

UNITED STATES

Environment

In the face of a rapidly changing economy and the increased rewards to more highly skilled workers, the United States sought to strengthen its workforce development system and to promote lifelong learning. The Workforce Investment Act (WIA) was signed into law in August 1998, representing the first major reform of the United States job training system in over 15 years. The WIA provides the framework for a unique national workforce preparation and employment system.

The reform comes at a time when the American economy is stronger than it has been in a generation, and is increasingly driven by innovation and technology. New high-skills jobs are growing at nearly three times the rate of other jobs. Many employers are finding it difficult to locate and attract qualified workers for high-skilled, high-paying jobs, as well as workers for entry-level jobs. At the same time, millions of workers with few skills or with obsolete skills feel trapped in low-wage, dead-end jobs. Youth minority unemployment rates have dropped but are still intolerably high; earnings of high school graduates have been falling relative to earnings of individuals with higher education.

WIA will build a workforce development system in which any adult interested in advancing his or her career can keep on learning, and where all job seekers, such as low-income adults, welfare parents, disadvantaged youth, individuals seeking non-traditional training, unemployed or displaced workers, including displaced homemakers, can access high quality information and services. This delivery system is being designed with the participation of employers, labour organisations, education and training providers, and community groups that have a large stake in its success.

The WIA replaces the current Job Training Partnership Act (JTPA). Since 1983, JTPA has been the mechanism through which job-training services were provided for economically disadvantaged adults and youth, dislocated workers and others who faced significant barriers to employment. The pre-WIA patchwork of federal job training programmes was characterised by limited choice, lack of quality information, splintered and disorganised programmes, and the absence of accountability. The WIA integrates and builds on individual successful elements of previous federal legislation related to job training, and employment services. The WIA:

- establishes Individual Training Accounts—self-directed accounts that allow workers more choice over their own training;
- establishes universal access to core employment services such as skills assessment, career counseling, labour market information, and job search assistance (previously available only to displaced workers);
- provides greater local flexibility of design;
- streamlines employment services through consolidation of services and programmes under one roof; and,
- provides accountability for States, localities and training providers.

The federal role in the new workforce development system will be one of a leader and enabler—with a focus on ensuring results rather than adherence to administrative process. The Federal Government will focus on strategic planning and knowledge

development and the provision of technical assistance and prototype information systems to the States.

Funding for workforce investment programmes is appropriated to the Secretary of Labour who distributes the funds to States by formula allocations. States, in turn, distribute funds to local areas based on statutory formula. The WIA authorises three funding streams: programmes for adults, for dislocated workers, and for youth. Twenty per cent of total dislocated worker funding is reserved for the Secretary of Labour for National Emergency Grants, dislocated worker demonstration efforts, and technical assistance. National programmes, such as Jobs Corps, are funded separately. The Unemployment Insurance system is financed by a payroll tax on employers, with some states also assessing small employee payments.

Policies in Place

Employment of Workers

One-Stop Centres

Programme Objective

One-Stop Centres are the cornerstone of the new workforce development system. One-Stop Centres are designed to transform a fragmented array of employment and training programmes into an integrated customer-friendly system of information about and access to job training, education, and employment services. One-Stops will offer a wide spectrum of services—ranging from using a computer to get information from America’s Job Bank, to intensive staff-assisted services such as group counseling—to meet the needs of a variety of customers, both employers and job seekers. Individuals with special needs, for example, persons with disabilities, non-English speaking persons, or those who lack computer skills, will be accommodated. One-Stop is planned as a community resource that all Americans can use throughout their lives to enhance their job skills as they move up the career ladder—rather than just a place to go during times of crisis.

There are three levels of services which are to be accessed sequentially (more extensive services are provided when an individual is unable to find employment with the more basic services): core services, intensive services, and training.

Core services

- Determination of eligibility requirements
- Outreach, profiling
- Initial assessment
- Job search and placement assistance and career counseling
- Provision of labour market information and information on training providers, local performance outcomes, filing claims for Unemployment Insurance, supportive services
- Follow-up services.

Intensive services

- Comprehensive and specialised assessments of skill levels
- Development of an individual employment plan

- Group Counseling
- Individual counseling and career planning
- Short-term prevocational services.

Training services

Training services are available to individuals who have been unable to obtain employment through intensive services. Training services must be directly linked to occupations that are in demand in the local area or in another area to which the individual is willing to relocate. The underlying principle is customer choice. One-Stop centres will provide access to information relating to skills in demand and training providers that can assist the individual in gaining relevant skills—including information on the performance of the provider in placing graduates in employment. Participants will determine which training they are interested in obtaining. With limited exceptions, training will be provided through the use of Individual Training Accounts (ITAs). An ITA may be a training voucher, a debit card, or a repository for training funds, depending on how the local system is structured.

One-Stop Centres will also serve as a point of access to the Federal-State Unemployment Insurance system (UI). UI will continue to offer the first economic line of defence against the effects of unemployment for workers who lose their jobs through no fault of their own, including dislocated workers. By providing payment to unemployed workers, UI ensures that at least a significant portion of the necessities of life (food, clothing, shelter) can be obtained while a search for work takes place.

Target group

Under the WIA, all adults (with no eligibility requirements) are eligible for core services. Intensive services will be available for unemployed individuals who have been unable to obtain jobs through core services. Priority for intensive services must be given to recipients of public assistance and other low-income individuals. Under JTPA, services were available to disadvantaged adults and youth, dislocated workers and others who faced significant employment barriers.

Date of implementation

According to the provisions of the WIA, all local areas are required to have at least one physical full service centre by July 2000. A number of States have already established One-Stop Centres pursuant to DOL implementation grants, beginning in 1994. As of November 1998, over 1,000 centres were in operation.

Organisations responsible for operation

Reforms under WIA to ensure full involvement of business, labour, and community organisations in design and quality assurance include provision for State and local workforce investment boards, local youth councils, and long-term State strategic planning. Each State will establish both State and local workforce investment boards. The State board will help the Governor develop a five-year strategic plan and will advise the governor on ways to develop the statewide workforce investment system and labour market information system. Local boards, in partnership with local elected officials, will plan and oversee the local system. Representatives of these boards will be drawn from the business community, labour organisations, education providers, economic development agencies, and community-based organisations, as well as

elected officials. Youth Councils will be established as a subgroup of the local boards to develop parts of the plan related to youth programmes.

The operators of Centres are to be selected by the local workforce development board through a competitive process. Local boards also will identify providers of training services, monitor system performance against established measures and help develop the labour market information system.

A website has been established to serve as a forum for dialogue regarding all aspects of WIA implementation between federal and state governments, local partners, stakeholders, and other interested individuals and organisations. The website will enable implementation plans to be shared as they are developed, questions to be raised, issues to surface, and solutions to be proposed.

Evaluation

The WIA establishes core indicators of performance for all adult, dislocated worker, and youth services available at One-Stops. Indicators include measures such as entry into unsubsidised employment; retention in employment for six months; and earnings. In addition, a customer satisfaction indicator must be established that measures employers' and participants' satisfaction with services received. Each State will establish its expected levels of performance, in negotiation with the Department of Labour, taking into account specific economic conditions, demographics, and other characteristics of the area.

In general, the United States Department of Labour's Employment and Training Administration ensures accountability by collecting data on programme participants through a management information system; on-site visits that focus on performance management; evaluating programmes through impact studies; and providing feedback to state and local partners, such as annual reports to each State Governor.

The following data are taken from JTPA Standardised Programme Information Reports.

Participants in the JTPA programmes for dislocated workers:

	Programme Year 93	PY94	PY95	PY96
Entered employment at programme termination	66%	68%	68%	68%
Employed at 3 month follow-up	72%	74%	74%	73%
Wage placement greater than 75% of previous wage	64%	65%	65%	69%

Participants in the JTPA programmes for youth:

	Programme Year 93	PY94	PY95	PY96
Entered employment at programme termination	34%	37%	38%	45%
Obtained employability enhancements (additional education)	53%	54%	55%	55%

America's Career Kit

Programme Objective

A key component of One-Stop Centres, America's Career Kit is an electronic labour market information resource. There are three pieces: America's Job Bank and America's Talent Bank (www.ajb.dni.us); Career InfoNet (www.acinet.org); and Learning eXchange (www.alx.org). Job vacancies listed in the Job Bank span the entire sweep of the economy. Significant numbers are in high-tech occupations and come from major corporations as well as small businesses nationwide. Through the Talent Bank, job seekers can market themselves by posting resumes on-line. The Career InfoNet provides information on employment trends, prevailing wages, and job training requirements. The Learning eXchange is a public/private clearinghouse connecting job seekers and employers to training and education resources.

By making services available on the Internet, the Career Kit provides two benefits. By skimming off clients available to serve themselves, it helps target frontline employment services staff to the more challenging cases. Second, by providing seamless electronic integration between job listings, resumes, career information and learning resources, it extends the reach of employment and training services to thousands of businesses and tens of millions of workers.

Target group

All American workers and all American employers can benefit from the electronic resources offered by America's Career Kit.

Organisations responsible for operation

One of the hallmarks of the Career Kit development process has been the public/private partnership between the Federal Government, state governments, leading trade associations in the employment and training field and other key nonprofit groups.

Measurement and evaluation

The Job Bank lists over 900,000 job openings; the Talent Bank lists approximately 300,000 resumes; and ALX offers information on over 3,000 training providers and 48,000 seminars and workshops. Currently, the Career Kit is host to over six million user sessions per month. While there are no formal independent evaluations at the national level, it can be inferred from these numbers that customer needs are being met.

Job Corps (Employment of Youth)

Programme objective

Jobs Corps is a national residential education and training programme for disadvantaged youth. There are 118 Jobs Corps centres throughout the United States. Since its inception in 1964, Jobs Corps has guided more than 1.5 million young people away from lives filled with poverty, unemployment, crime and welfare and steered them towards brighter futures.

Jobs Corps is a full-time, year-round residential programme that offers a comprehensive array of training, education and supportive services, including dormitory housing, meals, medical care, and counseling. The programme provides occupational exploration, work and social skills training, and competency-based

vocational and basic education. Occupational trades offered include construction, auto mechanics and repair, business and clerical, retail trades, health occupations, and computer occupations. Post-programme placement services are provided. Students can be enrolled in Jobs Corps for up to two years. Research indicates that certain practices are particularly effective with respect to employment and training programmes for youth: long-term follow up, community focus, and employer involvement have proven to be successful strategies. Developed and refined over a 30-year period, Jobs Corps has a number of distinctive characteristics: a high degree of uniformity in programme form and content; a high degree of federal direction; continuity, especially in centre operations; and career paths for Jobs Corps staff.

Jobs Corps is retained as a separate national programme under WIA, with strengthened linkages between Jobs Corps centres and the State workforce development system and the local communities in which they are located.

Target group

Participants must be between 16 and 24 years of age; be economically disadvantaged; be high school dropouts or in need of additional education or training; not be on probation or parole; be free of serious medical or behavioural problems; and come from disruptive environments. The typical Jobs Corps student is an 18-year-old high school dropout who reads at the seventh grade level, belongs to a minority group and has never held a full-time job.

Organisations responsible for operation

The Jobs Corps programme operates through a partnership of government, labour, and business. Major corporations operate 81 Jobs Corps centres under contracts with the United States Department of Labour. Thirty centres, known as civilian conservation centres, are located on federal lands and are operated by the Departments of Agriculture and Interior. Labour unions and trade associations conduct vocational training at many Jobs Corps centres. Support contractors, utilising a national network of volunteers, provide assistance to former students in locating suitable housing and other short-term support.

Recent reforms require Jobs Corps Centres to have a business and community liaison to enhance cooperation with the community and to establish an Industry Council that will help to determine the appropriate vocational training requirements for the local area. WIA enhancements also include the establishment of a youth council in every local area. Representatives from Jobs Corps will participate in the youth councils. These Councils will develop proportions of the local plan that relate to youth.

Evaluation

Jobs Corps finds jobs or placements in higher education for 80 per cent of its students by the time they leave the programme. The Jobs Corps Outcome Management System (OMS) is the accountability tool used to measure and account for performance. This system collects and evaluates data regarding students' educational achievements, vocational accomplishments, and placement rates. Jobs Corps currently is planning an extensive evaluation of OMS to promote the integration of programmes and encourage innovations, while recognising the importance of hard to quantify areas.

The most recent comprehensive evaluation of Jobs Corps, conducted in 1982 for the Department of Labour by Mathematica Policy Research, Inc., concluded that

participation resulted in (effects averaged over a four-year observation period): an increase in employment; an increase in earnings; increased probability of having a high school diploma or equivalent degree; higher college attendance; better health; and a reduction in the receipt of financial welfare assistance. The study's findings suggested that the programme is an economically efficient use of public resources, based on a benchmark estimate that social benefits exceeded costs by approximately 45 per cent.

Under WIA reforms, each Centre will be accountable based on core indicators of performance including vocational completion and placement rates of students, earnings and retention in employment. Reforms also authorise all Jobs Corps graduates to be provided follow-up services, such as transition support and work counseling for 12 months after graduation.

Worker Profiling and Reemployment Services Initiative (Employment and Social Safety Nets)

Programme objective

The Worker Profiling and Reemployment Service (Worker Profiling) aims to enable dislocated workers to find new jobs as rapidly as possible, at wages comparable to their prior wages. Worker Profiling identifies Unemployment Insurance (UI) recipients who are likely to exhaust their UI benefits before finding new employment, and therefore will need job search assistance to successfully transition to other employment. Workers are identified by examining their education level, job experience, and conditions in the industry, occupation, or labour market in which they work. By identifying the most vulnerable workers and referring them to reemployment assistance when they first become unemployed, Worker Profiling attempts to reduce the duration of unemployment. UI claimants identified by Worker Profiling must participate in reemployment services as a condition of continued eligibility for UI benefits. These services include counseling, job search assistance such as job search workshops, referrals to jobs and job placement, and other similar services. By assessing an individual's risk of long-term unemployment, Worker Profiling is a tool to target services and allocate scarce resources for workforce development programmes.

Target group

Individuals who are receiving Unemployment Insurance and who have the greatest probability of exhausting those benefits without finding new employment are the target group.

Date of implementation

Five prototype states received implementation grants from the United States Department of Labour beginning October 1994; by early 1996 all states had received implementation grants.

Organisations responsible for operation

In many states, staff from Unemployment Insurance, Employment Services and Economic and Dislocated Worker Assistance (JTPA, Title III) coordinate in Worker Profiling activities.

Evaluation

Estimates based on the early implementation States provide reasonably strong evidence that Worker Profiling, as it was implemented in these States, significantly reduced UI receipt. The combined findings of several State research demonstration projects indicate that intensive reemployment services, such as job search assistance, for dislocated workers, is an effective and efficient use of public resources. Although results varied among the individual States, overall, they showed the following common results: job search assistance participants found a new job more quickly and the duration of UI benefit payments was reduced; the programme was cost-effective for the government; and shorter job searches did not lead to jobs that paid less.

Workplace Practices that Contribute to Enhanced Productivity and Greater Stability

Family and Medical Leave Act

Programme objective

The Family and Medical Leave Act (FMLA, 1993) allows employees to balance their work and family life by taking up to 12 weeks of unpaid, job-protected leave in a 12-month period for specified family and medical reasons, including the birth and care of a newborn child; care for an immediate family member with a serious health condition; or when the employee is unable to work because of a serious health condition. Upon return from FMLA, an employee must be restored to his/her original or an equivalent job. The FMLA seeks to accomplish this objective in a manner that accommodates the legitimate interests of employers, and minimises the potential for employment discrimination on the basis of gender, while promoting equal employment opportunity for men and women.

Target population

The FMLA applies to all public agencies (state, local, and Federal Government employers) and private employers who employ 50 or more employees. To be eligible for FMLA provision, an employee must have worked for a covered employer for at least 12 months.

Organisations responsible for operation

The United States Department of Labour's Employment Standards Administration, Wage and Hour Division administers and enforces the FMLA for all private, state, and local government employees and some federal employees. This agency investigates complaints of violations.