



**Evaluation of the
Military Base
National Emergency Grants
Final Report
December 2006**

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Evaluation of the Military Base National Emergency Grants

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MATHEMATICA
Policy Research, Inc.

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Base National Emergency
Grants**

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This Evaluation of the Military Base National Emergency Grants (NEGs) required both extensive data collection from six sites that received grants from the U.S. Department of Labor (DOL) and guidance and assistance from DOL. State staff members involved in the grant efforts at Fort Campbell, Hampton Roads, and San Diego provided a wealth of information during in-person visits to the sites and in many conversations during the evaluation. The NEG coordinators and supervisors at these sites provided valuable assistance in coordinating the visits, ensuring that we could meet with key staff members and observe service activities and that logistical issues pertaining to the visits were handled smoothly. These individuals include Leland Lewis, Manager of Military Initiatives at Opportunity Inc., in Hampton Roads; Mary Sabillo, Director of the Workforce Advancement Division of the San Diego Workforce Partnership; Marla Rye, President of Workforce Essentials, Inc. and John Watz, Field Operations Manager at Workforce Essentials, Inc., at Fort Campbell.

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Karen Needels
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EXECUTIVE SUMMARY

Authorized by Section 173 of the Workforce Investment Act (WIA), as amended, the Secretary of Labor may award National Emergency Grants (NEGs) to states or local areas that require supplemental resources for workforce development, employment services, or other adjustment assistance, usually in response to an event such as a firm closing, mass layoff, or natural disaster. These funds are intended to temporarily increase the capacity of states or localities to provide services in response to an unanticipated increase in demand for those services. Applications for new grants or supplemental funds are to be submitted as the events occur and as the need for these funds arises. The U.S. Department of Labor (DOL) has also awarded several NEGs to communities with large military populations; these NEGs initially were designed to provide services as a result of anticipated downsizing of the Department of Defense (DoD) starting in the mid-1990s. In this report, we provide an evaluation of those grants, starting in 2001.

During at least part of the time the grants have been operating in these military communities, four types of clients have been targeted to receive NEG services:

1. ***Involuntarily separated military personnel*** during their transition to the civilian labor market. This group was the primary group targeted by the first grants awarded.
2. ***Military spouses*** whose families have been transferred to the targeted communities. The eligibility of spouses for NEG services originally was restricted to spouses who qualify as displaced homemakers or dislocated workers. Some NEGs were later modified to allow service to spouses who are incumbent workers or new labor market entrants.
3. ***DoD civilian personnel*** are eligible for services to help them as they make the transition to civilian-sector employment. This group makes up a very small proportion of all NEG clients.
4. ***Returning members of the National Guard and Reserves*** who are not able to return to their former employment or who were previously enrolled in WIA or Trade Adjustment Assistance programs and require help to complete their training. This group also makes up a very small proportion of all NEG clients.

The evaluation was designed to address six key questions about the use of the emergency grant funds to provide services to these groups:

1. ***What gaps in regular-formula funding for services and training are the military base NEGs intended to address?***
2. ***What are the demographic characteristics and employment backgrounds of clients who have participated in military base NEG activities?***

3. *Do NEG-funded services appear well targeted to address the challenges NEG clients face as they try to obtain employment?*
4. *How much did grant-financed services cost?*
5. *What were the labor market outcomes of grant participants?*
6. *What challenges and opportunities for the provision of services to the target groups do the temporary and emergency nature of these funds pose?*

A. DESIGN OF THE EVALUATION

To address these questions, the evaluation focused explicitly on the three earliest and largest military base NEGs that DOL provided to (1) the state of Tennessee (providing services in Fort Campbell, Kentucky); (2) Opportunity, Inc., of Hampton Roads (providing services in Norfolk, Virginia); and (3) the San Diego Workforce Partnership, Inc. (providing services in San Diego County, California). To understand how NEGs have operated in smaller military communities, we also included a less extensive examination of three medium-sized NEGs: (1) the county of Cumberland, North Carolina (serving Fort Bragg, North Carolina); (2) the Central Texas Workforce Board (serving Fort Hood, Texas); and (3) the El Paso County/Teller County Consortium (serving Pikes Peak, Colorado).

Our evaluation design drew on both qualitative and quantitative data. To learn about the three largest sites, we conducted a qualitative analysis based on comprehensive in-person interviews with local program administrators. We also conducted focus groups with a small number of clients at each grantee and case file conferences with staff to discuss the situations of a few clients. We supplemented the qualitative information collected through discussions with site staff and clients with a review of program documents and other publicly available information.

Our data collection efforts for the NEGs that operated in smaller military communities (Fort Bragg, Fort Hood, and Pikes Peak) relied exclusively on qualitative data collected through program documents and telephone interviews with two or three NEG staff, usually senior managers from the grantees or program operators.

The quantitative component of our evaluation had two segments. For an analysis of program costs at the three largest sites (Fort Campbell, Hampton Roads, and San Diego), we developed a detailed form to capture a breakdown of costs associated with providing the full range of services to clients during fiscal year 2004–2005, which represents a period during which operations were relatively stable compared to other years. Based on this information, we estimated a cost per client for core services, intensive services, training, supportive services, and administrative services. By design, our per-participant cost analysis does not include expenditures on start-up, infrastructure development, and other one-time expenditures that grantees incurred; as a result, it focuses on only a portion of the entire grant amount that represents the cost of serving clients during steady-state operations. The second component of our quantitative analysis was based on individual-level management information systems (MIS) data about participants whose services were financed under the three large NEGs. In principle, these data contained information about clients' demographic characteristics, education and

employment histories, services received under the NEGAs, and employment and earnings outcomes. In many ways, however, data inadequacies plagued the analysis, which made our findings less definitive than what would have been possible had data quality been higher; furthermore, there are some instances in which we do not present tabulations that we think would be unreliable.

Here, we summarize the findings in the report, focusing on (1) administration and operations of the grants; (2) types of services provided to NEG clients; (3) costs of providing services; and (4) clients' characteristics, details on the services in which they participated, and their labor market outcomes. We also tie together the findings of the analysis into lessons for policymakers.

B. ADMINISTRATION AND OPERATIONS OF THE GRANTS

Based on our examination of the experiences of the NEGAs in our six sites, we conclude that the nature of the "emergency" that the grants were intended to address changed over time and was, in the end, unclear. The original motivation for the grants was to provide temporary assistance to military communities in the face of military downsizing. However, this rationale largely disappeared after the terrorist attacks on September 11, 2001, because the military was no longer downsizing. When the primary target group shifted from involuntarily separated military personnel to military spouses, the rationale changed to the provision of services to military spouses to help DoD retain military personnel. To assess whether NEG funds were intended to address not an emergency, per se, but a chronic shortfall in regular WIA funding to military communities and families, we investigated whether military families are adequately represented in current procedures for WIA formula funding. Our general conclusion was that the Bureau of Labor Statistics (BLS) formulae at the state level adequately capture concentrations of military personnel and their families. We also believe that adaptations of the formulae to within-state allocations do so as well, though we did not pursue the details of such funding in our study states. Nevertheless, several NEG administrators reported that military clients may require more extensive services than regular WIA clients because the military clients move frequently and are hindered in their ability to develop skills and work experience. Thus, site staff believe that there is a special need in these communities, but the need does not arise either from a one-time emergency or from inadequacies in the basic WIA formula funding methodology.

Our examination also led to four general lessons about grant administration and operations (Chapter II):

1. ***Obtaining support from, and coordinating service delivery with, the military enhances client recruitment and avoids service duplication.*** For example, sites tried to capitalize on the systems and services provided by military family support centers, because potential clients already are familiar with these centers and these centers already offer services similar to WIA core and intensive services. The sites that did not initially do so found their start-up efforts were not as productive as they would have liked, and they had to backtrack to develop these linkages that would facilitate smooth client recruitment and service delivery.

2. ***Because the types of services available through the NEG program mirror those of the WIA program, the two programs can, and should, be effectively integrated to avoid duplication of the existing WIA system.*** Using one-stop operators to administer NEGs created efficiencies in service delivery. One site that initially established a separate structure for the provision and management of NEG services encountered problems supervising staff. In addition, some sites that allowed different caps for training funds for WIA and NEG clients subsequently revised their NEG caps to be the same as the WIA caps, due to problems that arose when the two client groups found out about the different caps in funds.
3. ***In the three large sites, changes in NEG eligibility from involuntarily separated military personnel to military spouses meant that frontline staff needed different skills and backgrounds.*** Having staff with the same types of background characteristics as the clients they served improved the relationships between clients and their case managers. Some sites encountered difficulty when this was not the case after the target groups switched from involuntarily separated military personnel to the spouses of military personnel, because, as site staff reported, these two groups have dramatically different backgrounds, expectations, and needs.
4. ***Large sites needed to adjust their recruitment and eligibility determination policies when non-dislocated worker spouses became part of the target group because, as a group, they were less motivated than other clients to work.*** Some staff reported that non-dislocated worker spouses were not highly motivated to work, even though they wanted to participate in training. Sites reported that entered employment rates declined after non-dislocated worker spouses enrolled, and MIS data show that they were 19 percentage points less likely to enter employment than were dislocated worker spouses. As a result, sites introduced informal screening procedures to ensure that clients wanted to work after completing training and had thought through the implications of common life events on their ability and desire to work. Although the MIS data could not be used to examine whether employment rates rose as a result of these new procedures, site staff reported that they did.

C. SERVICES FINANCED UNDER THE NEGS

Chapter III describes the types of services that were available to NEG clients and the five general conclusions we reached from our detailed examination:

1. ***NEGs greatly increased the amount of funds available for employment-related and support services compared to what is typically the case in these communities, although services were generally similar to those already available.*** Core and intensive services made available to NEG clients were similar to those available to WIA clients. They were also similar to services offered by the military through military support centers and their related websites, and NEG staff leveraged existing services for their clients. In some cases, however, NEG-financed intensive services were more extensive than those available elsewhere. For example, comprehensive assessments to guide clients to identify potential career tracks were especially valued by San Diego caseworkers and clients who did not have much work experience.

Grantee staff tried to distinguish their services from existing ones by focusing on the provision of training and support grants, which military family support service funds did not make available on a widespread basis.

2. ***Offering more generous training allowances to NEG clients than to WIA clients in the same local area led to dissatisfaction when clients found that their peers were obtaining a different level of support.*** Some sites initially offered their NEG clients more generous allowances, but they subsequently adopted the WIA grant caps for the NEG program.
3. ***About 60 percent of clients received funds for training.*** A frequently reported field of training was the medical field, which is desirable because its occupations are often in demand and because the skills are portable. The portability of skills is especially valuable because military spouses are likely to move from one military base to another every two or three years.
4. ***Both NEG staff and focus group participants reported that child care services, provided in large part by NEGs, were helpful for the success of clients who had children, but they also were expensive.*** A primary reason for this is that military spouses often do not live near friends or extended family, who might otherwise be informal sources of care. Furthermore, some staff reported that child care support was provided predominantly through the NEGs, rather than through other sources, because clients were unlikely to qualify for financial support because of their family income levels and long waiting lists at military providers of child care. The cost of child care could be expensive, however. For some clients, it could be as much as the cost of training. This finding suggests that helping this portion of clients participate successfully in training can be particularly expensive for society after support service needs, regardless of the source, are taken into account.
5. ***Staff did not successfully provide services to clients who moved out of the local area.*** The sites developed plans for delivering services to clients who moved or who anticipated moving. These plans included having case managers provide information on the labor market and training options to the client before relocation, retain contact with him or her after the move, and work with one-stops in the new area to make participation in training easier. However, implementing those plans was often given a low priority. Instead, sites used eligibility screening of potential clients to reduce the likelihood that someone who might relocate soon would be enrolled for services.

D. COSTS OF NEG-FINANCED SERVICES

Our detailed examination of costs for the three large sites consisted of three approaches to estimate per-client costs. The first and most extensive approach built up costs based on grantee-provided estimates of the amount of staff time spent on activities during a one-year period (fiscal year 2004–2005) and the proportion of clients who participated in each activity. This approach allowed us to examine the per-client costs associated with different types of activities and was designed to allow us to estimate steady-state per-client costs. This estimate does not include other costs, such as one-time, start-up, and other types of nonservice costs that the grantees incurred. The second and third approaches take into account these other types of expenditures,

but they do not allow for a breakdown of costs into different components. The second approach looked at average per-client costs based on the site budget and the projected number of clients to be served by the grantee; the third approach looked at actual expenditures and numbers of clients served.

Our examination of costs, discussed in Chapter IV, led to five important conclusions:

1. ***Average steady-state costs of serving NEG clients were similar for two of the three sites: Fort Campbell (\$4,401) and Hampton Roads (\$5,001).*** However, costs at San Diego (\$8,002) were nearly double these figures.
2. ***The average cost estimates based on grantee budgets and actual expenditures were similar to steady-state costs in Fort Campbell (at around \$4,000 to \$5,400), somewhat higher than steady-state costs in Hampton Roads (at around \$7,000 to \$8,000), and much higher in San Diego (at around \$14,000 to \$16,000).*** Our approach did not allow us to pinpoint reasons for such large differences in some of the sites. However, they probably arose from large costs associated with the startup of the grants, changes in operations due to the shifts in the primary target group, and other types of expenses not directly related to services.
3. ***About 60 percent of steady-state costs in all three sites was spent on training.*** Variation in average training expenditures was the primary determinant of differences in average steady-state costs across the sites, with average training expenditures in Fort Campbell (\$2,577) and Hampton Roads (\$3,122) about \$2,000 lower than those in San Diego (\$4,963).
4. ***Costs of support services varied significantly across the sites.*** They constituted 17 percent of steady-state average costs in Fort Campbell and 14 percent in San Diego. These costs are not surprising, given the reports of significant expenditures on child care support in these sites. However, expenditures on support services in Hampton Roads were minimal because the two largest workforce investment boards (WIBs) out of the three providing services at this site did not offer support services. Staff at these WIBs tried to encourage clients to come up with informal child care arrangements, such as alternating baby-sitting with other military families or attending training when their spouses were not at work. However, site staff reported that some clients were unable to start or continue training because of difficulty setting up or keeping these types of arrangements.
5. ***Administration of the grants constituted between 9 and 12 percent of average costs in each of the sites.*** Based on descriptions given by local staff, about 80 percent of administrative costs in all sites were attributed to grant management and accounting functions. Additional costs included developing partnerships with local military leaders, conducting human resource functions, and managing data.

E. CHARACTERISTICS AND LABOR MARKET OUTCOMES OF NEG CLIENTS

In Chapter V, we use individual-level data provided by the three large sites to look at the characteristics of NEG clients, their experiences with grant-financed services, and their labor market outcomes. We encountered a variety of problems with these data files. These include (1) lack of a reliable, accurate way to distinguish between the different target groups at all three sites; (2) lack of data on all of the clients at one site; (3) few data items in the file from one site; and (4) incomplete data entry by case managers at one site for the data items in their file. While we still think that the data provide a useful picture of the NEG caseload, we had to use discretion about which tabulations are reliable enough to be presented and which are not. Our major conclusions from our examination of the data were the following:

- ***More than 80 percent of NEG clients were female, reflecting the increasing focus of the grants on military spouses.*** The mean age of the clients was about 30 years old and, in general, the clients were fairly well educated. More than 97 percent were high school graduates, and about 43 percent had at least some college.
- ***More than three-fourths of NEG clients had prior employment recorded in the MIS data.*** This might be an underestimate, since we suspect that some prior employment was not reported in our data. About 43 percent of NEG clients were reported as being dislocated from their prior jobs. Prior wage rates averaged about \$11 per hour.
- ***Because almost all NEG clients received basic core and intensive services, the primary difference among them in service receipt was between the 60 percent who undertook training and the 40 percent who did not.*** As mentioned above, about 60 percent of NEG participants entered NEG-financed training paid for through individual training account (ITA) grants, which contain funds allocated for a specific client's usage. The percentage of clients who received ITAs did not vary much across the sites, but the ITA amounts varied widely. In San Diego (the only site for which we had good information on ITA amounts for our entire sample), the median ITA grant was \$8,000. About five percent of San Diego grants exceeded \$19,000 before the site requested and received permission from DOL to institute a cap on ITA amounts. Before San Diego's institution of this cap, occupations such as teaching, paralegal, bookkeeping and accounting, automotive, finance, and translation were more common. After the institution of the cap, more clients selected medical fields for their occupations.
- ***Among participants who had formally exited the program, which is the group of clients upon whom NEG performance goals are based, the entered employment rate was 76 percent, while the average wage of those entering employment was nearly \$13 per hour.*** According to the data we analyzed, the entered employment rate was between 85 and 90 percent in San Diego and Fort Campbell and around 44 percent in Hampton Roads. We had some difficulty in identifying the specific target group to which NEG clients belonged (primarily because target groups were not identified in the data). However, it generally appeared that employment rates were lowest for people in the non-dislocated worker spouse eligibility category. As discussed above,

a possible explanation provided by staff is that this group is less motivated than other groups of clients to work.

- ***Exit rates for clients ranged from 26 to 72 percent by site, while entered employment rates for all clients ranged from 13 to 53 percent.*** The rate was 72 percent in San Diego’s data, 52 percent in Fort Campbell’s data, and 26 percent in Hampton Road’s data. Given these relatively low exit rates, we supplemented our analysis of entered employment rates by examining these rates for all clients, not just those who exited. Looking at all the clients, 41 percent had entered employment by the time our data were collected. Site-specific entered employment rates among all clients were 53 percent in San Diego, 48 percent in Fort Campbell, and 13 percent in Hampton Roads. Controlling for the dates at which clients entered the programs did not affect the relative magnitudes of these rates. One possible explanation for the low exit rates and low entered employment rates, which is consistent with what we heard during interviews, is that some clients had relatively little motivation to complete services, exit from the program, and obtain a job. Another explanation, also supported by what was reported to us, is that case managers delayed exiting clients with poor employment outcomes due to performance pressures. Of course, each of these possibilities might account for a portion of the findings.
- ***Although this evaluation did not have a formal experimental design, we found that training increased employment rates among all participants by about 8 percentage points and among program exiters by about 15 percentage points.*** Similarly, we estimated that subsequent wages were increased by about \$1.21 per hour. Such estimates should be treated with caution because the nonexperimental design of the study does not allow us to fully disentangle the effects of training on outcomes from the effects of a nonrandom selection of clients into training.

F. LESSONS FROM THE EVALUATION

The evaluation of the military base NEG’s suggests several lessons about providing services to military communities. First, for special issues involved in serving military populations, two lessons seem most salient:

1. ***Coordinating with partners and operating in a military community poses special challenges and opportunities for grantees.*** Because the military controls access to potential clients and because access to military bases is restricted, coordination through cooperative agreements and cross-referrals is crucial to attaining outreach goals. Staffing of the grants also requires having senior-level managers who can effectively communicate with senior-level military partners by “talking the military language” and having frontline staff who work well with specific client target groups. These skills include understanding military protocols, requirements, and constraints, as well as the ability to understand and interpret military policies and paperwork.
2. ***Services to military communities must take into account the mobility issues that pervade the clients’ lives.*** Many clients are in the area for a short time. Therefore, it

is difficult for them to complete services or to be hired for good jobs, because employers prefer job applicants who are likely to stay in the area. Over time, site staff developed procedures to soft-screen potential clients to increase the likelihood that enrolled clients would be able to complete training and obtain a job in the local area before moving to another military base. They also needed to encourage clients, more so than WIA clients, to focus on occupations that are likely to be in high demand regardless of where the client relocates.

There are five general lessons about the specific operations of the NEG:

1. ***Integrating NEG services with WIA services, to the extent possible, provides efficient and effective methods for service delivery.*** Although some sites initially developed separate structures for organizing their NEG, they ultimately switched to a closer integration of both operations and staffing. Use of the WIA MIS also allowed a more nearly complete and accurate data file to be used for the analysis, and we suspect it also may be more useful from a management perspective.
2. ***Developing informal screening procedures to ensure that military spouses wanted to work appears to be a successful approach for enrolling clients and using grant resources effectively.*** By helping clients identify their own goals and priorities within their dynamic family situation, staff were able to target resources effectively by indirectly encouraging clients who were not serious about working to self-select out of the application and enrollment process.
3. ***It may be difficult to duplicate some aspects of military base NEG implementation at other sites and with other client groups.*** Other sites may have challenges in replicating the degree of military cooperation established in Fort Campbell before the increased security on military bases arising after the September 11, 2001, terrorist attacks on the United States. Furthermore, while military base NEG generally have not served many returning members of the National Guard or the Reserves, future efforts to serve them may pose distinct wrinkles to service delivery that were not encountered in the group of NEG that are included in this evaluation.
4. ***The difficulties that some sites had locating space for services, the shifts in the target population, and the temporary, short-term nature of the grants led to large inefficiencies and challenges in grant operations.*** The challenges in locating facilities hampered the startup of service delivery at all three large sites. As discussed above, the shifts in the primary target group—first from involuntarily separated military personnel to dislocated worker spouses, then from dislocated worker spouses to all spouses—at the three large sites meant that they needed to make major changes in many aspects of program operations. Furthermore, the temporary and short-term nature of the grants made it hard for sites to manage the grants and to retain staff who wanted permanent jobs.
5. ***Training and support services are expensive components of the package of services offered to military personnel and military spouses.*** As mentioned above, training costs were about 60 percent of expenditures during a one-year period when sites had

stable operations, and support services were about 15 percent at the two large sites that provided them. NEG staff reported that, by design, they focused expenditures on training. Both NEG staff and military partners thought that these training funds filled a gap in services in the military communities, because non-NEG sources of funds for these expensive activities could not meet the demand for them. For some military spouses to effectively participate in training and other employment-related activities, strong linkages with other support services providers may be beneficial.

Finally, our experiences suggested two important lessons about designing evaluations of emergency grants:

1. ***Having a clearer set of goals for the NEGs would enhance the ability to identify the most appropriate design for the evaluation and to determine grant successes in meeting those goals.*** An original goal of the large NEGs was to provide temporary, supplemental funding to help involuntarily separated military personnel make the transition from military employment to civilian-sector work. As that goal became less relevant, a new goal emerged as the grants were used to aid military spouses in their employment-related efforts, thereby boosting their entered employment rates and wage replacement rates. It was hoped that doing so would help DoD retain military personnel because the military family would be more self-sufficient. Whether this goal was consistent with the “emergency” nature of the grants is an open question. However, the evaluation was not intended, nor was it able, to determine whether the grants increased the retention rate of military personnel. Therefore, it seems clear that a stronger link between the NEG goals and the design of the evaluation would help the evaluation determine the effectiveness of the grants.
2. ***Quantitative analysis to support an evaluation would be greatly improved by clarifying and coordinating data collection expectations at the outset of the grants.*** Data needs both for costs and for client characteristics, service receipt, and outcomes might be considered as part of the grant approval process. For example, grantees might be asked to show precisely how they will take advantage of current data collection procedures available under Workforce Investment Act Standardized Record Data or other WIA-related activities. Doing so might avoid many of the limitations that we encountered due to the poor quality of the MIS data provided by the three large sites. As is true for WIA reporting requirements, however, the Office of Management and Budget would need to approve any proposed new data collection for NEGs.

I. INTRODUCTION

Authorized by Section 173 of the Workforce Investment Act (WIA), as amended, the Secretary of Labor may award National Emergency Grants (NEGs) to states or local areas that require supplemental resources for workforce development, employment services, or other adjustment assistance, usually in response to an event such as a firm closing, mass layoff, or natural disaster. NEG funds are intended to temporarily increase the capacity of states or localities to provide services in response to an increase in demand for those services. The Employment and Training Administration of the U.S. Department of Labor (DOL) publishes application guidelines in the *Federal Register* and provides Training and Employment Guidance Letters (TEGLs) on procedures for submitting applications and on policies under which awards are made. Applications for new grants or supplemental funds are to be submitted as the need for these funds arise. The DOL has also awarded several NEGs to communities that have large military populations to address their unique employment-related needs. The first award was in 1996, while others followed starting in 2001. DOL contracted with Mathematica Policy Research, Inc. (MPR), to conduct an evaluation of military base NEGs.

Since DOL first awarded NEGs to military communities, four types of clients have been targeted to receive services:

1. ***Involuntarily separated military personnel*** transitioning to the civilian labor market was the primary group targeted by the first three grants to be awarded.¹

¹Throughout this report, we use the term “involuntarily separated” military personnel to pertain only to personnel who are honorably discharged.

2. ***Military spouses*** whose families have been transferred to the targeted communities are also eligible for services.²
3. ***Department of Defense (DoD) civilian personnel*** who are dislocated from their jobs are targeted for services to assist them as they make the transition to civilian sector employment.
4. ***Returning members of the National Guard and Reserves*** who are not able to return to their former employment or who previously were enrolled in WIA or Trade Adjustment Assistance programs and require assistance to complete their training are also eligible for NEG services.³

Originally, NEG funds were awarded in response to base reductions and were to be used to assist involuntarily separated military personnel. However, military actions taken subsequent to the September 11, 2001, attacks on the United States led to decreases in the number of military personnel who were involuntarily separated from their uniformed service duty. Since 2003, the original three grantees have been able to complete the provision of services for involuntarily separated military personnel who already had begun receiving services, but they have not been able to enroll members of this group as new clients.⁴ Subsequent grantees have not targeted this

²The eligibility of spouses for NEG services originally was restricted to spouses who qualify as displaced homemakers or dislocated workers, including those who were required to move to accompany their spouses for the convenience of the government. However, some NEGs have been modified to allow grant funds to be used to serve spouses who are already in jobs or who are new labor market entrants.

³The Uniformed Services Employment and Reemployment Rights Act (USERRA) governs the employment and reemployment rights of uniformed service members (U.S. Department of Labor, Veterans Employment and Training Service 2004). It delineates conditions under which employers are required to provide reemployment to people who have been absent from their jobs because of service in the uniformed services. USERRA also specifies conditions under which employers are not obligated to provide reemployment (for example, because a returning employee did not report back to work within prescribed time limits, an employer's circumstances changed so much since the employee left for uniformed services duty that reemployment would be impossible or unreasonable, or qualifying the person for the job to which he or she is entitled would be so difficult or expensive that it would cause the employer to suffer undue hardship). The military base NEGs were expected primarily to serve, from among returning members of the National Guard and Reserves, returning members who were laid off from their jobs prior to deployment or who already were participating (or eligible to participate) in the workforce investment system prior to deployment.

⁴Under current DOL policy, military personnel who are exiting military service are expected to seek and receive services through WIA formula funds, unless their exit arose as a result of a base realignment and closure decision that involves significant employment dislocations or unless they qualify, as described above, as returning members of the National Guard or Reserves (U.S. Department of Labor, Employment and Training Administration 2004).

group. Thus since 2003, most clients served by the military base NEGs have been military spouses. Very few DoD civilians, Reservists, or National Guard members have enrolled at the sites.

Clients in each of these groups may face special challenges as they look for work in the civilian labor market. For example, those employed by DoD may have difficulty obtaining jobs in which they can use their DoD experience; even DoD personnel with previous work experience in the civilian sector may find that their skills need refreshing or updating since their absence from civilian sector work.⁵ Workers who relocate to a new state because their military personnel spouses were transferred by the government may have difficulty finding jobs that are comparable to those they left (for example, because of a mismatch between their skills and the skills required by the local economy in the new area or because they are required to obtain state-specific certification). Consequently, the needs of the target groups and the strategies that NEG grantees use to serve the groups might differ from those of a broader civilian population.

Given both the diversity of clients who have been included in the grants and the fact that similar initiatives may be planned in the future for military bases, an investigation of the experiences of the organizations and individuals involved in the NEGs can be of great value. Thus the evaluation of military base NEGs has three specific objectives. The first objective is to obtain a more comprehensive understanding of the NEGs' history and implementation experiences, so that DOL can understand how operational and implementation issues related to the grants affect the delivery of services to the target populations. To achieve this objective, we

⁵Many DoD jobs do not have civilian sector counterparts. However, even if DoD employees were to find civilian sector jobs comparable to their DoD jobs, some of the skills developed while working for the DoD might not be transferable because of the uniqueness of the DoD work environment. Furthermore, DoD often does not require its employees to get formal certifications that are necessary to do a comparable job in the civilian labor market, so involuntarily separated military personnel and DoD civilian employees may need to obtain civilian-sector certification even if their skills are sufficient to perform a job.

have explored the way that the structure of the grants affects the delivery of services and how grant funds have been allocated across direct client services and administrative activities.

The second objective is to provide information about the makeup of the target populations, the costs associated with serving them, the services they received, and the employment experiences of those exiting program services. This information enables policymakers to understand who has received services and what their experiences have been during and after service receipt. The information also enables policymakers to understand how NEG funding has helped to address service needs.⁶

Our third objective is to identify the policy implications of the study's findings, such as how the workforce investment system might better serve military populations and what the distinctive features of NEG service delivery to military communities are. To identify these lessons, we have focused directly on strategies in program design and implementation that are most useful to policymakers.

In Section A of this chapter, we present the research questions that have been crafted to help us address these three objectives and guide the evaluation. In Section B, we indicate which NEG sites are included in the study and our reasons for choosing them. In Section C, we describe our data collection efforts and analysis methodology, while Section D explains where in the report to turn for further information on topics of interest.

A. RESEARCH QUESTIONS

The evaluation was designed to provide insight into the issues associated with the use of emergency grant funds to provide services to involuntarily separated military personnel, the

⁶As explained in Section C, the study design prevents us from determining what would have happened in the absence of the military base NEGs, so the information we collected does not provide definitive guidance for policy regarding the appropriateness of these types of services.

spouses of military personnel who qualify for services, DoD civilian personnel, and Reservists and National Guard members. The evaluation addresses the following six sets of research questions:

1. ***What gaps in regular formula funding for services and training are the military base NEGs intended to address?***⁷ What demands are placed on the workforce investment system because of the concentration of military personnel and their spouses in the community? How are regular DoD- and DOL-funded efforts coordinated to address these demands?
2. ***What are the demographic characteristics and employment backgrounds of clients who have participated in military base NEG activities?*** What portion of clients served are from each of the grant target groups? What special challenges do these clients face in entering or reentering the civilian labor market?⁸
3. ***Do NEG-funded services appear well targeted to address the challenges faced by NEG clients as these individuals try to obtain employment?*** What specific services are received? In what ways do NEG-funded services differ from WIA services? How and why do patterns in service use differ across the target groups and across client characteristics and backgrounds? Which types of clients receive large, complex packages of services, which receive minimal packages, and why? What differences across sites exist, and why? What services are used by clients who relocate?
4. ***How much did grant-financed services cost?***⁹ What portion of grant funds was spent directly on client services? How do the costs of services differ across target

⁷We discussed with staff from the Bureau of Labor Statistics whether military families are adequately represented in current procedures for WIA formula funding. Although we did encounter some complex conceptual issues in seeking an answer, our general conclusion was that the BLS formulae adequately capture concentrations of military personnel and their families at the state level. We believe that adaptations of the formulae to within-state allocations also provide adequate representation of the military personnel and their families, though we did not pursue the details of such funding in each of our study states. Therefore, we do not present a detailed examination of funding formulae here. We did hear from several NEG administrators that military clients may require more extensive services than do regular WIA clients because the military clients move frequently and are hindered in their ability to develop skills and work experience; this may be a reason why formula funding may be inadequate. Our study does provide insights into why military spouse clients may need more intensive services than does a typical WIA client. We also have excluded from the discussion another sub-question that was originally included in the study—"To what extent do military personnel and their spouses receive WIA services?"—which could not be answered in a meaningful way through the data that were collected.

⁸Additional questions posed early in the study included how the characteristics and employment backgrounds of NEG clients differed from those of clients who received formula-funded WIA services and how NEG clients differed from target group members who did not participate in NEG services. However, the study design and the lack of adequate data from publicly available sources hindered our ability to address these questions.

⁹Our ability to answer some of the sub-questions is limited by the data collection plans developed during the design phase of the study and also by the individual-level data provided by sites. Most importantly, the study design

groups? How are service costs related to clients' demographic characteristics and employment backgrounds? How do costs differ across sites, and why? How do the costs of NEG-funded services compare with the costs of WIA services, and what were reasons for any differences? What were the largest categories of expenditures other than direct client services? How much funding went towards the creation of one-stop centers on bases?

5. ***What were the labor market outcomes of grant participants?*** How do they differ across target groups? How do employment rates and the characteristics of jobs, such as earnings and occupation, differ according to clients' demographic characteristics? How do they differ from the pre-NEG job characteristics of clients who had previous civilian work experience? How do they vary according to the types of services received and according to whether clients move out of the local area? What proportion of clients stay in the local community? How do outcomes for NEG clients differ from those for WIA clients?
6. ***What challenges and opportunities for the provision of services to the target groups do the temporary and emergency nature of these funds pose?*** How do the timing and duration of the grants influence operational issues? What administrative challenges have arisen while implementing the grants? What challenges are expected to arise after the grants end?

Taken together, the answers to these six sets of questions provide information about the experiences of the organizations and clients involved in the NEGs. We have also used the answers to examine pertinent policy issues in order to fulfill our third study objective. Thus, the evaluation findings of how the NEG program operates in military communities can provide important insights about how services, and—when appropriate—emergency grants, to similar communities might be best structured and evaluated in the future.

B. SITES INCLUDED IN THE STUDY

For the evaluation, DOL expressed particular interest in an examination of the experiences of six specific NEGs (Table I.1). Primary importance was given to the three earliest and largest

(continued)

did not allow us to analyze expenditures such as start-up costs or expenditures on infrastructure, which occurred during the first few years of the grants. We also were unable to make comparisons between NEG expenditures and WIA expenditures for similar types of clients, which would allow us to assess whether NEG expenditures might be considered high or low.

TABLE I.1

CHARACTERISTICS OF GRANTEES

	Large NEG Sites			Medium NEG Sites		
	Fort Campbell	Hampton Roads	San Diego	Fort Bragg	Fort Hood	Pikes Peak
Grant Characteristics						
Grantee	State of Tennessee ^a	Opportunity, Inc., of Hampton Roads, Norfolk, Virginia	San Diego Workforce Partnership, Inc., San Diego, California	County of Cumberland, North Carolina	Central Texas Workforce Board	El Paso County/Teller County Consortium, Colorado Springs, Colorado
Contract Period	June 2002 - June 2007 ^b	June 2001 - June 2007	June 2001 - June 2007	March 2004 - September 2006	November 2003 - June 2007	July 2003 - June 2007
Contract Amount	\$6.0 million ^b	\$23.9 million	\$41.6 million	\$5.7 million	\$6.8 million	\$5.1 million
Main Bases Served	Fort Campbell, Naval Support Activity Mid-South	Naval Station Norfolk, Naval Air Station Oceana, Naval Amphibious Base Little Creek, Langley Air Force Base, Fort Eustis Army Installation, Fort Lee	Marine Corps Air Station Miramar, Naval Submarine Base Point Loma, Marine Corps Base Camp Pendleton	Fort Bragg, Pope Air Force Base	Fort Hood	Fort Carson Army Post, Air Force Academy, Peterson Air Force Base, Schriever Air Force Base
Grant Characteristics						
Involuntarily Separated Military Personnel	X	X	X	X		
Spouses of Military Personnel ^c	X	X	X	X	X	X
DoD Civilian Personnel	X	X	X	X	X	X
Military Reservists	X	X	X	X ^d	X ^d	X
National Guard Members	X	X	X	X ^d	X ^d	X

Source: Data on grant characteristics and target populations are from program documents and communication with DOL staff.

TABLE I.1 (*continued*)

Note: Modifications made since the grants were established include changes in the contract period, the contract amount, the bases to be served, and the target populations to be served. The information in this table includes modifications made as of December 2006.

^aThe Fort Campbell project involves close collaboration between the states of and service delivery providers in Kentucky and Tennessee, as military personnel and their families reside in both states. Fort Campbell is in Kentucky, not Tennessee.

^bSince 1996, Fort Campbell has received nearly \$15 million in NEG funds from DOL funding. Funds prior to June 2002 were to be used to develop and implement a Career Advancement Center (CAC) and the National Leadership Learning Academy (NLLA), which provided training to staff from military communities on how to implement the Fort Campbell model of service delivery to military personnel and to spouses of military personnel who met eligibility criteria for these services. Funds received during and after June 2002 were to be used to support a modified version of these activities for an additional period of time. As part of the evaluation, we examined a subset of activities occurring as part of the grant that began during June 2002, focusing on the operations of the CAC. We did not focus on the operations of the NLLA.

^cAt Fort Bragg, Fort Hood, and Pikes Peak, this category pertains to spouses who qualify as dislocated workers or displaced homemakers. At Fort Campbell, Hampton Roads, and San Diego, this category includes those spouses as well as spouses who are incumbent workers and new labor market entrants.

^dThe most recently available information shows that these sites were in the process of modifying their grants to include military Reservists and National Guard Members.

DoD = U.S. Department of Defense; MIS = management information system; NEG = National Emergency Grant.

military base NEG: (1) the State of Tennessee (providing services in Fort Campbell, Kentucky); (2) Opportunity, Inc., of Hampton Roads (Norfolk, Virginia); and (3) the San Diego Workforce Partnership, Inc. (San Diego County, California).¹⁰ Because these grants were the first ones provided by DOL, policymakers have the opportunity to learn from the experiences at these sites while similar activities at other bases have been in a more incipient form. These three grantees also may be the most interesting ones to policymakers because they received the largest grants (and therefore can afford the most comprehensive programs) and because they served both involuntarily separated military personnel and the spouses of military personnel.

To understand how NEGs have operated in smaller military communities, we also included in the study three medium-sized NEG grantees: (1) the County of Cumberland, North Carolina (serving Fort Bragg, North Carolina); (2) the Central Texas Workforce Board (serving Fort Hood, Texas); and (3) the El Paso County/Teller County Consortium (Pikes Peak, Colorado).

C. DATA COLLECTION AND ANALYSIS METHODOLOGY

To address the research questions, our study design methodology drew on qualitative and quantitative data (Table I.2). Some questions, such as those about the influence of the grant structure on administrative and operational issues, had to be addressed almost in their entirety by qualitative data obtained from discussions with coordinators of the NEG activities at each site. However, other research questions, such as those about clients' backgrounds, services received, and outcomes, could be addressed with both qualitative and quantitative data.

¹⁰Although the Fort Campbell grant amount shown in Table I.1 is smaller than the grant amounts shown for the medium-sized grantees, we include Fort Campbell with Hampton Roads and San Diego as the "large" grantees because Fort Campbell has received more in total funds since its inception of NEG activities in 1996 than have the three medium-sized NEG grantees.

TABLE I.2
DATA SOURCES USED FOR EACH GRANTEE

	Large NEG Sites			Medium NEG Sites		
	Fort Campbell	Hampton Roads	San Diego	Fort Bragg	Fort Hood	Pikes Peak
Qualitative Data						
In-Person Interviews	X	X	X			
Focus Groups with Clients	X	X	X			
Case File Conferences	X	X	X			
Observations of Service Delivery	X	X	X			
Review of Program Documents	X	X	X	X	X	X
Telephone Interviews ^a	X	X	X	X	X	X
Quantitative Data						
MIS Data	X	X	X			
Cost Data	X	X	X			

^aThroughout most of the evaluation, we held brief telephone discussions with NEG staff at the three large sites to supplement the data collected during the site visits. Although we tried to address a broad range of topics in the telephone interviews with staff at the small sites, we were inherently unable to cover topics in as great a depth as we could with the in-person and telephone interviews with staff at the larger sites.

MIS = management information system; NEG = National Emergency Grant.

To learn about the three largest sites, we conducted a qualitative analysis based on comprehensive in-person visits. During a three-day period, two MPR staff interviewed NEG administrators, case managers, service providers, technical staff in charge of the data systems, and accounting staff. We also conducted focus groups with a small number of clients at each grantee and case file conferences with staff to discuss the situations of a few clients. Based on the periods of operations for the grants, we concluded that making one concentrated effort to collect information from staff and clients would likely be the most cost-effective design for the study. Some of the NEGs were awarded several years ago, so the details of grants' start-up periods were viewed through a retrospective lens. In addition, at the time we developed the evaluation design, some grants had been scheduled to expire in 2005 (although these received contract extensions and all six grants were still operating as of spring 2006).

In these sites, we supplemented the focus groups and interviews with a review of program documents and other publicly available information. These documents, including grant applications, planning reports, interagency agreements, progress reports, and other available materials, construct the record of changes in the grants' implementations. For example, the grant proposal describes the initial plans for the grants, whereas contract modifications and the sites' progress reports document changes over time. These written documents enabled us to track information that otherwise might be hard to obtain through discussions with staff: some staff who had been involved with the NEGs were no longer involved by the time the evaluation data collection activities began; others were challenged to recall the details of events that occurred several years prior to the data collection effort.

The quantitative component of our evaluation is based primarily on individual-level data about participants whose services were financed under the three large NEGs. Ideally, we wanted these data to contain information about clients' demographic characteristics, education and

employment history, services received under the NEGs, and employment and earnings outcomes. Since the data systems varied from site to site, we worked with each site to collect the data that were available. In many instances, the data were considerably less comprehensive than we would have liked, and these shortcomings imposed important restrictions on the questions we could answer in a fully satisfactory way. For example, none of the three sites from which we collected administrative data had a data item indicating the target group to which each client belonged. We tried to create this type of variable based on a client's enrollment date and other characteristics, but the inability to confidently identify clients by their target group limited our ability to look at the distinct experiences of the different groups. Also, Hampton Roads' inability to provide a data extract that contained information on all their clients, as well as the lack of comprehensive data entry by staff at this site, hampered the conclusions that we could draw from that site's data file. Furthermore, the data extract by Fort Campbell was extremely limited in the number of data items, which made analysis very difficult. (The content and analysis of the individual-level data, including their limitations, are discussed in greater detail in Chapter V.)

As part of our initial design efforts for the evaluation, we considered but rejected the use of a comparison group. Since involuntarily separated military personnel and the spouses of military personnel face labor market problems that are unique, we did not anticipate being able to identify any other subgroup of, say, regular adult or dislocated worker WIA participants that has similar backgrounds and challenges. Obtaining data from comparison sites of other military communities also would have been difficult. In addition, we would not have been able to determine whether differences between the NEG participants and their comparison counterparts could be attributed to the NEG funding itself or to underlying differences among the groups. As a result, the evaluation is unable to provide answers to questions about how NEG and WIA experiences and outcomes differ.

For an analysis of program costs at the three largest sites (Fort Campbell, Hampton Roads, and San Diego), we developed a detailed form to capture a breakdown of costs associated with providing the full range of services to clients during fiscal year 2004-2005 (FY0405), a one-year period during which operations were relatively stable compared to other years. Grantees completed the form with information about the staff costs; activities conducted with NEG clients; staff time spent preparing for, conducting, and following up on each activity; other expenses associated with the activity; the average number of attendees; and the overall percentage of NEG clients who participated. Based on this information, we calculated a cost per client for core services, intensive services, training costs, supportive services, and administrative services. Being able to decompose a total per-client cost estimate into these component parts is a distinctive strength of this type of analysis approach. Furthermore, the estimate is not influenced by potentially large start-up costs or costs attributable to the changes in the primary target group. However, since this approach focused on a single program year, we do not have information on start-up costs and other one-time costs, and we cannot provide answers to questions about these costs, which are interesting in their own right. (The approach to cost data collection and the analysis of the data are discussed in greater detail in Chapter IV.)

Our data collection effort for the NEGs that operated in smaller military communities (Fort Bragg, Fort Hood, and Pikes Peak) was more limited than for the three larger NEGs. For these sites, we relied exclusively on qualitative data collected through program documents and telephone interviews with two or three NEG staff, usually senior managers from the grantees or program operators. The telephone interviews enabled us to collect basic information about the local areas in which the NEGs are operating, the reasons why the grantees applied for NEG funds, the types of clients served, the clients' experiences in receiving services, the challenges faced by grantees in serving the target groups, plans for the remainder of the NEG period, and

lessons learned from providing NEG services and administering the grant. As with the large grantees, program documents from the medium-sized grantees served as important records of initial plans and changes in the grants over time. The narrower data collection effort for these three smaller sites meant that our analysis of their experiences was more limited than our analysis for the larger sites; for example, we did not collect as rich a set of information about the staffs' perspectives as would have been possible with in-person visits, nor did we collect information directly from clients about either their motivations for participating in NEG activities or their perceptions about the usefulness of the services in helping them to obtain civilian employment. Nevertheless, the inclusion of these three sites has allowed us to obtain a broader perspective than would otherwise be the case.

For all six sites, our analysis approach depended on the types of data that were available to us. We developed a synthesis of the qualitative data that we collected from staff, clients, and program documents and supplemented this with available quantitative data. Our approach to the analysis of the quantitative data consisted primarily of an examination of differences in mean outcomes across sites and, in some instances, target groups. When appropriate, we gained greater precision in measuring cross-site or cross-group differences by using regression analysis to control for measurable differences among participants that might have affected the clients' outcomes. By doing so, we obtained "adjusted" differences across the sites that better reflected differences in the actual experiences of grant participants.

Although the evaluation was designed to collect detailed data on each of the grant program's target groups, the analysis is richest on the spouses of military personnel, for four reasons. First, the qualitative interviews at the three large sites focused primarily on the spouses of military personnel. Considerable time had elapsed since these sites had been able to enroll involuntarily separated military personnel, so the interviewed staff did not provide much detail about the

activities related to involuntarily separated military personnel compared to those for spouses. Furthermore, turnover among frontline staff and some one-stop managers meant that some interviewed staff had not been at the sites when their NEG was serving involuntarily separated military personnel. In addition, very few DoD civilian personnel, members of the National Guard, or members of the Reserves have enrolled for NEG services, so NEG staff could not provide as much insight about serving these client groups. Second, for reasons similar to those listed above, only one of the three large sites was able to recruit enough involuntarily separated military personnel or members of the National Guard or Reserves to form a focus group. Third, changes in the data system at the Hampton Roads site meant that data on clients who enrolled during the early part of the grant period are unavailable.¹¹ Because the primary target group at the beginning of the large grants was involuntarily separated military personnel, most of the data for this target group at this site are incomplete. Fourth, since the very beginning of their grant periods, all three medium-sized grantees have focused on serving spouses as their primary target group; none was authorized to serve involuntarily separated military personnel, and—as in the large sites—few DoD civilians, Reservists, or National Guard members have enrolled for services.

D. OUTLINE OF THE FINAL REPORT

In Chapter II of this report, we describe the administration and operations of the grants, including details on the startup of the grants, eligibility criteria for clients, marketing and recruitment of clients, the location of services and the coordination with other service providers, and issues related to staffing the programs. In Chapter III, we focus on the provision of services

¹¹By design, the study focused on activities at Fort Campbell during the past several years, even though the site received its initial NEG to provide services to involuntarily separated military personnel in 1996. Therefore, we did not collect individual-level data on Fort Campbell clients who enrolled during the first several years of the program; the program served involuntarily separated military personnel almost exclusively during that time.

to NEG clients, including specific issues that arise due to client mobility. In Chapter IV, we explore the costs of providing services to clients. Chapter V contains a description of clients' characteristics at the time they enrolled, the services in which they participated, their labor market outcomes, and the impact of service receipt on these outcomes. Finally, in Chapter VI, we tie together the findings of the analysis into lessons for policymakers.

II. ADMINISTRATION AND OPERATIONS OF THE GRANT

As explained in Chapter I, NEG's were originally designed to temporarily increase the capacity of states or localities to provide services in response to an increase in demand for those services. In 1996, the state of Tennessee received the first NEG given as a result of concern about the transition that military personnel were making between military and civilian-sector employment. The state obtained DOL funding for a \$100,000 pilot project to provide employment services to involuntarily discharged military personnel in Tennessee and Kentucky. Tennessee subcontracted with the state's one-stop operator, Workforce Essentials, to operate the project. The Army Career and Alumni Program (ACAP) offered involuntarily discharged soldiers job search assistance services similar to Workforce Investment Act (WIA) core and intensive services, but staff perceived a gap in services. According to the staff at ACAP, as early as 1995 the military was considering alternative ways to help involuntarily separated soldiers obtain civilian certification in jobs for which they were qualified or could become qualified; the military and local workforce investment system staff thought they may qualify as dislocated workers. The success of the pilot project in training 100 discharged military personnel motivated Workforce Essentials to subsequently apply for and administer NEG's.

After its success, Fort Campbell instituted a National Leadership Learning Academy (NLLA) to help policymakers, military leaders, and workforce professionals learn how the Fort Campbell model could be replicated to provide training and job search assistance to involuntarily discharged military personnel at other locations.¹ Other sites in our study followed the Fort

¹Throughout the duration of the NLLA, it worked with seven different areas to help them replicate the Fort Campbell model. To accommodate participants who traveled long distances to attend the academy, NLLA replaced intensive onsite assistance with smaller teaching communities at multiple installations closer to the sites served.

Campbell model. For example, Hampton Roads and San Diego examined the model, and in 2001 they decided to send their Workforce Investment Board (WIB) staff to a four-day leadership workshop at Fort Campbell. Their local boards saw this service delivery strategy as an opportunity to prepare military personnel for separation and for entry into the civilian workforce, a challenge the local communities had faced in the past.

After the terrorist attacks of 2001 and the subsequent wars in Afghanistan and Iraq, however, few military personnel left the service. The three NEG sites successfully requested permission from Secretary of Defense Donald Rumsfeld and Secretary of Labor Elaine Chao to shift the focus of the NEGs from serving involuntarily separated military personnel to serving dislocated worker spouses of military personnel, so the spouses could develop work skills and high-quality jobs. The sites hoped that serving spouses would both help the local economy and alleviate economic pressures on military personnel that might induce them to leave the military.

The three smaller sites in this study (Fort Bragg, Fort Hood, and Pikes Peak) received funding after learning about the Fort Campbell experience with NEGs and after spouses became the primary target group for services. Fort Bragg and Pikes Peak previously had approached DOL with proposals to serve involuntarily separated military personnel. However, these proposals were not approved because the need for serving involuntarily separated military personnel disappeared. DOL approached the sites later to ask them to change their original proposals and shift the target population to spouses of military personnel instead of involuntarily separated military personnel. Pikes Peak then received funding in July 2003, Fort Bragg was funded in March 2004, and Fort Hood received funding in November 2003.

The experiences of the six sites yield four lessons in administering and operating NEGs.

1. ***Obtaining military support and coordinating service delivery with the military's efforts is valuable to avoid service duplication and to enhance client recruitment.*** Most sites were able to obtain military support by soliciting military partners' input during the start-up phase and later on by hiring staff who had military backgrounds and who could effectively communicate with military commanders. Compared with other sites, Fort Campbell had more opportunity to collaborate with military partners during the grant design stage and thus was better able to establish up-front military support. As a result, Fort Campbell was able to collocate its program with military partners and coordinate client recruitment and service delivery with them. Other sites were unable to fully locate services on the bases, but they developed other strategies to facilitate collaboration with the military.
2. ***Because the NEG structure and services mirror that of the WIA program, the two programs can be effectively integrated to avoid potential duplication of the existing WIA structure.*** The sites learned that one-stop operators were more effective than other organizations in operating NEGs and that the one-stop supervisor could directly supervise NEG case managers regardless of their locations.
3. ***The three large sites needed to adjust their advertising, recruitment, and eligibility policies when the target group was expanded from dislocated worker spouses to all military spouses.*** The sites saw their employment outcomes plummet when the eligibility criteria expanded to include all spouses. This was in part because the newly eligible spouses had less work experience and less attachment to the labor market than did their dislocated worker counterparts. To improve outcomes, the sites adopted strategies that emphasized employment rather than training to clients and potential clients. To ensure that potential clients were interested in employment, sites also introduced new screening procedures.
4. ***Changes in the target group, from involuntarily separated military personnel to military spouses, had implications for the skills and backgrounds most valuable in sites' front-line staff. Having staff with the same types of background characteristics as clients they served helped clients relate better to their case managers.*** Whereas case managers who had military backgrounds were effective in working with involuntarily separated military personnel, they were regimented and often intimidated young female spouses. After the change in eligibility to military spouses, many sites hired female case managers, some of whom were military spouses themselves. The sites reported improvements in case management and service delivery as a result of the change.

Our analysis in this section is based on qualitative data. The information we collected from the three larger sites is based on the sites' grant documents, interviews with staff working for the NEG project, and information collected during focus groups with clients. At the smaller sites we

reviewed grant documents and had shorter telephone interviews with administrative staff. Because of more extensive data collection at the larger sites, our analysis of grant operations and administration is more detailed for those sites.

We provide an overview of important issues that influenced grant operations and administration, including the grantees' WIA and military environments and their choice of location for NEG services (Section A). We then examine how the changes in eligibility criteria affected the approach to recruitment and service delivery at the three large sites (Section B). We go on to discuss the implications of the grantees' location choices for collaboration with military partners and for service delivery and explore the factors that constrained the sites' location choices (Section C). We then discuss challenges the sites faced in hiring, training, and retaining NEG staff (Section D).

A. OVERVIEW OF GRANT OPERATIONS

The military and WIA contexts in which each NEG operates have had a strong influence on almost every facet of the military base NEG operations and administration. Specific issues include the way in which the military community is defined in each local area and the way in which the workforce development delivery system is structured. These contexts have affected the structure of the grant activities, the choice of a contractor for operating the NEGs, coordination with the military and other partners, and the location for the delivery of NEG services. Therefore, we begin our discussion with these issues to provide an understanding of the landscape in which the grants have operated.

1. Designing the NEGs Around the Military Community and Workforce Development System

The number and type of military bases clustered in a geographic area and the corresponding number of WIBs in that area created distinct operational environments for NEG grantees. The

Hampton Roads NEG includes multiple WIBs and serves multiple Navy and Army bases. San Diego has only one WIB but has three different one-stop operators that serve three different bases. In contrast, Fort Campbell has a simple operational structure, with a single WIB and a single one-stop serving a single military base. When sites developed plans for their NEG, they took into consideration both the way in which the military community is defined in the local area and the existing WIA organizational structure. Since the geographic area covered by the locally understood definition of the military community did not always correspond with the geographic divisions within the WIA structure, the grant planners needed to develop an organizational structure for the NEG that, to the extent possible, made sense from the perspectives of both the military community and the workforce delivery system.

Given these overlapping systems, the NEG structure and organization is sometimes complicated. When a site had the involvement of more than one WIB, coordination of their policies was necessary. Local staff found it helpful to develop advisory boards that met periodically to ensure that all stakeholders were aware of changes in the program and could express and address any concerns that arose. For example, Hampton Roads learned that it was helpful for the WIBs to coordinate policies because clients sometimes moved to a new local area, and learned from other clients about the services that are provided.

The WIB or WIBs contracted out grant operations and service delivery to a local agency, typically to one or more existing one-stop operator(s) in the area. The WIBs found that one-stop operators were more effective than other organizations at operating NEG because they already had the expertise and the experience to provide employment services, an existing service delivery structure, and active linkages to local jobs. In San Diego, the local WIB initially decided not to contract with local one-stop operators and instead to directly hire and supervise NEG staff. This proved to be difficult as it required significant oversight and management by

the WIB representatives. After the one-stop operators took over the operation of the grant in April 2004, they replaced some of the NEG staff hired by the WIB and moved the NEG staff to the local one-stops, while maintaining full time staff at Miramar. The San Diego grant managers believed that the change in operators offered staff more resources to serve clients and improved service quality.

2. Locations and Collaboration

Another important decision for the grantees was choosing the location from which to provide NEG services. According to WIA philosophy, collocation is desirable because it facilitates collaboration and more streamlined and convenient service delivery to clients; WIA requires partners who offer workforce development services to collocate at a one-stop, which increases convenience to clients and, to some extent, has the potential to reduce the risk of duplication of services. Therefore, since grantees wanted a strong collaborative relationship with military partners, they recognized that it would be desirable to collocate NEG services with military entities that already provide job search assistance services to military personnel transitioning out of the military and to spouses of military personnel. These services typically include job search assistance similar to WIA core and intensive services and quality-of-life assistance such as child care and family counseling.²

Sites recognized the advantages of working closely with the military support centers, but collocating was not always possible. At the time of our site visits to grantees, sites used three approaches to locating their services: (1) offering services on base, (2) offering them at the local

²The military also offers a variety of relocation grants and services to provide temporary assistance to families being relocated. All such military-provided services are accessible through the Military Onesource website (<http://www.militaryonesource.com/skins/MOS/home.aspx>, accessed as of August 7, 2006).

one-stop, or (3) offering services both at the local one-stop and on the base (Table II.1). Fort Campbell is the only site that was fully located on the military base. The other two large sites, San Diego and Hampton Roads, use a hybrid approach, where NEG services are offered both at the local one-stops and on the bases by full-time and part-time staff who are stationed at the military support centers.³ The smaller sites (Fort Bragg, Fort Hood, and Pikes Peak) only offer NEG services at the local one-stops.

By collocating with military support services, Fort Campbell was able to integrate job search assistance services and to enhance customers' access to information. NEG and Military Family Support Services Center staff mutually refer clients for services to ensure smooth transition between the two programs. Additionally, being located close to clients and the Military Family Support Services Center enhanced Fort Campbell's ability to recruit clients. Generally, military support services staff are effective at making referrals to the NEG program because spouses already go to these programs to get help. The staff said collocation was particularly important because spouses who had recently moved to Fort Campbell are unfamiliar with the local environment and are often afraid to travel far from the base. The staff working at the Military Family Support Services Center felt that the spouses need to be directed personally to the NEG program. Finally, because the NEG and its military partners are colocated, they also can share staff time for activities of benefit to both programs and their clients.

Several other NEG sites (Fort Bragg, Hampton Roads, and San Diego) wanted and planned to locate their services on bases near their military partners but were unable to do so. Hurdles

³San Diego and the Southside (one of the three Hampton Roads WIBs) tried without success to create a center on the base. Subsequently San Diego integrated staff in the local one-stop and stationed some staff on base. Crater and Greater Peninsula (the other two Hampton Roads WIBs) had instituted the hybrid strategy since the beginning; the South Side followed that model after unsuccessfully attempting both collocation with military services and the use of a separate one-stop center very close to the entrance of the base.

TABLE II.1

LOCATION OF NEG STAFF AND SERVICES

	Fort Bragg	Fort Campbell	Fort Hood	Hampton Roads	Pikes Peak	San Diego
All NEG Services Offered on Base		X				
NEG Services Offered at the Local One-Stop and by NEG Staff Stationed on Base				X		X
All NEG Services Offered at the Local One-Stops	X		X		X	

Note: The locations shown in the table are as of the time of our data collection. Our data collection efforts were concentrated during summer 2005 for Fort Campbell, Hampton Roads, and San Diego and during autumn 2005 for Fort Bragg, Fort Hood, and Pikes Peak.

they faced included security issues with locating services on the base, regulations about renovations of facilities on military bases, and limitations on the use of DOL funds for building renovations. After the terrorist attacks on September 11, 2001, military bases went on “lock down” mode, and heightened security precautions made it difficult to add new services to base facilities. As a result, Hampton Roads reported going through several “start-and-stop” phases to acquire and renovate space on base. In addition, for security reasons, military bases only allow military contractors to perform renovations on base. Hampton Roads reported facing challenges when it wanted to use DOL funds to renovate a facility on a military base.⁴ Finally, another challenge related to security was that involuntarily separated military personnel had some difficulty accessing the base for services.

Two of the one-stops at the San Diego site and the Fort Bragg site also made unsuccessful attempts to locate the programs on the base. San Diego had planned to locate NEG centers at two military bases. At one base, the grantee proposed to expand the facility by approximately 2,500 square feet on the second floor of a building occupied by the Military Family Support Center so that the space could be used by NEG program. The local WIB had spent \$1.7 million on refurbishing the place when it received news from DOL that the renovations could not be funded through the grant.⁵ San Diego reached an agreement with Military Family Services that

⁴Fort Campbell staff also reported some problems in trying to locate NEG services on the military base. Overcoming these challenges required perseverance and close collaboration with military commanders so that the program could receive a waiver to allow a non-DoD contractor to perform renovations for NEG facilities on a military base. Although we cannot tell for sure why Fort Campbell was successful in locating NEG services on base while other sites were not, one possible explanation is that Fort Campbell is the only site to have completed the set-up of its NEG program prior to September 11, 2001, after which the military operated on heightened security procedures.

⁵Early versions of the grant agreements between the site and DOL included line items for facilities renovations. However, with a few exceptions, regulations for WIA Title I funds must not be spent on construction or purchase of facilities or buildings (20 CFR 667.260). Since our data collection occurred several years after the start of the grant, we could not identify how the miscommunication between the site and DOL about the use of funds for renovation arose.

allowed NEG staff to locate full-time on base, to recruit clients, and to offer on-site case management while other activities occur at the WIA one-stop. At Fort Bragg, the NEG operator also wanted to use the space on base, but DOL rejected the use of grant funds for renovations of this facility. Consequently, Fort Bragg located NEG services at a one-stop that is very close to the military base.

Despite physical distance from the military bases, the NEG programs that were located at the one-stops tried to collaborate with the military support services staff to receive their help in recruitment. Furthermore, they obtained greater access to clients by sending NEG staff who had access to the base (because of their status as military spouses, for example) to the base to recruit clients, to conduct orientation, and to provide case management services. At Pikes Peak, where all NEG staff are located at the local one-stop, the program relies heavily on the military staff for referrals. Military staff even perform the preliminary eligibility determination and ask potential clients to fill out NEG application forms. At Fort Bragg, the Military Family Support Center hosts a program orientation in its facilities and refers clients to the NEG program.

Regardless of where sites located their NEG services, grantees found it useful to have the same oversight structure and maintain a similar flow of services for the NEG and WIA programs. All six sites learned that it was best to have the NEG process mirror the WIA process. Even at Fort Campbell, where NEG services were administered in an independent one-stop, the center was structured and managed in a way similar to the other one-stop centers in the area. Likewise, other sites found it particularly important to integrate out-stationed NEG staff who were partially located on base and partially working from a one-stop. In San Diego, according to some case managers, there were challenges initially in keeping NEG staff who were physically isolated from their supervisors accountable to the program. Staff believed that the challenges were successfully overcome after the site integrated the NEG and WIA programs and moved NEG

case managers to local one-stops, an approach that made case managers more accountable and improved NEG service delivery. In contrast, Fort Campbell supervised NEG staff despite their physical distance from the one-stop managers by hiring a senior case manager who was located on the base and who was given authority for many program decisions. The senior case manager reported directly to the manager responsible for overseeing the NEG and WIA programs.

B. CHANGES OVER TIME IN THE PRIMARY TARGET GROUP FOR SERVICES

At the beginning of NEG activities at the three largest sites (Hampton Roads, San Diego, and Fort Campbell), involuntarily separated military personnel were the main population served by the grants (Table II.2). However, the wars in Afghanistan and Iraq decreased the number of personnel being involuntarily separated from the military, and by January 2003 all three sites had stopped enrolling them as new clients.

When eligibility shifted from involuntarily separated soldiers to spouses, spouses had to qualify as dislocated workers or displaced homemakers in addition to being married to an active duty military personnel. At the three larger military sites, the dislocated worker criterion was eventually removed. As a result of efforts of a Congressional representative serving the San Diego area, sites were allowed to request permission from DOL to use NEG funds to serve all military spouses instead of only serving those military spouses who were dislocated workers. San Diego was the first site to begin doing so, and Hampton Roads and Fort Campbell followed suit.

At the time of our site visits, military spouses made up over 90 percent (and in some sites over 99 percent) of NEG clients. The other target groups eligible to be served by the sites were DoD civilian personnel who were laid off and Reservists and National Guard members who were

TABLE II.2

CHANGES IN THE TARGET GROUPS FOR THE MILITARY BASE NEG_s

Dates	Fort Bragg	Fort Campbell	Fort Hood	Hampton Roads	Pikes Peak	San Diego
Involuntarily Separated Military Personnel						
Began enrollments	n.a.	June 1996 ^b	n.a.	July 2001	n.a.	July 2001
Ended enrollments	n.a.	December 2002	n.a.	June 2003	n.a.	January 2003
Spouses of Military Personnel						
Began enrollments of dislocated workers ^a	March 2004	May 2002	October 2004	July 2001	July 2003	October 2002
Eliminated dislocated worker eligibility criterion	n.a.	December 2004	n.a.	February 2005	n.a.	November 2003
DoD Civilian Personnel						
Began enrollments	March 2004	June 1996	October 2004	July 2001	July 2003	October 2002
Military Reservists and National Guard Members						
Began enrollments	n.a.	n.a.	n.a.	July 2001 ^c	n.a.	October 2002

Source: Reviews of NEG documents and interviews with military base NEG site staff.

Note: No site that serves spouses of military personnel, DoD civilian personnel, or military Reservists or National Guard members has ended enrollments for them. However, Fort Campbell has not enrolled DoD civilians since 1998, even though the site has been authorized to do so.

^aThe term “dislocated worker” is used to include displaced homemakers.

^bThe focus of the evaluation is on Fort Campbell grant activities since July 2002 when the Management Information Systems data begin. Therefore, the data collection did not include information on prior activities.

^cHampton Roads discontinued enrollment of Reservists and National Guard members in June 2003 but reinstated enrollment of them in February 2005.

DoD = U.S. Department of Defense.

n.a. = not applicable.

unable to return to their previous employment.⁶ However, the sites have served few civilian DoD personnel, according to site staff, because few were laid off and those that have been are able to transition to civilian jobs. For similar reasons, few Reservists and Guards members had enrolled at the sites.

By the time of our interviews held in autumn 2005, the three smaller sites had not yet received permission from the DOL to expand eligibility to all spouses. At Pikes Peak, dislocated worker spouses had to meet an additional eligibility criterion of being “unlikely to return” to their previous type of employment.⁷ According to this eligibility criterion, case managers have to show that there are no available positions in the client’s previous occupation in the new location before the client can receive training or re-employment services.

The changes in the eligibility criteria at the large sites had a strong influence on how and where the grants recruited clients, on how the needs of the clients were addressed so that they could participate in services and obtain jobs after completing services, and on the desired backgrounds and skills of staff who could effectively work with the clients. Unlike the larger sites, the smaller sites have served dislocated worker spouses throughout their grant periods and consequently did not face many of the operational challenges that the larger sites faced as a result of the changes in the primary target group for the grants.

⁶Reservists and National Guard members were never served at Fort Campbell.

⁷The “unlikely to return” requirement does not apply to all dislocated workers as defined in WIA, nor does it apply to “displaced homemakers” who also qualify under the dislocated worker definition at WIA section 101(9). There is no definition of “unlikely to return” in WIA, but it is based upon policies implemented by states and local boards. The “unlikely to return” criterion can take into account a number of factors, including a worker’s skills and it can, in practice, restrict service access.

1. Advantages of Serving All Military Spouses

As discussed above, the three large sites expanded eligibility from military spouses who were dislocated workers or displaced homemakers to all spouses. Most of the site staff with whom we spoke considered the expansion in eligibility from dislocated worker spouses to all spouses to be a positive change although it also posed challenges. They mentioned three advantages. First, they thought that all spouses, and not only dislocated worker spouses, were in need of training and job search assistance because of their high rates of mobility. Because of this mobility, spouses needed training in high-demand occupations to make up for the concerns that potential employers may have about hiring an applicant unlikely to stay in the area for very long. The grant manager at Pikes Peak explained that even though many spouses could obtain low-paying jobs that were similar to their old ones (and hence, they did not meet the “unlikely to return” criterion as a dislocated worker), the spouses nonetheless needed training to improve their skills so they could obtain better jobs.

Additionally, the staff believed that rejecting some spouses and serving others was divisive for the military community. They said that, in a tightly knit community where spouses talk extensively to each other, rejecting some spouses categorically based on eligibility criteria gave a bad reputation to the program.

Finally, removing the dislocated worker criterion has helped sites to meet their enrollment goals. About one-third of the spouses in the focus group at Hampton Roads said that they had not been eligible for the program under the old rules and had reapplied as soon as they heard that the rules had changed. Meeting enrollment goals was initially challenging to sites because, in contrast to most NEGs that are provided because of one-time emergencies, the potential clients were not facing an emergency and thus the sites needed to reach out to them. For example, San Diego had originally proposed to serve 3,300 clients, but by March 13, 2004, had only served

1,811; Hampton Roads initially proposed to serve 3,200 clients but later reduced that number as well.⁸

2. Challenges in Serving All Military Spouses

Even though the expanded eligibility made it easier for sites to meet enrollment goals, they found it more difficult to meet employment outcome targets for entered employment rates and wage rates. Whereas the dislocated worker spouses are likely to have high levels of education and experience, the newly eligible spouses often do not have recent work experience and are generally more likely to be disadvantaged. As a result, sites reported having to spend more time and energy with clients on average in order to get them job-ready. In addition, many of the clients who enrolled shortly after the change in eligibility were not employment-focused; they viewed the program as a free training program and had no intention of going to work after finishing training. For these reasons, the three large sites reported difficulty achieving their employment and wage outcomes for these spouses.

At the outset of services to spouses, San Diego emphasized training as a way to market the program and encourage potential clients to want to find out more information. According to the grant manager, training was offered to help military retention by improving spouse employability in any duty station regardless of where military spouses next located. However, some front-line staff reported that outreach materials were not clear early in the period when spouses were recruited that the ultimate goal of the program was to help clients find employment. To improve employment outcomes, particularly after the site was more able to meet its recruitment goals, San Diego added new “soft-screening” strategies to screen out clients who were not employment-focused. The screening included “ability to benefit” forms to identify potential

⁸Sites’ goals also changed as a result of their getting extensions and additional funding.

clients who were not motivated to work. Furthermore, the staff helped clients assess their ability to remain in training by encouraging them to consider financial needs, child care needs, and family responsibilities. At Hampton Roads, case managers required clients who wished to enroll in training to show that they had applied to and been turned down for several jobs.

Fort Campbell pursued a particularly holistic strategy that emphasized the program's employment focus at different stages of the client flow, including at marketing, recruitment, orientation, and eligibility determination. Over time, the program changed its outreach material and orientation message to emphasize employment over training. If the case manager decided that the applicant was not employment-focused or did not need to receive training to find employment, then the client would be asked to attend employment workshops or receive employment services other than training. In addition, the senior case manager encouraged clients to think about their needs if their personal situations were to change. For example, he would ask clients to consider what they would do if they became pregnant or if their spouse was deployed. By doing so, he tried to ensure that the grant funds would be directed to clients who were most likely to succeed with training and obtain post-training employment.

Another strategy that two of the sites used to improve employment outcomes was to restrict eligibility to clients who recently moved to the area—typically enrolling those spouses who had been in the local area for less than a year. Staff thought this change would ensure that clients would have time to receive training, find employment, and develop work histories before their military spouses were relocated or deployed.

C. MARKETING

To recruit involuntarily separated military personnel, NEG staff relied on referrals from existing military programs. For example, the Transition Assistance Officer at Hampton Roads contacted every soldier who was leaving the military to suggest that he or she come to the

program to prepare for the transition to civilian life. The military partner responsible for helping military personnel transition out of the military counseled the client initially and referred him or her to the NEG program if needed. Similarly, at other sites NEG staff relied on military programs to refer involuntarily discharged military personnel to the program.

However, after the primary target group shifted to dislocated worker spouses, the sites became aggressive in their efforts to recruit clients. Local staff pointed out that when a typical NEG is awarded in the case of an emergency, clients are lined up at the door. However, the military spouse population, while in need of services, was difficult to locate and recruit without an advertising campaign, especially because there was no single event that caused the clients to think they were facing an “emergency”.

The sites learned that the best ways to reach out to spouses were (1) to market the program services to the spouses *directly*, rather than indirectly through the military family member, via collaborations with military partners, and (2) to have an organized aggressive marketing campaign undertaken by an individual or group with expertise in marketing and recruitment. Advertising modes that reached the spouses directly were most effective, perhaps because the information that was distributed to the military personnel was not always transferred to their spouses. Some sites were able to take advantage of effective yet low-cost marketing strategies by collaborating with the military and taking advantage of in-kind contributions. At Fort Campbell, the Army Public Affairs Office agreed to run a 30-second infomercial about NEG services periodically on the military cable channel for a year free of charge. Fort Hood advertised the program on its website, which staff thought was an effective advertising method. At Pikes Peak, the NEG director said the program had almost exclusively relied on military partners to recruit clients and perform initial eligibility screenings. The management found that many new clients were obtained through referrals from the military support services center.

The sites also found that it was helpful to have a person or an organization that was already experienced with marketing techniques in charge of outreach. Fort Campbell was able to use only minimal resources and staff time by relying on the marketing expert who shared her time among the 10 local one-stop sites. In contrast, Pikes Peak initially had the NEG director responsible for the marketing effort. However, he acknowledged that this was not an effective approach because he had neither the time nor the expertise to conduct a successful outreach campaign. The outreach efforts became more successful after the staff member in charge of outreach for all the grants in the local area took responsibility for marketing and outreach. The NEG director regretted that it took some time to make the transition; in retrospect, he would have liked to have begun with a more aggressive advertising campaign led by a specialist in the field.

At Hampton Roads, the grant managers decided to contract out marketing efforts to a private company, Zeiders Enterprises, because they had neither the time nor the staff to undertake marketing and outreach efforts. A marketing group at the WIB developed the NEXStep program name (the local name for the NEG program) and created brochures and flyers, but Zeiders did most of the distribution and outreach. According to Zeiders' recruitment records, the company organized numerous activities between July 2002 and June 2005. These activities included both large events such as a July 4th concert and a Thanksgiving Day booth as well as smaller outreach activities such as briefings, meetings, and newcomers' orientation. Outreach staff made 2,857 referrals that led to 579 enrollments, slightly more than one-third of the total enrollments in the program during the same period. The Zeiders staff said that their goal was not limited to increasing enrollments in the short run but included ensuring that the program would be so well-known in the community that it would continue to receive new clients after the outreach contract ended.

The sites found that once they met initial enrollment goals, little outreach was needed since word of mouth became an effective source of recruitment. The tight-knit nature of the military spouse community in each local area meant that word spread quickly about NEG services. At the time of our data collection efforts, most sites reported that they were having little trouble meeting their enrollment goals. However, as mentioned above, the large sites had to develop new screening procedures to ensure that clients who enrolled were likely to want to work after completing services.

D. STAFFING

Our discussion of the staffing issues include the role of various NEG staff, important staff characteristics for NEG managers and case managers, and challenges the sites faced in retaining NEG staff.

1. Responsibilities of NEG Staff

Sites used NEG funds to support a variety of full-time or part-time staff including case managers, business developers, financial specialists, administrative assistants, supervisors, a marketing person, and a resource room specialist. The client caseload and general responsibilities of case managers were similar across sites. Across the larger sites, caseloads ranged from about 60 to about 100 clients per case manager; staff reported that these are larger than the standard WIA caseloads. In all sites, case managers were responsible for intake, orientation, eligibility determination, counseling, running workshops, and post-exit follow-up.

Most sites had a full-time or part-time business developer who was responsible for developing networks with businesses. Staff said the position was particularly important for two reasons. First, given their client caseloads, case managers had little time to network with employers. In the absence of a business developer, case managers typically relied on secondary

sources for information on employment, which were often dated and already available to the general public. Second, in the absence of a single point person, case managers did not have a collaborative network to share job information. Instead, each case manager looked at the same information separately, leading to a duplication of effort. Because the job of business developer is so important to the success of the NEG program, Hampton Roads increased the number of business developers from one person to three.⁹

2. Desired Characteristics for NEG Management Staff

Grantees recognized that hiring NEG management staff with military backgrounds was helpful since they could communicate effectively with and obtain cooperation from the military commanders. The NEG managers needed to be able to speak the military language and understand the military culture so they could obtain critically important military buy-in and collaboration. For example, at Hampton Roads the NEG grant manager is a former Navy vice Air Force pilot who served in Vietnam and who “helped bring the DOL and DoD worlds together.”

Fort Campbell initially did not have an NEG manager with a military background, and as a result the site experienced problems because of challenges in having military staff and NEG staff “speak each other’s language.” Fort Campbell later hired managers with military backgrounds and overcame the challenges to establish what staff describe as excellent collaboration with the military. In particular, the senior case manager responsible for the day-to-day management of the NEG and the program manager responsible for overseeing the entire program are military retirees.

⁹Fort Campbell initially had a business developer but no longer does; staff regret this loss.

3. Desired Characteristics for NEG Case Managers

The sites found that NEG clients related well to case managers who had backgrounds and characteristics similar to the target population. Involuntarily separated military personnel clients at the three large sites related well to counselors who had been in the military, could speak the military language, and understood the military culture. They were also familiar with the military procedures and could easily read the military personnel's paperwork. Most of these staff members were also men, reflecting the composition of the large NEG's target population at the start of their grants.

As spouses became the target population of the grant at the large sites, the sites gradually shifted to hiring more case managers who were military spouses rather than former military personnel. The transition was helpful because management staff thought that some former military personnel lacked flexibility in working with military spouse clients and that the clients related better to female case managers. At Fort Campbell, the replacement was a "natural progression"; as the program recruited more spouses, the case managers who left were replaced by case managers who were military spouses themselves and who therefore were able to better understand the spouse clients' needs and constraints. San Diego experienced a similar transition in the backgrounds of its case managers after the new operators took over the program. San Diego found that the former military personnel who were originally hired were sometimes too regimented and strict and were not able to communicate effectively to most of its spouse clients, who typically are young females.

Although having a military background or being a military spouse was potentially a valuable characteristic for NEG case workers, it was not sufficient expertise for a case manager to be effective. The staff at San Diego felt that case management experience had not been sufficiently taken into account when hiring decisions were made for the original staff who had military

backgrounds. When the San Diego one-stop operators took over supervision and hiring of NEG staff, they kept the case managers who had solid case management experience and put less priority on military experience for future staff recruitment. However, most sites reported that it was not difficult to hire case managers who had both case management experience and military affiliation.

Regardless of where sites provided NEG services, they valued having NEG case managers with expertise and experience in WIA procedures. Sites typically cross-trained NEG staff with WIA for three reasons. First, at sites that had NEG services collocated with WIA services, it increased the flexibility of the program to serve any target group member who came through their doors and therefore increased efficiency in providing services. Second, it gave NEG staff a broader view of the available services in the community; this benefit was especially important at sites where staff spent all or significant portions of their time on base. Third, in situations where case managers worked with both WIA and NEG clients, new staff were able to learn from more experienced staff at the one-stops.

4. Staff Retention

Most sites reported that retaining staff was a challenge. The grant's temporary nature and its incremental funding made it difficult for the sites to offer NEG staff stable positions. As a result, and as typically occurs with temporary programs, many NEG staff left the program when they found long-term employment elsewhere, leading to high turnover at most of the sites. This was a problem for most types of NEG staff, but especially among case managers.

High staff turnover led to two types of problems. First and foremost, it disrupted clients' work with their case manager. In all three larger sites, clients who participated in focus groups complained about staff turnover and having to start over with a new case manager who was unfamiliar with their situation. In many cases when a case manager left, his or her clients were

not informed about the change. After discovering that a staff member had left, many clients felt abandoned and frustrated as they tried to determine whom to see.

The second problem of staff turnover was the cost of training new staff and the general instability in the program while the new staff were being trained. Most sites spent a lot of effort training new staff. Early in San Diego's grant period, when case manager's client caseloads were low, San Diego's managers allowed new case managers to shadow experienced case managers for a month before they were given a client caseload.¹⁰ This increased the workload of the existing case managers.

¹⁰As the number of clients grew, giving newly hired case managers this extensive a training period prior to their receiving a caseload of clients was no longer feasible.

III. PROVISION OF NEG SERVICES

Providing services to assist clients to obtain high-quality jobs is the crux of the NEG. The services available to NEG clients can be categorized in the same way as are WIA services; that is, NEG clients receive core services, intensive services, training services, and support services. Core services typically include those that clients access on their own without staff assistance. Examples include the use of computers or newspapers provided through NEG funds, so that clients can search for job leads or learn about the skills and experience needed for certain jobs. Intensive services are typically staff-assisted services that are provided to clients either in groups or in one-on-one settings. Examples of intensive services include workshops that help clients learn how to look for jobs, how to behave during interviews and other interactions with potential employers, or how to prepare a resume. When staff determine that clients cannot obtain jobs through core and intensive services only, staff consider whether clients' participation in training services is appropriate. Support services, such as child care and transportation, also may be available to clients participating in NEG services.

The data that we use here are primarily drawn from interviews with site administrators and a review of program documents. However, we also supplement the data with information we collected from focus groups conducted with NEG clients. Because the data collection effort for the three large NEG sites (Fort Campbell, Hampton Roads, and San Diego) was greater than the effort for the three medium sites (Fort Bragg, Fort Hood, and Pikes Peak), most of the discussion in this chapter pertains to the three large NEG sites. However, we supplement the discussion with information on the three medium sites when it is available.

We have four findings pertaining to the provision of NEG services to clients:

1. ***Core and intensive services made available to NEG clients were similar to those available to WIA clients.*** According to site staff and clients in the focus groups, clients were generally satisfied with the core and intensive services they received. Furthermore, comprehensive assessments that guide clients to identify potential career tracks seemed to be highly valued in San Diego, especially when the clients did not have much prior work experience.
2. ***Some sites initially offered more generous training allowances to NEG clients than what were available to WIA clients in the same local area, although they have since matched the WIA caps.*** Providing NEG clients with larger individual training accounts (ITAs), through which training is funded, allows them more training options; however, the disparity in funds caused problems. In some instances, there was tension between NEG clients and WIA clients who may have been in the same classrooms. The high training cap also may have inadvertently discouraged NEG clients from obtaining a job.
3. ***Both NEG staff and focus group participants reported that funding for child care services, provided in large part by NEGs, was very helpful for the participation and success in training of clients who had children.*** A primary reason is that military spouses often do not live near friends or extended family, who might otherwise be informal sources of care. Furthermore, some staff reported that child care support was provided predominantly through the NEGs, rather than through other sources, because clients were unlikely to qualify for financial support given their family income levels and long waiting lists at military providers of child care. But, the cost of child care could be very expensive. For some clients, it could be as large as the cost of training. This finding suggests that helping this portion of clients participate successfully in training can be particularly expensive for society after support service needs, regardless of the source of funds for meeting them, are taken into account.
4. ***Staff were not successful at providing services to clients who moved from the NEG areas.*** Several sites had planned to continue to provide services to clients who relocated outside the NEG area, and they developed policies and procedures to do so. However, investing the effort to keep in touch with relocated clients was often a low priority for staff. Rather, as was discussed in more detail in Chapter II, sites relied on techniques used during the eligibility screening of potential clients to reduce the likelihood that clients would relocate from the area prior to their completion of service activities.

In this chapter, we discuss the different types of services available to NEG clients. We begin by discussing core and intensive services (Section A). After that, we discuss the issues related to clients' participation in training (Section B), followed by a discussion of NEG sites' support services policy (Section C). Finally, we conclude by explaining the distinct issues

related to the provision of services to clients who relocate out of the NEG communities (Section D).

A. CORE AND INTENSIVE SERVICES

In many ways, the sites' core and intensive services offered to NEG clients are very similar to, and in some instances the same as, WIA services offered to dislocated workers and adults. Core services typically include resource room usage, career exploration, initial self-administered assessments of skills and needs, unassisted job search, and some group workshops. Computers allow access to labor market and career information, details about employers, job requirements, and local area education and training programs.

In many ways, the core and intensive services offered to NEG clients are similar to those offered through military support center programs. Military-provided services that can be accessed through the Military Onesource website (<http://www.militaryonesource.com/skins/MOS/home.aspx>, accessed as of August 7, 2006) include activities such as occupational and skills assessment, assistance in resume development, job search assistance, and access to job listings. They also include a number of services, such as travel grants and monetary assistance with temporary housing, that are specifically related to problems that may be encountered in family relocations. As discussed in Chapter II, the NEG sites typically worked with the military support centers to reduce potential duplications of services among clients who could access the centers. One way to do that was to focus primarily on the most distinctive features of the NEG programs. These consisted mainly to the provision of training grants and support services to clients because these types of direct grants generally were unavailable through the military sources. In some cases (such as the Fort Campbell site), the NEG-financed resource centers also filled a void for spouses and civilian personnel because use of the military resource center was restricted to active duty military personnel.

Intensive services financed by the NEG's typically include comprehensive assessment services, the development of an Individual Employment Plan (IEP), case management, staff-assisted job search and placement, and basic skills education and training services.¹ Usually, the IEP is based on the results of a comprehensive assessment and one or more detailed discussions with the client about the client's aspirations, needs, and constraints on service receipt. The IEP typically includes a plan and activity schedule that might delineate clients' efforts to obtain employment immediately, to participate in intermediate education and training services, or to pursue intensive education or training assistance. These plans are dependent upon both a client's eligibility for funding and services and the availability of specific education and training programs within the client's time frame and regional restrictions. Meetings between the case manager and the client after an IEP has been developed often depend on the specific details of the plan. For example, San Diego staff reported that a client's achievement of a milestone in the IEP triggers a conference meeting between the client and the case manager so that progress can be assessed and corrective actions or revisions can be made. In most instances, case management is offered until job placement. Basic education services will be provided, typically through a community college or other adult education program, if a client needs help with reading, math, or language skills.

San Diego uses an especially intensive approach to conducting assessments. All one-stop assessments—including those conducted with NEG clients—are conducted by staff at local community colleges and universities; these staff members have master's degrees in counseling or are school psychologists. The assessments include skills, temperament, personality, interest, and aptitude tests. San Diego offers more than 15 different tests; depending on a client's need and

¹Fort Hood also offers a distinctive program that allows clients to take online training and certification courses by having computers set up for internet access in their homes.

initiative, a client may take numerous tests. All clients without a college degree also are required to take the Test for Adult Basic Education (TABE), a standardized test that is designed to help test-takers learn about their basic skills level. Staff thought that having some clients take the TABE helped them to recognize their need for basic skills classes to upgrade rusty skills. After an assessment test is completed, staff review the results with clients to help them find appropriate career paths. They help clients research occupations and labor markets, investigate the education and skills needed for each job, and explore how widely across the U.S. different occupations are in demand. The latter is important because of the high mobility rate of the clients.

Both staff and clients appear to value the comprehensive assessments. The San Diego staff that conduct them believe that the detailed assessments became especially valuable after NEG eligibility expanded to include all spouses, as many clients who meet the broader eligibility criteria are young and inexperienced workers. Some clients thought the assessments confirmed their intuition about what training to pursue; other clients used the assessments to determine the best career path given their skills and experience.

More generally, most focus group attendees at all three large sites found the core and intensive services to be helpful. For example, clients reported liking and valuing the one-on-one counseling they received and the workshops they attended.

However, clients had varied experiences working with individual case managers. Some clients thought their case managers were helpful in guiding them in the receipt of services because their case managers were approachable and knowledgeable. Furthermore, some reported that their case managers took great initiative to help; if case managers did not know the answer to clients' questions, they asked their supervisors. However, other clients expressed frustration about their case managers. Common complaints were that the case managers were difficult to reach or that clients were not kept abreast of changes that arose due to staff turnover;

some clients reported that they had not been contacted when they were assigned a new case manager. Also of concern is that some clients reported that their case managers gave them incorrect or incomplete information. One example is that some clients reported that their case managers grossly overestimated the average entry salary they could expect to receive upon completion of their degree; as discussed in Section C, another example is that clients were dissatisfied that they were told about the availability of financial assistance only for some needs, such as for child care, but not for others, such as for car repairs.²

B. TRAINING SERVICES

As is the case with WIA procedures, the NEG's make training services available to eligible clients who are unable to obtain self-sufficient employment through core or intensive services. At some sites, for both NEG and WIA clients, the IEP specifies information on the provider, projected cost, and time frame for training to be purchased under the ITA, which is an account through which training funds are made available to a specific client. Staff at most sites indicated that potential clients come to the site specifically to get funds for training, particularly if they have low skill levels.³ Training services may include occupational skills training, on the job training (OJT), customized training, or, in some situations, pursuit of a higher education degree or diploma that would facilitate a client's obtaining a job.⁴ In almost all sites, the primary type

²As discussed in Section C, this dissatisfaction may arise because of a site's policy regarding the provision of support services, even though clients expressed their dissatisfaction with the case managers.

³This was especially the case at some sites that initially marketed the program as providing training services; however, some staff thought that potential clients still came to the program because they were interested in training even after the staff strengthened the program's emphasis on employment.

⁴Customized training is training that is tailored to the specific needs of an employer or set of employers. When workers go through a customized training program, they typically are trained in the specific tasks that an employer will require employees to perform; furthermore, the worker is highly likely to obtain a job with the employer after the successful completion of the training program. The training also often occurs at the employer's worksite. In contrast, many other types of training are not tailored to the needs of a specific employer, and a trainee typically must actively search for a job after the completion of the training.

of training is classroom-based occupational training and is implemented through the use of ITAs that allow clients access to funds for training if certain criteria are met. OJT and customized trainings were rarely used.⁵

Clients access to and use of training depended on (1) the process for approving training plans, (2) the types of programs that were in demand, (3) the caps on the ITA funding amounts, (4) the length of time that clients are allowed to be enrolled in a training program, and (5) other factors, such as whether they can obtain funding from other sources and whether they are considered in-state residents. We discuss each of these topics in the following subsections.

1. The ITA Approval Process

In order for a client to obtain an ITA, the client must select a training provider from the Eligible Training Provider List (ETPL) and obtain approval for the training plans. The ETPL is established by the state and designates the training providers that have satisfied state-specified requirements for the referral of WIA and NEG clients and the receipt of WIA and NEG funds. Staff encourage clients to make an informed decision about their training choices prior to their embarking on a plan. For example, each Fort Campbell client that receives an ITA is required to research three training institutions before choosing one. This approach is designed to encourage the clients to choose the schools proactively with a counselor's guidance.

In some instances, the training programs refer students or potential students to the NEG for funding. For example, San Diego staff reported that these "reverse referrals" became even more

⁵Fort Bragg staff reported that use of these types of training was rare because plant closings and downsizing at large companies reduced industrial demand for workers trained through these methods. However, Pikes Peak staff said that about one half of clients who participated in training were in customized training. This site tried to avoid using OJT because of legal complications in the process.

common after spouses became eligible for NEG services. Most training schools encouraged clients to visit the one-stop to seek funding.

Several staff in different sites expressed reservations about the ETPLs from which NEG clients could choose, although these limitations were not unique to NEG clients. For example, one Fort Campbell staff person mentioned that there were few eligible training providers in the local area, even though the site allows clients to choose training providers from either the Kentucky ETPL or the Tennessee ETPL. As a result, some clients must commute to Nashville (over 50 miles away) for training. San Diego does not have any community colleges on the list because its colleges have been unable or choose not to satisfy the reporting requirements to be listed on the ETPL. Fort Hood staff reported having to limit the number of classroom training placements that could be used by NEG clients because local community colleges did not have the capacity to enroll as many clients as were interested, especially in health care fields; staff perceived this to be a major challenge in operating the grant.

Sites' procedures to obtain approval for each ITA depended on how each site balanced the tension between giving case managers authority in approving training and in centralizing that power with higher-level administrative staff. For example, the senior case manager at Fort Campbell must approve all training costs. Prior to 2005, expenditures over \$3,500 required additional approval from the organization's vice president; since then, a higher threshold (\$10,000) has been used. The change was made so that case managers could have more authority in the process. The approval process at Hampton Roads differs by WIB. The Hampton Roads (Southside) and Crater WIBs allow case managers to approve training selections.⁶ Greater Peninsula's one-stop managers felt that case managers were giving in to the interests of

⁶When the new one-stop operator at Southside began in September 2004, the one-stop director approved and initialed all ITA vouchers after completion by the case managers and before the disbursement of funds.

clients too often even when selected occupations were not in demand. As a result, and in contrast to the greater flexibility given to Fort Campbell case managers over time, the Greater Peninsula WIB created a more formalized review process in 2004. A committee of two program coordinators, the one-stop director, two case managers, a representative from the Trade Adjustment Assistance program, and the Virginia Employment Commission center manager meets every two weeks to review and approve training applications. Resources are only awarded for training in occupations that will lead to jobs in the local area. The panel meets on an as-needed basis if a client needs to be fast tracked, but that does not happen often.

In San Diego, the case managers also need to seek ultimate approval from the Workforce Partnership before officially approving each ITA. San Diego case managers reported that, at the beginning of the NEG period, clients were not required to do much exploration of training providers or career options. Over time, the NEG process began to look more like the typical WIA process, which requires more scrutiny of the use of ITA funds to ensure that they are provided only for clients who are interested in working after the completion of training.

The need to obtain approval by higher-level administrative staff has the potential to lead to some delays in clients' accessing training funds, even though all sites reported having a quick turnaround process for approving training plans. At one site that required higher-level approval, we heard that some clients became frustrated about the challenges of pulling together the required paperwork and about the need to wait for long periods of time before getting approval for their training funds. As a result, some clients complained to the military partners.

2. In-Demand Training Programs

Staff reported that most NEG clients look for occupations that are in demand in the local area but also that include skills transferable to other states and local areas. According to the staff at the large sites, clients (predominantly spouses) frequently pursued occupations in the medical

field, including billing and coding; nursing; and surgical, dental, and X-ray technician positions. Other fields of interest included computer technology, massage therapy, graphic design, aviation training, teaching certification, aesthetic training and cosmetology, computer-aided drafting and design technology, and mechanical engineering technology.⁷ According to staff at the three smaller sites (Fort Bragg, Fort Hood, and Pikes Peak), the most common areas for training for NEG clients were similar to those at the large sites, although a few differences emerged. For example, Fort Hood staff reported that some clients used training to upgrade their skills in keyboarding or one or more specific software packages. Fort Bragg staff mentioned truck driving and mechanics, as did Pikes Peak staff for male spouses.

3. The ITA Caps

A critical distinction between NEG policy and WIA policy has been in the ITA caps, which affect the range of training options that may be paid for through the ITAs. Generally, the NEG caps for ITAs have been equal to or higher than the caps for WIA clients. At Fort Campbell, training must be in an in-demand occupation in the local area or in another area to which the client is willing to relocate. That site's NEG cap for training and support services is \$10,000. In contrast, the WIA cap is \$3,500. At Hampton Roads, all three WIBs have had a WIA cap of \$8,000. However, at the time of the site visit in June 2005, one of the three Hampton Roads WIBs did not have a cap on its ITAs for NEG clients. The other two WIBs had caps of \$12,000 for their NEG clients. All three boards planned to shift as of July 1, 2005, to an \$8,000 cap for NEG clients, which would match the caps for WIA adult or dislocated worker ITAs. Staff

⁷San Diego staff estimate that about 70 percent of spouses pursue credentials in medical occupations. According to the site's grant proposal, an objective of the NEG was to train separating military personnel for high-tech jobs that local employers are currently filling with H-1B visa holders. As the client target group shifted to spouses, in early 2003, the most common types of training shifted from the information technology field to the medical field, which is more appealing to military spouses.

expected that the lower cap would prevent NEG clients from considering some of the more costly training options, such as some expensive proprietary vendors.

Like Hampton Roads, San Diego began with a much more generous ITA policy towards NEG clients, compared to WIA clients, but it has revised its policy since then.⁸ WIA clients are allowed ITAs of up to \$5,000 if they want to pursue training in a demand occupation in the local area and up to \$10,000 for pursuing training in a high demand occupation. Prior to 2003, however, San Diego did not have a cap on ITA expenditures for NEG clients, and some of them were attending training costing more than \$30,000. Staff reported that the discrepancy between funding levels for NEG and WIA clients caused problems because the two groups often attended the same workshops and would talk about their funding. In 2003, San Diego instituted a cap that is comparable to the WIA ITA policy. San Diego staff think that the caps are good, both because they conserve grant resources and have forced clients to focus more seriously on their training choices. Before the cap, occupations such as teaching, paralegal, bookkeeping and accounting, automotive finance, and translation were more common. After the change, more clients selected medical fields, possibly because, as occupations that are in very high demand, they warranted a higher ITA. Nevertheless, some clients who were already in the pipeline for receiving training were very upset when the change went into effect, and some had to try to find funds from other sources to cover the difference between the cost of their training and the amount the NEG would pay.

⁸The training cap at Fort Bragg is \$10,500 and does not include the cost of support services. Fort Hood staff also reported that they did not have an ITA cap for NEG clients. However, they thought that other restrictions on training options were useful to ensure that funds were well spent. Examples of these restrictions include requirements that the training must be in an in-demand occupation and that case managers determine that a client had the ability to benefit from and succeed in training.

The Pikes Peak policy on ITA caps is in contrast to the policies at Hampton Roads and San Diego. Initially the training cap for NEG clients was the same as the training cap for WIA clients, at \$3,000, but the program later raised the cap to \$8,000. Site staff explained that they increased the cap because the length of the grant period limits NEG clients to participation in vocational schools, which provide certifications or credentials in a shorter period of time than do community colleges; vocational schools thus also tend to be more expensive.

4. Duration of Eligibility for Training

As is the case with WIA, sites impose restrictions on the length of time that clients may take to pursue training using their ITAs. These restrictions are designed, at least in part, to encourage clients to finish their training so that they can start working. In practice, they may restrict the ability of many clients to attend four-year colleges. At Fort Campbell, clients are required to complete all training within 18 months; they are not allowed to use the ITAs to attend a four-year college unless the client needs very few credits for a degree. Hampton Roads clients can pursue training for between 18 and 24 months, depending on the WIB at which they participate and whether a justification can be made for taking a long period of time to complete training. Like Fort Campbell, Hampton Roads also restricts clients' attendance at college: clients are allowed to pursue their bachelor's degree only if they need 45 or fewer credits to graduate. Clients are allowed to pursue a graduate degree only if they need 12 or fewer credits to complete their program.⁹ San Diego does not have an official limit on training. However, most of the providers

⁹One Hampton Roads staff person reported that, compared to WIA training clients, a larger proportion of NEG clients pursue their bachelor's and graduate degrees. This staff member thought that most WIA dislocated workers want to go back to work quickly, while NEG clients want two- or four-year degrees that will help with new long-term careers. This may result because NEG clients tend to be younger and have less work experience than WIA clients.

on the ETPL are vocational schools with programs that last less than two years, and staff reported that clients typically prefer short-term training.

At one of the large sites, however, several focus group members reported having been told there was a time limit of 12 months, a limit that is shorter than the official policy and that they said prevented them from getting a degree.

Two of the small sites also mentioned that the lengths of their grants, which are shorter than those at the larger sites, imposed a restriction on the length of training in which clients participated. Since funding for the grant was provided in short increments of time, clients faced pressure to finish their training before the grant period was over.

5. Other Factors Affecting Training

Two other factors besides the ETPL and ITA policies also can influence clients' opportunities for training. The first factor is the availability of other sources of funding. As is consistent with WIA policy, NEG staff reported that they require clients to pursue other sources of funding for their training; coordination between these funding sources is provided to help the client achieve his or her training objectives and also to prevent excess awards of financial assistance. Some clients have qualified for veterans benefits, which facilitates their participation in training. A client who receives a Pell Grant or other scholarship might also attend more extensive training or be allowed to use more of his or her ITA funds for support services.¹⁰ Hampton Roads staff mentioned that clients have the opportunity to compete with other students for National Science Foundation scholarships to obtain an associate's degree in computer

¹⁰The maximum Pell grant award can vary year to year, but it has been \$4,050 per year for the past several years (<http://www.collegeboard.com/article/0,3868,6-30-0-36318,00.html>, accessed December 16, 2005).

science, engineering, or mathematics at Thomas Nelson Community College. Site staff reported these other types of funding sources were very valuable in expanding clients' training options.

A second factor that may affect clients' opportunities for training, or their ability to attend training in the most cost-efficient way, is clients' mobility. In the Hampton Roads area, for example, most spouses do not qualify for in-state tuition at community colleges and universities. Students need to be full-time Virginia residents for at least one year before they qualify for in-state tuition. Many spouses choose not to change their permanent residency status after they relocate to the Hampton Roads area because they are likely to be in the area for only a few years. Clients who must pay out-of-state tuition rates may face even stronger restrictions on their training choices than has been the case in the past as a result of Hampton Roads' newly instituted lower ITA cap.

C. SUPPORT SERVICES

Most of the NEG sites offer at least some type of support services to clients when their need is documented and cannot be addressed through other funding sources.¹¹ Depending on the site, the available support services may include financial assistance for child care, transportation, health care, tools and equipment that are needed for a job, fees for professional exams and licensures, uniforms and specialty clothing costs, or other emergency needs. Table III.1 summarizes sites' policies on allowable support services expenditures and restrictions.

Sites had different policies regarding support service funds that might be available to each client. For example, until 2003, San Diego did not have a cap on the amount of funds provided

¹¹Our discussions with site staff and clients about support services focused on military spouses because military spouses were the largest and most recent target group for the grants. Furthermore, staff thought that involuntarily separated military personnel were much less likely to need support services because they less frequently needed child care support. Their need for other support services was similar, or slightly lower, than the needs of military spouses. In addition, staff at one of the three small sites said that NEG military spouse clients had higher levels of need for these services than do WIA clients.

TABLE III.1

NEG SUPPORT SERVICES POLICIES

Support Services Offered	Fort Bragg	Fort Campbell	Fort Hood	Hampton Roads (Crater WIB only) ^a	Pikes Peak	San Diego
Total Allowable Expenditure	Support services expenditure is not counted towards the ITA cap. There is no separate cap for support services.	The ITA cap includes spending on support services. There are also caps on each type of support.	Support service costs are capped at \$2,500 per client.	The ITA cap includes spending on support services.	The ITA cap includes spending on support services.	Support services other than childcare capped at \$200 per month. Childcare capped at \$400 per month per child (\$200 per month for before- and \$200 for after-school care).
Allowable Childcare Expenditure	No cap (Case managers are responsible to ensure that expenditures are “reasonable.”)	Capped at \$33 per day.	Clients are referred to child care services that are part of the integrated workforce services for child care provision.	Lowest of three rate quotations from licensed childcare providers in the local area.	No cap Reimbursements are made at a rate that is considered reasonable and customary in the geographical area.	Capped at \$400 per month per child under age 13 (\$200 per month per child for before- and \$200 for after-school care, \$260 for summer care).
Childcare Support Access Period	Up to 1 month after a client completes training	Up to 3 months after a client completes training	Up to 90 days after a client finds employment	Up to 12 months after a client exits from the program	Available only during a client’s program participation	Available only during a client’s program participation
Transportation	A maximum of 50 miles round trip travel or monthly bus pass	A maximum of \$9.50 per day (for distances greater than 60 miles round trip)	No cap for mileage reimbursement and bus tokens	A maximum of 80 miles round trip travel at the rate of \$0.325 per mile or monthly bus pass; bus tokens not to exceed \$1,000 per program year	A maximum of 50 miles per round trip or a monthly bus pass	Bus pass available up to \$58 per month
Other Allowable Support Services Expenditures	Medical clothing, relocation assistance, and other needs “of an emergency nature”	Medical (up to \$250), automobile repair (\$800), specialty equipment (\$1,500), professional exams (\$500), and clothing (\$250)	On-campus housing and meals (per diem), and relocation assistance of up to \$1,000	Medical (up to \$1,000); automobile repair (no cap); clothing (\$500); emergency expenditure including utility bills, food, or rent (\$1,500)	Emergency assistance including housing, temporary shelter, one-time utility payments, costs of obtaining driver’s license, uniforms and supplies for work, background checks, physicals, and immunizations	Medical, auto repair, mileage, housing and utility bills, clothing, food, and other emergency expenditures including car and mortgage emergency payments; a total spending of \$200 per month, as well as individual caps on some of the services

Source: NEG grantees’ support services policies.

^aThe Hampton Roads NEG includes three WIBs. Two of the three WIBs do not provide support services; the Crater WIB does.

WIB = workforce investment board.

to a client for support services; starting in 2003, the site implemented a monthly cap per client that allows up \$200 a month for support services other than childcare and that has limits on per-child costs of different types of care for children under the age of 13. At Fort Hood, the total amount for support services that each client receives cannot exceed \$2,500. In contrast, Fort Campbell counts support service expenditures towards the ITA cap per client.

In Hampton Roads, individual WIBs determine the supportive services policy for the NEG program. Only one of the three WIBs at Hampton Roads (the Crater WIB) offers any support services to its clients. Like Fort Campbell, the Crater WIB (the smallest of the three Hampton Roads WIBs) counts the cost of support services towards the client's ITA cap. The WIB has caps for each type of support service received, except in the case of child care services. The WIB requires clients who request child care support to obtain at least three rate quotations from licensed child care providers in the area; clients are reimbursed at the lowest quoted rate. The two larger WIBs at Hampton Roads do not provide support services, since administering those services is thought to be too burdensome.

1. Child Care

Child care support services were described, by both NEG staff and focus group participants, as critical for the military spouse clients' participation and success in training. A large portion of military spouses have one or more young children, and clients may not have been able to attend training or to participate in other NEG activities if financial assistance for child care were unavailable from the NEG or another source such as one dedicated to the provision of these services. Military families often live far away from their extended family and friends, so they cannot rely on informal arrangements with these traditional sources of support. Their need for child care, especially when they have more than one child, imposes a constraint both on clients' participation in education and training and in their interest in working after completing training.

Sites differ in how much child care support clients could receive, if any, and under which conditions they could receive it. Sites that provided child care support typically stated that they do not intend to pay all child care costs; their objective is to reduce the burden on the client by paying a portion of the charges. In some instances, however, the child care assistance can equal the cost of training. Fort Campbell's policy is to cap child care reimbursement at \$33 per day (which equals \$660 per month if child care is used for 20 days per month). However, if the cost of child care chosen by the client is below the cap, the program reimburses the client for 100 percent of the cost for the first child. The reimbursement drops to 80 percent for the second child, 60 percent for the third, and 40 percent for the fourth child. For children under 13 years of age, San Diego provides \$400 per month per child, \$200 per month per child for before- and after-school care, and \$260 per month per child for summer care. San Diego does not have a total maximum cap per month on child care. Local staff in San Diego speculated that actual child care costs in the area are much higher than the reimbursement levels.

To support clients during their transitional time to work, some sites made child care available for a period of time after the completion of training. For example, when necessary for clients' employment success, a Fort Campbell case manager had discretion to provide child care assistance to clients for up to three months after they completed training; the site's strategy was to taper off support once a client's income stabilized. Fort Hood clients can receive support services for up to 90 days after they find employment. The Crater WIB at Hampton Roads provided assistance for up to 12 months after an exit from the program.¹² Fort Bragg's policy was to provide child care assistance for a much shorter period of time, up to one month after

¹²When clients exit from the program also varies across sites. In Fort Hood, for example, staff exit clients from the program after clients meet the goals specified in the IEP. Other reasons for exits include a client's leaving the area or deciding that he or she no longer wants to obtain a job. Chapter V shows that sites' exit practices lead to widely varying rates of exit from the programs.

clients completed training. However, Fort Bragg's staff recommended extending this time limit, since clients with child care needs often had difficulty establishing adequate child care arrangements quickly upon obtaining a job. This recommendation is consistent with concerns expressed by San Diego focus group participants. Some focus group clients expressed frustration about their loss of child care assistance after they finished training since they thought they needed, but could not obtain, child care during subsequent job search efforts.¹³

Both staff and clients expressed the view that, when child care is necessary, a job must pay enough for a client to be able to afford child care after the NEG subsidization is over; the jobs that are available to clients who lack strong job skills are not likely to do so. For example, a client who makes \$15 per hour at a full-time job will earn \$31,200 per year. However, if he or she needs to pay \$600 per month for child care, then the effective pre-tax earnings reduce to \$11.54 per hour, or \$24,000 per year. Taking into account the costs of transportation to and from work, other work expenses such as clothing or supplies, and income taxes would reduce a client's net earnings even further.

Even when child care funds are available to allow clients to attend service and training activities, both staff and clients at the three large sites reported that clients have difficulty finding good child care providers. The shortage of good child care programs is particularly acute during school or training hours. Many nearby programs that might appeal to clients, such as the military, Early Head Start, or the YMCA, have waiting lists. As a result of a lack of child care providers, some clients have been unable to go to school during the workday. Several traded child care responsibilities with other spouses or went to school when their military spouse was

¹³San Diego's support services policy is that services may be provided to clients who are actively participating in approved training, job search, or employment retention services and who have not yet exited NEG or WIA services. Therefore, it seems possible that some clients could receive child care services during their job search efforts. However, as discussed later in this section, there is no entitlement to support services.

off duty. However, relying on the military personnel spouse for child care could be problematic because of the possibility of deployment.

2. Transportation and Other Support Services

Transportation assistance to cover part of the cost of commuting to training and other services also has been offered at some sites to help clients who need it. As with child care assistance, sites' policies typically are intended not to reimburse the client for all costs incurred for transportation but to reduce clients' overall burden for participating in services. In the case of Fort Campbell, the payments are made to the client directly based on the number of days the client attends services. The daily mileage allowance is capped at \$9.50 per day (\$190 per month for 20 days in the month) for distances greater than 60 miles. One staff person felt that the transportation assistance was too low to cover the cost of a client's commute to Nashville, the closest area with a large number of training and employment opportunities; however, local staff try to help clients identify partners for carpooling so clients can reduce their commuting expenses. Other sites also cap the amount of reimbursement provided to clients, to be commensurate with a certain maximum round-trip daily commuting distance (such as 50 miles per day, in the case of Fort Bragg, or 80 miles for Crater) or with the cost of a bus pass.

When sites provided child care and transportation assistance, they also were likely to provide other support services. Common examples include funds for auto repair, tools, medical care, professional exams or licensing fees, and clothing. These types of support services tend to be less expensive than child care and transportation assistance since they are usually not required by clients on an ongoing basis.

In some instances, clients reported that they would have tried to use these types of support services more extensively if they had known that they were available. For example, a client might have found out about the availability of assistance for car repairs only after she or he paid

for repairs out of her or his own funds. Some clients complained that they were not reimbursed for expenditures they incurred prior to knowing that funds could have been available. It is likely that clients' frustrations arose because sites' support services policies typically do not allow clients to seek reimbursement after a non-emergency expense is incurred: most policies indicate that support services are only available to clients when funds from other sources are unavailable and, except for emergency situations, when the support services are included in the IEP. Furthermore, staff at the sites consistently reported that support services were provided to clients only when a client demonstrated need for the assistance; in fact, information on support services is shared with a client only after the staff determine that he or she has a specific barrier that will hinder participation in employment-related activities. Thus, sites stressed that support services are not entitlements.

D. SERVICES TO CLIENTS WHO RELOCATE OUT OF THE NEG COMMUNITIES

Compared to typical WIA clients who have no military affiliation, both involuntarily separated military personnel and spouses of military personnel have very high rates of mobility. In the grant proposals, sites explained that involuntarily separated military personnel clients could live for up to six months on the base after they received notice that they would be discharged, during which time they could avail themselves of occupational training to prepare for working in the civilian labor market. However, staff recognized that clients would have high rates of relocation after discharge: for example, Hampton Roads and San Diego estimated that at least 80 percent of involuntarily separated military personnel leave the area. Staff explained that many involuntarily separated military personnel return to their home communities where family and friends are located. Furthermore, Hampton Roads and San Diego cited the high cost of

living in their local areas, compared to the earning potential of involuntarily separated military personnel with low skill levels, as another reason why these clients do not remain in the area.¹⁴

Spouses of military personnel, likewise, are a very mobile group. Many move into the NEG area as a result of the permanent change of station (PCS) of their military employee spouses, and they are likely to leave the area within a few years as a result of another PCS.¹⁵ Spouses also often return to their family homes when their military employee spouses are deployed.

The high rate of relocation by spouses plays a strong role in their ability to develop skills and workforce experiences as well as in the types of needs that they have and their goals after they enroll in the program. For example, some spouses had state certifications that were not transferable across state lines, so they came to the NEG site to request help to obtain new state certificates. Fort Hood staff reported that clients who moved from areas with a high cost of living were unused to the lower wage rates in the area; the site staff tried to encourage the clients to recognize that a job that appeared to have a low wage rate was equivalent to a higher-paying job in their former area because of the low cost of living near the Fort Hood site. Furthermore, sites frequently reported that it was challenging for military spouse clients to get hired in a new area because local employers, who know that military spouses are in the area for a short period

¹⁴Fort Campbell staff estimated that only about 35 to 40 percent of involuntarily separated military personnel who participate in NEG-funded training relocated out of the area. The gap between this estimate and the projections of relocation rates of involuntarily separated military personnel from the Hampton Roads and San Diego areas may arise in part because Fort Campbell has a lower cost of living and in part because its training facilitates retention of clients in the area.

¹⁵According to testimony by John Molino, the deputy undersecretary of defense for military community and family policy, spouses of active duty military personnel move an average of about once every 25 months (Molino 2004). As discussed in Chapter II, some sites restrict eligibility of spouses to those who have recently moved into the NEG area, so that the clients have sufficient time to participate in services and obtain employment in the local area before their next PCS. Fort Campbell staff estimated that less than 10 percent of spouse clients move from the area during training, even though almost all will leave the area when the military relocates the family. Case managers in San Diego, which does not screen clients based on their length of time in the area, estimated that about 30 percent of spouses in their caseloads move out of the area before completing training.

of time only, are reluctant to hire them or invest resources into helping them climb a career ladder.

The mobility of NEG clients in and out of the local areas was an important factor in how sites initially planned to serve clients. According to some of the NEG proposals, one of the key opportunities that NEG clients would have, that WIA clients do not typically have, is the ability to take advantage of nationwide placement and training services. Sites planned to have case managers continue to work with clients after the clients relocated out of the NEG community. If a client anticipated relocating, the case manager would contact the one-stop in the new area prior to the relocation to determine whether a training provider in which the client was interested is on the ETPL for the new area; if not, the NEG case manager could determine whether it was feasible to get the provider on the list so that the client could attend the training of his or her choice shortly after the relocation. San Diego also planned to make information on labor market conditions and education and training options available on both the local and national levels; furthermore, the site planned to allow involuntarily separated military personnel clients to take correspondence courses at their destination school prior to their military discharge and to ensure that relocated clients who wanted to continue utilizing the NEG resources would have internet access.

However, instead of developing opportunities or methods to enhance collaboration with training providers and other service providers outside of the area, sites typically provide minimal intensive services to clients leaving the NEG community. Almost uniformly, NEG staff reported that their involvement in assisting relocating clients was less than what had been originally envisioned. At a basic level, sites tried to provide a broad scope of labor market information through the internet.

At a more intensive level, staff reported that clients who relocate generally do not make extensive use of NEG services and that the sites did not play a large role in the efforts of many clients to receive services in their new area. For example, Hampton Roads added some providers in other states and local areas to their ETPL; all of these providers were already approved on their own state's ETPL, so the site could simply draft training agreements that used the same criteria that was used by the other state or local area. Some of these successes arose with involuntarily separated clients, some of whom were given almost a year's notice that they would have a PCS; these clients could begin investigating schools in their new area prior to their move. Furthermore, a very small number of clients requested financial assistance to attend out-of-area schools that were not on the local ETPL; their case managers directed them to talk to the one-stop in the new area to have the providers placed on the ETPL before approving them in the Hampton Roads area. In practice, however, case managers at Hampton Roads and other sites often simply referred relocating clients to the local one-stop in the new area for labor market information or a list of training providers.

Experiences at other sites were similar. For example, San Diego staff reported that few clients have taken advantage of NEG-funded training services in another state; staff try to stay in contact with clients or refer them to the local one-stop in the new area, but they have had trouble keeping track of clients who are not in the NEG area. Staff at both Fort Bragg and Pikes Peak indicated that they allow clients who are relocating to use NEG funds to complete a degree program online if they lack only a few credits. Pikes Peak staff noted that it was easier to provide long-distance services to clients if the clients had completed training prior to their relocation, compared to if the client was in the midst of a training program.

Clients' mobility also makes it challenging for NEG staff to obtain data on clients' post-service outcomes. Case managers follow clients for a full year after they complete training or

find jobs, even if the clients move from the area. As is the case with providing long-distance services to clients, however, tracking relocated clients can be extremely difficult. NEG case managers typically ask a client for the names of several contact people anywhere in the United States that can be used to locate the client, even if the client moves. However, some staff also admitted that following up with clients who have moved is not often a high priority compared to their other numerous responsibilities. One site mentioned having implemented techniques such as providing clients with a 1-800 telephone number and postage-paid envelopes so they could give updates to NEG staff. The site also provided case managers with cell phones and telephone cards so they could contact clients during evening hours. These techniques were useful in helping case managers to stay in contact with their clients.

Another implication of clients' mobility is that some spouses in non-NEG areas want NEG-like services. According to military partners at one site, spouses who move into other local areas often talk about the NEG program. Since spouses in non-NEG areas would like similar services and supports in their own area, military partners have expressed a desire to have NEG-like services expanded to include all military spouses across the country.

IV. PROGRAM COSTS

Given the large investment that the DOL has made in funding these military base NEG programs, a detailed cost analysis is helpful for understanding program implementation as well as for guiding policymakers and practitioners in future planning and development efforts. As stated in the study's key research questions, the analysis below examines the costs of providing NEG-funded services, the portion of funds spent on different service components, and how those costs vary across sites. Given that the characteristics of clients served through the NEGs differ from those typically served under WIA, we also qualitatively explore potential sources of cost variation between the two programs.

Across the three largest NEG sites (Fort Campbell, Hampton Roads, and San Diego), the average cost per client derived through the evaluation ranged from \$4,400 to \$8,000. ITAs and support service reimbursements represented the largest portion of overall costs and explained most of the variation across sites. These estimates were made during a steady state of NEG operations; thus they vary from sites' initial budget projections as well as their actual expenditures over the course of the grant period. Because the data collection focused on a single year of operations, the estimates do not reflect start-up activities, changes in operational structure, revisions to training and support service policies, or unexpected interruptions in service provision. Hence, the cost analysis does not include a breakdown or examination of *all* grant expenditures to date.

This chapter begins by describing the methods used to derive the evaluation's cost calculation (Section A). We then present per-client costs for the fiscal year of July 1, 2004, through June 30, 2005 (FY0405); examine differences in the cost of serving NEG clients across the three largest NEG sites; and discuss how these costs might differ from costs of serving WIA

clients (Section B). Finally, we account for additional factors that may have influenced the overall costs incurred by the NEG sites through the course of their grants (Section C).

A. METHODOLOGY FOR CALCULATING PROGRAM COSTS

The goal of this analysis was to develop an independent estimate of the overall costs of serving the typical NEG client. To accomplish this, the evaluation team developed a detailed form to capture the breakdown of costs associated with providing the full range of services to clients during FY0405. (The form is shown in Appendix A.) Grantees from the three largest sites were asked to complete the form during site visits in summer and fall of 2005. WIA administrators or one-stop managers typically completed the form.¹

The cost form was organized around WIA service categories, including core services, intensive services, training services, support services, and administrative costs. Grantee administrators were first asked to provide the salary and fringe benefit rates for all staff types that worked directly with NEG clients or as part of the administrative functions of the grant. These staff could include NEG-dedicated staff as well as one-stop and WIB staff splitting their time between the NEG and other programs. Within each service category, staff were asked for information about the types of activities conducted with NEG clients. For each activity, the form asked for the estimated average activity duration, the amount of staff time required for preparation and followup, other direct expenses associated with the activity, the number of clients who typically attended each session, and the overall percent of NEG clients who

¹In Hampton Roads, only the largest of the three participating WIBs completed the form. Based on discussions with the site, we believe these estimated costs are comparable to those incurred by the other two WIBs. One exception is that the Crater WIB—the WIB that enrolled the smallest number of NEG clients—was the only one to offer support services to its clients. To account for these expenditures, we used estimates based on discussions with local staff to derive the average cost per client for support services.

participated. Based on this information, we used different methods to calculate a cost per client for each type of WIA service.

Core Services. The average cost per client for core services was derived by taking the total annual cost of core services—including loaded staff time plus other direct costs—divided by the number of clients (both NEG and non-NEG clients) who accessed the center during the year.²

Intensive Services, Training Preparation and Follow-Up Services, and Other Direct Costs.³ We began by calculating the total cost—including loaded staff time plus other direct costs—for a single session of each activity within these categories. Dividing by the number of clients who typically attend, we derived the average cost per client who actively participated in the activity. Then we multiplied this figure by the overall participation rate among NEG clients to develop an average cost for that activity spread across all NEG clients.⁴ These estimates of the cost per client were summed across all activities to derive a total cost per client for that service category.

For example, an interviewing skills workshop was facilitated by career counselors earning an average of \$35,000 per year with 25-percent fringe benefits (equaling a loaded hourly rate of \$23.04). Each workshop lasted one hour, required 30 minutes of staff preparation and follow-up time, and included \$50 in materials and supplies. The resulting calculation estimates an average

²For cost purposes, the definition of “center” is based on the location of NEG service provision at each site. As discussed in Chapter II, NEG services were provided through the existing one-stop system in Hampton Roads and San Diego and a dedicated one-stop designed for the NEG program in Fort Campbell.

³Training preparation and follow-up services include staff time spent helping clients select an appropriate occupation and training program as well as time following clients while they were enrolled in training. Other direct costs include expenses, such as the salary of an NEG manager, that were incurred by the WIB rather than the one-stop and charged directly to the grant.

⁴When participation in specific activities was recorded for NEG clients in the sites’ MIS, we used average participation rates across all NEG clients in the cost calculations. When MIS data were not available, site staff were asked to estimate participation levels.

cost of \$81.56 [(\$23.04 * 1.5 hours) + \$50] to conduct each workshop. With typical attendance of 10 people, the average cost per participating client is \$8.16. Knowing that 80 percent of NEG clients attend this workshop at some point during their participation in the program, we derive the average cost across all NEG clients as \$6.52 ($\$8.16 * 0.8$). This estimate was summed with other intensive service costs to develop a total cost per client for intensive services.

ITAs and Support Services. Each site provided data extracts with actual expenditures on training and support services for each NEG client.⁵ Using these data, we calculated the average cost per NEG client. These calculations assume a cost of \$0 for clients who did not participate in or receive the service. Unlike other calculations, these were based on all clients included in the data extracts and were not restricted only to those served in FY0405.

Administrative Services. Administrative functions conducted under the NEGs include executive oversight, accounting, data management, and human resources. For each site, we received the total administrative expenses billed to the grant for the FY0405. To develop a cost per client, we used a three-stage process. First, based on management information systems (MIS) participation records, we estimated the number of months that each client was active in the project during the cost period and summed across all clients to determine the total number of “person-months” of client involvement. Second, dividing the total annual administrative expenditures by the total person-months derived the average cost per “participant-month.” Third, we calculated a cost per client by multiplying the cost per participant-month with the

⁵Individual level data on training costs were not available from two of the local WIBs in Hampton Roads. We therefore derived an average training cost per client based on the total annual training expenditures divided by the number of clients who attended training. Data on support service payments made by the Crater WIB in Hampton Roads were also not available, and therefore, we used local staff estimates for the average cost per client who received payments.

average duration of client involvement in the NEG as determined by the dates of enrollment and exit.⁶

Sources of Uncertainty in Per-Client Cost Estimates by Site. Given this overall approach to the estimation of costs, several factors could potentially impart uncertainty to the cost per client calculations by site. First, selecting FY0405 to represent a relatively steady state of operations had implications. As discussed in Chapter II, the population served by the NEG shifted in all three sites either just before or early in the fiscal year to include all spouses, regardless of whether they were dislocated as a result of a permanent change of station (PCS). Given that the spouses who enrolled after the eligibility shift appear to have less attachment to the labor force, the cost of serving them could vary from the cost of serving involuntary separatees and dislocated worker spouses, the main target populations in earlier years of the grant. In addition, the steady-state calculations in FY0405 do not include the start-up expenses associated with developing a new program. We discuss these issues in greater detail later in this chapter.

Second, the cost calculations were based on respondent recollections of the average resources required to provide a wide range of services. While we believe these estimates are reasonable, we acknowledge that there is a margin of error.

Third, when completing the evaluation's cost form, local administrators were asked to indicate the amount of staff time spent on specific types of activities conducted directly with NEG clients. Not all staff responsibilities, however, may have been accounted for in these forms. For example, staff are often required to attend general staff meetings to discuss their overall caseloads or difficult cases. NEG staff may also spend time assisting in the resource

⁶We based the average duration of client involvement on those clients in the cost analysis sample who had exited from the program.

room or sharing responsibilities with other programs for general center operations. Taking into account the staff time spent on these types of activities, if possible, would increase the per-client cost estimates.

Fourth, we attempted to include some cost-sharing and in-kind resources in the evaluation's cost calculations but were unable to develop a comprehensive estimate of these contributions. For example, we included an estimate for the office space rental at Fort Campbell as well as the cost of shared staff time required to conduct intensive service workshops. However, other donated resources may have been excluded, resulting in a slight understatement of the true cost per client.

Finally, ITA and support service expenditures were derived using data from the sites' management information systems. Except in the case of Fort Campbell, we were not able to validate these figures against the sites' accounting systems. As a result, there could have been over- or under-reporting of these costs based on the consistency and accuracy of data entry at the local level.

As a basis for comparison with the evaluation's cost calculations, we calculated two additional measures of the cost per client. First, we divided each site's overall NEG budget by the number of clients it expected to serve, to estimate the expected cost per client. Second, we took each site's total expenditures as reported to the DOL divided by the number of clients enrolled to develop an estimate for actual expenditures per client over the life of the grant. Qualitative information from site visits was also critical in interpreting our findings, explaining differences across the three cost estimates, and understanding the additional costs incurred by the sites outside the steady state operations of FY0405.

B. PER-CLIENT COSTS BY SITE

Based on the evaluation's cost calculations, the estimated average cost to serve NEG clients was \$4,401 in Fort Campbell, \$5,001 in Hampton Roads, and \$8,002 in San Diego (Table IV.1). These costs were driven largely by the cost of ITAs, which accounted for approximately 60 percent of costs across all sites. Support services also accounted for large portions of costs in San Diego and Fort Campbell and were influenced predominantly by local child care reimbursement policies. Finally, administrative costs as a percentage of the cost per client ranged from 9 percent in Hampton Roads to 12 percent in Fort Campbell. Below, we provide additional information about how the evaluation's cost estimates varied by category across the three sites. While there are no comprehensive research studies that provide a cost breakdown of providing services under WIA, we also draw some comparisons based on discussions with local staff about how NEG costs are expected to differ from the cost of providing services to WIA clients.

Core Services. The small amount of variation across sites in core service costs was likely driven by the structure of the one-stop system as well as the proportion of one-stop clients who were enrolled in the NEG program. In Hampton Roads and San Diego, NEG clients accessed existing core services through the one-stop system. Core services in these centers are typically a "quasi-fixed" cost that requires only a small amount of staff time per client and does not shift dramatically based on small to moderate changes in the client flow over time. This creates an "economy of scale" that likely drives down the cost per client of core services. In both sites, the NEG contributed costs proportionate to the number of NEG versus non-NEG clients who used the centers. In Hampton Roads, about 10 percent of all clients visiting the centers (or 54 percent of registered clients) were ultimately enrolled in the NEG, whereas about 20 percent of all clients in San Diego became NEG clients. By contrast, Fort Campbell provided core services

TABLE IV.1
 AVERAGE COST PER MILITARY NEG CLIENT BY SITE

	Fort Campbell		Hampton Roads		San Diego	
	Dollars (\$)	Percent of Total (%)	Dollars (\$)	Percent of Total (%)	Dollars (\$)	Percent of Total (%)
Core Services	\$62	1.4%	\$31	0.6%	\$18	0.2%
Intensive Services	\$212	4.8%	\$958	19.2%	\$566	7.1%
Training Services						
Training preparation and follow-up services	\$67	1.5%	\$231	4.6%	\$39	0.5%
Individual Training Accounts	\$2,577	58.6%	\$3,122	62.4%	\$4,963	62.0%
Supportive Services	\$757	17.2%	\$45	0.9%	\$1,087	13.6%
Other Services ^a	\$194	4.4%	\$152	3.0%	\$486	6.1%
Administration	\$531	12.1%	\$462	9.2%	\$843	10.5%
Total	\$4,401		\$5,001		\$8,002	

Source: Evaluation cost forms completed by local administrators during site visits.

Note: Estimates are based on fiscal year July 1, 2004 through June 30, 2005.

^a Other services or costs include direct program costs incurred by the local WIBs rather than the one-stops. These include staff time for NEG program managers, marketing efforts, and other related program costs.

exclusively to NEG clients in its dedicated one-stop on the Army base. The overall flow of clients through this center was smaller than other sites, resulting in a slightly higher cost per client. The NEG also paid 100 percent of these core service costs.

Intensive Services. Two factors appear to have influenced variation in intensive services costs across NEG sites. First, the Fort Campbell site was collocated in the family center on the base where several military programs provided services that a typical one-stop would offer. While all sites attempted to avoid duplication of services with their military partners, this collocation in Fort Campbell may have resulted in the NEG program providing fewer intensive services, driving down the cost per client. Second, Hampton Roads reported larger amounts of staff time spent on one-on-one career counseling and job search assistance than the other sites.

When comparing WIA and NEG clients, local staff in all three sites felt that intensive services for NEG clients were often more expensive. The NEG clients served in FY0405 included a large proportion of spouses that did not have stable careers or attachment to the labor force. Because they had other sources of family income through the salary of their military spouse, many of these individuals also did not have the same urgency to move into employment as WIA clients. This often resulted in more extended decision-making periods that could have added costs for the sites. Clients served in earlier years of the NEG, including involuntary separatees and dislocated worker spouses, may have resembled the WIA population to a larger extent, leading to more comparable costs.

Training Services. Training expenditures comprised the single largest budget line item, accounting for over 60 percent of the estimated cost per client in all three sites. These expenses also explained a large part of the variation across sites: average training costs across all NEG clients ranged from about \$2,600 in Hampton Roads to about \$5,000 in San Diego. The composition of the training choices on the state's ETPL appears to have influenced this variation

in costs. For example, local community colleges are not included in San Diego's ETPL, forcing clients who participated in training to pay higher tuition and fees at local proprietary schools.

As Table IV.2 reveals, the cost per service across all NEG clients is based on both the percentage of clients who participate in the service and the average cost per participant. The proportion of clients attending training did not differ dramatically by site: about 60 percent of clients attended training in Hampton Roads and Fort Campbell and 56 percent in San Diego.

Interestingly, differences in the ITA caps across sites also do not explain variation in training costs. The average cost for clients who actively participated in training was \$4,239 in Fort Campbell, \$5,160 in Hampton Roads, and \$8,799 in San Diego. As described in Chapter III, Fort Campbell maintained a \$10,000 cap throughout its entire grant period. However, the Southside WIB in Hampton Roads incurred costs comparable to Fort Campbell, with average expenditures of \$4,591 for its NEG training clients despite not having a cap on training expenditures. The Greater Peninsula WIB in Hampton Roads imposed a \$12,000 cap on training expenditures for up to 18 months but incurred higher costs per training client at an average of \$6,265. San Diego, on the other hand, averaged the highest cost per training client, even after revising its ITA policies in 2003.

While we do not have data on the actual costs of providing training to WIA clients within these three sites, we suspect that NEG training expenditures are higher than those for WIA for several reasons. Basic supply and demand principles could be affecting the resources available for training under these two programs as well as the proportion of clients who chose to pursue it. As discussed in Chapter III, the NEG policies on ITAs were much more generous than those offered under WIA. These differences were largely a factor of resource availability, as WIA formula funds are very limited. However, the NEG policies also appear to have resulted from the efforts of the DOL and the local WIBs to provide flexibility that would help uncover the

TABLE IV.2
COSTS OF TRAINING AND SUPPORT SERVICES BY SITE

	Fort Campbell	Hampton Roads	San Diego
Training Services			
Percent participating in training	60.8%	60.5%	56.4%
Average cost per training client ^a	\$4,239	\$5,160	\$8,799
Average cost across all NEG clients	\$2,577	\$3,122	\$4,963
Support Services			
Percent participating in support services	44.0%	3.0%	30.9%
Average cost per support service client	\$1,603	\$1,500	\$1,901
Average cost across all NEG clients	\$705	\$45	\$587

Sources: Administrative data collected from local management information systems.

Note: Support services costs in this table reflect actual payments made to clients. By comparison, support service costs recorded in Table IV.1 also include staff time dedicated to processing support service claims and following up with clients who receive payments.

^aThe average cost per training client in Hampton Roads is a weighted average that assumes two-thirds of training clients were served at Southside with average costs of \$4,591 and one-third at Greater Peninsula with average costs of \$6,265.

unexplored needs of this new population. In the end, these higher caps might have enticed NEG clients to pursue more expensive training than would otherwise have been available to them.

Several other factors could possibly result in higher NEG training costs. As mentioned earlier, all military spouses have a stable source of household income through their military spouses' salary and therefore can possibly afford to invest time in training for long-term careers. By comparison, WIA clients may have more urgency to enter the workforce quickly and either opt to find a job immediately or to attend shorter-term training. In addition, the sites appeared to have enforced less stringent criteria for NEG clients to move to training than under WIA formula funds where training resources were more limited. Finally, all three sites chose the overall strategy of focusing their NEG resources on training to avoid duplicating the employment services offered by the military. This could possibly have resulted in some implicit screening of candidates referred for NEG services; in other words, individuals that did not need training were less likely to become NEG clients.

Support Services. Support service payments comprised over 17 percent of the cost per client in Fort Campbell, 14 percent in San Diego, and only one percent in Hampton Roads.⁷ When examining support service expenditures, child care accounted for the vast majority of payments in all three sites. Costs also included payments for transportation, medical expenses, clothing, and other items necessary for clients to attend training or obtain work.

Clearly, a grantee's choice to offer support services had a direct effect on support service costs, and sites varied in whether or not they chose to make support services payments to some clients, which might limit the amount of funds available for training to those or other clients.

⁷Based on discussions with local staff, the MIS data on support service expenditures in San Diego may not be complete. Given that the MIS was not used to process payments or report directly to DOL on expenditures, MIS data was not reconciled with the local accounting system. As a result, the total support service expenditures per client within the evaluation's cost estimate are likely to underestimate actual expenditures per client in that site.

Only one of the three WIBs in Hampton Roads offered any support services. Given the small volume of NEG clients served by that WIB (Crater), these expenses did not largely affect the site's overall cost per client. Fort Campbell also appears to have provided payments to a larger proportion of clients (44 percent) than San Diego (31 percent), driving the site's overall support services costs higher.

The sites' payment policies also appear to have influenced costs. San Diego incurred the highest support services costs per client who received payments at \$1,900 compared to \$1,600 in Fort Campbell and \$1,500 in Crater. That site did not have any caps on support services until 2003, after which it implemented a cap of \$200 per month on all support service assistance except for child care. Fort Campbell had a lower cap of \$660 per month (\$33 per day assuming 20 days of service) on child care expenses, \$9.50 per day for transportation, and limits on other expenses such as medical care and auto repair. Neither site imposed an absolute cap on support service expenditures over a client's total participation in the program, although support services were limited by the total cap on the ITA for Fort Campbell ITA recipients. The Crater WIB provided full reimbursement with no annual cap for child care expenses, based on the lowest of three rates quoted by local care providers. They also offered up to \$1,000 annually for transportation assistance, \$1,000 for medical and dental care, \$500 for clothing, and \$1,500 for emergency services.

Other Direct Costs. Other costs related to the NEG program included direct expenses incurred by the local WIBs rather than one-stops. In Hampton Roads, three local WIBs were involved in the provision of services. As a result, the NEG funded a full-time project manager to coordinate grant efforts. In addition, the site billed part of a salary for a fiscal technician who worked directly on the project. In San Diego, other direct costs incurred by the WIB for FY0405 included staff time for overall grant management and oversight of the three one-stop contracts as

well as travel, computer, and telephone expenses associated with that staff time. San Diego's costs also included marketing, partial rent payments for two of the one-stop facilities, and a \$284,000 contract to upgrade a data system that tracks business-client contacts, facilitates tracking of business services, records performance measures, and provides management reports. Fort Campbell's other direct costs included the half-time salary of a project manager at Workforce Essentials as well as internet, telephone, and newspapers used to serve NEG clients.

Administration. The percentage of per-client costs associated with administrative functions ranged from 9 to 12 percent across all three sites. All sites allocated a portion of their overall administrative pool to the NEG based on the percentage of all local clients who were enrolled in the NEG program. As a result of this allocation method, local administrative staff did not keep precise records on how their time was split across different funding sources. However, based on descriptions of local staff, about 80 percent of administrative costs in all sites were attributed to grant management and accounting functions. Additional costs included developing partnerships with local military leaders, conducting human resource functions, and managing data.

C. OTHER FACTORS INFLUENCING COSTS INCURRED BY NEG SITES

The cost calculations derived for the evaluation were based on steady-state operations in FY0405. Many changes have occurred over the life of the NEG project that could have resulted in cost variations from prior years of the grant. As a basis for comparison, Table IV.3 presents three different cost-per-client calculations. The first estimate is based on the cost analysis described and utilized above. The second estimate divides the overall grant budgets submitted by the NEG sites to DOL by the total number of clients each site expected to serve with those funds. The third estimate takes the total site expenditures reported to DOL from the start of the current grant period—through June 30, 2005, in Fort Campbell; June 30, 2005, in Hampton Roads; and November 30, 2005, in San Diego—divided by the number of clients enrolled to that

TABLE IV.3
COMPARISONS OF DIFFERENT METHODS FOR CALCULATING
AVERAGE COST PER PARTICIPANT

	Fort Campbell	Hampton Roads	San Diego
Average Cost Per Participant Based on Evaluation Data ^a	\$4,401	\$5,001	\$7,874
Average Cost Per Participant Based on Site Budgets	\$5,384	\$7,142	\$15,623
Time frame for budget	4/30/03 – 6/30/06	7/01/01 – 12/30/05	7/1/01 – 6/30/07
Total site budget	\$3,849,633	\$20,000,000	\$41,479,836
Projected number of clients to be served	715	2,800	2,655
Average Cost Per Participant Based on Quarterly Financial Reports ^b	\$3,980	\$7,870	\$14,548
Time frame for expenditures	4/30/03 – 6/30/05	7/01/01 – 6/30/05	7/01/01 – 11/30/05
Total expenditures	\$2,742,528	\$15,708,189	\$38,623,736
Number of clients enrolled	689	1,996	2,655

Sources: Data sources include evaluation cost forms completed by site staff during site visits, administrative data collected from local management information systems, grant budget documents, and expenditure reports submitted to DOL.

Note: Differences between the three estimates of costs per participant arise because of different assumptions underlying each calculation. The text explains in detail some of the potentially numerous reasons why per-participant costs calculated through the evaluation data are lower than the per-participant costs calculated through the site budgets and site quarterly financial reports. Importantly, the evaluation data are based on a one-year period during which sites' operations were relatively stable compared to the earlier portion of the grant period. Start-up expenses, such as the development of a service strategy and service procedures, the recruitment of staff, and the remodeling of facilities, generally were incurred prior to the one-year period to which evaluation data pertained. Furthermore, many expenditures that were necessary as a result of the change in the target group from involuntarily separated military personnel to military spouses occurred prior to the period to which evaluation data pertained. However, these types of expenses are included in the other calculations of per-participant costs. See the text for additional details on both the expenses that are not included in the evaluation data and the reasons that the three cost estimates differ.

^aEstimates are based on fiscal year July 1, 2004, through June 30, 2005.

^bThis average cost per participant based on quarterly financial reports is likely a low estimate of total expenditures per client. Not all clients enrolled at the time of the expenditure report had been fully served and exited from the program. As a result, additional expenses for a portion of these clients were likely incurred in the subsequent year.

point in time. Note that this third calculation may be a slight underestimate of the total cost per client, as not all enrolled clients had completed services by the end of the expenditure period. As a result, the sites may have continued to incur costs in future expenditure periods for some clients in this sample.

Evaluation cost estimates for FY0405 appear to be about 50 to 55 percent lower in San Diego and 30 to 35 percent lower in Hampton Roads than cost calculations based on site budgets and expenditures. The three estimates for Fort Campbell appear to be more closely aligned. The Fort Campbell site had several additional years of operational experience prior to the cost period to fine-tune their procedures and appeared to have stable policies and operations in FY0405. In addition, the budget and expenditure periods reflected in Table IV.3 only reflect its most recent grant award beginning in 2001 and do not include expenditures from the first five years of site operations. Expenses incurred in the early years of the project, changes in operations and policy, and interruptions in service provision could possibly account for these differences.

Start-Up Expenses. The evaluation's cost estimate does not include initial expenses incurred at the start of the project. As a result, the evaluation's cost per client estimates based on FY0405 are lower than estimates based on sites' overall budgets and actual expenditures. In general, costs are often weighted more heavily toward the start-up phases of new projects rather than during steady-state operations. In organizing a new program, sites needed to develop their service strategy and procedures, establish facilities, and hire staff. Before enrolling clients, local staff also had to make the community aware of the project, conduct outreach and recruitment, and develop linkages with the military.

During site visits, local staff members described some of the start-up expenses they incurred on their NEG's. In Fort Campbell, the initial facilities development at the Army base cost approximately \$80,000. These expenditures, however, are not reflected in the budget and

expenditures in Table IV.3 since the Fort Campbell grant began in 1996. San Diego and Hampton Roads, however, had start-up expenses that were included in the cost per client calculations recorded in the table. As discussed in Chapter II, San Diego spent over \$1.7 million refurbishing space at the Miramar naval base and Camp Pendleton before renovations were halted by DOL in spring 2002.⁸ The site also spent a significant amount of funds updating its case management system to capture information unique to NEG clients. In Hampton Roads, the Greater Peninsula WIB spent a small amount of funds to refurbish space on the military bases before DOL stopped renovations. (The space is still being used by the WIB to provide services.) The subsequent decision to open a separate one-stop center near Naval Station Norfolk dedicated to serving military NEG clients resulted in significant expenditures. Due to these developments, the site was not able to enroll any NEG clients during the first six months of the grant.

Changes in Operational Structure. Both San Diego and Hampton Roads changed their overall strategy for serving NEG clients after several years of grant operations, potentially resulting in slightly lower costs per client during the steady state than overall. In FY0405, the San Diego WIB contracted with its three one-stop operators to serve NEG clients. However, in prior years, the WIB hired and oversaw NEG staff directly. Local administrators believe the new structure created more efficiencies in service provision but could have added some administrative costs when the WIB began oversight of the three NEG subcontracts. In spring 2004, the Southside location in Hampton Roads also changed its operational structure by closing the dedicated NEG one-stop. Instead, NEG staff were integrated into the existing one-stops and spent a portion of their time on the military bases. The two other WIBs in Hampton Roads adopted this integrated approach from the start of the grant.

⁸With a few exceptions, regulations for WIA Title I funds must not be spent on construction or purchase of facilities or buildings (20 CFR 667.260).

Changes in the ITA Policy. In San Diego, revisions to the training policy likely reduced the cost per client from higher levels in earlier years. San Diego's placing an ITA cap in 2003 appears to have decreased its training costs by about \$1,000 per client. Fort Campbell and Hampton Roads, on the other hand, maintained steady caps on their training policies through the cost analysis period.

Changes in Eligibility and Interruptions in Service. Several local administrators reported during site visits that changes in eligibility as well as interruptions in service due to funding availability added administrative expenses in earlier years of the project. Additional outreach and recruitment efforts were needed to make the community aware of the reinstatement of the program and the changes in eligibility. These changes also caused some additional expenses for both grant administration and NEG staffing. To account for these shifts, San Diego and Hampton Roads chose to use dedicated marketing staff or marketing contractors for several years until enrollment became steady. All three sites also reported necessary shifts in hiring when the focus changed from involuntary separatees to spouses. However, due to its location on the military base, Fort Campbell found that inexpensive advertising mechanisms were effective and therefore did not experience as many difficulties due to eligibility shifts.

Some Leveraged and Donated Resources. The evaluation's cost estimate included some leveraged or in-kind resources, whereas the other calculations based on site budgets and expenditures do not. Throughout the life of the grant, the sites were able to leverage some local resources to help serve NEG clients. In all three sites, the military donated office space, conference rooms, and related expenses for collocated NEG staff. In addition, case managers often referred NEG clients for educational services and testing conducted by the military or other local agencies. All three sites also participated in some cost sharing with other programs. For example, NEG staff at Fort Campbell took turns with military center partners to facilitate interviewing skills workshops. In theory, the amount of NEG staff time dedicated to a shared

activity is roughly proportionate to the percent of participants who are NEG clients. However, these cost-sharing agreements can sometimes benefit one program more than another, depending on fluctuations in the percentage of participants who come from each program or the intensity of the needs of each program's population. In the case of the NEG program, we do not have a solid indication of whether these arrangements appear to benefit the grant or not. In the evaluation's cost per client estimate, we have chosen to include an estimate for the office space rental at Fort Campbell as well as the cost of shared staff time required to conduct intensive service workshops.

V. CHARACTERISTICS, SERVICE RECEIPT, AND OUTCOMES OF NEG CLIENTS

In this chapter we look at the characteristics of the individuals who participated in services financed through the NEGs to the three major military communities in our study. The goal of the chapter is to illustrate who the recipients were, to describe the types of services they received, and to look at outcomes they experienced. This information is helpful both for conceptualizing the nature of the individuals who participated in NEG-financed services and for assessing whether grant funds were well targeted and how well those services helped clients.

All of the data in this chapter come from individual administrative data collected from the three large NEG sites.¹ In principle these data cover all individuals who received any services under the grants during a specified time period. For San Diego we include data for all grant participants enrolled between 2001 and mid-2005, for Fort Campbell we include only clients served² during 2003-2005, and for Hampton Roads we include only clients with official enrollment dates³ during 2004 and 2005. Strictly speaking, these are not sample data but instead

¹The design of the evaluation did not include the collection of individual-level administrative data from the three medium-sized NEGs (Fort Bragg, Fort Hood, and Pikes Peak).

²Many of these clients may have had enrollment dates prior to 2003.

³Hampton Roads changed data systems during the grant period. We were unable to obtain useable data from the earlier system on clients served prior to April 2004. However, we received an extract of the new system for clients served between April 2004 and June 2005. Site staff reported that case workers were asked to enter all clients into the system and maintain up-to-date records on their progress through NEG activities. It appears that most clients were entered into the system. However, given that the system was relatively new and was not used directly for reporting to DOL, site staff believe that many data elements were not entered consistently. In the data extract we used for analysis, many of the Hampton Roads clients were shown as having official enrollment dates during 2004-2005 but services received prior to these dates. To increase our sample size, we redefined the “enrollment” date for Hampton Roads clients as being either the stated enrollment date or the date of first service, whichever came first.

represent the entire population of participants during these time periods.⁴ It is important, however, to keep in mind the varying time periods covered in each site because this can affect some of our analytic results.

Some shortcomings of the sites' data should be recognized at the outset. Most of these arise because the sites used very different approaches to data collection and retention (and some sites changed methods during the grant period). In terms of data items, the data from the San Diego site were most extensive, especially in the availability of information on clients' labor market histories; Fort Campbell kept the least extensive data, having only a few measures of demographics and labor market histories. In Hampton Roads the data were severely limited because they did not include records of most of the clients who enrolled during the early part of the grant period; furthermore, site staff believe that data items were not consistently recorded for many of the clients who had records in the file. In our discussion, we point out important gaps in the data when doing so is relevant to our exposition.

A second important shortcoming of the data is that no site collected information that would permit us to unambiguously categorize recipients into the four eligibility groupings: (1) involuntarily separated military personnel; (2) military spouses who are dislocated workers or displaced homemakers; (3) other military spouses; and (4) Reservists, National Guard members, and civilian employees of the DoD. Hence it is often necessary to group these four heterogeneous sets of recipients together for analysis and in presenting our results. This may obscure some of the more important patterns in the data about target groups. In order to clarify such matters we have tried to develop an allocation of the sample into eligibility groupings based

⁴For this reason, statistical tests on these samples are not strictly correct—any differences detected are indeed differences in the population. Occasionally, however, we will report results of statistical significance based on the notion that participants are a subsample of the population of potential clients.

on the data we had and information provided by the sites about changes in their enrollment patterns. But our analysis based on these groupings can be considered at best suggestive of broad patterns of the target groups and cannot be taken as precise measurements.

The remainder of this chapter examines characteristics of recipients (Section A), the NEG services they received (Section B), and client outcomes (Section C). Our summary and interpretations of the findings may be found in Section D. In general we find that individuals who participated in NEG-financed services were predominantly females aged 18 to 35. The vast majority had at least a high school education and a significant minority (about 40 percent) was dislocated from a prior job. Virtually all participants received basic services under the NEG's and about 60 percent received some form of training. There is some evidence that this training was effective in helping clients get jobs and obtain higher wages.

A. CHARACTERISTICS OF GRANT CLIENTS

Across the three sites, the typical NEG client was female, about 30 years old, and a high school graduate (Table V.1). The population of military spouse clients was predominantly female. Only at Fort Campbell (which started earlier and therefore had a longer time period to enroll individuals who were involuntarily separated from the military before this group's eligibility ended) were as many as one-third of the enrolled clients male. In the other two large sites more than 85 percent of clients were female (although more males may have been served before the period covered by our data, especially at Hampton Roads for which we are missing information on the earliest portion of the grant). The age distribution of NEG-served clients was broadly similar across the sites, though the Fort Campbell population was slightly younger than the populations at the other sites. Overall the mean age of served clients was about 30 years, although there were significant numbers of both younger (less than 25) and older (over 35) clients. The racial composition of the populations served varied importantly across the sites,

TABLE V.1

DEMOGRAPHIC PROFILE OF RECIPIENTS OF SERVICES UNDER NEG_s TO
MILITARY COMMUNITIES
(Percentages Unless Stated Otherwise)

Characteristic	Fort Campbell	Hampton Roads	San Diego	All Sites
Percent Female	66.4	93.4	85.7	84.4
Age (years)				
18-25	41.6	30.2	34.8	34.7
26-35	45.7	42.3	42.0	42.7
35+	12.7	27.3	23.2	22.6
Mean Age	28.1	30.5	30.1	29.8
Racial Composition				
White	61.4	38.2	38.4	42.4
African American	24.1	45.0	20.0	27.6
Hispanic	11.3	7.9	19.9	15.1
Other	3.2	8.9	21.7	14.9
Education				
Not high school graduate	0.1	1.0	3.9	2.4
High school graduate	70.9	57.4	48.2	54.6
Some college	20.7	30.5	33.8	30.7
College graduate	8.3	11.1	14.1	12.3
Have Children	49.0	NA	63.4	NA
Number in Sample	844	1,346	2,656	4,846

Source: Individual-level data on clients provided by military base NEG grantees.

Note: Data refer to differing time periods for different sites (see text).

NA = not available.

with whites being the most predominant group in Fort Campbell, African Americans being most predominant in Hampton Roads, and Hispanics and other races or ethnicities (primarily Asians) being most prevalent in San Diego.

In general the population of recipients of NEG-financed services had fairly high levels of formal schooling. More than 97 percent of the sample graduated from high school and about 43 percent had at least some college. It therefore appears that the needs of this group were primarily for occupational training rather than for basic skills instruction.

The administrative data we were provided had little information from any of the three sites on the family situations of NEG clients. Only Fort Campbell and San Diego provided information on the presence of children in clients' households. About half of Fort Campbell clients and three-fifths of San Diego clients reported having children. Consistent with the relatively younger ages in Fort Campbell, fewer of the clients there reported having children than did clients in San Diego.

All sites were able to provide at least some information on the labor market histories of their clients, though only in San Diego were these data fairly extensive (Table V.2). The data show that about three-quarters of NEG clients reported having some prior employment. The fact that this figure is much higher for San Diego (93 percent) than for the other sites suggests, however, that the lower rates of previous employment in the other sites may more likely reflect a failure to collect the data than an actual difference. Prior wage rates for those with reported employment were relatively low, averaging about \$11 per hour in all of the sites. A few clients in each site reported having relatively high wages; approximately 15 percent had wages in excess of \$15 per hour (not shown).

All of the sites provided us with data on whether a NEG client was dislocated from his or her prior job. Overall about 43 percent of all clients reported that they were dislocated, though

TABLE V.2

LABOR MARKET HISTORY FOR RECIPIENTS OF NEG-FINANCED SERVICES

Variable	Fort Campbell	Hampton Roads	San Diego	All Sites
Had Prior Recorded Employment (%)	41.0	64.6	93.2	76.1
Mean Recorded Wage (\$/hour)	\$10.90	\$11.64	\$11.34	\$11.33
Dislocated from Prior Job (%)	39.0	60.8	35.2	42.9
Employed at Enrollment (%)	NA	15.3	17.8	17.0
Total Preprogram Employment:				
< 1 year	NA	NA	13.8	NA
1-5 years			56.9	NA
5+ years			29.3	NA
Months Not Employed Prior to Enrollment:				
0 months/missing	NA	NA	36.9	NA
< 6 months	NA	NA	30.6	NA
6-12 months	NA	NA	11.0	NA
12-24 months	NA	NA	10.1	NA
24+ months	NA	NA	11.4	NA
Number in Sample	844	1,346	2,656	4,846

Source: Individual-level data on clients provided by military base NEG grantees.

NA = not available.

the proportion of workers who were dislocated was much higher in Hampton Roads than in the other sites. One possible source for this difference is that Hampton Roads began enrolling non-dislocated worker spouses about one year after the Fort Campbell and San Diego sites did, hence we would expect a larger portion of their client population to be dislocated. Furthermore, the Fort Campbell data contain a large portion of involuntarily separated military personnel who may not be treated in the data as dislocated. It is also possible, however, that the data represent some other consequence of the way in which the sites collected this type of information from clients.

Data from Hampton Roads and San Diego suggest that about 17 percent of NEG clients were employed when they entered the program. Other calculations (not shown) suggest that many of these individuals had jobs with relatively low wages or were working only part time. They presumably entered the program in the hope of bettering their circumstances.

Information on clients' histories of labor market involvement was much more extensive in San Diego than in the other sites. Because these data may shed some light on the clients' situations generally, we report a few representative measures in Table V.2. The data show that 86 percent of clients had more than one year of job experience before entering NEG-financed services. Hence, many NEG clients were relatively experienced workers. Of course, in sites with a younger client base (notably Fort Campbell), the proportion of clients who had little labor market experience may have been more significant.

Many San Diego clients did have significant gaps between their most recent employment and entry into NEG-financed services. Nearly one-third of the San Diego clients had a gap of more than six months.⁵ It seems likely that mobility associated with changing military postings

⁵This figure probably understates the true proportion with a significant gap because individuals with missing data were included in the table with a figure of zero weeks.

was largely responsible for such gaps in these individuals' employment histories. Child care responsibilities may also have played a role in creating gaps in employment.

As described in previous chapters, the NEGs to military communities served a changing set of target populations. Knowing which target group each client belonged to would significantly enhance our understanding of the nature of the NEG client base and how well NEG-financed services met their needs. Unfortunately, none of the sites could provide us with individual-level data on target group membership. Hence, we constructed hypothetical target group classifications on the basis of the specific dates at which clients entered the program and whatever other data were available (primarily data on a worker's dislocation status). Our assignments to the target groups based on this strategy are shown in Table V.3. Because of potential inaccuracies in the grouping algorithms we used, these data should be taken as being, at best, suggestive.

Only Fort Campbell had large numbers of involuntary separations in our sample.⁶ For both Hampton Roads and San Diego, we estimate that at least 85 percent of all clients were spouses. Although Hampton Roads did serve involuntarily separated personnel in the early years of its grant, data on these clients were generally not available to us. They were included in the San Diego data, however. A second major difference between Hampton Roads and San Diego is in the categorization of the spouse caseload into its "dislocated worker" and "other" components. Whereas more than 60 percent of all spouses were identified as dislocated workers in Hampton Roads, the percentage is only about 25 percent in San Diego. Again, whether this stems from the

⁶Data do not allow us to distinguish the branch of the military to which military personnel belonged. Attempts to identify this information based on the military facilities that are located at each site did not seem likely to be fruitful, given the challenges in distinguishing between the NEG target groups.

TABLE V.3
 TARGET GROUPS FOR NEG-FINANCED SERVICES
 (Percentage Estimated to be in Each Group)

Target Group	Fort Campbell	Hampton Roads	San Diego	Total Sample
Involuntary Separations	55.7	0.1	15.3	18.2
Dislocated Worker Spouses	39.0	60.7	24.7	37.1
Other Spouses	5.3	39.0	58.5	43.8
Other (Reservists, National Guard, Civilian)	0.0	0.2	1.5	0.9
Number in Sample	844	1,335	2,655	4,834

Source: Individual-level data on clients provided by military base NEG grantees.

Note: Data refer to differing time periods for different sites (see text).

different initial enrollment dates for non-dislocated worker spouses in the two sites or from some possible differences in data collection methods is difficult to determine from the available data.

In general, we believe the data shown in Table V.3 are not very precise. We simply did not have enough information to establish target group membership with a high degree of certainty. Hence, we do not use these groupings extensively in most of our subsequent analyses. However, we did perform disaggregated analyses by these target groups for many of the topics we will be considering and we describe results of these briefly when they seem to offer special insights.

B. PARTICIPATION IN NEG-FINANCED ACTIVITIES

Administrative data from the sites provided insights about the services each client received within the four principal service categories (core, intensive, training, and support). Table V.4 offers an overall summary of these data. In our site visits we found that receipt of core services was nearly universal and the data from Hampton Roads and San Diego show that. Perhaps surprisingly, however, the data from Fort Campbell suggest that fewer than 60 percent of all clients received core services. A possible explanation is that Fort Campbell did not record core services that were self-accessed by clients, whereas the other sites did. Another possibility is that core services that were used by Fort Campbell clients several years ago may not have been recorded at all in the data we have. Hence, the shortfall in core service receipt recorded for Fort Campbell in Table V.4 is probably a data anomaly and we doubt that it accurately reflects activities in that site.

Hampton Roads and San Diego also recorded very high proportions of clients as having received intensive services—mainly individual counseling. Again, the shortfall in Fort Campbell may be a reporting phenomenon. Because individual counseling usually precedes entry into training, the fact that seemingly fewer Fort Campbell clients received intensive services than

TABLE V.4

PARTICIPATION IN NEG-FINANCED ACTIVITIES
(Percent Participating in Each Activity Unless Stated Otherwise)

Activity	Fort Campbell	Hampton Roads	San Diego	All Sites
Any Core Activity	58.9	99.9	99.9	92.7
Intensive Activity	55.3	94.4	98.8	90.0
Support Service	44.0 ^a	NA	30.9	NA
Training Activity	60.1	60.5	56.4	58.2
Number in Sample	844	1,302	2,655	4,801

Source: Individual-level data on clients provided by military base NEG grantees.

Note: The Hampton Roads data on activities were in a different data file from the data on clients. Forty-four Hampton Roads clients were not included in the activities file. If one were to assume that all 44 clients received no services, then the percentages for participating in activities would be 96.6 percent for core activities; 91.3 percent for intensive activities, and 58.5 percent for training activities.

^aIt is possible that this estimate slightly underreports the percentage of Fort Campbell clients who received support services because of an ambiguity in the recording of support service participation for clients who enrolled in the program prior to July 2003.

NA = not available.

received training provides further evidence that intensive service receipt was probably under-reported there.

Roughly 60 percent of clients received ITA grants in each of the sites. Hence, receipt of an ITA is an important reason for differential levels of service receipt in the NEG population.⁷ Analysis of the determinants of receipt of training (reported in detail in Appendix B) showed that (after controlling for differences in client characteristics) individuals in Fort Campbell and Hampton Roads were somewhat more likely to obtain training than were otherwise similar workers in San Diego. With other factors held constant, women were more likely to undertake training than men. Older clients were less likely to participate in training than were younger ones. As was expected, it also appeared that workers with greater skills (as shown by higher levels of education or more significant prior employment) were less likely to undertake training than were workers with fewer skills. Among eligibility groups, both dislocated and non-dislocated worker spouses were more likely to obtain training than were individuals in other groups (involuntarily separated personnel and reservists).

Among those individuals who received NEG-financed training there were also significant variations in the size of their training grants. Unfortunately, relatively complete data on ITA amounts were only available for the San Diego site, so we will focus our discussion of training costs on that site alone. The median ITA amount in San Diego was about \$8,000. About 20 percent of grants exceeded \$10,000 and about one-fourth of those were over \$19,000 (these grants were allocated before San Diego implemented caps on grant amounts—see Chapter III). A separate analysis of the determinants of grant amounts found that among individuals receiving

⁷Our data also show that individuals in San Diego received many more specific core and intensive services than did clients in other sites. This result more likely reflects differential reporting methods than actual differences in service levels, however.

training grants in San Diego there were some modest differences in who got the larger grants. Specifically, involuntarily separated military personnel were the most likely group of clients to get large grants (over \$8,000) whereas non-dislocated worker spouses were least likely to get these larger grants. This result may in part be explained by the institution of caps on training grants relatively soon after the non-dislocated worker spouses became eligible for services. No other characteristics were significantly correlated with the receipt of large grants. Most notably, there was no correlation between clients' education levels and their likelihood of getting large grants.

Data show that almost half of Fort Campbell clients and almost one-third of San Diego clients received at least one type of support service. Frequently used support services include payments for child care and transportation assistance; other types of common support services include payments for uniforms for work, medical expenses, and other items necessary for clients to attend training or obtain work, such as tools (not shown).⁸

C. CLIENT OUTCOMES

Historically two outcome measures have been used throughout the WIA program: (1) entered employment rates and (2) entered employment wage rates.⁹ In this section we focus on these two measures for recipients of NEG-financed services. Table V.5 shows the basic data

⁸Chapter IV provides additional information on the cost of support services. The frequency of use of different types of support services does not inherently correspond with the most expensive types of support services; however, recurring expenses, such as child care and transportation, were both expensive per client and frequently used.

⁹NEGs were not subject to the same common measures reporting requirements as have been used for WIA until 2004.

TABLE V.5
OUTCOMES FOR NEG CLIENTS

Outcome Measure	Fort Campbell	Hampton Roads	San Diego	All Sites
Exit Rate (Percent)	52.4	25.6	72.0	53.6
Entered Employment (Percent of Exits)	88.5	43.6	86.8	76.4
Entered Employment (Percent of All Clients)	47.6	12.9	52.7	40.9
Mean Entered Employment Wage (\$/hour)	11.90	12.04	13.40	12.96
Entered Employment Wage > \$15/hour (Percent)	16.9	16.0	24.1	21.6
Received Certification (Percent)	NA	8.8	25.3	NA
Number in Sample	844	1,346	2,657	4,847

Source: Individual-level data on clients provided by military base NEG grantees.

NA = not available.

that were provided to us.¹⁰ Because entered employment rates have usually been calculated only for individuals exiting WIA services, we also show exit rates for individuals in each of our three sites.¹¹ These rates varied widely—in San Diego more than 70 percent of NEG clients had exited the program by the time our data were collected whereas in Hampton Roads the data show that only about 26 percent had done so. Administrators in Hampton Roads believe that these outcome data are incomplete, primarily because their data system was in its infancy and still being debugged at the time they provided the extract to us.¹² Because we wished to include data from Hampton Roads in our analysis, however, we generally analyzed all the information we had.

Focusing only on clients who were determined to have exited from the program yields relatively high (above 85 percent) entered employment rates in both Fort Campbell and San Diego.¹³ Even taking account of the low reported exit rate in the Hampton Roads data provided to us, the entered employment rate among exiters was significantly lower than in the other sites.

Some analysts of the WIA program have argued that reporting entered employment rates only on the basis of program exits may serve to inflate these numbers because administrators can, to some extent, control the statistic by the way that staff record program exits. Indeed, some

¹⁰Table V.5 also shows rates at which NEG participants obtained certification for such occupations as teaching, nursing, or social work in Hampton Roads and San Diego. We did not analyze this outcome specifically, however.

¹¹The labor markets in our three sites were roughly similar over the period covered by our data. All had experienced a large increase in unemployment rates between 2001 and 2002 with rates falling after that. In 2004 unemployment rates were 5.3 percent in the Clarksville Metropolitan Area (Fort Campbell), 4.1 percent in Hampton Roads, and 4.7 percent in San Diego.

¹²More recent data for the end of May 2006 have been reported by Hampton Road grantee staff to DOL. These data indicate that the number of clients enrolled was 2,038 and the exit rate was 62 percent. The entered employment rate among exiters was reported as 58 percent. The entered employment rate among all participants was reported as 36 percent.

¹³WIA procedures indicate that clients should be exited from the program after they have not received services for 90 days.

staff told us that, due to performance pressures, some sites attempted to delay exiting some clients who were no longer interested in services or who chose not to seek employment. (They accomplished this by offering periodic counseling or job search assistance by telephone or email to maintain active engagement with these clients.) As a result, overall exit rates among the full NEG population are relatively low. For this reason we have also calculated entered employment rates on the basis of the entire NEG population in each site. By this measure, entered employment rates varied even more widely across the sites, from a high of 53 percent in San Diego to a low (and probably inaccurate) rate of 13 percent in the data we had from Hampton Roads. The apparently rather high entered employment rate for Fort Campbell was reduced substantially (to 48 percent) once its relatively low program exit rate was taken into account.

Entered employment wage rates were relatively high in all of the sites, averaging nearly 15 percent higher than the mean wage from prior employment reported in Table V.2. Of course, this higher wage in large part reflects compositional effects—NEG clients who had higher wages prior to participating in the program were more likely to find subsequent employment than were those with lower wages. Still, a detailed look at changes in hourly wages for individual clients showed that about two-thirds of them experienced wage increases over the period (not shown). The median wage increase was about \$1.50 per hour. In many cases, of course, we did not have data on clients' prior wages either because they had no prior employment or because their prior wages were not recorded. Hence the increases found here may not be representative of the experiences of all clients.

In order to understand better the determinants of successful outcomes for NEG clients we used a variety of regression-based techniques to explain entered employment rates and subsequent wage patterns. Details of these regressions are provided in Appendix B.1. Here we

briefly highlight some of the key findings. With regard to the probability of entering employment, we found the following results:

- Controlling for factors related to clients' demographic characteristics and the time period during which clients enrolled, clients who exited from the program in Fort Campbell were significantly more likely to enter employment and those who exited in Hampton Roads were significantly less likely to enter employment than were clients from San Diego.
- Most demographic variables, such as gender, age, or education, had little effect on the likelihood of entering employment for those who exited the program. The timing of clients' entry into NEG-financed services also had very little effect on clients' outcomes.
- Among all NEG clients, the probability of entering employment was highest in San Diego, followed by Fort Campbell and Hampton Roads, even after controlling for possible differences in the composition of the client caseload in the sites.
- Among all NEG clients, non-dislocated worker spouses were the least likely eligibility group to enter employment. (This result was also true among only those participants who had exited from the program.)

For those who entered employment, regressions performed on the wages they earned showed the following:

- Greater levels of education and higher pre-program wages were significantly associated with higher post-program wages. Older workers also tended to earn higher post-program wages.
- Holding other factors constant, women had significantly lower post-program wages than did men. For non-dislocated worker spouses this wage shortfall was even larger.
- Post-program wage rates tended to be significantly lower in Fort Campbell than in the other two sites, perhaps because the cost of living is lower in this site.

Although the varying implementations of the NEGs to military communities did not allow for a precise experimental evaluation of the effectiveness of NEG-financed services, we did attempt to estimate outcome differences among NEG clients on the basis of whether or not they received training. We recognized at the outset, of course, that such results should be viewed

with caution because the group of NEG clients entering training is a selected sub-sample of all NEG participants.¹⁴ At a minimum this required that special statistical procedures be used to estimate the impact of training.

We employed two such special statistical procedures. The first attempted to model the training decision and the entered employment outcome together, using the so-called “Heckman” treatment effect estimator (see, for example, Greene 2003). These results are not reported here.¹⁵ Our second approach to evaluating training results used a matching procedure to match each NEG participant who received training to a similar composite comparison case that did not. This process (the details of which are described in Appendix B) suggested that participation in training increased entered employment rates among all participants by a statistically significant 7.7 percentage points. For exiters the increase was even larger—over 15 percentage points. The matching estimators also found that hourly wage rates were about \$1.21 per hour higher for NEG participants who had training than for participants who did not. Hence, there was some evidence that training was relatively beneficial for those NEG participants who received it, though we must again offer a caution against using these kinds of non-experimental estimators to infer causal relationships.

¹⁴Ideally, one might want to estimate the benefits of training through an experimental design in which comparisons are made between clients who were randomly assigned either to a group that could participate in training or to a group that was not allowed to do so. That approach was not feasible for this study. Other types of approaches for estimating the effects of training, such as comparing NEG clients who may be more likely to participate in training to WIA clients who may be less likely to do so, suffer from limitations because the backgrounds and future job prospects of the two groups differ in ways that would be difficult to take into account in an analysis. For example, we suspect that NEG clients are much more likely to relocate from the NEG area, possibly even to an overseas military location, so the future earnings patterns of the two groups are likely to be different even in the absence of training services.

¹⁵These procedures yielded very unstable estimates of the effect of training, in part because we had no good “instrumental variable” which predicted receipt of training, but which did not predict employment outcomes.

The analysis of the impact of training was carried a bit further in San Diego, a site for which we had relatively comprehensive data on ITA amounts. In that analysis we focused only on individuals who undertook training and asked whether those who had ITA amounts greater than \$8,000 had more favorable outcomes than did those with smaller grants. Results of this analysis (which appear in Appendix B) failed to find any significant improvement in outcomes for those with higher grant amounts. Again, however, these results must be treated with caution both because they are not derived from a formal experimental methodology and because we could not control adequately for the time spent in training by clients with different grant amounts.

D. SUMMARY AND INTERPRETATIONS

We used MIS data extracted by Fort Campbell, Hampton Roads, and San Diego for our analysis of the characteristics, service receipt, and outcomes of military base NEG clients. However, those extracts suffered from important gaps that limited our ability to have confidence in some of the estimates. Some of the major data problems we encountered were:

- We did not have any data that indicated to which target group a client pertained; no site collected information that would allow us to unambiguously categorize clients into target groups. Although we constructed hypothetical target group classifications based on data that were available to us, this approach led to considerable uncertainty about the accuracy of the classifications for some clients.
- The data files provided to us contained considerable amounts of missing and inaccurate data. This problem was most severe for the Hampton Roads data but existed, to some extent, with the other sites' data as well. The Hampton Roads extract did not generally contain information on clients who enrolled in the early years of the program. Furthermore, the program manager told us that front-line staff were not diligent in recording information (especially outcomes) into the MIS from which the data extract was made.
- Much of the data we received on service receipt were incomplete. That was especially the case for data on support services received by individual clients.

Despite these shortcomings, the administrative data did provide us with a general picture of clients served under the military base NEGAs. As expected, we found that the NEGAs provided services primarily to military spouses, at least during the period covered by our data. As might have been expected, this recipient group was predominantly female and relatively young. On average recipients had relatively high amounts of formal schooling—the vast majority were high school graduates and a significant minority had at least some college. A fairly large number of these individuals reported having been displaced from a previous job, possibly because of relocations demanded by their spouses' military postings. But many spouses were not dislocated workers and, although data on their work histories are rather incomplete, it appears that many had only sporadic prior employment. Overall, then, the service needs of this group were rather heterogeneous, ranging from needing limited help with finding a job through needing comprehensive occupational training.

Overall, about 40 percent of the individuals in our sample were recorded as having entered employment. These entered employment rates varied considerably across sites: at 13 percent for Hampton Roads, 48 percent for Fort Campbell, and 53 percent for San Diego. Each site's entered employment rate was much higher if calculated on the basis of program "exiters" only: the rates were over 85 percent in Fort Campbell and San Diego, but only about half this (44 percent) at Hampton Roads. In our detailed analysis of entered employment rates we generally tried to control for the date at which an individual enrolled for services under the NEGAs so that the results would not be biased by the experiences of clients who received services relatively recently. But we did not focus exclusively only on those who formally exited from the program, in part because recording of exits was in some cases rather haphazard and because some staff told us that they intentionally delayed exiting clients with negative outcomes. Of course, looking at entered employment rates among all clients may significantly understate ultimate program

performance, so this summary measure must be used cautiously. (WIA performance measures focus only on clients exiting the program.) In general our results show that, relative to other target groups eligible for benefits under the NEG, non-dislocated worker spouses had significantly lower entered employment rates when measured both among exiters only and among all clients. These clients also earned slightly lower wages on the jobs they got than did other target group members. Such results should be interpreted cautiously, however, both because of problems in accurately identifying target group membership and because non-dislocated worker spouses generally entered the programs at later dates than did other client groups.

Whether or not an individual received training was the most important factor in determining differences in the levels of services received by NEG clients. Overall about 60 percent of clients received some form of training. Although women and younger individuals were more likely to obtain training, there was little difference in the likelihood of receipt of training between dislocated worker spouses and other spouses. Of course, it is likely that these two target groups may have received different types of training (and our qualitative data suggested that was the case), but the data we had did not permit a detailed categorization of the specific training programs entered. Data from San Diego did suggest that within the group of spouses who received training there were large differences in overall costs. In general it seems that the most expensive training was undertaken by clients involuntarily separated from the military and the least expensive by non-dislocated worker spouses, but these apparent differences in the likelihood of getting larger ITAs were not statistically significant.

Although our examination of recipients of NEG-financed services was not designed to assess the effectiveness of the training received, we did use a variety of methods to explore whether this training appeared to pay off. The results from our attempts to use formal matching

procedures to compare training participants to non-participants were the most consistent. These showed that training recipients were more likely to enter employment than were similar non-recipients and that those with training did tend to earn higher wages. Our examination of the San Diego data, however, did not show increased effects for larger training grants. Hence, caps on training amounts, as were instituted by San Diego (described in more detail in Chapter III), may be warranted as a way of making the available funds go further, so that more clients who qualify for training and for whom staff think training is appropriate can participate in it. Of course, the groups of clients that participate in training or that participate in especially expensive training are not necessarily similar to those who do not participate in training, so the results from the type of non-experimental estimation that we used should be interpreted cautiously.

VI. LESSONS FROM THE NEGS FOR PROVIDING WORKFORCE SERVICES TO MILITARY COMMUNITIES

In this chapter, we tie together key findings from earlier chapters to describe three types of lessons from our evaluation. First, in Section A, we discuss how our findings help to illustrate the problems of providing workforce services to military communities, which have distinctive features compared to civilian ones. These distinctive features, such as the military's ability to restrict client access, tight-knit communities, and mobile populations, affected how the NEG grantees could collaborate with the military and serve military personnel and spouses.

Second, in Section B, we discuss lessons specifically about operational issues and the structuring of the military base NEGs. We explain how combining broad eligibility criteria with screening procedures to ensure that military spouses want to work appears to be a successful approach for using grant resources efficiently. We also describe how integrating NEG services with WIA services is an effective and efficient way to provide services and how training and support services were large components of the services provided to military spouses. We then describe lessons arising from inefficiencies that arose with these grants. Finally, we explain why some of the successes of the Fort Campbell military base NEG experience may not easily be duplicated in other locations.

Section C is devoted to lessons related to designing and conducting analyses for future evaluations of emergency grants. These lessons include the need to ensure that there is a strong link between the goals for the NEGs and the evaluation design and the need to strengthen data collection expectations at the beginning of the grant. This latter need is especially important for avoiding limitations that we encountered due to the poor quality of the management information systems (MIS) data that we used for analysis.

A. LESSONS AFFECTING SERVICES TO MILITARY COMMUNITIES

The distinctive focus of the NEGs on military communities led to two important lessons about the provision of workforce investment services to these communities: (1) coordination with military partners poses special challenges and opportunities for grantees and (2) services to military communities must take into account the mobility issues that pervade the clients' lives.

1. Coordinating with Partners and Operating in a Military Community Poses Special Challenges and Opportunities for Grantees

Workforce development agencies, such as workforce investment boards (WIBs) or one-stops, that want to successfully collaborate with other agencies must be flexible and sensitive to the distinct priorities, constraints, and strengths that the other organizations bring to the table. These grantees' experiences show that this is especially the case when collaboration is with the military. The grantees needed to be attuned to several unique issues that arose with having the military as a key partner. These issues include the need to recognize that (1) military policies, and changes to them, will trump the priorities and concerns of workforce development agencies; (2) military communities are likely to have services similar to WIA core and intensive services, so a synergy can be developed between DOL-funded services and other services in the community; and (3) the tight-knit nature of military communities means that service providers need to have consistent policies for similar clients, even if the services for those clients are funded through different mechanisms.

One unique aspect of partnering with the military is that the military regulates access to potential clients. In one way, the sites' dependence on the military's policies and procedures is not qualitatively different from what occurs with civilian-sector employers, since civilian-sector employers control whether, and how many, workers are laid off. However, the sheer size of the military presence in military communities heightens the sites' dependence on the military's

employment policies. Having the military as an employer can, in many cases, affect a worker 24 hours per day, 7 days per week. The military determines workers' schedules, including whether or not they will keep a routine schedule while on base; whether and when a worker will be deployed; and how much advance notice is given to personnel who will be separated from employment. And, the military also frequently relocates its employees and their families through permanent changes of station (PCSs). Thus, much more so than many other organizations or employers with which a workforce development agency may collaborate, the military controls the ability of potential clients to enroll in NEG services and to continue receiving services. This is especially the case if NEG grantees want to provide services on military bases, since access to military bases is restricted.

Sites that had been serving involuntarily separated military personnel found that their flow of clients into the program stopped after the September 11, 2001, hijackings and the start of the wars in Afghanistan and Iraq. As a result, the large sites (Fort Campbell, Hampton Roads, and San Diego) had to identify, in conjunction with DOL, other clients for their very large grants. The solution arose in recognition of the Department of Defense's (DoD's) revised goal—not to release military personnel from service but to retain them. Providing NEG services to the spouses of the military personnel was expected to help DoD to achieve this goal.

Military policies and procedures also affect other aspects of collaborative efforts. We frequently heard of the importance of employing NEG staff who could “talk the military language” and understand the “military mentality.” These skills include understanding military protocols, requirements, and constraints, as well as the ability to understand and interpret military policies and paperwork. Having senior administrative staff with military experience was especially important since collaboration between the military and the NEG grantee needed to be negotiated at a high level of authority. Sites also found it useful for front-line staff who worked

directly with involuntarily separated military personnel to have a military background as well as workforce development or case management experience. However, after the primary target group shifted to military spouses, grant administrators recognized that the interpersonal skills of front-line staff who worked well with involuntarily separated military personnel were less successful with military spouses. It became less important for new front-line staff who were hired to have the “military mentality” and more important for them to be able to encourage and support clients who were sometimes described as timid or in need of extra hand-holding compared to a typical WIA client. In some instances, sites hired front-line staff who were themselves military spouses.

The military’s very stringent security concerns also have a strong influence on collaborative efforts. Because of the concentration of prospective clients on base and because of the potential to leverage the military’s workforce development services provided to military employees and their families, several NEG sites wanted to use facilities on bases as their primary location for service delivery. However, with the exception of Fort Campbell, no site was able to do so in the end. Two sites initially received permission to renovate facilities on base, but for several reasons they encountered difficulties in doing so. Some site staff who did not have military affiliations also had difficulty obtaining access to the bases. Eventually, some sites were able to negotiate access to the bases for only some of their employees on a part-time or out-stationed basis.¹

Collaboration with the military also is distinctive is because the military community operates as a “community within a community,” with its own services, its own social networks, and its culturally distinct policies and procedures. Military families often live on base, although

¹Although we cannot tell for sure why Fort Campbell was successful in locating NEG services on base while other sites were not, one possible explanation is that Fort Campbell is the only site to have completed the set-up of its NEG program prior to September 11, 2001, after which the military operated on heightened security procedures.

the prevalence of this varies across military branches and bases. To ease the burdens imposed on military personnel and their families, the military offers to them a wide array of services and activities. Some of these services are very similar to WIA core and intensive services. Sites learned early on that they needed to ensure that the NEG services were complementing, rather than duplicating, services provided by the military and its support organizations. In all sites, funding for training was identified as the special advantage that NEGs could offer. As one interviewee explained, traditional military services could help clients find jobs, but the NEGs could help them find careers.

As a result of the distinct pressures placed on military families and the military sense of community, military spouses who are far from their extended families and friends tend to form strong informal networks. This tight-knit nature of military communities posed both challenges and opportunities for grantees. Problems arose when the sites treated people differently. After military spouses became the primary NEG client group, some sites encountered problems because military spouses could not understand why some of them were eligible for services and others were not. The distinction between spouses who were dislocated workers or displaced homemakers and those who were not was difficult for the community to understand. Furthermore, an initial disparity at one site between the NEG caps at different WIBs caused dissension among training participants who may have been in the same classrooms with each other but who had received different training benefit amounts. However, sites also found that the tight-knit nature of military spouses worked to their advantage. After sites had been serving military spouses for a while, and especially at sites where eligibility was expanded to include all military spouses, word of mouth advertising of the program among military spouses was so strong that sites did not need to invest a lot of their own resources into advertising.

2. Services to Military Communities Must Take into Account the Mobility Issues that Pervade the Clients' Lives

Both primary NEG target populations—involuntarily separated military personnel initially and, later, military spouses—are highly mobile, a pattern that NEG staff had to contend with when designing their recruitment and service strategies. All three large NEGs were designed originally to assist involuntarily separated military personnel to obtain civilian-sector job skills or credentials. These workers have the potential to be very desirable civilian-sector employees, but high proportions of them leave the area upon the completion of their military service. Grantees wanted to use the NEGs to help their local economies by encouraging these workers to stay in the local area after the completion of training programs. At the time that these sites submitted NEG proposals to the DOL, involuntarily separated military personnel were expected to have about six months' advance notice prior to their military separation during which they could take advantage of NEG-funded services. In contrast to the short notice that many civilian workers receive prior to job loss, this advance notice could provide an opportunity for the involuntarily separated military personnel to plan for their transition to a new job in the civilian sector.

A different set of mobility-related issues arose when military spouses became the primary target group of the grants:² military spouses, who are typically in the NEG area for only about two or three years, face unique challenges in gaining work-related skills and experience. They move into the area after their spouses serving in the military receive a PCS to the area, and they will leave the area when the next PCS takes them elsewhere. Furthermore, because military spouses typically do not have extended family or friends (or other strong ties) to the NEG area,

²As is described in Chapter II, the three large sites shifted eligibility from involuntarily separated military personnel to military spouses. The three medium-sized sites were originally designed with military spouses as their primary target group.

other circumstances may lead to their departures from the area even before the next PCS; for example, a military spouse may leave the area if their spouse is deployed. These major changes in circumstances also may affect clients' interest in working regardless of whether or not they stay in the area. Thus NEG sites offering services to military spouses have only a short time period, with an unpredictable ending, in which to help them become employed.

The high likelihood that military spouses will move from an area within a few years also hinders their ability to develop skills and work experience that would allow them to earn high wages or to progress in their chosen careers. Military spouses, many of whom are young adults, have difficulty completing educational programs, such as a four-year degree, before they need to move. Many spouses also do not change their permanent residency after they move, which means that they do not qualify for in-state tuition rates at colleges or universities. It is also possible that some spouses had difficulty transferring credits from educational institutions in their former areas to ones in their new areas, which meant that some of their educational efforts might need to be duplicated. Thus even if they may want to further their education, doing so can be difficult. Participating in, but not completing, a training program also may be of little value if the military spouse does not obtain some form of recognition, such as certification, for the effort.

Military spouses also have difficulty developing careers is because their mobility may make them less desirable employees. Employers know that military spouses will not be in the area for very long, so they have less incentive to hire them compared to less mobile job applicants. Furthermore, employers who are willing to hire a military spouse may not provide him or her with job-specific training, because the employer is unlikely to reap the long-term benefits of having a more skilled employee. We frequently heard from site staff that employers who hired military spouses took advantage of them by offering them low wages, since employers recognized that military spouses do not have other good job options. The types of jobs that many

employers would be willing to offer military spouses are low-skilled ones in which high turnover is commonplace regardless of the workers' military affiliations.

Sites needed to structure their policies and procedures to take into account these special circumstances that involuntarily separated military personnel and the spouses of military personnel face. In the case of involuntarily separated military personnel, the sites designed ways to capitalize on the advance notice of job separation given to clients. Sites hoped that, with training to obtain high-quality civilian-sector jobs, their clients would be more likely to stay in the area. However, the expectation of retaining most military spouses in the area for a long period of time is not realistic, so sites developed ways to ensure both that their clients could participate in services and benefit from them and that the NEG funds would be spent wisely. Some sites screened out potential clients who would be unlikely to complete services or to have time to work in the area before the next PCS. For example, both Fort Campbell and Fort Bragg generally excluded potential clients who had been in the area for more than one year.³ Sites also worked with military spouses to help them identify occupations, such as health care fields, that would be in demand regardless of the area to which the client relocated. Doing so required site staff and clients to think about the national labor market and not only the local one.

A final way in which most, but not all, sites met the distinctive needs of military spouse clients was to offer support services, such as funding for child care, if clients had the need for them. Military spouse clients are unlikely to have access to informal sources of child care such as extended family or friends because they are new to the area. Tabulations of site MIS data show that military spouses who received NEG services are predominantly young female adults, who by definition have a working spouse. Even though data on whether the clients had young

³Section B explains other screening criteria to help ensure that clients were serious about working.

children are unavailable, the MIS data and qualitative evidence collected indicate that the need for and availability of child care are very important factors in clients' participation in services and work. Strategies that aggressively leverage other sources of funds for child care and other types of support services might be effective in ensuring that clients who want to work and who can benefit from training have the supports that are necessary to facilitate successful outcomes.

B. LESSONS ABOUT STRUCTURING NEGS TO MILITARY COMMUNITIES

In this section, we discuss five lessons about the use of NEGs to provide employment-related services to military communities. First, sites should integrate the NEG program with WIA to avoid duplication of effort. The second arises from experiences in serving military spouses who were not dislocated workers or displaced homemakers: sites need to balance the advantages of expanding the official eligibility criteria with stricter informal criteria to ensure that clients would be likely to work after service receipt. Third, service providers to military communities must recognize that training and support services are expensive components of the services provided to military communities. A fourth lesson is to seek to avoid the common inefficiencies and challenges to effective and efficient service delivery that these military NEGs encountered. Finally, our fifth lesson is that, if NEGs are available to them, future sites may not easily duplicate the Fort Campbell model and should be prepared to tailor their strategies to their local characteristics and to the heightened security concerns on military bases.

1. Integrating NEG Services with WIA Services Allows the Effective and Efficient Delivery of Services

Some sites originally established NEG structures and policies that differed from WIA. For example, one site initially did not use the local one-stop operators to provide services; rather, it developed a separate structure for supervising NEG staff. Some sites also offered NEG clients the opportunity to obtain higher ITAs than what WIA clients were entitled to. Two of the three

large sites did not appear to record the same set of data as what might be expected to be available through the WIA data system. Furthermore, several sites unsuccessfully tried to locate NEG services away from the one-stops and on the military bases to increase collaboration with the military. However, over time, most sites found it to be more effective and efficient to integrate NEG operations and staffing with the WIA system. The site that initially used a separate operator for service delivery switched to using the local one-stop operators. Sites also restructured to allow the NEG staff to better understand the workforce services system, to learn from WIA staff, and to strengthen the lines of authority within the NEG program. One NEG coordinator commented to us that just because the NEG is a separate *program*, the site does not need to develop a separate *system*. The advantages of folding NEG activities into the WIA system is even more compelling because the NEGs are temporary programs; developing separate policies and procedures for temporary programs may unduly delay the start-up of the activities and lead to one-time expenditures that could be avoided.

Distinctive features of the NEGs can still be taken into account even if the NEG is integrated with the WIA system. For example, given the large size of the NEGs compared to WIA funding in a local area, it makes sense to have a separate NEG coordinator. However, that coordinator can still be included within the WIA management structure. Similarly, the unique eligibility criteria for the NEGs, compared to WIA, did not prevent some sites from cross-training NEG staff in WIA policies and procedures. Having cross-trained staff allowed sites greater flexibility in program management, increased the quality of service provision; in addition, it could reduce the burden of staff turnover. We also found that the NEG MIS data quality was higher when the site recorded its NEG information within its WIA data system. Comprehensive and accurate data can benefit both the site and the evaluation efforts. The site can benefit through the ability to confidently use the data for program monitoring. With better data, the U.S. DOL and

evaluators also will be more likely to obtain answers to questions that are of policy interest, answers we could not obtain in this evaluation because of data limitations.

2. Developing Informal Screening Procedures to Ensure that Military Spouses Wanted to Work Appears to be a Successful Approach for Enrolling Clients and Using Grant Resources Effectively

When eligibility changed from involuntarily separated military personnel to military spouses, NEG sites were initially given permission to enroll only spouses who met WIA criteria as dislocated workers or displaced homemakers. However, sites encountered difficulty meeting their enrollment targets, and they had to turn away spouses who were interested in, but ineligible for, the program. Subsequently, San Diego, followed by Fort Campbell and Hampton Roads, expanded its eligibility criteria so it could serve all military spouses, including incumbent workers and new entrants to the labor market.⁴ Staff at the three medium-sized sites also expressed interest in expanding their enrollments in this way, although none had received permission to do so as of the time we conducted our interviews.

Staff reported that, while enrollments increased, their entered employment rates initially declined quite noticeably after the expanded eligibility criteria were implemented, because some clients viewed training as an entitlement or as a way to pass their time rather than as a means to obtain a high-quality job or career.⁵ Compared with many WIA clients, who may not have another breadwinner in the house, military spouses may be less focused on working because they have less need for a job. Some clients are young and have not previously worked, so they may

⁴Authorization for this expansion of services was through House of Representatives Bill 2657 Section 3607 in the 108th Congress (U.S. Congress 2003). The bill became Public Law 108-83.

⁵Staff at some sites also acknowledged that they initially marketed the program as a training program rather than an employment program. Thus, some challenges in ensuring that clients were employment-focused may have arisen for reasons other than the change in eligibility criteria.

not have an accurate perspective of what working entails. Furthermore, spouses with children have family responsibilities, and the work demands on their military employee spouse are high. Their family lives also may be unstable because their military employee spouse may be living at home for a portion of time and away from the home for a long period of time. In essence, family and other responsibilities may limit the spouses' work opportunities or work-related efforts.

Therefore, NEG staff recognized the need to implement additional procedures to increase the likelihood that they were serving clients who were committed to working. The informal procedures were designed to help clients identify their own goals and priorities within the context of their very dynamic family situations. Staff reported that clients who are not serious about working tend to self-select themselves out of the revised enrollment process, after hearing about the NEG program's focus on work and after being encouraged to think about their own goals. Thus, to a large extent (although not completely), staff are satisfied that these types of screening techniques helped focus resources on those interested in working.

Site staff reported that their entered employment rates rebounded upon implementation of the screening procedures.⁶ However, we were not able to confirm this through MIS data because of the need to restrict the quantitative analysis to clients who had enrolled prior to 2004. Nevertheless, it appears that sites were able to design an efficient process for directing services to spouses who could be expected to benefit most, while also meeting their enrollment goals and avoiding having to turn away potential clients who express interest in the program.⁷

⁶Table V.5 shows Fort Campbell and San Diego entered employment rates, as a percentage of clients who exited the program, that exceed 85 percent. As discussed in Chapter V, the Hampton Roads data that we included in our analysis show a much lower entered employment rate, while staff at this site report a higher rate (but still lower than the rates for the other large sites). Our analysis in Chapter V also includes statistics on the entered employment rates among all clients, since the exit rates among the full NEG population are low.

⁷Thus, even when an important policy goal of the NEGs was for DoD retention of the military, the sites strove to achieve this goal by increasing spouses' employment rates and earnings levels, which was expected to increase family income and self-sufficiency and to reduce pressure on the military personnel to leave the military.

Furthermore, the MIS data analysis suggests that, across all clients, training seems to have a positive effect on clients' employment outcomes.

3. Training and Support Services Are Expensive Components of the Package of Services Offered to Military Personnel and Military Spouses

The analysis of program costs at the three large sites found that, during a one-year period of stable program operations, the majority of funds went to provide training and support services. Training expenditures were about 60 percent of all program expenditures. Support services at Fort Campbell and San Diego were about 15 percent. (Only the smallest of the three WIBs at Hampton Roads provided support services, so the cost of these services was less than one percent of the site's total expenditures.) Other types of expenses, including core and intensive services, marketing efforts, and administration, comprise the remainder of the costs.

Both NEG staff and military partners thought that the NEG funds for training filled a gap in services in the military communities. Staff at most sites reported that, by design, they concentrated expenditures on training because of the shortage of funds from other sources for training; sites focused on providing training funds since clients already had access to WIA-like core and intensive services. The caps on the ITAs also were very generous at some sites, especially at the beginning of the grant periods, with San Diego and one of the three WIBs at Hampton Roads initially having no cap on ITA funds and some other sites having caps that were higher than comparable WIA caps.

Similarly, support services—particularly child care—both were expensive for the NEG and were used extensively by clients who needed them (at sites that offered them). In some cases, child care costs were comparable to training costs. Staff and clients at the sites that provided child care funds reported that the availability of these funds was critical; otherwise, some clients may have been unable to complete their services and obtain jobs. Staff at the two Hampton

Roads WIBs that did not offer support services tried to encourage clients to come up with informal child care arrangements, such as alternating babysitting with other military families or attending training when their spouses were not at work. However, site staff reported that some clients were unable to start or continue training because of difficulty setting up or keeping child care arrangements. This finding suggests that, after taking into account the costs of addressing child care needs, helping clients with these needs so they can be successful in training can be particularly expensive for society, regardless of the source of support. Sites that aggressively leverage support services funds from other sources are likely to be able to provide training or other employment-related services funded by their NEG or WIA dollars to more clients.

By comparison to training and support services, the cost of core and intensive services generally was small. Some of these services are self-accessed, and some are provided to groups of clients; both strategies reduce their per-client costs. Furthermore, core and intensive services typically are less intensive and shorter in duration than is training, and they can be provided in-house by NEG (or WIA) staff, which makes them less expensive than training provided by community colleges or proprietary vendors.

We could not tell explicitly whether collocation of NEG services on a military base, compared to operating at a one-stop, increased or decreased the cost of providing core and intensive service to NEG clients. On the one hand, Fort Campbell was able to benefit from the use of donated space for its dedicated NEG center on a military base, which suggests that collocation on bases may be advantageous. On the other hand, Hampton Roads and San Diego were able to benefit from cost-sharing of core and intensive services with WIA staff, which suggests that location at a one-stop may have advantages as well. Given that some sites faced difficulty in locating their services on base, despite extensive efforts to do so, it may be a moot point as to whether one approach is cheaper than the other.

4. The Difficulties in Locating Space for Services, the Shifts in the Target Population, and the Temporary, Short-Term Nature of the Grants Led to Large Inefficiencies

Several inefficiencies or distinct challenges were frequently reported by NEG staff. One was the difficulty in locating a place for services to be delivered. Both San Diego and one of the WIBs at Hampton Roads initially expended significant time and money trying to negotiate access to and renovate facilities on base that could be used as NEG service delivery centers. However, they were unsuccessful in their efforts. Fort Campbell also encountered challenges in renovating facilities on base, but it was successful in resolving the difficulties. Overall, these challenges in locating facilities hampered the start-up at all three large sites. Staff at one site also reported that the aborted renovation efforts hurt the NEG program's relationship with military staff with whom they needed to collaborate.

The shifts in the primary target groups for services also led to additional expenses at the three large sites. Given that the September 2001 terrorist attacks and the wars in Afghanistan and Iraq led to a dramatic reduction in the number of involuntarily separated military personnel in the NEG communities, the use of the NEG funds for serving military spouses was an innovative approach to help DoD to retain military personnel and to allow grantees to continue serving their communities. Nevertheless, when the primary target group shifted from involuntarily separated military personnel to military spouses, the sites had to use very different strategies for most aspects of program operations, from recruitment to the tracking of client outcomes. Client flow was interrupted. Furthermore, turnover of front-line staff occurred because many of the staff who worked well with military personnel did not work well with military spouses. The shift from serving dislocated worker spouses to all spouses also required shifts in outreach, recruitment, service delivery, and client tracking.

Other inefficiencies arose because of the temporary, short-term nature of the grants, especially given their large size. By design, NEGs are temporary grants to provide short-term supplemental funding to areas that have a greater-than-expected need for WIA funds.⁸ Staff at the small sites complained that planning was difficult because staff who were not sure how long they would have their jobs were tempted to look for permanent positions elsewhere. In addition, clients who were not sure for how long the program would operate felt pressure to enroll in short-term training rather than in the long-term training that might have been more suitable for them. Even though sites eventually received extensions to their grant periods, the fast pace and originally very short timeframe of the grants made it hard for sites to manage the flow of clients in the program, to serve them, and to place them in jobs.

Recognition of these inefficiencies and challenges, and efforts early on in the design of the grants to avoid them, may alleviate some of the problems if future funds are used to provide services to similar communities.

5. Some of the Fort Campbell Experiences May Not be Duplicated in Other Locations

As explained in Chapter II, Fort Campbell was the first site to obtain a military base NEG, beginning initially with pilot efforts and then expanding to a more comprehensive NEG service delivery system. Through the training academy that Fort Campbell established, staff at the other locations included in this study learned from its experiences.

⁸Our investigation into whether WIA formula funding led to gaps in funds for military communities compared to other communities did not identify any ways that the formula would lead to disparities based on military status alone. Site staff expressed a uniform view that the need for additional funding was not temporary. However, our study design did not include an investigation of the perceived need for additional funds in other communities, which would provide a benchmark (albeit a qualitative one) by which we could assess the NEG staff's views.

However, applying the Fort Campbell model to other areas was sometimes challenging.⁹ The unique way in which workforce service delivery systems are structured at the local level and the way in which the military community is defined in the area affected how sites organized their NEG. The sites tailored their approaches and service delivery strategies to their unique local characteristics. As a result, sites other than Fort Campbell needed to negotiate agreements with more than one local WIB and more than one branch of the military. For example, Fort Campbell included only one WIB; Hampton Roads included three. Fort Campbell had one one-stop operator and a single one-stop; San Diego had several of each. Fort Campbell had been able to obtain military cooperation to allow NEG services to be fully located on base; other sites could not. We suspect that Fort Campbell was successful this way, when other sites were not, because Fort Campbell's NEG activities were developed prior to implementation of heightened military security procedures as a result of the September 11, 2001, hijackings and the wars in Afghanistan and Iraq. The relatively straightforward organizational structure of the Fort Campbell NEG, compared to those at that the other large sites, is likely to have played an important role as well.

Each of these complexities in their local contexts and the resulting administrative structure of the NEG may be necessary for a specific military community; however, they are likely to add additional tangible and intangible costs to the process of establishing collaborations, as more organizations—with potentially different priorities—are involved. Therefore, we conclude that it may be a challenge for sites in other military communities, operating in the current environment, to duplicate some aspects of Fort Campbell's model. The variation in the operations and administration of the grants in the six locations examined in this evaluation indicate the distinct

⁹We are not implying that Fort Campbell had an easy time establishing their NEG; although Fort Campbell's initial NEG efforts to serve involuntarily separated military personnel were not a focus of this evaluation, our sense is that these efforts faced considerable challenges because the site was trying to serve a new target group—involuntarily separated military personnel—and to develop a collaboration with a new partner—the military.

nature of each community and service delivery environment. Furthermore, given the current political and military climates, future efforts to establish military base NEG's in new communities may focus on serving different target groups, such as members of the Reserve and National Guard, about which sites had little experience by when we collected data.

C. LESSONS ABOUT EVALUATING EMERGENCY GRANTS

Our experiences in developing this evaluation of NEG's also suggest some lessons that may aid in the design and implementation of future evaluations. Because such evaluations can help to determine whether a given grant or series of grants met their intended goals, we believe they can play an important role in deciding whether scarce grant resources are effectively used. Of course, the process of allocating emergency grant funds may often occur in rather chaotic situations with little time for careful consideration of costs and benefits. Still, some *a priori* thinking about how grants might be evaluated would be useful if evaluations are to be carried out in the future. Therefore, we describe two lessons that are relevant to both the design and analysis phases of future evaluations.

1. Having a Clearer Set of Goals for the NEG's Would Enhance the Ability to Identify the Most Appropriate Design for the Evaluation and to Determine Grant Successes in Meeting Those Goals

Perhaps the most difficult problem we faced in the design of the military base NEG evaluation was that there seemed to be no clearly articulated goals of what the grants were intended to achieve. An original goal of the large NEG's was to provide temporary, supplemental funding to help involuntarily separated military personnel make the transition from military employment to civilian-sector work. Thus, as an initial conception, the military base NEG's might be seen as similar to other NEG's, which provide incremental WIA funding to areas facing

demands for services which were not taken into account through WIA formula funding.¹⁰ Under that conception, the primary analytic questions would be whether individuals in grant areas received services they would not otherwise have received and whether receipt of services led to higher employment outcomes.

When the goal of aiding in transitions from the military became moot, a new goal emerged as the grants were used to aid military spouses in their employment-related efforts. It was hoped that doing so would help DoD retain military personnel because the military family would be more self-sufficient. Whether this goal was consistent with the “emergency” nature of the grants is an open question. Many other goals, such as furthering spouses’ educations, could also be hypothesized. Each of these goals would imply a different type of methodology for an evaluation and a different measure of success. For example, determining whether DoD retained military personnel would require an analysis of data files that link the NEG data files used for this evaluation with DoD records on military service personnel, possibly covering a period of several years or more. In the end, and in conjunction with DOL, we opted for an evaluation based on the first conception of the NEG’s’ goals, though even in that case we did not have a good method for modeling the counterfactual question of what services would have been received in the absence of a grant. A clearer articulation of grant goals both from the point of view of DOL’s’ announcements of grant availability and from information incorporated into grantees’ requests for funds might have facilitated a more focused evaluation design process,

¹⁰As noted in Section B, our investigation into whether WIA formula funding led to gaps in funds for military communities compared to other communities did not identify any ways that the formula would lead to disparities based on military status alone. Furthermore, as discussed in Chapter II, the grants were not established in response to an “emergency” or other unanticipated demand for services. However, the methodology for conducting an evaluation in this scenario could be similar to those used for studying NEG’s that address unanticipated needs in response to an emergency.

which would aid in the ability of the evaluation to determine whether a given grant or set of grants achieved their intended purposes.

2. Quantitative Analysis to Support an Evaluation Would be Greatly Improved by Clarifying and Coordinating Data Collection Expectations at the Outset of the Grants

All of the sites included in our evaluation of the NEGs were very helpful in providing both qualitative and quantitative data to us. The evaluation would have been impossible to complete without such assistance. Still, we found that in some important cases the data we obtained did not allow us to conduct analyses that would have informed policy questions. For example, although we received excellent cooperation in our site visits to collect qualitative data about the grants, it was difficult to assemble an overall picture of what administrators considered to be the key issues at different stages of their grants, given that some of the grants had been in operation for several years prior to the start of data collection for the evaluation. Requiring more extensive and interpretative narrative reports for larger grants would provide a useful record for future grant analysis, particularly in cases where the grants might be operating for several years before the start of the evaluation of them.

With respect to the quantitative data, we also encountered major difficulties. First, much of the cost data needed for the evaluation were only partially available. For example, we had difficulty in our efforts to analyze individual-level amounts of ITA grants because we had data on such amounts from only one site. Similar shortcomings occurred with all of the three large sites' administrative data used to study client characteristics and outcomes. Most notably, data for a portion of clients from one site were unavailable, and the information on clients who were in the data file was incomplete; site staff told us that data entry was not thoroughly and consistently done in the file from which the data extract was made. Data from another site also suffered shortcomings for our analysis, since the file included information on very few

characteristics of clients. Furthermore, none of the data files contained information about to which target group a client belonged. The causes of such data problems were varied, but the reasons we encountered included: (1) the lack of comprehensive data requirements; (2) shifts in data systems part-way through the grant period; and, (3) the discarding of old data after new systems were in place (since grantees are required to keep data for only three years).

Better data would make the analysis in any grant evaluation both more complete and more accurate. Hence, DOL's recent incorporation of stricter data standards for emergency grants, such as the inclusion of NEGs in the requirements to report on common measures related to entered employment, employment retention, and earnings increases, is likely to lead to benefits for future evaluations of NEGs. Data needs both for costs and for client characteristics, service receipt, and outcomes might be considered as part of the grant approval process. For example, grantees might be asked to show precisely how they will take advantage of current data collection procedures available under the Workforce Investment Act Standardized Record Data system or other WIA-related activities. Doing so might avoid many of the limitations that we encountered due to the poor quality of the MIS data provided by the three large sites. As is the case for WIA reporting requirements, OMB would need to approve the list of required data items for NEGs.

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APPENDIX A

COST DATA COLLECTION FORM

**MILITARY BASE NATIONAL EMERGENCY GRANTS
COST DATA COLLECTION**

II. CORE SERVICES

A. Greeter, Help Desk, and Resource Room Costs

Instructions: Please estimate the annual costs for fiscal year 2004-2005 of your greeter, help desk and resource room. The questions below identify the components of cost associated with these services. If this information is available in another format, please contact Jeanne at the phone number above to discuss that information.

1. **Staff time:** What are the total hours per week needed to staff the...

- a. Greeter desk?
- b. Help desk?
- c. Resource room?

2. **Space, equipment and materials:** What equipment and material costs do your greeter, help desk, and resource room require during the fiscal year?

- a. Office space?
- b. Computers?
- c. Software?
- d. Fax, phone, postage?
- e. Magazines and newspapers?
- f. Jobs database maintenance?
- g. Other costs? Specify:
- h. Other costs? Specify:
- i. Other costs? Specify:

3. **NEG cost contributions:** Are resources from the military NEG used to fund any of these services? If so, what is contributed (e.g. staff time, equipment, other costs)?
How much money is charged to the NEG for these contributions?

Response:

4. **Annual client flow:** On average, how many clients visited your center this fiscal year 2004-2005?

Response:

5. **NEG clients:** What proportion are NEG clients?

Response:

**MILITARY BASE NATIONAL EMERGENCY GRANTS
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B. Orientations, Workshops and Other Group Activities

Instructions: For each group activity or workshop offered through core services, please complete the table below.

Service (name and description)	Average Duration (hr:min)	Average Staff Time for Preparation, Documentation, and Follow-up (hr:min)	Category of Staff	Other Direct Costs (copies, materials, etc.)	Average Number of Participants (including non-NEG)	Attendance Recorded in MIS (yes/no)	If Not in MIS, Percent of NEG Clients That Participate Overall	Cost Contribution by Military NEG*
One-stop group orientation								
Job search assistance workshops								
Job readiness workshops								
Life skills workshops								
Other:								
Other:								
Other:								
Other:								

* Please indicate the proportion (%) of the service cost that is paid by the Military NEG or indicate the type (e.g. staff time, supplies, etc.) and value (\$) of costs paid by the NEG

C. Individual Staff Assisted Core Services

Instructions: For all individual staff-assisted core services, please complete the table below.

Service (name and description)	Average Duration (hr:min)	Average Staff Time for Preparation, Documentation, and Follow-up (hr:min)	Category of Staff	Other Direct Costs (copies, materials, etc.)	Attendance Recorded in MIS (yes/no)	If Not in MIS, Percent of NEG Clients That Participate Overall	Cost Contribution by Military NEG
One-on-one job search assistance							
One-on-one resume assistance							
Other:							
Other:							

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III. INTENSIVE SERVICES

A. Interest Inventories, Skills Assessments, Workshops and Other Group Activities

Instructions: For each group activity or workshop offered through intensive services, please complete the table below.

Service (name and description)	Average Duration (hr:min)	Average Staff Time for Preparation, Documentation, and Follow-up (hr:min)	Category of Staff	Other Direct Costs (copies, materials, etc.)	Average Number of Participants (both NEG and non-NEG)	Attendance Recorded in MIS (yes/no)	If Not in MIS, Percent of NEG Clients That Participate Overall	Cost Contribution by Military NEG
Interest inventory								
Basic skills assessment								
Occupational skills assessment								
Other:								
Other:								
Other:								
Other:								
Other:								

B. Basic Skills Education and Training

1. Basic skills service offerings: What basic skills education and training are offered to NEG clients as intensive services (e.g. GED, ABE, or ESL classes)?

Response:

2. Method of service provision: Please indicate which services are provided directly through your center and which are contracted out to other organizations or agencies?

a. Direct services:

b. Contracted services:

**MILITARY BASE NATIONAL EMERGENCY GRANTS
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3a. Cost of direct services: Please complete the table below for each type of basic skills training provided directly through your center.

Service (name and description)	Average Duration (hr:min)	Average Staff Time for Preparation, Documentation, and Follow-up (hr:min)	Category of Staff	Other Direct Costs (copies, materials, etc.)	Average Number of Participants (including non-NEG)	Attendance Recorded in MIS (yes/no)	If Not in MIS, Percent of NEG Clients That Participate Overall	Cost Contribution by Military NEG

3b. Cost of contracted services: For those services that are contracted, what is the contract arrangement? For example, if you pay a fixed cost per one-stop client that participates in the service, please indicate the contracted cost per client.

Response:

C. Development of Individual Employment Plan (IEP) and Other Counseling

Instructions: For all one-on-one counseling and case management provided through intensive services, please complete the table below.

Service (name and description)	Average Duration (hr:min)	Average Staff Time for Preparation, Documentation, and Follow-up (hr:min)	Category of Staff	Other Direct Costs (copies, materials, etc.)	Attendance Recorded in MIS (yes/no)	If Not in MIS, Percent of NEG Clients That Participate Overall	Cost Contribution by Military NEG	Cost Contribution by Military NEG
IEP development								
Career counseling								
Post-placement counseling and follow-up								
Other:								
Other:								
Other:								

**MILITARY BASE NATIONAL EMERGENCY GRANTS
COST DATA COLLECTION**

IV. TRAINING SERVICES

1. **Training orientation and provider selection:** Please complete the following table about orientation and counseling associated with all training services, including use of individual training accounts (ITAs), customized training, and on-the-job training (OJT). Note that if an activity is typically one-on-one, indicate "1" as the average number of participants.

Service (name and description)	Average Duration (hr:min)	Average Staff Time for Preparation, Documentation, and Follow-up (hr:min)	Category of Staff	Other Direct Costs (copies, materials, etc.)	Average Number of Participants (including non-NEG)	Attendance Recorded in MIS (yes/no)	If Not in MIS, Percent of NEG Clients That Participate Overall	Cost Contribution by Military NEG
Training orientation								
Development of training plans								
Selection of training provider								
Client follow-up during and after training								
Other:								

2. **ITA cap:** What is the local cap on ITA expenditures? Has the cap changed since the start of the NEG grant period?
Response: [Redacted]

3. **ITA participation, obligations, and expenditures:** Please indicate the type of data system where ITA participation, obligations and expenditures are recorded for individual clients, when it is recorded for each client, in what format it is maintained, and how it is updated.
Response: [Redacted]

4. **Customized training:** Does the local area provide customized training?
Response: [Redacted]

5. **Cost of customized training:** What is the contract arrangement for customized training? For example, if you pay a fixed cost per one-stop client that participates in the service, please indicate the contracted cost per NEG client.
Response: [Redacted]

6. **Customized training participation, obligations, and expenditures:** Please indicate the type of data system where participation, obligations, and expenditures for customized training are recorded for individual clients, when it is recorded for each client, in what format it is maintained, and how it is updated.
Response: [Redacted]

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7. **OJT:** Does the local area provide OJT?
Response: [Redacted]

8. **Cost of OJT:** What is the cost structure for OJT? For example, does the one-stop pay a proportion of the client's wages for a fixed period of time? Please explain.
Response: [Redacted]

9. **OJT participation, obligations, and expenditures:** Please indicate the type of data system where participation, obligations, and expenditures for OJT are recorded for individual clients, when it is recorded for each client, in what format it is maintained, and how it is updated.
Response: [Redacted]

V. SUPPORTIVE SERVICES

Instructions: Please complete the following questions related to supportive service costs (such as relocation assistance, transportation assistance, child care, supplies, books, and other expenses not covered directly by ITAs).

1. What supportive services are available to NEG clients? Is there a cap on supportive service payments?
Response: [Redacted]

2. Are supportive service expenditures for NEG clients recorded in your MIS (yes/no)?
Response: [Redacted]

3. If they are not recorded in the MIS, are they available in some other electronic or paper format? Explain
Response: [Redacted]

4. On average, how much staff time (hr:min) is spent in preparation, documentation, and follow-up to assist each client in receiving supportive service funds?
Response: [Redacted]

5. What category of staff typically assist with accessing supportive services?
Response: [Redacted]

6. Are there any other costs associated with approving or administering supportive service payments? Please explain
Response: [Redacted]

**MILITARY BASE NATIONAL EMERGENCY GRANTS
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VI. ADMINISTRATIVE COSTS

Instructions: Please complete the following questions regarding administrative costs including NEG management (e.g. reporting requirements, tracking finances, special data entry), on-going collaboration among local NEG partners (e.g. WIBs, one-stops, and military partners), NEG coordination with WIBs and providers in other states and local areas, special coordination with local employers about NEG clients, and accounting and administration no included in your general indirect cost rate.

1. Please indicate what categories of staff typically assist with administration. Estimate, on average, how much time (hr:min) does each category of staff spend on NEG administration. Please indicate time period (ie. weekly, monthly, annually).

Category	Average Staff Time (hr:min)
a.	
b.	
c.	
d.	

2. For each category listed above, what proportion (%) of the time spent on administration is spent doing the following types of activities?

	Category A	Category B	Category C	Category D
NEG Management				
NEG Partner Collaborations				
Out-of-Area WIBs and Providers				
Employer Partnerships				
Accounting and Administration				
Other				
Other				
TOTAL (should equal 100%):	0%	0%	0%	0%

VII. INDIRECT COSTS

What is your organization's indirect cost rate? If you do not have an indirect cost rate, how are indirect costs calculated or shared across funding streams?

Response:

VIII. OTHER COSTS

Are there any other costs associated with serving NEG clients that were not already discussed in this form (e.g. development of new career advancement centers, special job

Response:

THANK YOU! We appreciate your help in completing this exercise. Again, please do not hesitate to contact Jeanne Bellotti at (609) 275-2243 or jbellotti@mathematica-mpr.com if you have questions. Note that if attendance in certain types of activities listed above are not recorded in your MIS, MPR would like to talk in more depth about the types and proportions of NEG clients who participate.

APPENDIX B

**DETAILED RESULTS FROM THE INDIVIDUAL-LEVEL
DATA ANALYSIS**

In this appendix we provide details on some of the analytic results summarized in Chapter V. Three topics are covered: (1) receipt of training, (2) outcomes, and (3) matching estimates of the effect of training on outcomes.

A. RECEIPT OF TRAINING

Table B.1 reports the results of our analysis of the determinants of which NEG clients received training. The dependent variable in the regression is binary, equaling 1 if a client received training and 0 if he or she did not. Explanatory variables in the regression include indicator variables for the Fort Campbell and Hampton Roads sites, age, dislocation status, eligibility group (dislocated worker spouses and other spouses—involuntary separations and other recipients constitute the omitted category), gender, highest grade completed, a series of race indicator variables, and indicator variables for the date on which the client enrolled in NEG-financed services. Because the dependent variable in Table B.1 is binary, the equation was estimated by the probit technique. Coefficients reported in the table represent the marginal effects of each variable on the probability of receiving training.

As summarized in Chapter V, these results show the following:

- Individuals in the Fort Campbell and Hampton Roads sites were more likely to get training than were those in San Diego.
- Older and more highly educated clients and clients who had lost a prior job were less likely to get training.
- Women and individuals in the spouse eligibility groups were more likely to get training.

The availability of accurate and comprehensive data on ITA amounts in San Diego allowed us to study the determinants of the size of grants that individuals received. For this purpose we used a binary dependent variable that took the value 1 if the client received a training grant of

TABLE B.1

DETERMINANTS OF RECEIPT OF TRAINING

Variable	Marginal Effect	Standard Error	T-Ratio
Fort Campbell	0.115***	0.028	4.00
Hampton Roads	0.054***	0.021	2.59
Age (Years)	-0.003***	0.001	-3.09
Dislocated	-0.177***	0.044	-3.98
Dislocated Worker			
Spouse	0.314***	0.039	7.44
Other Spouse	0.279***	0.045	5.90
Female	0.082***	0.024	3.40
Highest Grade	-0.033***	0.005	-6.56
African American	-0.008	0.018	-0.44
Hispanic	0.028	0.022	1.28
Other	0.051**	0.022	2.26
Entry Period 2	0.207	0.237	0.73
Entry Period 3	0.006	0.299	0.02
Entry Period 4	-0.077	0.301	-0.26
Entry Period 5	0.051	0.059	0.85
Entry Period 6	0.021	0.039	0.54
Entry Period 7	-0.085	0.293	-0.29
Entry Period 8	-0.091	0.297	-0.31
Entry Period 9	-0.151	0.294	-0.51
Entry Period 10	-0.235	0.286	-0.80
Entry Period 11	-0.166	0.293	-0.56
Entry Period 12	-0.273	0.281	-0.94
Likelihood Ratio Test	296***		
Sample Size	4,774		

Source: MPR analysis of individual-level data provided by military base NEG grantees.

Note: The dependent variable equals 1 if a sample member received training and 0 otherwise. The equation was estimated by the probit technique.

*Significantly different from zero at the .10 level, one-tailed test.

**Significantly different from zero at the .05 level, one-tailed test.

***Significantly different from zero at the .01 level, one-tailed test.

more than \$8,000 (the median value in the sample) and 0 if he or she received less than or equal to \$8,000.¹ The probit estimates for this analysis are presented in Table B.2.² Workers suffering a job dislocation and non-dislocated worker spouses were slightly less likely to get large ITA grants than were other NEG clients, but there generally were few statistically significant influences on the grant amount received.

B. OUTCOMES

We looked at three outcomes for participants in the NEG evaluation: (1) the likelihood of entering employment among all recipients, (2) the likelihood of entering employment from among participants who had formally exited the program, and (3) the post-program wage. These results are reported in tables B.3 through B.6.

1. Entered Employment

The entered employment regression in Table B.3 represents a simple linear regression on a binary variable that took the value 1 if the person was reported as having entered employment and 0 otherwise.³ In order to provide adequate opportunity for NEG enrollees to complete their program, the regression includes only individuals entering the program prior to 2004. Indicator variables are also used to control for dates of entry. Two significant results emerged from these estimates:

¹Results for using a continuous variable measuring the actual ITA amount are similar to the ones presented here.

²Because San Diego had more nearly complete labor market data than did the other sites, we were able to include two additional variables in all analyses conducted for that site: (1) a job experience measure defined as prior weeks employed divided by total possible experience [defined as $52*(Age-18)$] and (2) the number of weeks elapsed between the most recent pre-program job and entry into the program.

³The use of a linear probability model rather than a probit model was chosen to facilitate comparisons to the treatment effect regressions reported in Section C.

TABLE B.2
DETERMINANTS OF RECEIVING A LARGE ITA
(San Diego Site Only)

Variable	Marginal Effect	Standard Error	T-Ratio
Employment Gap (x 10)	-0.003*	0.002	-1.90
Work Experience	-0.012	0.030	-0.40
Age (Years)	0.000	0.002	0.19
Dislocated	-0.447**	0.143	-2.48
Dislocated Worker			
Spouse	0.130	0.136	0.94
Other Spouse	-0.362*	0.171	-1.85
Female	0.036	0.068	0.54
Highest Grade	0.005	0.011	0.44
African American	-0.073*	0.043	-1.67
Hispanic	-0.079*	0.043	-1.81
Other	-0.084**	0.042	-1.99
Entry Period 6	-0.016	0.317	-0.05
Entry Period 8	0.041	0.120	0.34
Entry Period 9	0.010	0.116	0.09
Entry Period 10	0.066	0.121	0.54
Entry Period 11	-0.038	0.122	-0.31
Entry Period 12	0.000	0.124	0.00
Likelihood Ratio Test	26.44***		
Sample Size	1,077		

Source: MPR analysis of individual-level data provided by the San Diego military base NEG grantee.

Note: The dependent variable equals 1 if a sample member received an ITA of greater than \$8,000 and 0 otherwise. The equation was estimated by the probit technique.

ITA = Individual Training Account.

*Significantly different from zero at the .10 level, one-tailed test.

**Significantly different from zero at the .05 level, one-tailed test.

***Significantly different from zero at the .01 level, one-tailed test.

TABLE B.3
DETERMINANTS OF ENTERED EMPLOYMENT

Variable	Coefficient	Standard Error	T-Ratio
Fort Campbell	-0.078*	0.041	-1.88
Hampton Roads	-0.458***	0.030	-15.22
Age (Years)	0.002	0.001	1.37
Dislocated	0.047	0.044	1.06
Dislocated Worker			
Spouse	-0.037	0.042	-0.88
Other Spouse	-0.228***	0.057	-3.99
Female	0.004	0.025	0.15
Highest Grade	-0.001	0.006	-0.12
African American	-0.015	0.024	-0.61
Hispanic	0.010	0.030	0.35
Other	-0.005	0.033	-0.15
Entry Period 2	-0.327*	0.174	-1.88
Entry Period 3	-0.357**	0.151	-2.36
Entry Period 4	-0.039	0.143	-0.27
Entry Period 5	-0.104	0.139	-0.75
Entry Period 6	-0.052	0.132	-0.39
Entry Period 7	0.000	0.130	0.00
Entry Period 8	-0.004	0.135	-0.03
Entry Period 9	0.045	0.136	0.33
Constant	0.679***	0.158	4.30
R-squared	0.1510		
F (19,1695)	20.41***		
Sample Size	2,208		

Source: MPR analysis of individual-level data provided by military base NEG grantees.

Note: The dependent variable equals 1 if a sample member entered employment and 0 otherwise. The equation was estimated by the ordinary least squares technique.

*Significantly different from zero at the .10 level, one-tailed test.

**Significantly different from zero at the .05 level, one-tailed test.

***Significantly different from zero at the .01 level, one-tailed test.

TABLE B.4

DETERMINANTS OF ENTERED EMPLOYMENT BY PROGRAM EXITERS

Variable	Coefficient	Standard Error	T-Ratio
Fort Campbell	0.175***	0.043	4.11
Hampton Roads	-0.247***	0.035	-6.95
Age (Years)	0.001	0.001	0.65
Dislocated	0.029	0.042	0.70
Dislocated Worker			
Spouse	-0.030	0.042	-0.72
Other Spouse	-0.219***	0.058	-3.79
Female	-0.016	0.026	-0.60
Highest Grade	0.002	0.007	0.29
African American	-0.002	0.026	-0.09
Hispanic	0.013	0.031	0.43
Other	0.019	0.033	0.58
Entry Period 2	-0.324	0.210	-1.55
Entry Period 3	-0.202	0.193	-1.05
Entry Period 4	0.018	0.174	0.10
Entry Period 5	-0.011	0.170	-0.07
Entry Period 6	0.048	0.163	0.29
Entry Period 7	0.102	0.162	0.63
Entry Period 8	0.134	0.166	0.80
Entry Period 9	0.203	0.167	1.22
Constant	0.604***	0.184	3.27
R-squared	0.0780		
F (12,1089)	7.59***		
Sample Size	1,715		

Source: MPR analysis of individual-level data provided by military base NEG grantees.

Note: The dependent variable equals 1 if a sample member entered employment and 0 otherwise. The equation was estimated by the ordinary least squares technique.

*Significantly different from zero at the .10 level, one-tailed test.

**Significantly different from zero at the .05 level, one-tailed test.

***Significantly different from zero at the .01 level, one-tailed test.

TABLE B.5

DETERMINANTS OF POST-PROGRAM WAGES (DOLLARS PER HOUR)

Variable	Coefficient	Standard Error	T-Ratio
Fort Campbell	-4.258***	0.859	-4.96
Hampton Roads	-0.904	1.304	-0.69
Age (Years)	0.107***	0.031	3.40
Dislocated	-0.954	1.006	-0.95
Dislocated Worker			
Spouse	0.638	0.847	0.75
Other Spouse	-1.259	1.121	-1.12
Female	-2.045***	0.506	-4.04
Highest Grade	0.813***	0.159	5.13
Prior Wage	0.289***	0.051	5.69
African American	-0.945*	0.552	-1.71
Hispanic	-0.656	0.669	-0.98
Other	-2.161***	0.790	-2.73
Constant	-0.657	2.302	-0.29
R-squared	0.283		
F (12,1089)	35.83***		
Sample Size	1,102		

Source: MPR analysis of individual-level data provided by military base NEG grantees.

Note: The dependent variable equals the sample member's post-program wage in dollars per hour. The equation was estimated by the ordinary least squares technique.

*Significantly different from zero at the .10 level, one-tailed test.

**Significantly different from zero at the .05 level, one-tailed test.

***Significantly different from zero at the .01 level, one-tailed test.

TABLE B.6

MATCHING ESTIMATES OF THE EFFECT OF TRAINING

	Entered Employment	Entered Employment By Exiters	Entered Employment Wage
Unmatched Results			
Training	0.572	0.803	10.97
No Training	0.609	0.692	12.19
Difference	-0.037	0.110	-1.23
T-Ratio	1.77*	5.27***	2.91***
Treated Sample Size	1,216	851	805
Untreated Sample Size	982	859	615
Matched Results			
Training	0.572	0.803	10.97
No Training	0.495	0.649	9.75
Difference	0.077	0.154	1.21
T-Ratio	3.01***	5.56***	2.23**
Treated Sample Size	1,216	851	805
Untreated Sample Size	982	859	615

Source: MPR analysis of individual-level data provided by military base NEG grantees.

Note: The treated sample size is the group of NEG clients who received training and the untreated sample size is the group who did not.

*Significantly different from zero at the .10 level, one-tailed test.

**Significantly different from zero at the .05 level, one-tailed test.

***Significantly different from zero at the .01 level, one-tailed test.

- After controlling for characteristics of clients, entered employment rates were much lower (by about 46 percentage points) in Hampton Roads than in San Diego. Rates in Fort Campbell were about 8 percentage points lower than in San Diego.
- After controlling for their later entry dates into the program, non-dislocated worker spouses were much less likely (about 23 percentage points less likely) to enter employment than were clients in the other eligibility categories.

Most other variables in the entered employment regression had coefficients that were not significantly different from zero.

2. Entering Employment by Program Exiters

Table B.4 shows the results of limiting the entered employment regression only to individuals who were reported to have exited from the program. These results are similar to those for all clients—entered employment rates were lower in Hampton Roads than in San Diego and non-dislocated worker spouses had lower rates of entry into jobs than did clients from other eligibility groups. Controlling for the exiting process did, however, alter the relative position of the Fort Campbell site—that site now had entered employment rates significantly higher than San Diego (and Hampton Roads). Hence, the pattern shown in the raw data persists even as characteristics of clients in the sites were held constant.

3. Wages

Table B.5 looks at post-program hourly wages. In this analysis we used the demographic variables that were used in the entered employment regressions. We also added a variable on the client's prior wage as a way to control for each client's skill level. This equation illustrates several significant results:

- Participants' prior wage rates had a strong positive effect on their post-program wage rate.⁴
- Fort Campbell participants had significantly lower post-program wages than did those in other sites. This may be partly explained by the lower cost of living in the Fort Campbell area, but it is unlikely to be explained by cost-of-living differences alone since the wage difference is very large (over \$4 per hour). The difference may also reflect the nature of jobs actually available in the sites.
- Several of the demographic characteristics had significant effects in the wage equation—education had a positive effect on wages, women tended to have lower paying jobs than did men, and individuals in the “other” race category had lower wages than whites or Hispanics.⁵
- There were no statistically significant differences in wage rates among the eligibility groups.

4. Modeling the Effects of Training Using Econometrics

We tried to use several econometric techniques to model the impact of receipt of training on rates of entering employment and post-program wages. All of these techniques modeled outcomes and entry into training simultaneously—that is, they brought together the analyses in sections B and C.⁶ In general these estimation attempts produced highly unstable estimates of the training “effect” and are therefore not reported here.

C. MATCHING RESULTS

Because our attempts to model the training “treatment” were relatively unsuccessful, we decided instead to explore the usefulness of matching techniques to estimate an effect of training on employment and earnings outcomes (for a detailed discussion of these techniques, see, for example, Dehejia 2005). To do so, we created propensity scores for participation in training

⁴We also used the change in the client's wage as a dependent variable and obtained results that are quite similar to those in Table B.5. Some descriptive characteristics of the wage change variable are reported in Chapter V.

⁵The results also suggested that African American clients had lower wage rates, but the difference was only of marginal statistical significance.

⁶For a discussion of these techniques, see Greene (2003) or the “treatreg” section of the STATA manual.

based on a probit equation similar to that shown in Table B.1 and, for San Diego, a propensity score for receiving a large ITA grant. These propensity scores were then used in conjunction with a kernel matching routine that, for each participant, created a hypothetical comparison case by developing a weighted average of all of the outcomes in the comparison group. The pool of people for the comparison group for the matching routine was NEG clients who did not participate in training. We explored several such procedures, ultimately settling on the Epanechnikov kernel routine (provided by default in the STATA program).⁷ Results of estimating the effects of training using the matching procedure are reported in Table B.6. These suggest that training had a significant positive impact on both the probability of entering employment and the ultimate wage received. Among all clients, the matching results show that training participants were about 7.7 percentage points more likely to enter employment than were individuals who did not get training. When the sample was limited only to individuals who had exited the program, the effects were large—individuals who entered training were about 15 percentage points more likely to enter employment than were otherwise similar individuals who exited the program but did not go through training. Finally, the matching results suggest that individuals who entered training had wages of about \$1.21 per hour higher than did individuals without training. Of course, all of these estimates should be viewed with caution. The matching techniques used here are not necessarily unbiased when there are large unmeasured differences between individuals who participated in training and those who did not. Issues in the timing of the receipt of training and of how exiting from the program is defined could also have affected the results. The reported estimates should be taken as being at best suggestive.

⁷For each participant, these weights follow a parabolic shape centered at the participant's propensity score. Comparison group members with propensity scores more than one standard deviation from the participant's are given a weight of zero.

Table B.7 reports the results of using a similar matching technique to examine the effects of the size of the ITA grant that individuals in San Diego received. These results indicate that, among all clients, receipt of a large training grant had a negative effect on entering employment, but that receipt of a large grant had no effect on entering employment among exiters. A possible explanation is that those with large training grants had longer programs, thereby delaying their entry into the job market. This effect was muted when the analysis focused only on exiters. We also found no significant effect of the size of the ITA grant on subsequent wage rates. Again, however, it is important to reiterate the potential biases in the matching techniques we used, especially because our ability to predict who received large grants (Table B.2) was quite limited.

TABLE B.7

MATCHING ESTIMATES OF THE EFFECT OF LARGE ITAs

	Entered Employment	Entered Employment By Exiters	Entered Employment Wage
Unmatched Results			
Has ITA Greater than \$8,000	0.542	0.849	12.87
Does Not Have an ITA Greater than \$8,000	0.694	0.855	12.70
Difference	-0.153	-0.006	0.18
T-Ratio	4.23***	0.20	0.39
Treated Sample Size	373	238	199
Untreated Sample Size	340	276	236
Matched Results			
Has ITA Greater than \$8,000	0.542	0.849	12.87
Does Not Have an ITA Greater than \$8,000	0.702	0.861	12.69
Difference	-0.161	-0.012	0.18
T-Ratio	4.37***	0.38	0.41
Treated Sample Size	373	238	199
Untreated Sample Size	340	276	236

Source: MPR analysis of individual-level data provided by military base NEG grantees.

Note: The treated sample size is the group of NEG clients who received an ITA greater than \$8,000 and the untreated sample sizes is the group who did not.

ITAs = Individual Training Accounts.

*Significantly different from zero at the .10 level, one-tailed test.

**Significantly different from zero at the .05 level, one-tailed test.

***Significantly different from zero at the .01 level, one-tailed test.