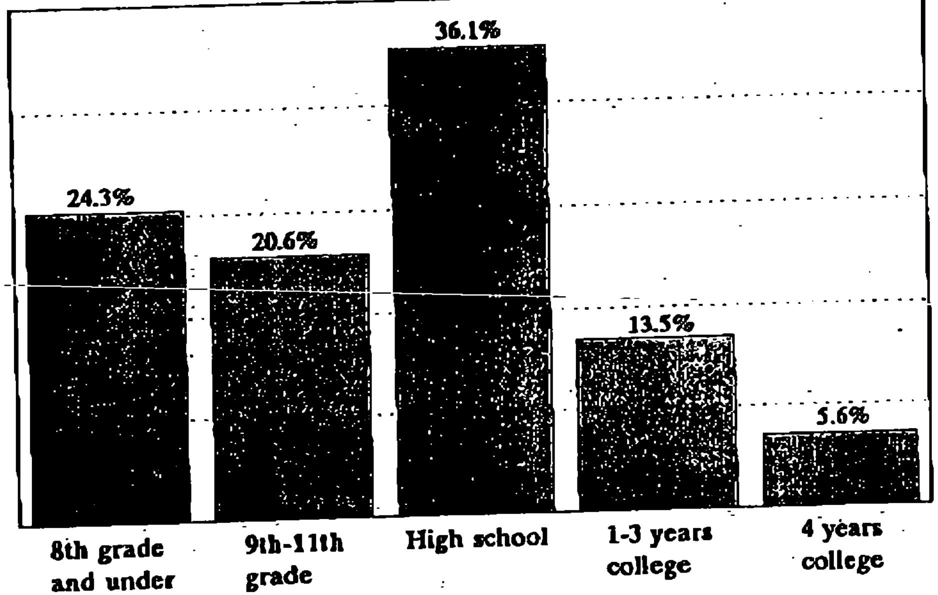
The types of jobs provided to enrollees vary somewhat according to type of sponsoring organization. During the program year 1991-92, national sponsors placed more enrollees in services to the general community than in services to the elderly community. About 72 percent of total national sponsor jobs were in services to the general community, primarily in education and social services. State sponsoring agencies, mostly comprised of State agencies on aging, generally favor aging services placements with 57 percent of their enrollees working in services for the elderly in program year 1991-92.[48]

Participation data for program year 1991-92 show that 71 percent of enrollees were female. Forty-five percent had less than a high school education and 36 percent graduated from high school. Thirty-nine percent were non-white or Hispanic. Forty-two percent of enrollees were between 55 and 64 years of age, and 32 percent were 70 years or older. (See Charts 2–4 for selected characteristics.) Almost 80 percent had a family income below the poverty level and 13 percent were veterans.[49]

[48] U.S. Department of Labor. Senior Community Service Employment Program. *Quarterly Status Report.* 1991-92 Program Year. Unpublished data.
[49] Ibid.

CHART 2. Senior Community Service Employment Participants, by Educational Attainment, PY 1991-92

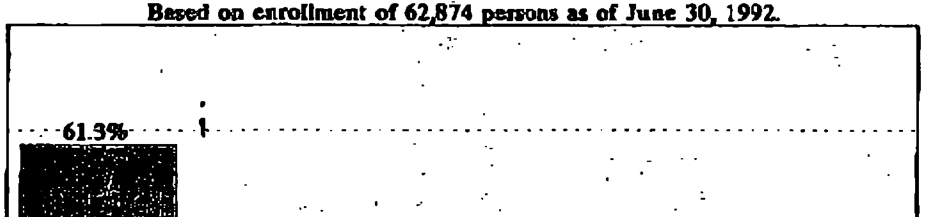
Based on enrollment of 62,874 persons as of June 30, 1992.

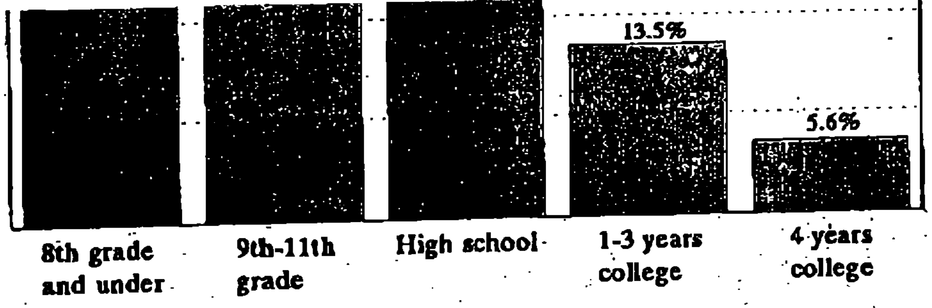


Source: U.S. Department of Labor. Senior Community Service Employment Program. *Quarterly Status Report,* Program Year 1991-92. Unpublished data.

CHART 3. Senior Community Service Employment Participants, by Racial and Ethnic Groups, PY 1991-92

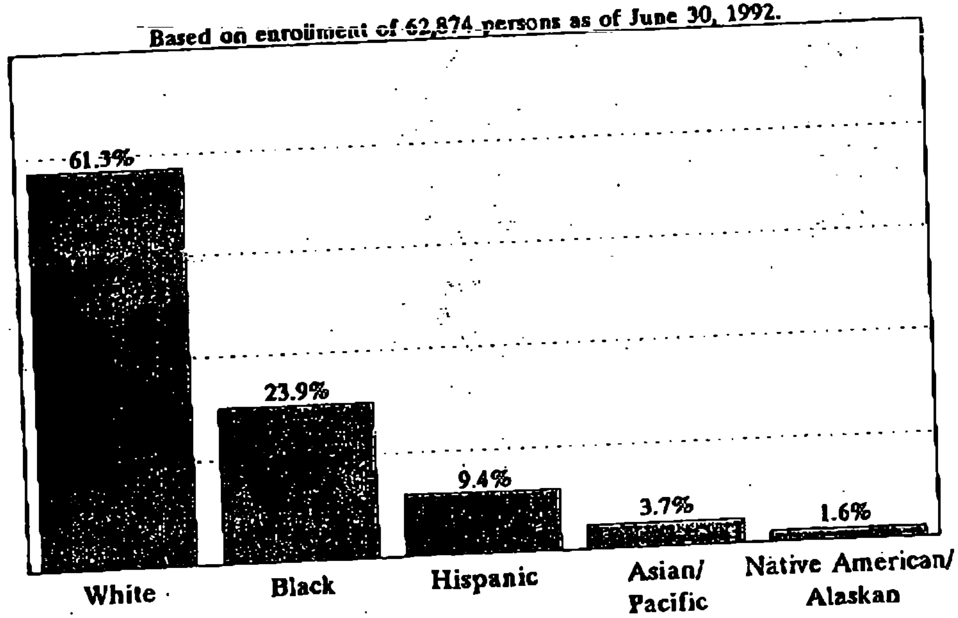
Based on enrollment of 62,874 persons as of June 30, 1992.





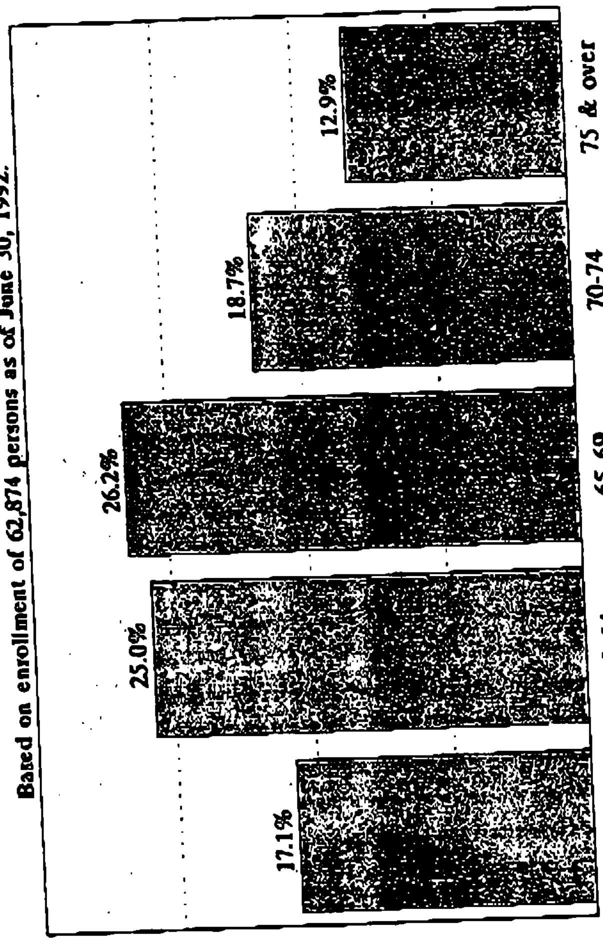
Source: U.S. Department of Labor. Senior Community Service Employment Program. *Quarterly Status Report,* Program Year 1991-92. Unpublished data.

CHART 3. Senior Community Service Employment Participants, by Racial and Ethnic Groups, PY 1991-92



Source: U.S. Department of Labor. Senior Community Service Employment Program. *Quarterly Status Report,* Program Year 1991-92. Unpublished data.

CHART 4. Senior Community Service Employment Participants, by Age, PY 1991-92



Source: U.S. Department of Labor. Senior Community Service Employment Program. *Quarterly Status Report*, Program Year 1991-92. Unpublished data.

Data collected as part of a 1986 DOL-sp
vide more detail about new enrollee s.
ticipants were more disadvantaged than the
come and labor market criteria. Almost 40
ployed for more than half the year prior t
two-thirds of participants applied to the prog
sons.[50]

FUNDING

DOL awards Title V funds to 10 nationa
to State agencies, primarily State agencies on
place enrollees in jobs. National sponsors r
State sponsors receive 22 percent.[51] Table 1
State and national sponsors in program year 1

TABLE 11.—Amount of Title V F Av
Sponsors, PY 1992

Sponsor
Total
State agencies, total
National organizations, total
American Association of Retired Persons
Asociacion Nacional Pro Personas Mayores
Green Thumb
National Caucus and Center on Black Aged
National Council on Aging
National Council of Senior Citizens
National Indian Council on Aging
National Pacific/Asian Resource Center on Aging
National Urban League, Inc.
United States Forest Service

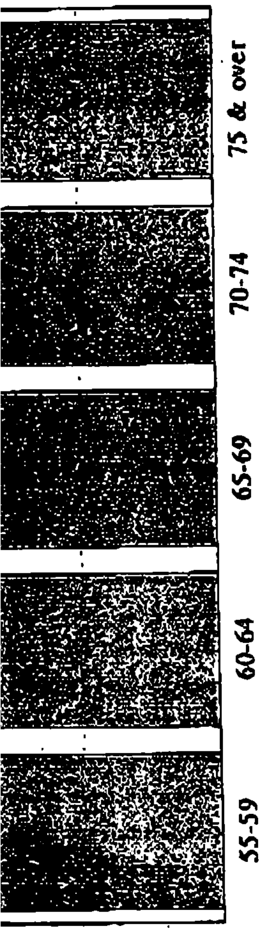
[1] Total does not add precisely to actual appropriation of 2
[2] Amounts for national organizations do not include
ations.

Source: U.S. Department of Labor.

Table 12 shows the distribution of jobs
States for recent years. Over the period 1983
a 24 percent increase in funding and a 4 pe

[50] Centaur Associates, Inc. *Evaluation Study of the Senior Com*
Under Title V of the Older Americans Act. July 25, 1986. p.
Associates, Inc., *Evaluation Study.*)

[51] Although the Older Americans Act states that funds are to
part, on a "hold harmless" requirement for national organiza
State sponsoring agencies, appropriations legislation in
that 78 percent is awarded to national organizations and 22 per



Source: U.S. Department of Labor. Senior Community Service Employment Program, *Quarterly Status Report*, Program Year 1991-92. Unpublished data.

Data collected as part of a 1986 DOL-sponsored program evaluation provide more detail about new enrollee status. This evaluation found that participants were more disadvantaged than the total eligible population by income and labor market criteria. Almost 40 percent of enrollees were unemployed for more than half the year prior to entry into the program. Over two-thirds of participants applied to the program primarily for economic reasons.[50]

FUNDING

DOL awards Title V funds to 10 national sponsoring organizations and to State agencies, primarily State agencies on aging, which recruit, train, and place enrollees in jobs. National sponsors receive 78 percent of funds and State sponsors receive 22 percent.[51] Table 11 shows the amount awarded to State and national sponsors in program year 1992-93.

TABLE 11.—Amount of Title V Funds Awarded to State and National Sponsors, PY 1992-93

Sponsor	Amount (in millions)
Total	$395.1[1]
State agencies, total	86.9
National organizations, total	308.2[2]
American Association of Retired Persons	47.3
Asociacion Nacional Pro Personas Mayores	11.4
Green Thumb	100.2
National Caucus and Center on Black Aged	11.2
National Council on Aging	35.1
National Council of Senior Citizens	60.5
National Indian Council on Aging	1.6
National Pacific/Asian Resource Center on Aging	1.6
National Urban League, Inc.	13.4
United States Forest Service	26.1

[1] Total does not add precisely to actual appropriation of $395.2 due to rounding.
[2] Amounts for national organizations do not include funds transferred by States agencies to national organizations.

Source: U.S. Department of Labor.

Table 12 shows the distribution of jobs among national sponsors and States for recent years. Over the period 1983-84 to 1992-93, there has been a 24 percent increase in funding and a 4 percent increase in job positions.

[50] Centaur Associates, Inc. *Evaluation Study of the Senior Community Service Employment Program Funded Under Title V of the Older Americans Act.* July 25, 1986. p. iv, and p. 6-11. (Hereinafter cited as Centaur Associates, Inc., *Evaluation Study.*)

[51] Although the Older Americans Act states that funds are to be distributed according to a formula based, in part, on a "hold harmless" requirement for national organizations, with the balance of funds distributed to State sponsoring agencies, appropriations legislation in recent years has directed DOL to distribute funds so that 78 percent is awarded to national organizations and 22 percent to State agencies.

TABLE 12.—Distribution of Title V Funds and Employment Positions To National Organizations and States, PYs 1983-84 through 1992-93

(dollars in millions)

Program year[1]	Total		National Organizations		State Agencies	
	Amount	Positions	Amount	Positions	Amount	Positions
1983-84	$319.5	62,502	$249.2	48,752	$70.3	13,750
1984-85	317.3	62,080	247.5	49,424	69.8	13,657
1985-86	326.0	63,783	254.3	49,751	71.7	14,032
1986-87	312.0	61,042	243.3	47,612	68.7	13,430
1987-88	336.0	65,738	262.1	51,278	73.9	14,460
1988-89	331.3	64,807	258.4	50,549	72.9	14,258
1989-90	343.8	65,800	268.2	51,300	75.6	14,500
1990-91	367.0	64,933	286.3	50,646	80.7	14,287
1991-92	390.4	64,400	304.5	50,200	85.9	14,200
1992-93	395.2	65,206	308.2	50,862	86.9	14,344
Percent change 1983-84 to 1992-93	24	4	24	4	24	4

[1] Refers to period July 1–June 30.

Source: U.S. Department of Labor and appropriations legislation.

Cost of Job Placements and Sponsor Administrative Costs

DOL calculates the per unit cost of Title V employment positions. The Title V unit cost is the average annual cost of providing part-time community service employment to persons aged 55 years and over. The unit cost is used to determine the number of job slots for Title V grantees within a given level of funding. The unit cost is composed of three elements: enrollee wages and fringe benefits; administration; and other enrollee costs, such as physical exams of enrollees and eligible applicants, and enrollee orientation and counseling.

From the 1981-82 program year to the 1988-89 program year, the unit cost (per job slot) was $5,111. Due to increases in the Federal minimum wage rates in 1990 and 1991, the job slot cost has risen in recent years. In program years 1989-90, the job slot cost was $5,225; in 1990-91, $5,652; and in 1991-92 and 1992-93, $6,061.

The law limits sponsor administrative costs to 13.5 percent of the costs of the project. However, the Secretary of Labor is allowed to permit a higher proportion of Title V funds (up to 15 percent of the cost of the project) to be used for administration under the following circumstances: when major administrative costs increases are incurred in necessary program components, including liability insurance, workers' compensation, costs associated with achieving unsubsidized placement goals, and other required activities; when the number of employment positions in the project or minority eligible participants will decline if the administrative cap is not increased; or, when the project size is so small that the costs of administration necessarily exceed 13.5 percent.

Table 13 presents the proportion of Title V funds used by States and by national sponsors for administration, based on preliminary expenditure data for program year 1990-91. It shows that the overall proportion of funds used for administration by all sponsors was 11.4 percent. National and State sponsors in total used about the same proportion of their funds for administrative costs. The proportion of funds used for administration varied among national sponsors, ranging from 5.7 percent for the United States Forest Service to 16.3 percent for the National Indian Council on Aging. A number of factors

may account for the variation in ad
nizations. For example, sponsors w
rollee positions may have higher
scale.

TABLE 13.—Title V Administr
Fundin

Total
State agencies, total
National organizations, total
American Association of Retired Persons
Asociacion Nacional Pro Personas M
Green Thumb
National Caucus and Center on Black Aged
National Council on Aging
National Council of Senior Citizens
National Indian Council on Aging
National Pacific/Asian Resource Center on Ag
National Urban League
United States Forest Service

[1] Information based on preliminary (are d

Source: U.S. Department of Labor. Com
port. Unpublished data.

Transition of Enrollees

Although the statute has never re
of enrollees into unsubsidized or pri
tions issued in 1985 set as a "goal
ment of at least 20 percent of the
project on an annual basis.[52] Projec
vate and public employers to deve
ties and to request host agencies to
work force.

The issue of transition of enrollee
congressional attention during the
changes in the law to encourage tr
ments in 1984, Congress exp
goals for such transitions without st
sors should not lessen efforts to pl
ment.[53]

Table 14 presents rates of transi
sponsors for program years 1980-1
doubled over the last 11 s fron
the transition goal is met differs a
program year 1991-92, the range w

[52] Federal Register, v. 50, no. 139. Although t
porated this provision into grant agreements signe
in 1976, and proposed revised regulations publishe
[53] For a discussion of this issue, see congression
ate, Committee on Labor and Human Resources,
97th Cong., 1st Sess., July 20, 1981. Washingto
Older Americans Act Amendments of 1984.
Sess., Sept. 19, 1984. Washington, GPO, 1984. p.

nds Employment Positions To
PYs 1983-84 through 1992-93

National Organizations		State Agencies	
Amount	Positions	Amount	Positions
$249.2	48,752	$70.3	13,7[illegible]
247.5	49,424	69.8	13,6[illegible]
254.3	49,751	71.7	14,0[illegible]
243.3	47,612	68.7	13,4[illegible]
1	51,278	73.9	14,460
258.4	50,549	72.9	14,25[illegible]
2	51,300	75.6	14,500
286.3	50,646	80.7	14,2[illegible]
304.5	50,200	85.9	14,200
2	50,862	86.9	14,34[illegible]
24	4	24	4

slation.

R ADMINISTRATIVE COSTS

itle V employment positions. The of providing part-time commu- 55 years and over. The unit cost llots for Title V grantees within a mposed of three elements: enrollee , and other enrollee costs, such as applicants, and enrollee orientation

e 1988-89 program year, the unit nt in the Federal minimum cost has risen in recent years. In was $5,225; in 1990-91, $5,652;

costs to 13.5 percent of the costs abor is allowed to permit a higher cent of the cost of the project) to owing circumstances: when major in necessary program components, mpensation, costs associated with other required activities; when e project or minority eligible par- cap is not increased; or, when the administration necessarily exceed

e V funds used by States and by on preliminary expenditure data e overall proportion of funds used percent. National and State spon- n of their funds for administrative ministration varied among national United States Forest Service to il on Aging. A number of factors

may account for the variation in administrative costs among sponsoring organizations. For example, sponsors with less funding and fewer authorized enrollee positions may have higher administrative costs due to economies of scale.

TABLE 13.—Title V Administrative Costs as a Percent of Total Federal Funding, PY 1990-91[1]

	Percent
Total	11.4
State agencies, total	11.5
National organizations, total	11.3
American Association of Retired Persons	13.3
Asociacion Nacional Pro Personas Mayores	13.8
Green Thumb	10.9
National Caucus and Center on Black Aged	13.8
National Council on Aging	13.8
National Council of Senior Citizens	10.3
National Indian Council on Aging	16.3
National Pacific/Asian Resource Center on Aging	14.6
National Urban League	12.5
United States Forest Service	5.7

[1] Information based on preliminary expenditure data.

Source: U.S. Department of Labor, Senior Community Service Employment Program. *Quarterly Status Report*. Unpublished data.

TRANSITION OF ENROLLEES INTO UNSUBSIDIZED EMPLOYMENT

Although the statute has never required numerical goals for the transition of enrollees into unsubsidized or private employment, proposed DOL regulations issued in 1985 set as a "goal" the transition into unsubsidized placement of at least 20 percent of the enrolled positions supported by a given project on an annual basis.[52] Project sponsors are encouraged to contact private and public employers to develop unsubsidized employment opportunities and to request host agencies to employ enrollees as part of their regular work force.

The issue of transition of enrollees into unsubsidized employment received congressional attention during the 1980s. In 1981, Congress made certain changes in the law to encourage transition, and in connection with amendments in 1984, Congress expressed concern that DOL had set numerical goals for such transitions without statutory authority, yet indicated that sponsors should not lessen efforts to place enrollees into unsubsidized employment.[53]

Table 14 presents rates of transition to unsubsidized employment for all sponsors for program years 1980-1981 and 1991-92. Transition rates have doubled over the last 11 years from 11 to 22 percent. The degree to which the transition goal is met differs among the various national sponsors. For program year 1991-92, the range was from 36 percent for the American As-

[52] *Federal Register*, v. 50, no. 139. Although these regulations have not been finalized, DOL has incorporated this provision into grant agreements signed by each Title V sponsor. Previous regulations published in 1976, and proposed revised regulations published in 1980, set lower transition goals.

[53] For a discussion of this issue, see congressional statements in the following reports: U.S. Congress. Senate. Committee on Labor and Human Resources. *Older Americans Act of 1981*. Senate Report No. 97-159, 97th Cong., 1st Sess., July 20, 1981. Washington, GPO, 1981. p. 12; and House. Conference Committee. *Older Americans Act Amendments of 1984*. Conference Report. House Report No. 98-1037, 98th Cong., 2nd Sess., Sept. 19, 1984. Washington, GPO, 1984. p. 46.