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**DEPARTMENT OF LABOR**

**Employment and Training  
Administration**

**Publication of the Five-Year Research,  
Demonstration, and Evaluation  
Strategic Plan for 2007–2012**

**AGENCY:** Employment & Training  
Administration, Labor.

**ACTION:** Notice of publication of *U.S. Department of Labor, Employment and Training Administration's Five-Year Research, Demonstration, and Evaluation Strategic Plan for 2007–2012*.

**SUMMARY:** Notice is hereby given of the publication of the U.S. Department of Labor, Employment and Training Administration's (USDOL/ETA) Five-Year Research, Demonstration, and Evaluation Strategic Plan for 2007–2012, hereafter referred to as "Strategic Plan". The Strategic Plan is required under the Workforce Investment Act (WIA) of 1998, Section 171. The attached Strategic Plan identifies the potential demonstration and pilot, multi-service, multi-state, research and evaluation efforts that will most assist ETA in carrying out workforce development programs under WIA.

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**SUPPLEMENTARY INFORMATION:**

a. Why has the USDOL/ETA developed a five-year research, demonstration, and evaluation strategic plan?

Under Section 171 of WIA, the Secretary of Labor is required to submit, every two years, a plan that describes demonstration and pilot, multi-service, research and multi-state projects. The Strategic Plan focuses on priorities for USDOL/ETA concerning employment and training for the five-year period following the plan. By requiring such a plan, WIA has given USDOL/ETA the unique opportunity to conduct a literature review of previous employment and training studies and

the research methodologies used for these studies, and to propose an agenda for the next five years (beginning July 2007) for pilots, demonstrations, research, and evaluation studies in areas related to workforce development programs and policies.

b. What is the purpose of the plan, and how is it structured?

The Strategic Plan provides an overview of prior research, current research and proposed direction for future research that builds on prior efforts. The Strategic Plan is composed of three major sections.

The first section describes a sampling of projects conducted during the previous five year period (2002–2007) and provides a web link to the published reports. This section is organized in four subtopics:

- Workforce Investment Act.
- Internet Unemployment Insurance Claims.
- Personal Reemployment Accounts.
- Youth Programs.

The second section describes a select sampling of current research, demonstration and evaluation projects and includes a web link to a list of current projects. This section is also organized in four subtopics:

- Labor Market and the Global Economy.
- Workforce Investment System Improvements.
- Existing and Emerging Labor Pools.
- Program Evaluation.

The third section focuses on the six priority areas for research, demonstration, and evaluation projects for the next five-year period (2007–2012). This section is organized by the following six priority areas:

- Integration of Workforce and Regional Economic Development.
- Methods of Expanding U.S. Workforce Skills.
- Increasing the Labor Market Participation of Underutilized Populations.
- Using State-Level Administrative Data to Measure Progress and Outcomes.
- Post-Secondary Education and Job Training.
- Unemployment Insurance (UI).

*To Obtain an Electronic Copy of the Attached Report:*

To download the full report as a PDF, visit the ETA Occasional Paper series Web site at: <http://wdr.doleta.gov/research/keyword.cfm>.

Signed at Washington, DC, this 27th day of December, 2007.

**Emily Stover DeRocco,**

Assistant Secretary, Employment and Training Administration.

**Attachment**

**U.S. Department of Labor, Employment and Training Administration's five-year pilot, demonstration and evaluation strategic plan for 2007–2012. As required under Section 171 of the Workforce Investment Act.**

**Table of Contents**

Introduction

Section I. Prior Research

- Workforce Investment Act
- Internet Unemployment Insurance Claims
- Personal Reemployment Accounts
- Youth Programs

Section II. Current Research

- Labor Market and the Global Economy
- Workforce Investment System Improvements
- Existing and Emerging Labor Pools
- Program Evaluation

Section III. Future Research Priority Areas

- Integration of Workforce and Regional Economic Development
- Methods of Expanding U.S. Workforce Skills
- Increasing the Labor Market Participation of Underutilized Populations
- Using State-Level Administrative Data to Measure Progress and Outcomes
- Post-Secondary Education and Job Training
- Unemployment Insurance (UI)

Appendix A: Leading Business, Government and Academic Economists

**I. Introduction**

Section 171 of the Workforce Investment Act (WIA) of 1998 requires the Secretary of Labor to submit, every two years, a plan that describes demonstration and pilot, multi-service, research and multi-state projects that focus on priorities for the Department of Labor concerning employment and training for the five-year period following the plan. The Secretary is to consult with interested parties in the development of the plan and the plan is to contain strategies to address national employment and training problems. On behalf of the Secretary, Assistant Secretary Emily Stover DeRocco convened a meeting with experts from government, business and academia to discuss agency priorities and identify key research, demonstration, and evaluation priority areas for the 2007–2012 five-year period. This *Five-Year Research, Demonstration and Evaluation Strategic Plan for 2007–2012* has been developed in accordance with the requirements of Section 171.

The Strategic Plan is composed of three major sections. The first section describes a sampling of research, demonstration and evaluation projects conducted in the previous five years (2002–2007) and provides a web link to published research, demonstration and evaluation projects. The second section describes a select sampling of current research, demonstration and evaluation projects and includes a web link to a list of current projects. The third section of the Strategic Plan focuses on the six priority areas for research, demonstration and evaluation projects for the next five-year period. It is important to note that specific projects under the six priority areas will be identified and determined each program year and planned for in accordance with available resources.

### Section I. Prior Research

During the past five years the Employment and Training Administration (ETA) has commissioned a variety of studies concerning employment and training. This section briefly describes some of the past research, demonstration and evaluation projects commissioned under the following broad categories: WIA, Internet unemployment insurance claims, personal reemployment accounts (PRAs), and programs to help disadvantaged youth.

#### *Workforce Investment Act*

In its study of WIA funded by ETA, Social Policy Research Associates (SPRA) noted that WIA's key objective was to consolidate, coordinate, and improve employment, training, literacy and vocational rehabilitation programs in the United States.<sup>1</sup> The study found that due to WIA's attempt to streamline services through integration, WIA partners gained a new understanding of each others' programs and a commitment to working collaboratively.

However, the study found weaknesses in some partnerships. One of the weaknesses was the difficulty encountered in determining each One-Stop partners' financial contribution towards supporting the One-Stop infrastructure. Partners also had difficulty dividing responsibilities to provide self-services and staff resource rooms.

The SPRA study concluded that the diversity of service delivery across the One-Stop system was evidence of increased State and local flexibility that is one of the intents of the WIA reforms.

In addition, the study found significant evidence of the emphasis WIA placed on performance and accountability through the performance-measurement system, including performance requirements for States, local areas, and training providers.

In another ETA-funded study by the Nelson A. Rockefeller Institute of Government, the authors found that most of the studied States and their local workforce boards have moved beyond the work-first approach and have begun to place emphasis on training.<sup>2</sup> However, the study found that resource levels were inadequate to address WIA's goal of universal access to core services and increasing access to training services. The Administration's proposed establishment of targeted funding for One-Stop infrastructure would help to address this concern as would its Career Advancement Account proposal and related efforts to reduce administrative and overhead costs associated with the system.

In a report by Berkeley Policy Associates (BPA) from another study funded by ETA, researchers found that WIA placed a premium on innovation and flexibility in the provision of workforce services. As a result, local boards experienced tension between seeking greater flexibility and assuring that One-Stop service delivery was consistent across different organizations and locations. The study also concluded that WIA reinforced a customer-driven system that has the potential to substantially increase training choices for its customers and appears to have done so in its early implementation.<sup>3</sup>

#### *Individual Training Accounts*

A key goal of the WIA was to empower customers of the workforce investment system by giving them meaningful choices about the types of services they receive. The requirement that local workforce investment areas use vouchers or Individual Training Accounts (ITAs) to fund training was one way in which WIA addressed this goal. Nearly all of the 28 sites in an evaluation study funded by ETA planned to use ITAs predominantly for training adults and dislocated workers. The study found that the distribution of funds favored training as opposed to an emphasis on core and intensive services. The study also found that local areas have put financial caps on ITAs

that vary depending on the site.<sup>4</sup> Most sites did not establish schedules for completion of training, allowing customer-driven services that permit participants to proceed at the pace best suited to their needs. Most sites adhered to an informed choice model ensuring that those authorized for training receive ample information and guidance to make better personal choices.

The study found that the Consumer Report System, an information system that supports customer choice, was developed in all observed sites over the course of the evaluation. Most sites were planning on conducting an analysis of performance outcomes on behalf of training institutions. Results affirmed the notion that the Eligible Training Providers (ETP) List provided customers ample choices in most of the training fields.

In another study funded by ETA, Mathematic Policy Research, Inc. (MPR) tested three approaches to the degree of customer choice in program selection and their effect on ITA participation.<sup>5</sup> "Approach 1" was designed to be the most directive of the approaches, requiring customers to receive intensive counseling and allowing counselors to reject customers' training choices that did not have a high return. The ITA amount was flexible to upwards of \$8,000 in most sites. "Approach 2" was the approach most similar to what local areas adopted in their transition to WIA, where counseling was required but less intensive than Approach 1. In Approach 2, counselors could not reject customers' choice of training that was on the State's list of ETP, and the ITA was a fixed amount (generally between \$3,000 to \$5,000). "Approach 3" was the least structured where customers were not required to participate in any counseling after being found eligible for training. Customers could select training from the State's list of ETP, and they had the same fixed amount as in Approach 2.

The study found that participants who were required to take counseling (Approaches 1 and 2) were less likely to choose an ITA as the vehicle through which to receive training. Counseling presented an obstacle to receiving an ITA and discouraged customers from going through with the program. When counseling was voluntary (Approach 3),

<sup>4</sup> Decker, Paul T., Ron D'Amico, and Jeffrey Salzman, *The Evaluation of the Individual Training Account/Eligible Training Provider Demonstration*, 2004.

<sup>5</sup> McConnell, Sheena, Elizabeth Stuart, Kenneth Fortson, Paul Decker, Irma Perez-Johnson, Barbara Harris, and Jeffrey Salzman, *Managing Customers' Training Choices: Findings from the Individual Training Account Experiment*, 2006.

<sup>1</sup> Social Policy Research Associates, *The Workforce Investment Act after Five Years: Results from the National Evaluation of the Implementation of WIA*, 2004.

<sup>2</sup> Barnow, Burt S., *The Workforce Investment Act in Eight States: Overview of Findings from a Field Network Study*, Interim Report, 2003.

<sup>3</sup> Berkeley Policy Associates, *Creating Partnerships for Workforce Investment: How Services are Provided under WIA*, 2003.

customers very rarely requested it, and the lack of required counseling led to more participants pursuing training through the use of ITAs.

Average training costs per ITA customer with intensive counseling (Approach 1) were 36 percent higher than when such counseling was not provided. In the interim evaluation of the ITA demonstration, MPR noted that the comparison of costs did not include fees associated with counseling.<sup>6</sup> Approach 3 customers were more likely than Approach 1 and 2 customers to choose a program at a community college.

The differences in approaches did not affect the rate of participation in training although reduced counseling requirements led ITA customers to enroll in training programs sooner. Despite counselors' fears that those without counsel were more likely to choose low-paying or high-turnover occupations, customers who did not face a counseling requirement chose occupations similar to those chosen by customers treated under more rigorous counseling approaches. Counseling did, however, broaden the set of training options customers considered. ETA will further explore the long-run impacts of the three ITA treatments on participant groups' earning, employment and retention.

#### *Unemployment Insurance and One-Stop Centers*

A study by BPA found that because most claims for Unemployment Insurance (UI) are filed via telephone, mail, or the Internet, interactions between UI and One-Stop Center staff to facilitate reemployment of UI claimants has diminished.<sup>7</sup> The primary purpose of the study was to find effective approaches to facilitate linkages between the two components of the workforce investment system. The study found that all interventions designed to increase One-Stop staff interaction with UI claimants, including required orientation, referral to a job opening, and mandatory job search workshops, increased quarterly earnings, reduced the duration of UI benefits and the average amount of benefits drawn, and increased the rate of employment.

<sup>6</sup> Perez-Johnson, Irma, Sheena McConnell, Paul Decker, Jeanne Bellotti, Jeffrey Salzman, and Jessica Pearlman, *The Effects of Customer Choice: First Findings from the Individual Training Account Experiment*, 2004.

<sup>7</sup> Berkeley Policy Associates, *Evaluation of the Strengthening Connections between Unemployment Insurance and One-Stop Delivery Systems Project*, 2005.

#### *WIA and Business*

A study by SPRA evaluated the implementation of the WIA, specifically with regard to engaging business in strategic planning and Workforce Investment Boards.<sup>8</sup> Local workforce areas were found to be lagging in their ability to engage the private sector seriously or get business members to participate in meaningful ways.

The study found that one of the biggest challenges faced was the need to build credibility with businesses. Most of the sites studied indicated that there was a direct connection between the availability of business services and improved relationships with businesses. Services provided to businesses involved a number of activities including coordinating service delivery among One-Stop partners, setting up organizational structures to staff and deliver services to businesses, selecting and training staff to deliver services to business clients, determining how businesses will access services, and funding, marketing, tracking and evaluating the services provided to businesses.

#### **Internet Unemployment Insurance Claims**

A study by HeiTech Services, Inc. and MPR assessed the effectiveness of filing UI claims via the Internet and compared the system with telephone and in-person claims-taking methods.<sup>9</sup> The report evaluated service delivery, security, fraud and abuse control, and cost effectiveness.

The study found that Internet claims filing systems provided convenient access to UI claim services, and Internet claims filers were satisfied with the services. UI Internet claimants had a greater opportunity to connect with reemployment services online. State data indicate that Internet filing did not lead to higher rates of overpayments or fraud, and the system security measures appeared to be adequate.

Claimants using the Internet to file their UI claims tended to be more educated, white, younger, higher paid and working in higher-skilled occupations and industries, and more likely to reside in urban areas. The Internet claims filing systems were a convenient and cost-effective method of providing claims services to a segment of the UI claimant population.

<sup>8</sup> Dunham, Kate, Jeff Salzman, and Vinz Koller, *Business as Partner and Customer under WIA: A Study of Innovative Practices*, 2004.

<sup>9</sup> Kenyon, Robert, Karen Needels, Todd Anderson, James Gerding, and Michelle VanNoy, *Internet Initial Claims Evaluation*, 2003.

#### **Personal Reemployment Accounts**

PRAs are accounts of up to \$3,000 offered to eligible individuals in addition to regular unemployment insurance benefits. Those who accept the offer of a PRA must forego free access to WIA intensive services within the One-Stop Center and must purchase these services at cost, using their PRA funds. Participants choosing a PRA agree to forego an ITA for the one-year period for which the PRA is valid. PRAs provide unemployed workers additional flexibility to devise their own reemployment plan.

PRA funds can be used for two things: (1) To purchase reemployment services and training, and (2) as a reemployment bonus if program participants return to work by the 13th week of UI receipt. The goal of PRAs is to provide unemployed workers who are likely to exhaust their unemployment insurance benefits with additional assistance and incentives to find employment. The PRA model utilized, for the first time, the elements of reemployment bonus incentives, pricing of services, and targeting of UI claimants using Worker Profiling and Reemployment Services models.

In a study commissioned by ETA to explore the use of reemployment bonuses, MPR evaluated the PRA model for customer choice among publicly funded reemployment services. The study predicted that a maximum amount of the \$3,000 to be paid immediately to PRA recipients upon their reemployment would result in more individuals receiving a reemployment bonus than what was observed in previous reemployment bonus demonstrations conducted in Pennsylvania and Washington in the late 1980s.

In another study funded by ETA, the W.E. Upjohn Institute for Employment Research also explored the PRA model by conducting a simulation analysis relying on patterns of intensive, supportive, and training service usage of targeted UI claimants in Georgia. The study found that those who return to work within 13 weeks of their UI claim date may receive the unused balance in the PRA as a cash reemployment bonus with 60 percent paid at the time of employment and the remainder payable after six months of steady employment.<sup>10</sup> Depending on the rules for PRA amounts, the pricing of services, and different behavioral responses, the study made various predictions as to the number of PRA

<sup>10</sup> O'Leary, Christopher J. and Randall W. Eberts, *Personal Reemployment Accounts: Simulation for Planning Implementation*, 2004.

offers a State could make with a fixed budget.

In another study funded by ETA, MPR assessed the implementation of PRAs in seven States selected to participate in a pilot project. Participant acceptance rates of PRAs among the States varied between 45 and 80 percent of participants offered the PRAs.<sup>11</sup> Interim report data shows that PRA bonus receipt for finding a job ranged from a low of 10 percent in a State with the second highest PRA acceptance rate to a high of 39 percent in a State with the second lowest PRA acceptance rate. Since purchasing services decreases the amount of the potential bonus, PRA program participants delayed such purchases while trying to qualify for the maximum bonus and purchasing services only if employment entry did not occur by the 13th week of UI receipt. Few account holders used the PRA to both purchase services and receive a bonus.

In five of the seven demonstration States when PRA recipients used PRA funds to purchase reemployment services, most of these purchases were for supportive services such as transportation costs, and other general expenses that supported reemployment activities. In the remaining two States the majority of spending was directed toward training. Few PRA recipients used PRA accounts to purchase intensive services such as career counseling or resume development.

MRP found that the structure of the PRAs contains a number of incentives that may at times, conflict. As a bonus for reemployment, PRA is treated as taxable income. Conversely, if the PRA is used for the breadth of supportive services available, PRA recipients get an additional untaxed \$3,000 to spend on everyday expenses such as car repairs, clothing for interviews, or rent. If participants use the PRA fund for supportive services, i.e., as essentially a tax free addition to their unemployment benefit amount, then it may increase the disincentive towards early reemployment.

### Youth Programs

At the time of initial implementation of WIA, evaluations of youth programs were showing the programs to be ineffective in many States and local areas. The largest challenge to WIA proved to be moving away from large-scale summer youth programs and replacing them with comprehensive youth services. As a result of the

disappointing findings for youth in the National Job Training Partnership Act Study, the following two demonstrations were conducted to address the issue of effective youth programs:

#### *Quantum Opportunity Program*

The Quantum Opportunity Program (QOP) demonstration offered intensive and comprehensive services to help at-risk youth graduate from high school and enroll in postsecondary education or training. The demonstration consisted mainly of an after school program and targeted youth with low grades entering high schools with high dropout rates.<sup>12</sup> The demonstration's primary goals were to increase the rates of high school graduation and enrollment in postsecondary education or training. Its secondary goals were to improve high school grades and achievement test scores and to reduce risky behaviors.

QOP cost \$18,000 to \$22,000 per enrollee over the full five-year period for the five Department of Labor (DOL) funded sites. The cost per enrollee at the two sites funded by The Ford Foundation differed substantially from this average and each other. Specifically, the Yakima program cost was \$23,000, while the cost in the Philadelphia program was \$49,000. An evaluation study concluded that although sites implemented the mentoring and developmental components relatively well, no site fully and effectively implemented the education component, and sites generally did not meet their enrollees' needs for some supportive services.<sup>13</sup> Enrollees at the DOL sites spent an average of 23 percent of the annual goal of 750 hours on QOP activities, while the average annual participation in the two Ford-funded sites was more than twice the average annual participation of 126 hours in the five DOL sites. The fraction of enrollees who spent no time at all on QOP activities rose steadily from 1 percent to 36 percent over the duration of the program.

The net impact evaluation revealed that QOP did not increase either the likelihood of graduating from high school or engaging in postsecondary education or training. Nor did QOP improve high school grades and achievement test scores. Finally, QOP did not reduce the incidence of risky

behaviors either. Despite the lack of overall impacts on education, the evaluation found promising results for those who were 14 or younger when they entered ninth grade. For these younger enrollees, QOP increased rates of high school completion and engagement in postsecondary education or training. Likewise, the evaluation found beneficial impacts at a number of sites participating in the demonstration. Most noteworthy is the Cleveland site, which experienced increased likelihoods of earning a diploma or GED and attending college. This site also showed beneficial impacts on some employment-related outcomes, smoking and binge drinking rates, and the receipt of welfare or food stamps.

#### *Center for Employment Training*

Young people who lack postsecondary education or vocational credentials face an uphill battle in the competition for jobs. The Center for Employment Training (CET) in San Jose, California produced strong positive effects on earnings over the four years after random assignment for youth and was replicated in new sites across the nation. ETA funded MDRC and BPA to collaboratively evaluate six of the replication sites and six more established CET sites. The study found that access to the program substantially increased youth participation in training activities.<sup>14</sup> Effects were either negative or negligible across a range of outcomes including employment earnings, job characteristics, receipt of welfare, family income, marital status, household structure, alcohol and marijuana use, arrests, and childbearing over the five years after random assignment for the full sample and for all key subgroups, with the possible exception of younger youth at one site that replicated the CET model with high fidelity.

For a listing of past research, demonstration and evaluation projects visit ETA's Research Publication Database at <http://wdr.doleta.gov/research/keyword.cfm>.

### Section II. Current Research

During the past five years ETA has commissioned a variety of studies concerning employment and training. This section briefly describes some of the current research, demonstration and evaluation projects commissioned under the following broad categories: Labor Market and the Global Economy,

<sup>11</sup> Kirby, Gretchen, Implementing Personal Reemployment Accounts: Early Experiences of the Seven Demonstration States, 2006.

<sup>12</sup> Maxfield, Myles, Allen Schirm, and Nuria Rodriguez-Planas, The Quantum Opportunity Program Demonstration: Implementation and Short-Term Impacts, 2003.

<sup>13</sup> Schirm, Allen and Nuria Rodriguez-Planas, The Quantum Opportunity Program Demonstration: Initial Post-Intervention Impacts, 2004.

<sup>14</sup> Miller, Cynthia, Johannes M. Bos, Kristin E. Porter, Fannie M. Tseng, Fred C. Doolittle, Deana N. Tanguay, and Mary P. Vencill, Working with Disadvantaged Youth: Thirty-Month Findings from the Evaluation of the Center for Employment Training Replication Sites, 2003.

Workforce Investment System Improvement, Existing and Emerging Labor Pools, and Program Evaluation.

### **Labor Market and the Global Economy**

To examine the impact of the global economy on the labor force and workforce programs, ETA has focused on projects that increase the understanding of the interaction between the labor market and the innovation economy. This includes methodologically rigorous projects that examine critical issues impacting the future of the nation's labor market.

The President's High Growth Job Training Initiative which ETA launched in 2003 is a strategic effort to prepare workers to take advantage of new and increasing job opportunities in high growth, high demand and economically vital sectors of the American economy. This approach for closing skill gaps focuses on the 14 industry sectors that (1) are projected to add substantial numbers of new jobs to the economy or affect the growth of other industries; or (2) are existing or emerging businesses being transformed by technology and innovation requiring new skills sets for workers. The industry sectors include advanced manufacturing, aerospace, automotive, biotechnology, construction, energy, financial services, geospatial technology, health care, homeland security, hospitality, information technology, retail and transportation.

Strategic partnerships form the foundation of the initiative. Partnerships include governors, economic development leaders, business and industry, educators, and the workforce investment system, who work collaboratively to develop solutions to the workforce challenges and labor shortages facing these industries. To date, ETA has invested more than \$280 million in 149 partnerships. Each project targets the skill and talent needs of the high growth industries and provides the resources necessary to develop the capacity to train workers in the skills demanded by the 21st century economy. ETA is currently conducting an evaluation of the early investments and studying the implementation of the High Growth Job Training Initiative. The study will document best practices, lessons learned and project outcomes.

The Building Talent, Jobs and Entrepreneurs for Growth in the New Economy demonstration project aggressively stimulates and accelerates both job and business growth by focusing on high growth targeted industries. The demonstration project being implemented by Lorain County

Community College is developing a system of resources that addresses workforce development needs, promotes growth of existing businesses (especially small and medium businesses), and creates an environment that supports, nurtures, and values entrepreneurs. All three components, pursued with equal vigor, create a compelling design for comprehensive workforce and economic development that virtually ensures a thriving economic future.

The Growing American Through Entrepreneurship (GATE) Project (known as Project GATE) is an innovative demonstration project in collaboration with the Small Business Administration to help emerging entrepreneurs in rural and urban communities achieve the American dream of owning their own business. Economic freedom is the foundation for individual success and prosperity. Project GATE supports economic freedom through promoting individual entrepreneurship. Project GATE seeks to energize local small business creation and help diverse urban and rural populations create, support and expand small businesses through the One-Stop Career Centers in three States, Pennsylvania, Maine and Minnesota. The random assignment project is composed of three phases: (1) The Implementation Design Phase which included developing the microenterprise package, selecting demonstration sites, detailing demonstration implementation plans, training demonstration staff, designing the process, impact, and benefit-cost analyses, and developing survey instruments for follow-up surveys; (2) The Demonstration Implementation Phase which included full implementation by the three sites; and (3) The Evaluation Phase where results of the project are being analyzed.

The Lifelong Learning Account (LiLA) Pilot is a demonstration project being implemented in the State of Maine. LiLAs are individual asset accounts that leverage funds from employers and workers to finance education and training so that workers can upgrade their skills to meet the needs of business and industry while helping to advance their own careers and earnings potential. The demonstration with the State of Maine seeks to enhance the current mix of services provided by the State's One-Stop Career Centers by closely connecting LiLAs to employers, incumbent workers, community organizations, educational providers, and new sources of revenue for career development services.

### **Workforce Investment System Improvements**

The Evaluation of the WIA Performance Measurement System has two broad goals: (1) To assess the effectiveness of the current WIA performance measurement system; and (2) to identify alternative measures that might more effectively accomplish the aims of the system. The study will provide details of the WIA performance accountability system and explore the performance measurements systems' influences on partnerships and provider arrangements, service design and delivery and program outcomes.

The Evaluation of the Impact and Cost-Effectiveness of Self-Directed Services is studying the impact and cost-effectiveness of self-directed services. The evaluation includes both quantitative and qualitative analyses. The heart of the research design entails the estimation of the impacts of the use of self-directed services by comparing the outcomes of a large sample of self-directed services users who are UI claimants with a comparison group of claimants who do not use these services. The analysis is supported by a range of analytic components, including the administration and analysis of a survey of local areas to characterize self-directed service systems, the analysis of administrative data from a variety of sources for large samples of self-directed services users and the comparison group, the administration and analysis of a survey of self-directed service users (including employers and job seekers) to supplement what is available from administrative sources, and multiple rounds of site visits to a selected sample of local areas to provide an in-depth characterization of self-directed service systems.

The Strengthening the Connections between UI Remote Services and One-Stop Services demonstration research project aims to strengthen the connections between remote unemployment insurance (UI) services and One-Stop Career Center services through development of collaborative procedures and customer-centric services that promote rapid employment. The demonstration seeks to: (1) Better connect UI to One-Stop Career Centers via data sharing and service provision making effective use of information gathered via the Internet for work registration and other potential services; (2) utilize labor market information and industry analysis to enhance the connection of UI claimants to targeted industries; (3) expand One-Stop Career Center and workforce development partnerships by

appropriately connecting UI claimants to programs and services for which they may be eligible; and (4) help unemployed workers reconnect more rapidly with employment and supportive services.

The grants to Intermediary Faith-Based and Community-Based Organizations build connections and help promote and sustain collaborations between grassroots faith-based and community-based organizations (FBCOs) and the people they serve with the One-Stop Career Centers. To evaluate the success of these efforts, ETA launched an evaluation to examine the 12 grants awarded in 2004 and the grants given to four intermediary organizations that received extensions in 2004. The main goal of the evaluation is to provide information on whether the grants are effective in promoting sustainable collaborations among FBCOs, the One-Stop Career Centers, and employers as well as to determine which strategies were particularly effective, in what ways, and under what conditions.

#### Existing and Emerging Labor Pools

The aging of the baby-boom generation, in combination with other demographic trends, is resulting in slower labor force growth. These circumstances make it even more critical that every available worker join the workforce to enable the continued competitiveness of American businesses in the 21st century. Therefore, it is critical to reach out to every available worker including older workers, immigrants, Hispanics, limited English proficient individuals, ex-offenders, among others, and ensure that all workers have the education, training, and skills needed to fill the jobs of the 21st century and strengthen America's competitiveness in a global economy.

The Limited English Proficiency and Hispanic Worker Initiative (LEPHWI) selected five sites to test unique and innovative strategies for serving individuals with Limited English Proficiency (LEP) (those who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English) and Hispanic Americans, specifically, those who lack basic and occupational skills needed by high-growth occupations. The demonstration program is targeted to incumbent workers, new job entrants or youth who lack the language, basic skills, and occupational skills necessary to succeed in the 21st century workplace. The demonstration program emphasizes the use of innovative contextualized learning strategies which simultaneously provide language and

occupational skills training that open career opportunities and pathways for LEP and Hispanic Americans. The evaluation of the LEPHWI is assessing the effectiveness of the contextualized learning strategies as well as participant outcomes.

The Agribusiness Collaborative Demonstration Project being implemented in Tulare County, California aims to secure year-round employment for migrant seasonal farm workers as well as secure an employment bridge between seasonal agricultural work and seasonal non-agricultural work. An evaluation of the demonstration project will measure the outcomes in terms of employment, earnings, retention, and the success of the cross-training model in providing re-occurring year-round employment for farm workers.

The Evaluation of the Prisoner Reentry Initiative is a random assignment impact evaluation examining the development of employment-centered programs for ex-offenders and formally testing the effectiveness of faith-based organizations in serving ex-offenders re-entering their communities. Specifically, the PRI seeks to reduce recidivism by helping non-violent, former prisoners find work and stable housing when they return to their communities. Key components of the evaluation include an examination of PRI grantees and their partners; the principal approaches to organizing, implementing, operating and administering PRI projects; the patterns of cooperation and linkages that evolve between PRI projects and partners such as the One-Stop system, the criminal justice system, local employers, and other stakeholders; PRI participants and the services they receive; and the short-term outcomes of PRI, including employment, degree attainment, housing, substance abuse, and recidivism.

The Older Worker Study is an international research project that will provide an overview of national policy towards older workers in the U.S. labor force, and will be compared to about 20 Organization for Economic Co-operation and Development countries. The international comparative analysis will help inform public policy for keeping older workers engaged in the workforce.

The Women in the Workforce research project is determining the extent to which highly-skilled and highly-educated women are leaving the workforce to attend to family needs. Highly-skilled and highly-educated women who have left the workforce represent a ready, skilled source of labor

for a variety of high growth industries facing a shortage of skilled workers. The project is documenting the extent of the problems these women face which contribute to them leaving the workforce in their prime working years, their demographic characteristics, and the occupations and industries impacted. The study is also examining industry best practices to keep highly-skilled and highly-educated women in the workforce, or to ease their transition back from an extended leave.

#### Program Evaluation

ETA program evaluations contribute to the improvement of service delivery interventions of State and local WIA programs, and ultimately contribute to improved outcomes. ETA evaluations are coordinated with evaluations of WIA carried out by the States. Results from evaluation studies support continuous improvement of and inform policy and investment decisions.

The Evaluation of Apprenticeship includes a survey of registered apprenticeship sponsors and visits to five States to identify current issues, concerns and conditions in the field, including the degree to which registered apprenticeship is integrated with other workforce development activities. The evaluation provides, for the first time, systematic information on: (1) Sponsor views (particularly in new high growth industries); (2) the costs and benefits of apprenticeship; (3) types of data maintained; (4) linkages with the One-Stop system; (5) administration of the apprenticeship system; and (6) what sponsors would like to see changed.

The Evaluation of the Trade Adjustment Assistance (TAA) Program is a six-year study intended to generate information that will serve multiple purposes and aid in the development of: (1) Administrative guidance; (2) technical assistance; and (3) legislation and budgetary proposals for program reauthorization in 2007. The evaluation includes a qualitative analysis focusing on activities at the State and local level and a non-experimental net impact study. The evaluation is examining participant characteristics, program practices, management issues, as well as outcomes and impact of TAA including a quasi-experimental impact analysis using a matched comparison group.

The Evaluation of Rapid Response Services provides systematic information on rapid response services for dislocated workers by examining how such services are organized, funded, and implemented, as well the challenges States and localities encounter in providing rapid response services. The evaluation includes

surveys of State and local areas engaged in conducting rapid response services.

The Youth Offender Evaluation develops cross-site analysis of selected Round One, Two and Three demonstration project sites. The evaluation assesses the Youth Offender demonstration's success in effectively providing core reentry services, employability skills, and employment for youth offenders, gang members and youth at risk of gang or court involvement. The evaluation consists of a project model study and an outcomes study.

For a listing of current research, demonstration and evaluation projects visit ETA's Research, Demonstration and Evaluation Projects Web site at <http://wdr.doleta.gov/research/keyword.cfm>.

### Section III. Future Research Priority Areas

This section of the Strategic Plan focuses on the six priority areas for research, demonstration and evaluation projects for the next five-year period. The six priority areas include: Integration of Workforce and Regional Economic Development, Methods of Expanding U.S. Workforce Skills, Increasing Labor Market Participation of Underutilized Populations, Using State-Level Administrative Data to Measure Progress and Outcomes, Post-secondary Education and Job Training, and Unemployment Insurance in a Global Economy. It is important to note that specific projects under the six priority areas will be identified and determined each program year and planned for in accordance with available resources.

#### Integration of Workforce and Regional Economic Development

Workforce development programs have been the responsibility of the Department of Labor while economic development programs have been under the purview of the Department of Commerce. ETA's Workforce Innovation in Regional Economic Development (WIRED) Initiative is an approach to better coordinate workforce development and regional economic development and improve access to post-secondary education and skills development necessary for workers to succeed in innovation economies. By opening access to post-secondary education and skills training, workers will have expanded employment and advancement opportunities and businesses will have the skilled workers they need. Post-secondary education and training is explored further in a subsequent section.

Following are several suggested research projects to evaluate the effects of integrating workforce investment and economic development:

- Measurement of integration success;
- Regional differences in economic performance and effectiveness;
- Causes of innovation "hot spots"; and
- Effects of immigration on the economy and the labor force.

#### Measurement of Integration Success

A key component of the President's High Growth Job Training Initiative, the Community-Based Job Training Grants and the WIRED Initiative is rooted in partnerships among business, education, the workforce system and economic development. One option to measure integration success is to conduct a long-term evaluation of these initiatives to look at evidence of the effect of the partnerships and the role they have on training outcomes and regional economic stability and growth. ETA has taken initial steps towards measuring integration through the High Growth Job Training Initiative early State evaluation and WIRED Initiative evaluation.

#### Regional Differences in Economic Performance/Effectiveness

The question of why some regions do better than others has been the subject of intensive study in many branches of economics. International economic development studies look at this problem in relation to different countries around the globe. Within the United States, studies in entrepreneurship focus on the roots of Silicon Valley and how Silicon Valley can be cloned in other States.

One approach to this research is to look at the jurisdictional challenges and interests that prevent collaboration on regional economic interests. In some areas, political jurisdiction issues stand in the way of regional economic considerations. Potential research questions include: Which regions have organized their economic and workforce activities along economic boundaries versus political jurisdictions? What governance vehicles are being used and how are they set up? How have these regions been able to overcome barriers that get in the way of working along economic boundaries? How should regional workforce boards re-align along economic regions versus political jurisdiction? What federal rules block regional workforce and economic development systems from organizing along economic jurisdictions versus political jurisdictions? How might

Federal programs better support a more integrated strategy at the regional level?

#### Causes of "Innovation Hot Spots"

Much evidence shows that educational clusters and innovation are linked to workforce development. For instance, Silicon Valley was started by partnerships between Stanford and the University of California (Berkeley) with regional businesses. The Boston corridor was sparked by partnerships between MIT, Harvard and businesses. North Carolina benefited from partnerships between Duke, the University of North Carolina, and innovators. However, other educational clusters, such as those in Chicago and New York, have not led to innovation hot spots.

A research project could be conducted that examines the reasons for the development of "hot spots:" Is it university research and development? Is it government institutions? Is it the workforce system in the area? Much can be learned from the National Innovation Initiative proposed by the Council on Competitiveness.<sup>15</sup> One major question is whether the public workforce system is the right platform for initiating development of hot spots. If so, what is the role of the public workforce system? Is it possible that the community college is a better forum? In that case, resources should be directed further at community colleges.

A start to such research would be to look at examples of the impact of regional economic development on disadvantaged populations, such as in the WIRED regions in Indiana, Michigan, Alabama, and Mississippi. Are there places where the workforce investment system has played a key role in regional economic transformation? Innovation hot spots could be compared to other communities in order to have a baseline for comparisons. This would be an excellent subject for a short-term research paper.

#### Effects of Immigration on the Economy and Labor Force

A potential research topic is the role of DOL in immigration in relation to workforce development. There are three possible roles. The first role could be to inform the U.S. population of the effect of immigration on the economy and wages. A second role could be to assist immigrants in assimilation, using Canada as a model. A third role is to facilitate labor market clearing so that employers would have the workers they need.

<sup>15</sup> Council on Competitiveness Home Page, <http://www.compete.org>, Accessed 8/17/2006.

Also, it may be valuable to examine the role of faith-based and community based organizations in helping immigrant populations assimilate into the workforce. Many faith-based and community-based organizations that work with immigrants have strong cultural connections within the community and can be valuable partners in outreach, English language classes, bridging cultural barriers, and other supportive services immigrants need as they transition into the U.S. labor force.

The latest studies on the effects of immigration on wages, by Professor Giovanni Peri of the University of California-Davis, show that immigrants increase the wages of native-born Americans by expanding aggregate demand. Professor David Card of the University of California-Berkeley and Dr. Pia Orrenius of the Dallas Federal Reserve find similar results. Studies showing that the wages of some Americans are adversely affected, such as those by Harvard's Professor George Borjas, show only a 4 percent negative effect on average among the lowest-paid workers. Implications of all these studies need to be examined as a group.

Another research topic is immigration patterns. Immigrants who initially came into California or Texas, for example, have been migrating to Iowa and other States in search of better jobs. Such migration helps the functioning of regional labor markets. The markets are more efficient when workers migrate to the locations where more and better jobs are available. ETA's New American Centers Demonstration Project in Arkansas and Iowa is an initial step towards looking at this issue. New Americans Centers aim to assist immigrants in becoming a part of the local community through employment and immigration assistance. The purpose of the research demonstration is to speed the transition of immigrants into communities, promote stability and rapid employment with good wages, and enhance economic development.

Another proposed research study relates to the issue of community colleges securing resources from the One-Stop system in order to pay for immigrant education/training programs. Many immigrants want to learn English in order to better assimilate and have better job opportunities. However, community colleges and volunteer systems often have limited capacity to accommodate student enrollments.<sup>16</sup>

<sup>16</sup> California Community Colleges Chancellor's Office Press Release (September 10, 2002), *Community Colleges Experience Record Enrollments While Funding Concerns Mount*, Accessed 3/1/2007.

Other immigrants wish to come and enter the skilled trades, such as plumbing, construction, and electrical work, areas where there is a shortage of workers in some parts of the United States. What is the extent of the problem, and how can it be solved?

Another research paper could examine all the workforce implications of immigration, including possible roles for DOL that do not duplicate the roles of other Federal agencies that deal with the issue.

### Methods of Expanding U.S. Workforce Skills

Global competitiveness requires that we increase the skills of the U.S. workforce so that we retain our current competitive advantage. Our students are falling behind in international tests at the primary and secondary school levels.<sup>17</sup> Furthermore, high school graduation rates in some parts of the country are below 70 percent, including Alaska (68 percent), Florida (67 percent), Alabama (65 percent), Louisiana (64 percent), Tennessee (63 percent), New Mexico (63 percent), Mississippi (63 percent), New York (61 percent), Georgia (61 percent), South Carolina (60 percent), and the District of Columbia (60 percent).<sup>18</sup> Much of the responsibility for educating young people rests with the States, local school districts, and the Department of Education. However, once students drop out of high school with inadequate skills or education and join the ranks of the unemployed or work intermittently for low wages, DOL programs need to deal with the associated problems.

Furthermore, DOL is aware that education is ongoing, and is part of a life-long process. The skills required by our workforce are rapidly changing due to changing technology. Furthermore, there is high job turnover within our labor force. In 2005, out of 133 million nonfarm wage and salary jobs, there were 57 million new hires and 55 million separations,<sup>19</sup> among the most in the industrialized world. New jobs often require new skills, and our workforce needs the means to acquire them.

ETA is planning research that should help develop policy to address the

<sup>17</sup> TIMSS: *Trends in International Mathematics and Science Study* (1999 & 2003), U.S. Department of Education, National Center for Education Statistics, Accessed 3/1/2007.

<sup>18</sup> U.S. Department of Education, National Center for Education Statistics (2006), *The Condition of Education 2006*, NCES 2006-071, Washington, DC: U.S. Government Printing Office.

<sup>19</sup> Job Openings and Labor Turnover: November 2006, Bureau of Labor Statistics News Release, January 10, 2007.

problems of low wages due to lack of skills in the following five broad areas:

- Measuring the effectiveness of credentialing;
- Occupational projections;
- Career ladders;
- Limits of capacity to train in certain occupational areas; and
- Technology-Based Learning.

### Measure Effectiveness of Credentialing

A credential is easy to measure when it is in the form of a degree from a four-year undergraduate program, a graduate program, or a community college program. But credentials from less-formal programs are more difficult to measure. A research topic to explore is teaching skills and how learned skills are being translated into credentials. One way of doing this is to look at the nature of Information Technology (IT) credentialing. The industry has data on credentialing for various IT skills. There are other general, industry-recognized credentials that it may be useful to study. Another way to explore this is to conduct a demonstration project that links General Educational Development (GED) preparation and attainment with access to post-secondary education and employment in high-demand occupations. Yet another option is to compare employment outcomes of youth who obtain a High School Diploma with those who obtain a GED.

### Occupational Projections

Occupational projections for the next ten years are published every two years by the Bureau of Labor Statistics (BLS). BLS projects employment for all occupations and indicates the typical level of educational attainment of workers in those occupations. The latest projections show a growth in high and low skilled occupations. In addition to the BLS projections, there are various private analyses and projections that offer different perspectives, detail and time horizons. A suggested research project to be conducted in collaboration with the BLS could examine a variety of occupational data projections and analyses to identify the consensus outlook for setting training strategy and policy.

### Career Ladders

The panel proposed doing additional research on the subject of career ladders. The paper would investigate sectoral strategies as related to career ladders, as in the work done by the State of Oregon and the City of West Palm Beach. The paper would mine various demonstration grant data for what has been successful, such as H-1B grants, High Growth Job Training Grants,



Community-Based Job Training Grants, and the WIRED Initiative.

#### *Limits of Capacity-to-Train in Certain Occupational Areas*

Certain high-return subjects in community colleges, such as nursing, are vastly oversubscribed. Although it costs far more to run a nursing program than an art program, colleges have to charge approximately the same amount per course taken. Community colleges, therefore, have an incentive to channel students into low-cost courses rather than expand the number of slots in high-return courses.<sup>20</sup>

The purpose of the Community-Based Job Training Grants is to build the capacity of community colleges to train in areas of demand. An evaluation of this investment, \$125 million per year, should examine the effectiveness of this strategy. The study of this type would conduct an evaluation using random assignment techniques.

A number of questions worth researching include: Is teacher availability a problem? How can community college resources be integrated with workforce development in these high-need and high-return occupations? What market failure is at work that causes community colleges to turn away applicants to high-return occupations that are in such need by society?

#### **Increasing Labor Market Participation of Underutilized Populations**

Older workers, people with disabilities, stay-at-home parents, people living in rural areas, and immigrant groups have lower than average rates of participation in the labor force. The United States, at 15.6 percent in 2006 (15.5 percent in 2005), has the second highest percentage of senior citizens over 65 participating in the workforce. In most industrialized countries the ratio is between 1 and 8 percent.

One important issue for women, seniors and individuals with disabilities is the flexibility of the labor market, and the extent that it permits telecommuting, part-time jobs, and other means of customized employment to fit the needs and abilities of the workers while simultaneously meeting the needs of employers. Other populations such as ex-offenders, substance abusers, high-school dropouts, and other disadvantaged youth face unique challenges and significant barriers to employment. A

suggested research project could examine certain efforts aimed at assisting these individuals including the role that faith-based and community organizations play in connecting individuals to employment and training opportunities. One-Stop Career Centers could also be essential in demonstrating the universal strategies that have proven successful in assisting job seekers with complex barriers to employment (such as individuals with disabilities, homeless individuals, TANF recipients, and older workers) to successfully achieve employment outcomes. An examination of these issues could be included as part of a comprehensive evaluation of the WIA programs.

There are a host of educational challenges to increasing labor force participation rates for specific population groups. These will be discussed below under "Post-Secondary Education and Job Training".

#### **Using State-Level Administrative Data to Measure Progress and Outcomes**

One of the most valuable sources of data is State-level administrative data from UI wage records. Data are available in all States for about five years and in some States as long as 25 years. Generally speaking, these data are precise because they are earnings reports of employers not surveys that are based on workers' recollections, which are often inaccurate.

Some States, such as Florida, California, Texas, and Washington have merged UI wage records data with educational data from community college transcripts and in some cases from K through 12th grade making it possible to see from the merged data what education levels have resulted in what levels of earnings.

This is a valuable source of information that has not been fully used. Louis Jacobson et al.<sup>21</sup> did a study of the returns to courses taken at community colleges in Washington State, but data from other States have not been analyzed. The Jacobson study found a seven percent increase in earnings from certain courses taken in community colleges. By linking education data, UI wage records, and workforce program data it is possible to examine longitudinal performance outcomes of education and training programs.

The use of administrative databases rather than using surveys to conduct research presents numerous advantages.

People cannot be expected to remember their grades and salaries from a decade ago (or more), but these data are available from the State databases. Further, sometimes people do not want to tell the truth about earnings if they have tax avoidance problems or problems with documentation. Each State database contains millions of records, far more than a researcher could obtain through a survey. Research using administrative data is particularly cost-effective because the data already exist.

Another potential use of linked administrative data is for the evaluation of existing government programs. ETA plans to conduct a linked administrative data evaluation of the WIA formula programs. Through the use of quasi-experimental research methods, including closely-matched comparison groups, ETA will assess the net-impacts of the receipt of WIA core/intensive services and the incremental impacts of participating in WIA training on participant earnings, employment, and retention. ETA is assessing the appropriate methodologies and necessary data sources to conduct this evaluation with the goal to publish an interim report, including impact estimates, by the end of 2008.

#### **Post-Secondary Education and Job Training**

The 21st century economy demands higher levels of education and skills from American workers than at any other time in history. The fastest growing jobs, on average, require a postsecondary credential—a vocational certificate or other credential, or an associate or higher degree. As the demand for workers with specialized skills and training grows, some economists fear that America is facing a "skills gap," a situation in which the demand by employers for skilled workers outpaces supply. Employers are having difficulty filling jobs with workers who have the skills they require. Fields like health care, information technology, and advanced manufacturing have jobs and solid career paths left untaken due to a lack of people qualified to fill them. Therefore, access to post-secondary education and job training is becoming even more critical for workers to obtain the required skills for American businesses to remain competitive.

Educational achievement in high school and beyond is a key predictor of success in the labor market. For example, in 2006, the unemployment rate for high school dropouts was 6.8 percent versus 3.0 percent for individuals with an associate's degree,

<sup>20</sup> Vaughan, George B (2005), "(Over)Selling the Community College: What Price Access," *The Chronicle of Higher Education*, 52 (10), P. B12.

<sup>21</sup> Jacobson, Louis, Robert LaLonde, and Daniel Sullivan, Do Displaced Workers Benefit From Community College Courses? Findings From Administrative Data and Directions for Future Research, Working Paper, 2005.

and only 2.0% for those who had earned a bachelor's degree. Moreover, average earnings also greatly increase with higher levels of education.

ETA is evaluating a new method of providing occupational training: Career Advancement Accounts (CAAs). CAAs are self-directed accounts that enable current and future workers to gain the skills needed to successfully enter, navigate, and advance in 21st century jobs. Accounts will be available to workers entering the workforce or transitioning between jobs and careers, to incumbent workers in need of new skills to remain employed or to move up the career ladder, and to out-of-school youth to restart their education or to begin a vocational training program.

This approach to occupational training is a fundamental departure from the traditional WIA practices of sequence of services and ITA-based occupational training. To understand the comprehensive nature of such a change, ETA will conduct a randomized controlled trial evaluation of the current WIA system. The evaluation will seek to examine the employment and earnings of three groups: (1) Those who receive traditional WIA services; (2) those who receive an enhanced training account; and (3) a control group of non-WIA participants. ETA will also assess whether the WIA services group can be further examined to determine earnings, employment, and retention impacts for a core/intensive participant group, a training participant group, and an "any WIA service" summary group. The evaluation will begin in the fall of 2007 with short-term impact results projected to be delivered to ETA in 2012.

Also, ETA is interested in the long-run impacts of occupational training. ETA is in the process of extending the evaluation of the ITA experiment. The extension would be a longitudinal follow-up study that examines the impacts of the three ITA treatments on the original participant groups and would introduce a quasi-experimental, but closely-matched control group to the evaluation to help determine the incremental net-impacts on earnings, employment, and retention of training on the ITA experiment participants. ETA will begin this project in the fall of 2007.

Suggested topics for research projects include:

- "Ages and Stages" of lifelong learners;
- How people learn, and what they learn;
- The value of career and technical education;
- How to train diverse populations quickly;

- Analyze research of the Institute for Educational Sciences (IES), Department of Education; and

- Partnerships with the Department of Defense, IES, Foundations, and others.

#### *"Ages and Stages" of Lifelong Learners*

While many workers manage transitions between different jobs successfully on their own, others need help. There are some workers who may have completed certain careers and who want to do something different such as retired math and science professionals who want to teach. Suggested research include analyzing the transitions between different jobs, how workers get from one stage to another, and what is the best way to facilitate transitions to new careers and to discover any obstacles that prevent such transitions from happening. ETA is implementing a demonstration project with Western Governors University to increase the number of qualified mathematics and science teachers for unfilled teaching jobs in rural areas. The project will recruit and assist professionals in transitions between jobs that lack teaching certificates, or other qualifications, to complete their teaching degree requirements.

Another research topic suggests examining attitudes about lifelong learning, about learning and having increasing levels of knowledge among diverse populations and/or generations. The major policy research issue is about ETA investments in individuals and types of learning. Further, it is also important to examine how ETA serves different groups and different learners at different stages of their lives. For example, the millennial generation learns in a very different way than the baby-boomer generation. Understanding such differences will assist ETA to design and implement policies and programs that are tailored to different learning generations and styles and ultimately improve program effectiveness and performance outcomes.

#### *How People Learn and What They Learn*

Just a few decades ago most learning took place in classrooms, for people of certain ages, with books and a blackboard. Today, learning is enhanced by technology and therefore can take place on computers in the home where students are of all ages, online materials can replace books, and blackboards are now white. This change has profound effects on learning.

Determining how people learn and how technology makes learning accessible is a research topic to examine

as it can inform investment in educational systems, models, or approaches that work particularly for occupational skills training. With distance learning far more common, it becomes far easier to institute lifelong learning programs. Computers make tracking e-learning results simpler. Examples of proposed research topics include:

- Industry competency models;
- What workers need to know—general capital versus firm-specific capital (i.e., employers will train on job-specific skills but want employees to already possess computer skills such as Word or Excel, for example);
- On-demand learning;
- Remediation/literacy—Are new ways of remediation needed? How are falling literacy levels and more complex employment reading levels posing problems for the workforce?
  - English as a Second Language (ESL); and
  - Motivation to learn.

#### *How To Train Quickly; How To Train Diverse Populations*

The Department of Defense (DOD) has an enormous occupational training establishment paralleling much of what community colleges do. DOD has to train vast numbers of recruits to do a wide range of tasks, from cooking to maintaining equipment to piloting fighter planes. Suggested research includes examining the effectiveness of DOD long-term learning systems. What do they know and do that ETA can learn from?

While the workforce investment system in the past has focused primarily on short-term occupational training leading to rapid reemployment, the realities of the global labor market and the economic restructuring from traditional manufacturing economies to more innovation-based economies may require ETA to test longer-term training approaches. One such approach, lifelong learning accounts (LiLAs), are employer-matched individual asset accounts that finance lifelong learning so that workers can achieve their career goals and advance into family-sustaining jobs. LiLAs are workplace-based, with employers' matches leveraging employees' contributions, and a potential for third-party contributions. ETA is conducting, in collaboration with the State of Maine and the Council for Adult and Experiential Learning (CAEL), a two-year pilot test of this concept. The primary goal of the pilot is for the State's One-Stop Career Centers to take a lead role in establishing a State-based delivery system for supporting LiLAs.

Another approach is the Career Advancement Accounts discussed earlier.

*Analyze Research Done by the Institute for Educational Sciences (IES), Department of Education*

In addition to learning from DOD, ETA could analyze research done by the Institute for Educational Studies (IES) of the U.S. Department of Education. The Department of Education commissions scientific studies of learning effectiveness and examines what works in schools and professional development. For example, MDRC has performed a study of literacy education in 9th grade for IES. They tested two curricula with 9th graders who could not read, with the results having applications to illiterate adults.

*Partnerships With DOD, IES, Foundations, and Others*

A number of Federal and State government agencies and foundations are examining education and training. As well as DOD and IES, some State agencies are doing research in these areas. The Ford Foundation, the Bill and Melinda Gates Foundation, the Smith Richardson Foundation, and the Pew Foundation, among others, are all interested in education. One way to leverage research dollars would be to work with these other entities. It may be possible to get questions added to their studies or surveys, for example. ETA has collaborated with other Federal agencies such as the Department of Health and Human Services on projects targeted to welfare recipients and low-wage workers. ETA is currently collaborating with the Joyce Foundation on the Transitional Jobs Reentry Demonstration Project and with the Robert Wood Johnson Foundation on the Jobs to Careers Initiative. ETA will continue to explore opportunities to collaborate with other entities on common research projects.

### Unemployment Insurance

The Federal-State UI program has managed a careful balance between its role as a safety net and its employment disincentive effects. Some think its role as a safety net is inadequate while others think it goes too far. In contrast, unemployment insurance systems elsewhere have tremendous disincentives to reemployment. In the United States, 12 percent of the unemployed have been out of work for more than a year. This is far too many, but it compares favorably to Germany, where 54 percent have been unemployed for over a year; Italy, where

the ratio is 52 percent; and France, where it is 43 percent.

Suggested research topics include:

- The efficacy of the current UI system for the 21st century workforce;
- The effect of unemployment benefits on the duration of spells of unemployment; and
- Further UI research.

*The Efficacy of Current UI System for the 21st Century Workforce and Economy*

A suggested research project is to evaluate how UI responds to the 21st century economy. Is UI a safety net, something more, or something less? Ownership ideas should be evaluated, with a system similar to a 401(k) plan or a health savings account, where employees would be able to keep the unused funds in the account. Is UI viable as an income replacement and an economic stabilizer? Given the structural changes in the economy, the labor force, and the needs of employers, is there a structural response needed in the UI program to increase its value to employers, unemployed workers, and the economy? Is a Federal-State partnership still viable and relevant in the 21st century? Is it complicated to have 53 different State systems versus one national system?

Additional research suggested includes a determination of how to ensure all the incentives are moving in the right direction. What if the UI system did not exist? What would workers do when they lose their jobs? What do entrepreneurs and risk takers do now when things do not work out, because they are not covered by UI? How would a UI support system work for entrepreneurs (high risk employment)?

Many alternative possibilities exist for UI. One idea to consider is a UI system reconstituted as a hybrid between income replacement and wage insurance. ETA plans on exploring the potential impacts of income replacement and wage insurance programs by conducting a study of the wage subsidy or wage insurance component of the Trade Adjustment Assistance program. Such an evaluation could examine the employment, retention, and earnings of program participants compared to a comparison group of like individuals. The content and timing of the study will be heavily influenced by possible TAA reauthorization. Another idea is to consider moving away from an all or nothing approach as the Temporary Assistance for Needy Families (TANF) program has done with varying levels of UI. One suggestion is to conduct an

examination of recently introduced legislation that provides an alternative for the UI program.

*Disincentives and Incentives To Work*

There has been a significant amount of work in the area of incentives and disincentives of UI. What is not known is the role that UI plays in people's lives across each segment of the population. For example, is UI no longer needed for some? Does it need to be expanded for others? Further exploration in these areas is recommended as well as more information about the particular aspects of the program on which the disincentives and incentives would focus.

*Further UI Research To Consider*

Examining how uncovered workers deal with unemployment is an area of research ETA has not undertaken. A suggested research project would compare workers who are eligible with those ineligible for UI benefits (or those who received with those who did not receive benefits). ETA has not made this kind of comparison. Possible research includes a random assignment study or a quasi-experimental net impact study among two different States with different UI payout rates to examine this and all of the UI research questions raised. Naturally, the first step would be to do a feasibility study. A survey could be implemented to see whether individuals would pay for individual UI savings accounts dedicated to spells of unemployment.

Other future research might include: A continuation of the Internet Initial Claims Evaluation to see if there is a segment of the population that the UI system fails to serve in those localities where in-person claims filing is no longer an option (an extension or continuation of the study could include an examination of the advantages and disadvantages of benefits dispersal through direct deposit and ATM delivery which several States have begun); studies that evaluate the elimination of fraud or other improved integrity efforts; studies that assess the impact of false hits on the national new hire directory; studies to measure the effectiveness of UI benefit and tax payment accuracy; studies that develop an optimum method for States to determine which individuals to pursue for overpayments using the new hire directory; and studies that determine the characteristics of employers who do not respond to UI agency inquiries during the adjudication of separation issues.

**Appendix A***Leading Business, Government and Academia Economists*

On December 16, 2005, the Employment and Training

Administration of the U.S. Department of Labor assembled a panel of economic experts to discuss future directions for research on workforce issues. Assistant Secretary Emily Stover DeRocco chaired

the meeting. The following table lists the names of experts from government, business and academia who attended the meeting and their organizations.

Economist	Organization
Gordon Berlin .....	MDRC.
Ron Bird* .....	U.S. Department of Labor.
Diana Furchtgott-Roth .....	Hudson Institute, Inc.
Randall Kempner .....	Council on Competitiveness.
Richard McGahey .....	Ford Foundation.
Alan Moghissi .....	Institute for Regulatory Science.
Demetra Nightingale* .....	Institute for Policy Studies/Johns Hopkins University.
Deborah van Opstal .....	Council on Competitiveness.
Rick Shangraw .....	Decision Theater/Arizona State University.
Jim Streeter .....	Institute for Regulatory Science.
Daniel G. Sullivan .....	Federal Reserve Bank of Chicago.
Nancy Welch .....	Morrison Institute for Public Policy/Arizona State University.

\* While unable to attend the meeting due to inclement weather, these individuals were provided drafts of the research plan and their comments are captured in the plan.

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**NUCLEAR REGULATORY COMMISSION****Sunshine Federal Register Notice**

**DATES:** Weeks of December 31, 2007, January 7, 14, 21, 28, February 4, 2008.

**PLACE:** Commissioners' Conference Room, 11555 Rockville Pike, Rockville, Maryland.

**STATUS:** Public and Closed.

**MATTERS TO BE CONSIDERED:**

**Week of December 31, 2007**

There are no meetings scheduled for the Week of December 31, 2007.

**Week of January 7, 2008—Tentative**

There are no meetings scheduled for the Week of January 7, 2008.

**Week of January 14, 2008—Tentative**

There are no meetings scheduled for the Week of January 14, 2008.

**Week of January 21, 2008—Tentative**

There are no meetings scheduled for the Week of January 21, 2008.

**Week of January 28, 2008—Tentative**

There are no meetings scheduled for the Week of January 28, 2008.

**Week of February 4, 2008—Tentative**

There are no meetings scheduled for the Week of February 4, 2008.

\* The schedule for Commission meetings is subject to change on short notice. To verify the status of meetings, call (recording)—(301) 415-1292. Contact person for more information: Michelle Schroll, (301) 415-1662.

The NRC Commission Meeting Schedule can be found on the Internet at: <http://www.nrc.gov/about-nrc/policy-making/schedule.html>.

The NRC provides reasonable accommodation to individuals with disabilities where appropriate. If you need a reasonable accommodation to participate in these public meetings, or need this meeting notice or the transcript or other information from the public meetings in another format (e.g. braille, large print), please notify the NRC's Disability Program Coordinator, Rohn Brown, at 301-492-2279, TDD: 301-415-2100, or by e-mail at [REB3@nrc.gov](mailto:REB3@nrc.gov). Determinations on requests for reasonable accommodation will be made on a case-by-case basis.

This notice is distributed by mail to several hundred subscribers; if you no longer wish to receive it, or would like to be added to the distribution, please contact the Office of the Secretary, Washington, DC 20555 (301-415-1969). In addition, distribution of this meeting notice over the Internet system is available. If you are interested in receiving this Commission meeting schedule electronically, please send an electronic message to [dkw@nrc.gov](mailto:dkw@nrc.gov).

Dated: December 27, 2007.

**R. Michelle Schroll,**

*Office of the Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION****Submission for OMB Review; Comment Request**

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549-0213.

Extension: Rule 206(4)-7; SEC File No. 270-523; OMB Control No. 3235-0585.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) the Securities and Exchange Commission (the "Commission") has submitted to the Office of Management and Budget ("OMB") a request for extension of the previously approved collection of information discussed below.

The title for the collection of information is "Investment Advisers Act rule 206(4)-7 (17 CFR 275.206(4)-7), Compliance procedures and practices." Rule 206(4)-7 requires each investment adviser registered with the Commission to (i) adopt and implement internal compliance policies and procedures, (ii) review those policies and procedures annually, (iii) designate a chief compliance officer, and (iv) maintain certain compliance records. Rule 206(4)-7 is designed to protect investors by fostering better compliance with the securities laws. The collection of information under rule 206(4)-7 is necessary to assure that investment advisers maintain comprehensive internal programs that promote the advisers' compliance with the Advisers Act. The information collection in the rule also assists the Commission's examination staff in assessing the