

Comments of Melinda M. Adams

On behalf of the

Idaho Commission on Aging

Before

**The United States Senate Special Committee on Aging
Forum on the Older Workforce**

Regarding

**Opportunities for Administrative
Improvements in
Taxpayer-Financed Public Programs
Designed to Enhance
Older Worker Training and Placement**

Washington D. C.

September 3, 2003

Mr. Chairman and Members of the Special Committee on Aging. Good Afternoon. I welcome this opportunity to address how the administration of existing employment and training programs could better serve both the older worker and employer.

I represent the Idaho Commission on Aging. As the State Unit on Aging, we are responsible for funding and establishing policy for all Older Americans Act Programs and state-funded services for older Idahoans.

I have administered older worker programs for the past sixteen years. I currently manage Idaho's Senior Community Service Employment Program, provide technical assistance to our state's Workforce Investment Act system and serve as staff to Governor Kempthorne's State Workforce Council.

Recommended Changes to the Workforce Investment Act

Over most of those sixteen years, our programs performed exceptionally well. The U. S. Department of Labor profiled as "Best Practice" our Older Worker efforts for (1) coordination with the broader One-Stop career system and for (2) success in placing low-income seniors in jobs. And yet, since enactment of the Workforce Investment Act, any substantive job training has become increasingly difficult to obtain for older individuals, even in Idaho, which historically enjoyed strong state level support for older workers. Ironically, skill training coupled with updated work experience is what older job seekers need in order to find employment.

This is consistent with the GAO Report issued earlier this year in which it was reported that most older people enrolled in WIA (49,600 people 55 years-old or older) received only job search assistance such as interviewing technique training and instruction on resume writing versus skill training for specific jobs. Occupational training is so critical because many older individuals have outdated skills and no recent work experience. And why are so few older jobseekers being trained? In large part the current performance measures that drive the Workforce Investment Act system actually discourage older worker participation, another fact substantiated by the GAO report findings.¹

Accordingly, as the Workforce Investment Act is reauthorized, we urge that disincentives to serve older workers within the performance measure framework of WIA be removed. Specifically, the "Earnings Gain Measure" which compares pre-registration wages with post-program wages works against serving older individuals who want or need part-time work. It also works against older people who are willing to take a pay cut over what they used to earn simply to get a job.

The solution and our recommendation would be to **remove older individuals from the "Earnings Gain" performance measure** computations for both adult and dislocated worker programs.

¹ Older Workers: Employment Assistance Focus on Subsidized Jobs and Job Search but Revised Performance measures Could Improve Access to other Services. (GAO-03-350)

Additionally, we urge:

- that local workforce boards be required to serve older, job-seekers in the eligible population
- that Older Worker service goals be established as part of the State and local WIA planning process; and
- that “Long-term Unemployed” be reinstated as an eligibility criterion for the WIA adult and dislocated worker programs. (An individual who was unemployed at least 15 of the preceding 26 weeks was considered “Long-Term Unemployed” and eligible for Dislocated Worker Services under the Job Training Partnership Act. A large number of unemployed, older individuals qualified under this eligibility factor); and
- This is the most critical change and would have the greatest impact--**reinstate designated funding to serve the older unemployed**. The legislation just prior to WIA, the Job Training Partnership Act, required each state to set-aside 5% of Adult Employment and Training funds specifically to serve older individuals. It was a far more effective approach in that it assured service to the older population as well as providing funds to purchase the skill training older people needed. It also was an excellent complement to the Senior Community Service Employment Program also known as Title V of the Older Americans Act.

Recommended Changes to Title V of the Older Americans Act

For those not familiar, the Title V Program is both a public service and work experience program for needy older workers. The program pays the wages (normally minimum wage for 20 hours per week) to seniors who are assigned to schools, hospitals, senior centers, non-profits, or government agencies.

The Title V Program provides substantive community service by supplying valuable infrastructure support to the aging network within the states, as well as providing critical income support for many poor seniors with few or no alternatives. At the same time the program has evolved into an employment program, a springboard for those seniors who, with occupational training and work experience, can successfully compete for jobs off the program. The demand for the program is great as evidenced in a study conducted by The Urban Institute found that the program only reaches 2% of those eligible. However, an increase in appropriation for Title V within this economic climate is unrealistic. And so it seems the most practical solution is to look at cost efficiencies within the program. **An immediate improvement would be to rescind the recent prohibition of use of existing Title V grant funds for 502e activities, which includes private sector work experience.**

The administrative structure of the Title V program also needs revision. Currently, 78% of each state’s allocation goes to 14 national aging contractors. The remaining 22% of funds go to each state for a state-administered program. To illustrate, 78% of Idaho’s allocation goes to four different national aging contractors who, in turn, each operate the Title V Program in sections of Idaho. **Current law allows each aging contractor to take up to 13.5% for administration.**

That is needless duplication of administrative funding. If administration were streamlined, more funds would be available for the seniors who need the service.

Additionally, **under the current system, several Title V contractors often cover the same geographic areas. This is another example of duplication.**

With Reauthorization of the Older Americans Act coming up in 2005, now is the time to prepare for legislative change. **Our recommendation is to move 100% of each state's allocation to the state—move the procurement function to the State Unit on Aging. Invite all national aging contractors, all qualified private and public entities to submit applications—in other words competitive procurement at the state level. May the best possible service providers win.**

Procurement policy could also specify one program operator per region to eliminate program duplicity. This approach also ensures **close coordination with the workforce system within each state.** State-level coordination requirements can be delineated in the contract and monitored. A further benefit will result.

The Older Americans Act now requires each Governor to prepare a State Senior Employment Services Coordination Plan and what is termed an “equitable distribution plan” to distribute Title V funds based on the actual location of low-income seniors within the state. However, **the States currently have no real enforcement authority over the national aging contractors that operate within our states. Such a change corrects these structural inconsistencies.**

The fear in moving the procurement function to the State is that the Title V Program could be dissolved into the larger WIA system, which would create an irreplaceable vacuum. It is essential that the dual purposes of the Title V Program, economic self-sufficiency and community service, remain unchanged. Not only have mainstream employment programs repeatedly failed to equitably serve older individuals, the Title V Program provides much needed community support. During this past year, in Idaho alone, seniors completed 60,916 hours of public service: 37,768 of those hours supported general community activities (in libraries, schools, parks and city offices). The other 23,148 helped Idaho's elderly (cooking and delivering meals to the homebound and frail elderly and providing office support to local aging and adult protective services programs.)

In these difficult economic times, our communities and aging service delivery network cannot afford to lose the Title V Program. Placing procurement and administration oversight responsibility with the State Unit on Aging will ensure continuity.

In closing, as this headline from the August 20th Wall Street Journal so aptly put it, unless administrative changes are effected, our publicly-financed employment and training programs will continue to leave “Older Workers in the Lurch”.²²

²² Older Workers in the Lurch. Wall Street Journal. Wednesday, August 20, 2003.