

POLICY ISSUES AND OPTIONS

In passing the Carl D. Perkins Vocational Education Act in 1984, Congress demonstrated a strong interest in providing Federal support for services to displaced homemakers. Of the approximately \$63 million that Congress has appropriated under the act for programs serving single parents and homemakers in fiscal year 1985, an undetermined but probably quite large share will go to displaced homemaker programs. Records on past Federal spending targeted to displaced homemakers are incomplete, but it probably never exceeded \$8 to \$10 million per year. Even so, the increased funding is a comparatively small sum for a training, education, and employment program open to a population of millions (see section entitled *JTPA and Displaced Homemaker Projects*).

Vocational education programs under the Perkins Act were just gearing up in 1985; it was still too early to identify all the major policy issues that might arise under the new law. One issue already under debate, however, is whether and how to amplify the extremely sparse data about displaced homemakers—how many there are, their characteristics (e.g., age, family size, income, cause of displacement); level and kind of services provided to them; and program outcomes (e.g., training completed, placement in jobs). Another issue likely to come up is whether the State administrators in charge of the women's programs under the Voc Ed Act are in fact able to exercise the authority the law grants them, and are actually dispensing the funds that the law sets aside for these programs for the benefit of the targeted groups.

JTPA, the other major Federal program serving some displaced homemakers, also presents some policy issues that merit consideration. OTA's review of service to displaced homemakers under JTPA indicates that it is at a modest level so far. Issues of interest to Congress in reviewing how the JTPA program is meeting the employment and training needs of displaced homemakers might include: 1) eligibility of displaced homemakers, under both Title IIA and Title III; and 2) relations between dis-

placed homemaker projects and the JTPA system—i.e., State JTPA program managers, local directors of Service Delivery Areas, and local Private Industry Councils.

An issue relevant to both the Voc Ed and JTPA programs is the special barriers faced by displaced homemakers who are interested in training or education. Unlike the majority of workers displaced from paid jobs, few displaced homemakers have unemployment insurance for income support during even a brief training course; and not many have income from a spouse or other family member to rely on. Although supportive services and training allowances for trainees in acute economic need are authorized in both the Voc Ed Act and JTPA, they have not been used much in either program. Competition for student financial aid, another possible source of income support, is keen; and the aid is often more readily available to young people going directly into college from high school than to displaced adults entering or reentering training in preparation for a job.

The Perkins Vocational Education Act and Displaced Homemakers

Information

Current, consistent national information on displaced homemakers and the programs that serve them is not available. States could be required to provide such information under the Perkins Act, but the Administration has not done so. Thus, if Congress wishes to see the development of such data, it may have to consider ways of mandating it.

Little systematic information has ever been collected about displaced homemakers or the projects created to serve them. Nationwide estimates of the number of displaced homemakers vary widely according to the definition selected (e.g., whether women under 35 years old are included or excluded). Many State vocational education agencies do not have reliable data

on how many displaced homemakers reside in their States. Even less information is available about single parents and homemakers—the group entitled to set-aside funding under the Perkins Act. Systematic evaluations of the effects of displaced homemaker programs have not been conducted, even though some programs are now more than 10 years old.

The Perkins Act does not explicitly require any routine reporting from States on numbers and characteristics of single parents and homemakers (including displaced homemakers) receiving assistance from Federal Voc Ed grants, of services provided, or of outcomes. The U.S. Department of Education is not requiring such reports. Officials of the department contacted by OTA say that the reports are unnecessary, and would be inaccurate and intrusive if required. In general, the Administration opposes Federal requirements for reporting of data not considered essential to an agency's mission or explicitly demanded by law.

A number of State administrators of Voc Ed women's programs (the State Sex Equity Coordinators) consider it essential to collect systematic data on single parents and homemakers, to give Congress a factual basis for deciding whether the needs of these target groups are being met in accordance with the law, whether the programs serving them are effective, and what spending levels are appropriate. Some State officials are taking the lead in developing a data collection system that could be used to build a consistent set of statistics. A number of States may participate in the system, but it is not likely that all will.

An alternative would be to require a special study on the characteristics of services provided to single parents and homemakers. The Perkins Act directs the U.S. Secretary of Education to conduct applied research on aspects of vocational education emphasized in the act; one of these is effective methods for providing quality vocational education to target groups, including single parents and homemakers. In mid-1985, the department had no plans underway for an applied research study on the topic of single parents and homemakers.

The Perkins Act also unequivocally requires a national assessment of vocational education assisted under the law, through independent studies and analysis and in consultation with Congress, to be delivered by January 1, 1989 (9 months before the Perkins Act is due to expire).¹ A description and evaluation of the vocational education services delivered to target groups, including single parents and homemakers, must be included in the assessment.

Intent of the Set-Aside

The Perkins Act places substantial emphasis on set-asides, or targeting portions of the grants to States to special populations. These set-asides amount to 57 percent of the grants and, for some groups, are entirely new. The set-asides, especially the 8.5 percent for single parents and homemakers, were adopted over the strong opposition of much of the vocational education establishment. Under the old Voc Ed Act, displaced homemakers were named as a target group, but no specific amounts were designated for services to them. As programs under the Perkins Act get underway, Congress may wish to exercise a considerable degree of oversight on whether the set-aside provisions are being implemented in the way it intended.

A potential topic for oversight is whether the Sex Equity Coordinators are able to wield the authority the law gives them to administer the single parents and homemakers programs, and whether the set-aside funds are reaching their intended beneficiaries. Suppose, for example, that a State allocates Federal grant funds to vocational education in secondary and post-secondary schools by the usual formulas, with an extra effort to enroll single parents or homemakers in an attempt to meet the 8.5 percent "quota"—but with no attempt to set up special programs for the group. Congress may wish to assure itself that States are using the

¹The act specifies that the National Institute of Education in the U.S. Department of Education shall carry out the study. However, the Institute was not reauthorized in 1985, and the department intends to let it expire. The department proposes to carry out the mandated study in its Office of Policy, Budget, and Evaluation.

specified part of their Federal grants to “meet the special needs” of single parents and homemakers and other targeted groups.

A different but related subject for oversight is whether the States are able to use this large infusion of new funds effectively. The eligible population, though uncertain in numbers, is certainly very large in relation to the funds. But are those eligible aware of the programs; are they seeking services; is the system able to absorb the new funds efficiently and provide services that are genuinely helpful and in demand? These are some of the questions that Congress might want to pursue.

The Job Training Partnership Act and Displaced Homemakers

Eligibility

Although Congress did not define displaced homemakers as a principal target group for JTPA programs, they are specifically mentioned in the law as one of the groups facing employment barriers and therefore eligible for some services. Because of the various eligibility criteria in the law, however, it can be difficult to use JTPA funds in projects designed to serve the specific needs of displaced homemakers.

Large numbers of displaced homemakers are poor enough to meet JTPA’s definition of disadvantaged, and therefore would be eligible for service in most Title IIA projects. The problem is that many displaced homemakers, because of their lack of confidence and experience in the job market, and their sudden loss of personal and financial support, do better in projects designed to meet their needs, rather than in larger employment and training projects serving a variety of clients.

In addition, if employment and training projects accept only women who meet the income criteria for Title 11A, they exclude many others who need and could benefit from their services. Some displaced homemakers exceed the income limits because their loss in income was recent, and their previous income before they became displaced was too high. Others may be

better off, but still need the counseling, assessment, and job readiness training that a displaced homemaker project can provide. JTPA does provide for Title 11A services to certain groups, including displaced homemakers, who exceed the income limits; roughly 10 percent of funds available to Service Delivery Areas are set aside for this purpose. According to early reports, however, most States are not using the 10-percent-window money to provide services to these groups.

A few States are serving displaced homemakers under Title III, which has no income limitations. JTPA gives States a great deal of latitude in defining eligible dislocated workers, and some consider that displaced homemakers fit under the category of long-term unemployed workers who are not likely to find reemployment in the same or a similar occupation.

Relations With the JTPA System

Altogether, it is hard for many projects specializing in serving displaced homemakers to apply for and get JTPA funds. The biggest difficulties reported by project directors, in addition to the tangle of determining eligibility, are: 1) that project staff lack information and are outside the JTPA system, and 2) that Private Industry Councils are not interested in funding special programs for special populations. The “outsider” problem may well disappear over time. But the disinclination of PICs to fund projects for special groups could pose a continuing difficulty for displaced homemaker projects, since most of the projects are founded on the idea that their clients need a special set of services,

The eligibility and special population problems might usefully be considered together. If projects serving only displaced homemakers are able to get JTPA Title IIA funding, and if States allow services to 10 percent of the clients of these projects without regard for their income, then many of the barriers that displaced homemakers face in taking advantage of JTPA services would be lowered. This might be an appropriate subject for legislative guidance through JTPA oversight.

Alternatively, Congress might wish to encourage or direct States to fund displaced homemakers projects under Title III. This would simplify the eligibility problem, since there are no income limits in Title III. A number of States have expressed interest in serving displaced homemakers under Title III, and some have sought information from the States which are already doing so, such as Florida, Pennsylvania, and New York. On the other hand, if more effective delivery of Title III services is developed, participation of mainstream displaced workers might rise markedly, as discussed in chapters 5 and 6 of the full report. Quite possibly, funding for the Title III program might have to be increased if another large group (2 to 4 million displaced homemakers) were unequivocally made eligible.

Income Support for Displaced Homemakers in Vocational Training or Education Programs

The Vocational Education Act Amendments of 1976 (now superseded by the Perkins Act) mentioned displaced homemakers specifically as a group eligible for income support during training, in cases of acute need, but anecdotal reports indicate that it was seldom provided. The Perkins Act does not mention displaced homemakers in connection with income support, though there is a general provision for stipends in cases of acute economic need which cannot be met under work-study programs. The Perkins Act does state that set-aside grant money may be used for supportive services, including day care and transportation costs, for single parents and homemakers in training; it may also be used for the purpose of scheduling and organizing training programs to make them more accessible to single parents and homemakers.

Under JTPA Title 11A, 30 percent of spending may go for a combination of administrative costs and costs of supportive services and needs-based income payments. There is a 15-percent limit on the administrative costs, so that at least 15 percent is theoretically available for supportive services and income payments. The limit can be waived under certain

circumstances, such as a high local unemployment rate. Under Title III, there is a similar but less stringent limit on costs of supportive services, wages, allowances, stipends, and administration; the limit applies to no more than half of the combined Federal and non-Federal funds available to a Title III program. In the transition year, substantially less than the limit was spent for supportive services and income payments; 10 percent of Title 11A funds and 6 percent of Title III funds were spent for these purposes. It is not known how much, if any, of what was spent went to displaced homemakers.

Should Congress wish to encourage the provision of income support to displaced homemakers in training, Voc Ed grants and JTPA programs could be used to deliver this service. The unemployment insurance (UI) system, which has sometimes been proposed as both the funding source and delivery system for extended income support during training for mainstream displaced workers, is not available to most displaced homemakers. Legislative guidance, through oversight hearings, is one way in which Congress might encourage or direct greater emphasis on income support for displaced homemakers in the Voc Ed and JTPA programs. However, because of the dearth of data about numbers of displaced homemakers demanding services, and how many are interested in training, a solid information base does not exist for estimating participation and costs of increased income support.

Assuming income support were provided to displaced homemakers in training at the level of average UI payments (\$119 per week in 1984), the cost would be about \$3,100 per person for 26 weeks, or \$6,200 for a year. Program costs might be estimated at \$31 to \$62 million for every 10,000 people who took advantage of the program. Such costs are high in relation to present levels of funding; the Voc Ed grants set aside for single parents and homemakers were funded at approximately \$63 million for fiscal year 1985. Assuming 15 percent is the practical limit for supportive services and income payments under JTPA, about \$33 million was available for these purposes under Title

III in fiscal year 1985, and approximately \$280 million under Title IIA.

Considering the lack of experience with an income support program for displaced homemakers in training, its possible high cost in relation to present sources of funding, and the scarcity of information about displaced homemaker programs, a full-scale national program may be premature. An alternative might be for Congress to require the Department of Education to develop improved information on existing displaced homemaker programs supported by Voc Ed grants, including numbers of clients and services provided. At the same time, Congress might wish to consider special funding for a small pilot program, offering income support to displaced homemakers enrolled in training courses needed for employment. Evaluation of the pilot project could help in identifying likely participation rates and costs for future projects.

Options for Assistance to Displaced Homemakers

OTA's assessment of experience so far with Federal programs offering assistance to displaced homemakers identifies several problems that have already arisen and others that may arise in bringing employment and training services to this group. If Congress wishes to encourage greater delivery of services to displaced homemakers, it might consider the following actions:

- Encourage the collection on a nationwide basis of data on single parents and homemakers, including displaced homemakers, served under the Carl D. Perkins Vocational Education Act. One option would be congressional direction to the Department of Education to collect data from States through routine reports, or to undertake a special study. This might be done

in one of several ways—through legislative guidance in oversight hearings, by direct communication with the Department of Education, or through the appropriations process.

- Assure that State Sex Equity Coordinators who are in charge of Voc Ed women's programs have the authority to establish the special programs for single parents and homemakers that are called for in the law, and that the set-asides in Federal funds which the law provides for this group are reaching the intended beneficiaries in a way that "meets their special needs."
- Clarify that projects serving only displaced homemakers may be funded under JTPA Title 11A, and assure that States are allowing the use of lo-percent-window money to serve groups that face special barriers to employment (including displaced homemakers), without regard to income.
- Consider taking action that would either clarify to States that they may consider displaced homemakers eligible for services in Title III programs, or would direct them to do so. Clarification might be accomplished through legislative guidance in oversight hearings. A direction to States to consider displaced homemakers eligible for Title III would probably require a change in the law.
- Consider providing income support to displaced homemakers in job training and education programs. One option would be to first require better information on existing displaced homemaker programs, including participation rates and types of services provided. While this information is developed, Congress might also wish to consider funding a pilot project that would provide income support to displaced homemakers in vocational training needed for employment.